



GLOBAL FINANCIAL INTEGRITY

June 29, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles Schumer
Democratic Leader
United States Senate
Washington, D.C. 20510

RE: Anti-Money Laundering Act of 2020 (S. Amdt.2198 to S.4049)

Dear Leader McConnell and Leader Schumer,

On behalf of Global Financial Integrity (GFI), I am writing to express support for the **Anti-Money Laundering Act of 2020 (S. Amdt.2198 to S.4049)**, due for a vote this week as part of the National Defense Authorization Act.

Research from GFI has shown that [anonymous companies are a critical component of facilitating transnational crime](#), including human, drugs, wildlife and arms trafficking and terrorist and rogue-state financing. Additionally, GFI research has shown that it is surprisingly easy to form an anonymous company, as [more information is required to register for a library card](#) than is needed to form a company in all 50 states and the District of Columbia.

Anonymous companies are also a serious threat to the security of the United States, enabling sanctions evasion and kleptocracy. Regimes hostile to the U.S., such as Iran, North Korea and Venezuela, have all been found to use anonymous companies to evade sanctions, undermining US and international directives. Additionally, anonymous shell companies registered within the US allow kleptocrats to conceal stolen state funds within the legitimate confines of the U.S. financial system. As a result, government revenues are depleted, development initiatives are slowed and democracy is threatened, both at home and abroad. This is a particularly trenchant concern during the current Covid-19 pandemic and attendant economic crisis, as governments are struggling to fund their responses.

In October 2019, the House of Representatives took a momentous step to end the abuse of anonymous U.S. companies by passing the bipartisan **Corporate Transparency Act of 2019 (H.R.2513)** - legislation that would require companies to disclose their true, beneficial owners at the time of company formation and update that information when ownership changed. The Senate now has an opportunity to lend their leadership to this significant national and economic security threat by supporting **S. Amdt.2198**.

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President & CEO: Tom Cardamone

Board: Lord Daniel Brennan (Chair), Dr. Rafael Espada (Vice Chair), Dr. Huguette Labelle (Secretary),
Ségun Apata, Leonard McCarthy, John Cassara, Caroline Kende-Robb, Raymond Baker (Founding President)

Sponsored by Senators Mike Crapo (R-ID), Sherrod Brown (D-OH), Tom Cotton (R-AR), Mark Warner (D-VA), Mike Rounds (R-SD), Doug Jones (D-AL), Jerry Moran (R-KS), Bob Menendez (D-NJ) and John Kennedy (R-LA), **S.Amdt.2198** would strengthen our country's anti-money laundering laws and curtail the misuse of anonymous shell companies for illicit purposes.

Despite containing serious flaws that must be addressed before final enactment, we strongly urge you to continue advancing the legislative process with support for **S.Amdt.2198** as an amendment to **S.4049**.

A vote in support of the **S.Amdt.2198** would be critical to enhancing our nation's financial and national security, especially as we grapple with the Covid-19 pandemic.

GFI is also available to assist your office with additional research, should you be interested. If you have any questions, please contact GFI's Policy Director Lakshmi Kumar at lkumar@gfintegrity.org.

Sincerely,



Tom Cardamone
President & CEO

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