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Sponsor Testimony on House Bill 451 Before the House Ways and Means Committee April 23, 2024

Chairman Roemer, Vice Chair Lorenz, and Ranking Member Troy, and fellow members of the House Ways and Means Committee, thank you for allowing me to present sponsor testimony on House Bill 451, Ohio's WIRED Act.

Cartels are elated at our southern border crisis. They enjoy operational control of our border, they traffic children and they are killing tens of thousands of Americans every year with fentanyl. As the crisis at our border gets more serious every day, we can't continue to bury our head in the sand.

Wire transfers have long been the tool of choice for illicit activity and money launderers. The remittance fee is a financial weapon we can use to target illicit activity funneling money from the United States to the cartels while simultaneously supporting local law enforcement. It's a small step, but sends a message and will help deter illegal activity.

Drug cartels use remittances to send illicit earnings back to Mexico. They hire armies of people on both sides of the boarder to move small sums that are difficult to trace.¹ In fact, former Columbus residents with ties to the Sinaloa Cartel sent at least 324 wire transfers over a two and half year period.² In the past three years, the DEA (Drug Enforcement Administration) and FBI have seized large shipments of drugs in Northeast Ohio that were

¹ <https://www.reuters.com/investigates/special-report/mexico-drugs-remittances/>

² <https://www.therepublic.com/2024/04/11/former-columbus-resident-withdraws-guilty-plea-in-drug-trafficking-case/>

linked to Mexico's most powerful cartels.³ Mexican think tank, Signos Vitales said in their 2023 report that there is evidence that at least \$4.4 billion of ill-gotten gains was sent electronically to Mexico as part of a money laundering process.⁴ Mexican remittances now equate to 20 percent of their country's entire federal budget.⁵

Similar legislation has also been introduced at the federal level by U.S. Senator JD Vance with funds raised through the proposed 10% remittance fee, to be directed to U.S. Customs and Border Protection and Immigration and Customs Enforcement to better protect and secure our border.

Decades of inadequate enforcement of our immigration laws has resulted in a never-ending wave of illegal immigration to the United States. Illegal aliens come with the expectation they can work illegally or carry out illicit activity; and send money back to their home countries without consequence. Oklahoma has had success in its own remittance law, capturing a small percentage of those funds as they leave the country. Again, the remittance fee is one small step, but it will send a message, help deter illegal activity, and the revenue generated by the remittance fee will be used to bolster local law enforcements efforts against drug and human trafficking in Ohio.

Thank you again for the opportunity to provide sponsor testimony on Ohio's WIRED Act. We would be happy to answer any questions at this time.

³ <https://www.cleveland.com/nation/2022/04/the-route-to-cleveland-cartels-seek-to-gain-control-of-northeast-ohio-drug-trade-through-price-availability.html>

⁴ <https://mexiconewsdaily.com/news/remittances-linked-to-organized-crime/>

⁵ [The darker side of Mexico's \\$63bn remittances boom \(ft.com\)](https://www.ft.com/content/2022/04/20/mexico-remittances-boom)