

Law Enforcement Opposes Anonymous Shell Companies

Adam Szubin, acting undersecretary for terrorism and financial intelligence, Department of the Treasury (July 2016)

“With every threat that we track, be it foreign terrorists, narcotics cartels, sanctioned regimes or cyber hackers, our investigators encounter American shell companies used to hide and move money. . . By fixing our shell company problem, Congress would close a loophole that has allowed billions of dollars to flow with anonymity and safeguard the reputation of the United States as the best and safest place to do business on Earth.”

Patrick Fallon, head of the financial crimes section, Federal Bureau of Investigation (April 2016)

“While we [in the U.S. talk] about offshore accounts in other countries, I think we have a lot of room for improvement here to promote transparency ... It is a significant impediment to our investigations when we can’t determine who the true owner is of a company.”

Paul Fitzgerald, Sheriff of Story County, Iowa (May 2016)

“...anonymous shell companies are a popular tool to hide all sorts of bad behavior. Think of them as financial getaway cars ... Law enforcement has trouble pinning the criminal to the crime, as the identities of the criminals and their connection to dirty money are shielded by layer after layer of anonymous companies.”

John Cassara, former special agent in the office of terrorism and financial intelligence, Department of the Treasury (November 2013)

“Our State and Treasury Departments routinely identify countries that are havens for financial crimes. But, whether because of shortsightedness or hypocrisy, we overlook the financial crimes that are abetted in our own country...”

Robert Gay Guthrie, President of the National Association of U.S. Attorneys (August 2013)

“Mindful of the ease with which criminals establish ‘front organizations’ to assist in money laundering, terror financing, tax evasion and other misconduct, it is shocking and unacceptable that many state laws permit the creation of corporations without asking the identity of the corporation’s beneficial owner.”

Garrett Lynch, Deputy Chief, Major Economic Crimes Bureau, Manhattan District Attorney’s Office (April 2016)

“[L]aw enforcement have been desperately trying to raise the flag on our country’s own failings in the AML area, and the primary one is in corporate anonymity and the lack of transparency in beneficial ownership of corporations. That’s an area where I think our country and the various states in our country sadly fall well behind other countries that we are highly critical of”

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