



# State Legislative Priority: International Wire Transfer Fees

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## PROMOTING THE 'OKLAHOMA MODEL' TO FINANCIALLY TARGET ILLEGAL ALIEN AND NARCOTIC TRAFFICKING NETWORKS

### High-Level Summary

Illegal alien and narcotic trafficking networks typically use international wire transfers to send money out of the country. Trafficking networks favor international wire transfers because these companies lack the oversight of traditional banks, making it easier to structure the transactions to hide their illicit nature. Wire transfers are also the easiest way for illegal aliens to send remittances back home.

States can fight back by imposing a fee on all outgoing wire transfers. This fee generates new revenue without raising taxes and makes it more costly for illegal aliens and narcotics trafficking networks to operate within the state. Any fees charged to taxpayers are reimbursed through a tax credit. States could use this additional revenue to cover the uncompensated costs of illegal immigration on schools and healthcare systems, bolster law enforcement funding to combat smuggling and trafficking, or go into the state's general fund.

### The Facts:

- Oklahoma is currently the only state to impose a wire transfer fee (1%); Pennsylvania has similar legislation pending with a 2% fee.
- Oklahoma generates approximately **\$13 million a year** from these fees, with an estimated illegal alien population of [90,000](#).
- Only illegal aliens or those involved in illicit business such as smuggling and trafficking incur the fee; law-abiding taxpayers are reimbursed through a tax credit on their state tax returns.

### AFPI Supports this Policy at the State Level Because ...

- ***It deters Illegal Immigration and Trafficking Networks:*** Imposing a fee on outgoing wire transfers makes it less desirable for illegal aliens or smuggling and trafficking networks to remain in the state. This added cost imposed on unlawful conduct should make it less desirable for these enterprises to remain in the state.
- ***It Could Fund Law Enforcement:*** Smuggling and trafficking networks jeopardize public safety. Law enforcement is often overmatched by well-funded cartels. The money generated from this fee be earmarked to enhance law enforcement funding against smugglers and traffickers to keep communities safe.
- ***It Recoups Untaxed Income:*** In many instances, the wages illegal aliens receive working unlawfully in the country is untaxed income which financially harms states. Illegal aliens also may consume other state benefits like education for their children and medical care without paying into the system. This fee partially recoups some of the lost state revenue caused by illegal immigration in the state.

