

Drug Caucus April. 9, 2024 Opening Statement

Congress often talks about how criminals use shell companies to launder money. The *Corporate Transparency Act* is an important part of that conversation, but it's only part of the equation. Criminals also use shell companies and muddled corporate structures to secure the tools of the drug trade.

Today I'd like to focus on one particularly troubling example. U.S. registered planes are a critical tool used by cartels to move drugs. Before speaking further, I want to show you a brief video of how the cartels use these planes to cause chaos.

*[48 second video]*

On April 20, 2020, the Sinaloa Cartel crash-landed an American airplane in the Guatemalan forest. The plane was loaded with over 1,600 kilos of cocaine destined for the United States.

U.S. law enforcement tracked the cartel's movements, and the Guatemalan military sprang into action. The first team to arrive had just 10 soldiers. They were met by a cartel army of 150.

This same scene repeated itself hundreds of times in countries throughout Central America, leaving many to wonder how cartels get their hands on American planes.

The answer is buried in reams of fraudulent paperwork piled up at the Federal Aviation Administration.

Criminals, disguised by shell companies, dupe the FAA into registering planes with U.S. tail numbers.

Those tail numbers shield the planes from foreign law enforcement scrutiny. This allows millions of dollars' worth of drugs to sail through airspace undetected. Once the drugs reach their destination, the plane is destroyed, and the criminals walk away with the net profits.

The FAA is aware of this problem, but hasn't changed its registration process. A 2013 Inspector General report warned the FAA about vulnerabilities in its system. Those warnings went largely ignored.

Then, in 2020, a Government Accountability Office report raised the issue once again. GAO

recommended FAA make 15 corrections to its registration process.

Four years later, the FAA has only implemented 3 of those 15 recommendations.

We've all seen the damage a plane can do in the hands of an enemy. None of us will ever forget how airplanes turned into weapons of mass destruction during the worst terrorist attack on American soil. But 23 years later, the FAA still appears to act like a rubber stamp instead of a watch guard.

I want to thank Senator Whitehouse for holding this important hearing, and our witnesses for being here. I'm particularly glad to have Ms. Rebecca Shea here to speak to us about that 2020 GAO report, which she authored.

Lastly, I want to thank U.S. law enforcement, military, and our allies—who risk their lives to keep us safe from criminals.

I look forward to discussing how Congress can provide needed tools for that fight.