



June 16, 2017

The Honorable Stephen F. Lynch
United States House of Representatives
2268 Rayburn House Office Building
Washington, DC 20515

The Honorable Peter T. King
United States House of Representatives
339 Cannon House Office Building
Washington, DC 20515

RE: Secure Government Buildings from Espionage Act of 2017 (H.R. 2426)

Dear Representatives Lynch and King,

On behalf of the Financial Accountability and Corporate Transparency Coalition (FACT Coalition), we thank you for sponsoring the **Secure Government Buildings from Espionage Act of 2017 (H.R. 2426)**, which will enhance our national security by requiring bidders for high-security leases to disclose their beneficial ownership information to the federal government.

The FACT Coalition is a non-partisan alliance of more than 100 state, national, and international organizations promoting policies to combat the harmful impacts of corrupt financial practices.¹

The Government Accountability Office (GAO) recently reviewed the ownership details for all “General Services Administration (GSA) leased space that requires higher levels of security protection based on factors such as mission criticality and facility size (high-security space)”.² Beyond determining that at least 20 high-security, GSA-leased facilities had foreign ownership, the GAO found that the majority of the high-security agencies they contacted were unaware that they were leasing foreign-owned space.

Moreover, the report reveals that the “GAO was unable to identify ownership information for about one-third of GSA’s 1,406 high-security leases as of March 2016 because ownership information was not readily available for all buildings.”³

¹ For a full list of FACT Coalition members, visit <https://thefactcoalition.org/about/coalition-members-and-supporters/>

² U.S. Government Accountability Office. “FEDERAL REAL PROPERTY: GSA Should Inform Tenant Agencies When Leasing High-Security Space from Foreign Owners.” *GAO-17-195*: January 3, 2017 (accessible at <https://www.gao.gov/products/GAO-17-195>).

³ Ibid.

This lack of transparency puts our national security at risk, including possible security breaches, cyber-attacks, and leased buildings funded by corruption or with hidden owners using rents to launder money — adding to the laundry list of harms enabled by anonymous shell companies. The Secure Government Buildings from Espionage Act will directly address this critical problem.

Anonymous companies formed in the U.S. have been used for a wide range of dangerous and illicit activities, including as fronts for rogue countries to evade sanctions, to cloak arms dealers shipping weapons into conflict zones, to fuel the opioid crisis in communities across the country, to engage in human trafficking, to rip off Medicare, and to undermine the safety of our troops through the sale of faulty equipment.

H.R. 2426 is an important, targeted, and meaningful step toward ending the abuses of those who hide behind anonymous companies by ensuring that the federal government knows exactly with whom it's doing business. This is a critical step toward empowering agencies like the GSA to protect our national security, including our troops and civil servants, as well as American taxpayers by combatting waste, fraud, and abuse.

As such, we support the Secure Government Buildings from Espionage Act of 2017 and appreciate your leadership. We look forward to continuing to work with you and your staff on this legislation.

For additional information, please contact Clark Gascoigne at cgascoigne@thefactcoalition.org or +1 (202) 813-0290.

Thank you again for your commitment to this important issue.

Sincerely,



Gary Kalman
Executive Director
The FACT Coalition



Clark Gascoigne
Deputy Director
The FACT Coalition

cc Members of the U.S. House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management

FACTCOALITION

1225 Eye St. NW, Suite 600 | Washington, DC | 20005 | USA
+1 (202) 827-6401 | @FACTCoalition | www.thefactcoalition.org