

# NATIONAL ASSOCIATION OF POLICE ORGANIZATIONS, INC.

Representing America's Finest

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April 26, 2024

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WILLIAM J. JOHNSON, CAE Executive Director and General Counsel The Honorable Merrick Garland Attorney General U.S. Department of Justice 950 Pennsylvania Ave., NW Washington, D.C. 20530 The Honorable Alejandro Mayorkas Secretary U.S. Department of Homeland Security 2707 Martin Luther King Jr. Ave., SE Washington, D.C. 20528

Dear Attorney General Garland and Secretary Mayorkas,

On behalf of the National Association of Police Organizations (NAPO), representing more than 1,000 police units and associations, and more than 241,000 sworn law enforcement officers across the United States, I write to you to emphasize our security concerns with the proposed acquisition of Vista Outdoor's Sporting Products business by Czechoslovak Group. We share many of the same concerns which the National Sheriffs' Association raised in their April 9, 2024, letter to you.

For decades, Vista and its brands including Speer, Federal, and Remington have been trusted partners of our U.S. law enforcement community. Officers across the country rely on Vista for ammunition and primers to protect their communities and safeguard lives. Vista has millions of dollars' worth of supply contracts with NAPO's local law enforcement agencies (e.g., New York Police Department, Los Angeles Police Department), as well as federal law enforcement agencies (e.g., Federal Bureau of Investigation, Secret Service, Customs and Border Protection) and our nation's armed forces.

While American law enforcement has an existing, long-term relationship with Vista based on decades of trust, we do not know much about Czechoslovak Group – but what we do know is concerning. If CFIUS approves this proposed acquisition, then there will be increased concentration in the small arms ammunition and primer sphere, with a single foreign entity controlling a significant share of the market. Importantly, given the global supply shortage of primers and ammunition, along with increased consolidation and Czechoslovak Group's vast network of non-U.S. customers around the world, American law

enforcement stands to experience price increases and longer lead times. This is particularly so since Czechoslovak Group is subject to European Union (EU) regulators who have the ability to require the company to limit commercial ammunition sales under certain circumstances or force them to divert production for other, European priorities.

Also, given the significant control that Czechoslovak Group would have over access to ammunition and primers for U.S. law enforcement, it is important to understand who this company is and what competing loyalties it may have. Recent media coverage of the proposed acquisition has raised concerns about past or current ties between Czechoslovak Group and foreign adversaries such as Russia and China. For example, one article noted that Czechoslovak Group did not refute accusations that it acquired "NATO-banned Chinese munitions later resold to militaries or rebel groups." Additionally, in a letter to Treasury Secretary Janet Yellen on April 16, 2024, U.S. Senator John Kennedy asserted that Czechoslovak Group has "taken actions to obscure its past relationships with China." CFIUS should closely examine Czechoslovak Group's past and current business dealings with foreign adversaries and the threat this presents to the U.S. law enforcement community.

In sum, as law enforcement officers risk their lives each day for the communities they serve, we must ensure they have the necessary equipment and resources to keep themselves and our citizenry safe. This proposed acquisition risks undermining this imperative by threatening American access to ammunition and primers at a time when violent crime, including armed assaults against police, are on the rise across our country. We therefore urge you to recommend President Biden disapprove this transaction. American ownership matters, especially when it comes to vital American law enforcement and strategic national security assets like Vista.

Thank you for your attention to this important matter.

Respectfully,

William J. Johnson Executive Director

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CC: The Honorable Janet Yellen, Secretary, U.S. Department of Treasury

CC: The Honorable Paul Rosen, Assistant Secretary for Investment Security, U.S. Department of the Treasury

 $<sup>^1\</sup> https://pipeline.thedeal.com/article/0000018e-c471-dff8-a9af-cd77c8670000/deal-news/regulation/czech-defense-contractor-denies-russia-china-ties$ 

<sup>&</sup>lt;sup>2</sup> https://www.kennedy.senate.gov/public/2024/4/kennedy-demands-cfius-investigation-before-u-s-loses-ammunition-production-to-arms-dealer-with-china-russia-ties