



FACTCOALITION

Financial Accountability & Corporate Transparency

About the FACT Coalition

Who We Are

The Financial Accountability and Corporate Transparency (FACT) Coalition is a non-partisan alliance of more than 100 state, national, and international organizations working toward a fair tax system that addresses the challenges of a global economy and promotes policies to combat the harmful impacts of corrupt financial practices.¹

Our Goals

- End the use of anonymous shell companies as vehicles for illicit activity;
- Strengthen, standardize, and enforce anti-money laundering laws;
- Require greater transparency from multinational corporations to promote informed tax policy;
- Ensure that the U.S. constructively engages in global financial transparency initiatives; and
- Eliminate loopholes that allow corporations and individuals to offshore income and avoid paying their fair share of taxes.

Why It Matters

There is untold wealth hidden in secrecy jurisdictions around the globe. The wealth-stripping from corrupt practices and regimes, illegal activity, and legal-but-ethically-bankrupt tax avoidance schemes is larger than most can possibly imagine. Because of the secret nature of the financial flows, it is impossible to know precisely the amount of money, but economist Gabriel Zucman estimates at least \$7.6 trillion is in tax havens and secrecy jurisdictions.²

The Boston Consulting Group estimates \$11 trillion.³ And the Tax Justice Network estimates between \$21 and \$32 trillion dollars.⁴

More than \$2.4 trillion is currently stashed offshore by the 500 largest U.S. companies, costing American taxpayers nearly \$700 billion in unpaid taxes.⁵ Indeed, the annual cost of offshore tax avoidance by *multinational companies* is \$94 billion to \$135 billion,⁶ while overseas tax evasion by *individuals* drains an additional \$40 billion to \$70 billion each year from the American public.⁷

We seek a larger conversation about how specifically certain interests are manipulating the tax system and undermining our ability to act collectively to solve problems. The secrecy, in particular, allows certain entities to play by a different set of rules than the rest of us. Internationally, the secrecy facilitates corruption and impoverishes developing countries. In the U.S., we are complicit in the draining of wealth of other nations and fueling the austerity movement in our own.

Learn More

Interested in learning more about the FACT Coalition or becoming a member? Visit our website at thefactcoalition.org or contact Jacob Wills at jwills@thefactcoalition.org or +1 (202) 683-4816.

¹ FACT Coalition. *Coalition Members and Supporters*. <http://thefact.co/cnxgh> (accessed August 1, 2016).

² Zucman, Gabriel. 2015. *The Hidden Wealth of Nations: The Scourge of Tax Havens*. Chicago, IL: University of Chicago Press.

³ Patrick, Margot, and Simon Clark. "Panama Papers' Puts Spotlight on Boom in Offshore Services." *The Wall Street Journal*, April 6, 2016 (accessible at <http://on.wsj.com/1q5Nmk8>).

⁴ BBC News. *Tax Havens: Super-Rich 'Hiding' at Least \$21tn*. July 22, 2012. <http://www.bbc.com/news/business-18944097> (accessed August 1, 2016).

⁵ Robinson, Jenice. *Fortune 500 Companies Hold a Record \$2.4 Trillion Offshore*. Citizens for Tax Justice. March 3, 2016. <http://ctj.org/pdf/pre0316.pdf> (accessed August 1, 2016).

⁶ Merle, Renae. *U.S. companies are saving \$100 billion a year by shifting profits overseas, report says*. The Washington Post. May 10, 2016. <http://wpo.st/glwp1> (accessed August 1, 2016).

⁷ Guttentag, Joseph, and Reuven Avi-Yonah. "Closing the International Tax Gap." In *Bridging the Tax Gap: Addressing the Crisis in Federal Tax Administration*, edited by M. B. Sawicky, 99-110. Washington, D.C.: Economic Policy Institute, 2006.