



December 5, 2017

The Honorable Steve Pearce
2432 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Ed Perlmutter
1410 Longworth House Office Building
Washington, D.C. 20515

Re: Discussion draft of the Counter Terrorism and Illicit Finance Act

Dear Representative Pearce and Representative Perlmutter:

Main Street Alliance, a network of small business owners throughout the country, writes to comment on the hearing of the discussion draft of the Counter Terrorism and Illicit Finance Act. Specifically, we write to urge to you keep and strengthen Section 9 of the draft involving the collection of beneficial ownership information. Main Street small businesses want to know who they are doing business with, who their competition is for contracts, and who is doing business in their communities.

Requiring secretive businesses to come out from the shadows will benefit small businesses in several ways. It will reduce conflicts of interest and cronyism in contracting, as well as curb false billing of contractors, and fraudulent certification of small businesses. Furthermore, ownership information will help prevent those who previously defrauded taxpayers from establishing a new sham operation and winning new contracts. In short, transparency levels the playing field so that businesses will engage in open competition based on product or service quality, organizational efficiencies, and talent.

Providing ownership information is not a burden for small businesses. Small business owners know who owns and controls their enterprises. The definition of beneficial owner in the bill is easy for any small business owner who is not engaged in wrongdoing (and thereby seeking anonymity through complexity) to understand. Small businesses do not have complex ownership structures, so we do not see among our members the kinds of concerns raised by some during the hearing.

Providing one's name, address and identification is not costly or time consuming. The requirements in the draft bill do not unduly complicate the corporate formation process and the

potential benefits of greater transparency, as detailed above, are important to our businesses and communities.

If passed, Section 9 of the discussion draft will reduce uncertainty and liability when working with subcontractors or other businesses in the supply chain. It will give business owners confidence that there is accountability in the system.

To ensure sham businesses are kept in check, we urge you to keep the penalties and strengthen the bill so that there is adequate enforcement. The threats posed by unfair competition, stolen contracts, and unaccountable damage to local economies are very serious concerns, and we hope the Committee members appreciate the consequences of inaction.

Thank you for the opportunity to comment. We look forward to working with you. For questions, please contact Sapna Mehta, Legislative Policy Director, at sapna@mainstreetalliance.org.

Signed,

A handwritten signature in black ink, appearing to read 'A. Ballantyne', with a long horizontal flourish extending to the right.

Amanda Ballantyne
National Director
Main Street Alliance