

The Honorable Nancy Pelosi
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U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
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RE: Support of H.Amdt.1 to the National Defense Authorization Act

Dear Speaker Pelosi and Minority Leader McCarthy,

We write to urge your support of H.Amdt.1 (the Corporate Transparency Act) to the National Defense Authorization Act, currently included in en bloc #1. This amendment takes a critical step toward ending the abuse of anonymous shell companies which undermines the integrity of the financial system and puts our national security at greater risk.

As a result of what we've learned conducting global corruption investigations for over two decades, we are deeply concerned by the gaps in international efforts to combat illicit finance and money laundering. Over time, the criminal and corrupt have developed ever more sophisticated networks, but our law enforcement officials are currently working with outdated and insufficient tools to counter the emerging threats — thus putting our national security at serious risk.¹

The biggest vulnerability in our anti-money laundering regime is the incorporation of anonymous U.S. shell companies.² These opaque structures have a well-documented history of being used to shield bad actors and launder the proceeds for a wide variety of crimes — including sanctions evasion, terrorist financing, human trafficking, drug trafficking, illegal arms dealing, tax evasion, the sale of counterfeit and pirated goods, and grand corruption.

As momentum builds globally to solve the problem of anonymous companies, Congress must enact legislation that will address our international obligations and protect American citizens. The Corporate Transparency Act begins to take us towards the right direction. We urge your support of H.Amdt.1 (the Corporate Transparency Act) to the National Defense Authorization Act, which is currently included in en bloc #1, and appreciate your effort on this important amendment.

¹ See Global Witness, Hidden Menace, <https://www.globalwitness.org/en/reports/hidden-menace/>

² See Casey Michel, "The U.S. Is a Good Place for Bad People to Stash Their Money," The Atlantic, Aug. 10, 2017, available at www.theatlantic.com/business/archive/2017/07/us-anonymous-shellcompanies/531996/.

If you have any questions, please contact Alexandria Robins, Policy Advisor, at arobins@globalwitness.org or +1-202-567-0585.

Sincerely,

Alexandria Robins

Policy Officer, Anti-Money Laundering

cc:

Members of the U.S. House of Representatives