

**STATEMENT OF SUPPORT FOR PROMOTING TRANSPARENCY IN BUSINESS
BY ENDING ANONYMOUS COMPANIES**

We, the undersigned organizations, are calling on Congress and the Obama Administration to take action to challenge injustice, protect the most vulnerable, curb corruption and promote transparency **by ending the use of anonymous shell companies in the U.S.**

Anonymous companies are a favorite tool used by the corrupt and other criminals. Individuals can easily conceal their identity by using anonymous companies formed in the U.S. and elsewhere as legal smokescreens for criminal and predatory activities.

Research by governments, the media and NGOs has shown that these financial ‘getaway cars’ have helped facilitate every type of scheme imaginable: a multi-million human trafficking ring; wage theft; consumer rip-off scams targeting the elderly; aggressive debt-collection and fraud schemes preying on vulnerable homeowners; Ponzi schemes targeting small-time investors; arms trafficking; secretive political campaign contributions; rampant tax evasion; a multi-million dollar fraud involving life-saving vaccines; massive land-grabs driving forest destruction; corrupt multi-billion dollar oil, gas and mining deals, and more.

Unfortunately, it is all too easy to set up an anonymous company in our country. A World Bank study of over 200 grand corruption cases around the world found that nearly 70 percent of those cases involved the use of secret company structures like anonymous companies – **and that the U.S. was the jurisdiction of choice for setting up the companies used in many of those schemes.** In fact, another academic study found that, of 60 countries sampled worldwide, in only one, Kenya, is it easier to set up a company without disclosing who the owners are than in the U.S.

Congress and the Obama Administration should enact policy reforms, including federal legislation, which would:

- Require all American companies to disclose their ‘beneficial’ owners – the real, living individuals who own and ultimately control a company – to the government when they are created, and to keep that information up to date.
- Make this information available to government agencies and the public.

Making company ownership more transparent would help curb corruption and fraud that robs countries, including our own, of needed resources to meet budgets, fight poverty and protect vulnerable communities. It would help prevent human rights abuses and give people tools to hold governments and corporations more accountable when those abuses occur. It would make corporate campaign contributions more transparent and enable individuals and companies to know with whom they are doing business. It would promote sound corporate governance and financial stability, and help ensure a fair and level playing field for small businesses. Lastly, it would help authorities around the world to more effectively conduct investigations to combat exploitation, crime, fraud and violence.

We must act now and implement common sense reforms that make company ownership in the U.S. more transparent, so we can fight injustice and stop our country from being a dumping ground for dirty money. We should all know who we’re really doing business with

Signed,

AFL-CIO

American Jewish World Service (AJWS)

Center for Effective Government

Citizens for Responsibility and Ethics in Washington (CREW)

Citizens for Tax Justice (CTJ)

EarthRights International

FACT Coalition

Fair Share

Global Financial Integrity

Global Witness

Government Accountability Project (GAP)

Human Rights Watch

Jubilee USA

Main Street Alliance

New Rules for Global Finance

Oxfam America

OpenTheGovernment.org

Project On Government Oversight (POGO)

Public Citizen

SumOfUs.org

Sunlight Foundation

Transparency International - USA

US PIRG

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