



Rep. Scott Wiggam
77th Ohio House District

Chairman Roemer, Vice Chair Lorenz, Ranking Member Troy, and members of the House Ways and Means Committee. Thank you for the opportunity to provide Sponsor Testimony on House Bill 451.

This bill titled Withholding Illegal Revenue Entering Drug Markets, or Ohio's WIRED Act, is designed to address illicit activity related to international wire transfers, particularly those involving drug cartels, human trafficking, and illegal immigration.

Money wire transfers called "remittances" are predominantly sent by foreign nationals to individuals in other countries. We know that cartels also use remittances often as a way to "launder their money."

A Reuters report in August 2023 found that drug cartels were using remittances to wire their drug profits home. According to their findings, the cartels are hiring individuals on both sides of the border to move smaller sums of money via remittance payments making them harder to trace. We need every tool in our arsenal to combat the cartels smuggling drugs and illegal immigrants crossing our borders. A remittance transfer fee in Ohio has the potential to influence the financial activities of the trafficking and cartel networks by making it less desirable to locate in Ohio.

The Ohio WIRED Act will impose a 7% fee on remittances out of the United States, with the intention of penalizing illicit activity, such as drug and human smuggling. Individuals who wire money out of the country can receive a refundable tax credit through their state tax return. Funds raised through unclaimed remittance fees will go towards grants for local law enforcement agencies to combat illegal immigration, and drug and human trafficking.

In 2008, Oklahoma passed a similar wire-transfer fee. Their annual collection brings in around \$13,000,000 per year. Oklahoma's annual collections have grown by approximately 10% each year. Given the similar demographics, Ohio can anticipate comparable revenue.

It is currently estimated that 10 million illegal aliens have entered America through the southern border, and 2-3 million more will enter in 2024 alone. These numbers combined with the fact that 100,000 Americans are dying every year from illegally produced cartel fentanyl are frightening.

\$60 billion dollars annually is flowing into Mexico through remittances, and it is time America and Ohio receive a piece. This is money made in our economy, most of which tax free, and leaving without a trace.

Thank you for the opportunity to testify today on this issue, and I am happy to pass it over to my joint sponsor Representative Angie King.