



GLOBAL FINANCIAL INTEGRITY

July 20, 2020

The Honorable Nancy Pelosi

Speaker

U.S. House of Representatives

Washington, DC 20515

The Honorable Kevin McCarthy

Minority Leader

U.S. House of Representatives

Washington, DC 20515

RE: **Corporate Transparency Act / COUNTER Act (H.Amdt.1 to H.R. 6395)**

Dear Speaker Pelosi and Minority Leader McCarthy,

On behalf of Global Financial Integrity (GFI), I am writing to express support for **Maloney #1 Amendment** to the **William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021**, part of **En Bloc #1 (H.Amdt.1 to H.R. 6395)**.

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 U.S. and international directives. Additionally, anonymous shell companies registered within the U.S. 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 House now has an opportunity to lend their leadership to this significant national and economic security threat by supporting **H.Amdt.1 to H.R. 6395**.

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President & CEO: Tom Cardamone

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

Sponsored by Representatives Carolyn Maloney (D-NY), Peter King (R-NY), Emmanuel Cleaver (D-MO), Michael Waltz (R-FL), Tom Malinowski (D-NJ), and Maxine Waters (D-CA), **H.Amdt.1** would strengthen our country's anti-money laundering laws and curtail the misuse of anonymous shell companies for illicit purposes.

A vote in support of the **H.Amdt.1** would be critical to enhancing our nation's financial and national security, especially as we grapple with the Covid-19 pandemic.

In addition to **H.Amdt.1**, GFI also supports the following bipartisan amendments to the National Defense Authorization Act:

- **H.Amdt.195, the Countering Russian and Other Overseas Kleptocracy (CROOK) Act**, sponsored by Representatives William Keating (D-MA), Brian Fitzpatrick (R-PA), Andy Kim (D-NJ), John Curtis (R-UT), Thomas Suozzi (D-NY), and Dean Phillips (D-MN).
- **H.Amdt.239, the Kleptocracy Asset Recovery Rewards Act**, sponsored by Representatives Stephen Lynch (D-MA), Ted Budd (R-NC), Kathleen Rice (D-NY), Brian Fitzpatrick (R-PA), and Steve Cohen (D-TN).

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

cc Members of the U.S. House of Representatives

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