

October 3, 2001

The Honorable George W. Bush  
President of the United States  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Mr. President,

We are writing to express our concerns about proposals that will undermine international cooperation in the fight against terrorism. Specifically, we are concerned that two pieces of legislation – Senator Kerry’s “International Counter-Money Laundering Act” (S. 398) and Senator Levin’s “Money Laundering Abatement Act” (S. 1371) – will discourage other nations from assisting the United States in the investigation and prosecution of universally recognized crimes such as the murderous attacks of September 11.

Law enforcement *already* has the authority to seize terrorist assets without trial. Section 11 of S. 1371 would allow the government to seize bank accounts without the government having to establish that they are traceable to a crime. Forfeiture practices are already generating serious abuses and should not be expanded without thoroughgoing review, especially when the proposal appears to have little to do with terrorism.

Section 101 of S. 398 would allow the Treasury Secretary unchecked authority with no due process protections to impose “special measures” on his own authority. These special measures would include his ability to require financial institutions and a long list of other businesses to disclose almost any information of any nature that he deems appropriate and gives the Secretary the ability to sever financial ties with any country or financial institution. This is an unprecedented, vast and broad degree of power to give one official. It represents the effective abolition of financial privacy and due process. It is inappropriate in a country dedicated to the rule of law.

Both S. 398 and S. 1371 create protectionist barriers and regulatory burdens that threaten political and financial ties with many nations. These jurisdictions, needless to say, will have little incentive to help our nation track down criminals and their illicit proceeds. To add insult to injury, both bills will drive capital out of the U.S. economy at a time when our economy is in need of more investment.

Fortunately, there is something that can be done to help law enforcement track down terrorists and others who violate the common laws of civilized nations. The United States should expand its network of mutual legal assistance treaties (MLATs). These international agreements create procedures for information sharing and other forms of assistance in the investigation and prosecution of crime. MLATs, along with other cooperative bilateral accords, are effective tools in the fight against crime.

Unfortunately, the United States has MLATs – either in force or awaiting ratification – with only about 50 nations. The negotiation, ratification, and implementation of additional MLATs should be part of our anti-crime agenda. This approach also will reveal nations that are unwilling to

help and deserving of sanctions, either because they refuse to negotiate a MLAT or because they fail to comply with one that is in force.

To eliminate a barrier to the expansion of MLATs, we also encourage the immediate withdrawal of the tax harmonization initiatives of the European Union and Organization for Economic Cooperation and Development. Many low-tax jurisdictions with financial service centers want MLATs with America and other nations, but they correctly refuse to be bullied into “information exchange” proposals that would force them to put the tax laws of other nations above their own.

Policy makers should unite behind proposals that will help America track down terrorists and other criminals. Mutual legal assistance treaties are a proven, effective tool for international cooperation. The Levin and Kerry bills, by contrast, would destroy financial privacy and due process protections afforded the American people and others, undermine international cooperation, and drive capital out of the U.S. economy.

Sincerely,

Grover Norquist, President, Americans for Tax Reform  
John Berthoud, President, National Taxpayers Union and Foundation  
Richard Rahn, Senior Fellow, Discovery Institute  
Daniel Mitchell, Senior Fellow, The Heritage Foundation  
Andrew Quinlan, President, Center for Freedom and Prosperity  
Stephen Moore, President, The Club for Growth  
Thomas A. Schatz, President, The Council for Citizens Against Government Waste  
Larry Hunter, Chief Economist, Empower America  
Karen Kerrigan, Chair, Small Business Survival Committee  
Solveig Singleton, Senior Analyst, Competitive Enterprise Institute  
Christian Josi, Executive Director, American Conservative Union  
J. Bradley Jansen, Deputy Director, Center for Technology Policy, Free Congress Foundation  
Lewis K. Uhler, President, National Tax Limitation Committee  
David Burton, Senior Fellow, Prosperity Institute  
Paul Craig Roberts, former Assistant Secretary of the Treasury  
Jim Martin, President, 60 Plus Association  
Duane Parde, Executive Director, American Legislative Exchange Council  
Adrian Day, President, Global Strategic Management  
Tom DeWeese, President, American Policy Center  
Robert Funk, Executive Director, American Shareholders Association  
Bert Ely, Banking Consultant, Ely & Company, Inc.  
Joe Eldred, President and Founder, God Bless America  
Dr. Jane Orient, Association of American Physicians and Surgeons  
Gordon Jones, President, Association of Concerned Taxpayers  
Ken McEldowney, Consumer Action  
Alan Gottlieb, Citizens Committee for the Right to Keep and Bear Arms  
Audrey Mullen, Independent Women's Action Project  
Christopher Whalen, The Whalen Consulting Group  
Erik Johnson, National Chairman, Young Americans for Freedom

\*Organizations listed for identification purposes only.