

## Administration Support for Beneficial Ownership Disclosure

### [Steven Mnuchin](#)

#### **U.S. Secretary of the Treasury (April 2019)**

*In response to a question from Rep. Carolyn Maloney (D-NY) on beneficial ownership at a U.S. House Financial Services Committee hearing:*

“I do believe generally you are headed in the right direction, and I appreciate your work on this. I hope this is something that, on a bipartisan basis, we can get accomplished — both here and [in] the Senate. [...]

“I hope not to be back again next time without this solved.”<sup>1</sup>

### [Kendall Day](#)

#### **Acting Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice (February 2018):**

“The collection of beneficial ownership information will generate better law enforcement leads and speed up investigations by improving financial institutions’ ability to monitor and report suspicious activity, and will also enable the United States to better respond to foreign authorities’ requests for assistance in the global fight against organized crime and terrorism.”<sup>2</sup>

### [Kenneth Blanco](#)

#### **Director, Financial Crimes Enforcement Network (May 2019):**

“Stories of ordinary people and taxpayers victimized by criminals exploiting and hiding behind the secrecy of shell companies are all too common. Opaque corporate structures such as shell corporations facilitate anonymous access to the financial system for every type of criminal and terrorist activity. Narcotraffickers, corrupt leaders, rogue states, terrorists, and fraudsters of all kinds establish domestic shell companies to mask and further criminal activity, to invest and buy assets with illicit proceeds, and to prevent law enforcement and others from efficiently and effectively investigating tips or leads. We recognize that corporations, limited liability companies, partnerships, and other entity structures play a vital role in domestic and global commerce, but they are also vulnerable to abuse, and currently pose a gap—a dangerous gap—in our national security apparatus that we need to address.

“FinCEN’s recent Customer Due Diligence Final Rule [...], which requires the collection of beneficial ownership information when opening an account at a bank or other financial institution, is but one critical step toward closing this national security gap. The second critical step in closing this national security gap is collecting beneficial ownership information at the corporate formation stage.”<sup>3</sup>

### [Sigal Mandelker](#)

#### **Under Secretary for Terrorism and Financial Intelligence, U.S. Department of the Treasury (January 2018):**

“We also prioritize increasing the transparency of shell companies in the U.S. financial system. [...] We look forward to working with Congress on the important issue of enhancing the transparency of beneficial owners.”<sup>4</sup>

## Steven D'Antuono

### **Acting Deputy Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation (May 2019):**

“The pervasive use of shell companies, front companies, nominees, or other means to conceal the true beneficial owners of assets is a significant loophole in this country’s anti-money laundering (AML) regime. [...]

“The FBI has countless investigations, spanning criminal and national security threats, in which illicit actors, operating both domestically and internationally, use shell and front companies to conceal their nefarious activities and true identities. The strategic use of these entities makes investigations exponentially more difficult and laborious. [...] The ability to easily identify the beneficial owners of these shell companies would allow the FBI and other law enforcement agencies to quickly and efficiently mitigate the threats posed by the illicit movement of the succeeding funds.

“In addition to diminishing regulators’, law enforcement agencies’, and financial institutions’ ability to identify and mitigate illicit finance, the lack of a law requiring production of beneficial ownership information attracts unlawful actors, domestic and abroad, to abuse our state-based registration system and the U.S. financial industry. Many of the United States’ closest partners require beneficial information in order to detect illicit finance and protect their financial systems. [...] If corporation, trust, and real property owners in the United States were required to disclose beneficial ownership, and this information was made available to regulators and law enforcement through a central repository, the United States would more vigorously be able to identify and mitigate illicit actors and protect the U.S. financial system.”<sup>5</sup>

## Grovetta Gardineer

### **Senior Deputy Comptroller for Compliance and Community Affairs, Office of the Comptroller of the Currency (May 2019):**

“The Office of the Comptroller of the Currency (OCC) welcomes the Congressional focus on protecting the financial system from misuse by bad actors through effective implementation of the beneficial ownership legal regime, and we support legislative action to improve the regime’s framework by creating a requirement for legal entities to provide consistent information regarding the identification of their beneficial owners.”<sup>6</sup>

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<sup>1</sup> Statement of U.S. Treasury Secretary Steven T. Mnuchin before the U.S. House Committee on Financial Services at a Hearing titled “The Annual Testimony of the Secretary of the Treasury on the State of the International Financial System,” April 9, 2019, <https://cs.pn/2YA5jJ8>.

<sup>2</sup> Written Testimony of U.S. Acting Deputy Assistant Attorney General M. Kendall Day before the U.S. Senate Committee on the Judiciary at a Hearing titled “Beneficial Ownership: Fighting Illicit International Financial Networks Through Transparency,” February 6, 2018, <http://bit.ly/2Epc0l>.

<sup>3</sup> Written Testimony of Kenneth A. Blanco, Director of the Financial Crimes Enforcement Network (FinCEN), before the U.S. Senate Committee on Banking, Housing and Urban Affairs at a Hearing titled “Combating Illicit Financing By Anonymous Shell Companies Through the Collection of Beneficial Ownership Information,” May 21, 2019, <http://bit.ly/2Wg3vr9>.

<sup>4</sup> Written Testimony of Under Secretary of the Treasury Sigal Mandelker before the U.S. Senate Committee on Banking, Housing and Urban Affairs at a Hearing titled “Combating Money Laundering and Other Forms of Illicit Finance: Administration Perspectives on Reforming and Strengthening BSA Enforcement,” January 17, 2018, <https://home.treasury.gov/index.php/news/press-releases/sm0251>.

<sup>5</sup> Written Testimony of Steven M. D’Antuono, Acting Deputy Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation, before the U.S. Senate Committee on Banking, Housing and Urban Affairs at a Hearing titled “Combating Illicit Financing By Anonymous Shell Companies Through the Collection of Beneficial Ownership Information,” May 21, 2019, <http://bit.ly/2Wg3vr9>.

<sup>6</sup> Written Testimony of Grovetta Gardineer, Senior Deputy Comptroller of the Currency, before the U.S. Senate Committee on Banking, Housing and Urban Affairs at a Hearing titled “Combating Illicit Financing By Anonymous Shell Companies Through the Collection of Beneficial Ownership Information,” May 21, 2019, <http://bit.ly/2Wg3vr9>.

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