



FACTCOALITION

Financial Accountability & Corporate Transparency

June 28, 2017

The Honorable Sheldon Whitehouse
United States Senate
530 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Charles Grassley
United States Senate
135 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

RE: True Incorporation Transparency for Law Enforcement (TITLE) Act (S. 1454),

Dear Senators Whitehouse, Grassley, and Feinstein,

On behalf of the Financial Accountability and Corporate Transparency Coalition (FACT Coalition), we thank you for sponsoring the True Incorporation Transparency for Law Enforcement (TITLE) Act (S. 1454). 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.

This simple step provides important new tools to effectively combat terrorism and financial crimes by ending the incorporation of anonymous companies in the United States. Specifically, this legislation would enable law enforcement to more effectively and efficiently conduct investigations, enhancing safety by saving time and resources in pursuing complex money laundering operations. 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,¹ to cloak arms dealers shipping weapons into conflict zones,² to fuel the opioid crisis

¹ "Manhattan U.S. Attorney Announces Court Judgment Finding Midtown Office Building Secretly Owned And Controlled By Government Of Iran Subject To Forfeiture For Violations Of The Iranian Transactions Regulations And Money Laundering Offenses." The United States Department of Justice. September 17, 2013, <https://www.justice.gov/usao-sdny/pr/manhattan-us-attorney-announces-court-judgment-finding-midtown-office-building-secretly>

² Written Testimony of U.S. Department of the Treasury Assistant Secretary Daniel L. Glaser before the Senate Committee on the Judiciary, Subcommittee on Crime and Terrorism, 1 November 2011: <https://www.treasury.gov/press-center/press-releases/Pages/tg1346.aspx>

in communities across the country,³ to engage in human trafficking,⁴ to rip off Medicare,⁵ and to undermine the safety of our troops through the sale of faulty equipment.⁶

The increased accountability made possible by the bill would make it much harder for these criminals to hide behind shell companies to perpetrate schemes to defraud legitimate businesses, investors, or taxpayers.

Ending anonymous companies would curb corruption, fraud, and tax evasion;⁷ promote sound corporate governance and financial stability; protect human rights⁸; help ensure a fair and level playing field for small- and medium-sized businesses;⁹ foster global development; and enhance national security.

Your bill comes at a critical time. There has never been more momentum behind the effort to end anonymous companies than there is right now. We look forward to continuing to work with you and your staff on this legislation so that we can end the abuse of anonymous companies.

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

³ Proctor, Nathan , and Julia Ladics. Anonymity Overdose; Ten cases that connect opioid trafficking and related money laundering to anonymous shell companies. Publication. Fair Share. Washington, D.C.: Fair Share.
http://www.fairshareonline.org/sites/default/files/AnonymityOverdose_Aug1_2016.pdf

⁴"Great Rip Off." Global Witness. Accessed June 16, 2017.
<https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/great-rip-off/>.

⁵ Grow, Brian, and Matthew Bigg. "Special Report: Phantom firms bleed millions from Medicare." Reuters. December 21, 2011.
<http://www.reuters.com/article/us-shellcompanies-medicare-idUSTRE7BKOPY20111221>.

⁶ The United States Attorney's Office, Eastern District of Virginia, Former America's Most Wanted Fugitive sentenced to 105 years for leading international conspiracy to defraud the military, <https://www.dodig.mil/IGInformation/IGInformationReleases/RogerDayPR.pdf>

⁷ "Great Rip Off." Global Witness. Accessed June 16, 2017.
<https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/great-rip-off/>.

⁸USA . United States House of Representatives. Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations House Committee on Foreign Affairs. Winning the Fight Against Human Trafficking: The Frederick Douglas Trafficking Victims Prevention and Protection Reauthorization Act. By Melysa Sperber. May 2, 2017. Accessed June 20, 2017.
<http://docs.house.gov/meetings/FA/FA16/20170502/105913/HHRG-115-FA16-Wstate-SperberM-20170502.pdf>.

⁹ Angela Simaan, "Small businesses shouldn't pay a higher tax rate than multinational corporations." Main Street Alliance. April 15, 2017. Accessed June 20, 2017.
<http://www.mainstreetalliance.org/small-businesses-shouldn-t-pay-a-higher-tax-rate-than-multinational-corporations>.

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