



July 12, 2019

The Honorable Charles Grassley
Chairman, Committee on the Judiciary
United States Senate
135 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Dianne Feinstein
Ranking Member, Committee on the Judiciary
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

RE: Combating Money Laundering, Terrorist Financing, and Counterfeiting Act of 2019

Dear Chairman Grassley and Ranking Member Feinstein,

On behalf of the Financial Accountability and Corporate Transparency Coalition (FACT Coalition), we write in support of the **Combating Money Laundering, Terrorist Financing, and Counterfeiting Act of 2019**.

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

It has been almost two years since the FACT Coalition issued a report indicating that, worldwide, anti-money laundering efforts are currently just a decimal point away from total failure.² This failure to follow the money undermines efforts to protect the safety of our communities and ensure our national security. Money laundering fuels the opioid crisis³ and human trafficking operations. Money laundering props up corrupt foreign leaders and is the mechanism through which rogue nations evade economic sanctions and terror organizations finance their operations.⁴

As former U.S. Treasury Special Agent John Cassara — the author of our report — notes, “outside of crimes of passion, criminals, kleptocrats, and unscrupulous companies are typically motivated by *greed*.” Criminals have built sophisticated financial networks and we need to update our laws in response. This legislation is an important step toward strengthening the

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

² John Cassara, “Countering International Money Laundering,” *The FACT Coalition*, August 23, 2017, <http://thefact.co/JwVhb>.

³ Nathan Proctor and Julia Ladics. “Anonymity Overdose: Ten Cases that Connect Opioid Trafficking and Related Money Laundering to Anonymous Shell Companies” *Fair Share Education Fund*, August 1, 2016, http://www.fairshareonline.org/sites/default/files/AnonymityOverdose_Aug1_2016.pdf.

⁴ *The FACT Coalition*, “FACT Sheet: Anonymous Companies and National Security,” May 17, 2019, <http://thefact.co/LEfbo>.

U.S. anti-money laundering regime.

While we are very supportive of many of the provisions in the bill, the Coalition is particularly appreciative of Section 11, which would make tax evasion a predicate offense for money laundering. It is estimated that the U.S. loses between \$35 billion and \$70 billion each year in revenue due to offshore tax evasion by individuals.⁵ The numbers are even higher if domestic tax evasion is taken into account. Section 11 will make it increasingly difficult for criminals to defraud U.S. taxpayers while simultaneously assisting our allies around the world — particularly those in the developing world — where revenue shortfalls have life and death implications for millions of people.

We thank you for your leadership on this important issue and we look forward to working with you in the coming months to move this legislation forward.

For additional information, please contact Clark Gascoigne at cgascoigne@thefactcoalition.org or +1 (202) 810-1334.

Sincerely,

Gary Kalman
Executive Director
The FACT Coalition

Clark Gascoigne
Deputy Director
The FACT Coalition

cc Members of the U.S. Senate Committee on the Judiciary

⁵ *The FACT Coalition*, “FACT Sheet: Offshore Tax Haven Abuse,” November 3, 2017, <http://thefact.co/cSulP>.