



October 7, 2020

The Honorable James Inhofe
 Chairman
 Senate Armed Services Committee
 228 Russell Senate Office Building
 Washington, DC 20510

The Honorable Adam Smith
 Chairman
 House Armed Services Committee
 2216 Rayburn House Office Building
 Washington, DC 20515

The Honorable Jack Reed
 Ranking Member
 Senate Armed Services Committee
 228 Russell Senate Office Building
 Washington, DC 20510

The Honorable Mac Thornberry
 Ranking Member
 House Armed Services Committee
 2216 Rayburn House Office Building
 Washington, DC 20515

RE: Corporate Transparency Act and the National Defense Authorization Act for Fiscal Year 2021

Dear Chairman Inhofe, Ranking Member Reed, Chairman Smith, and Ranking Member Thornberry,

We write to urge you to include the Corporate Transparency Act in the National Defense Authorization Act for Fiscal Year 2021.

The undersigned organizations include an ideologically diverse alliance that has come together to support a critical improvement and protection to our financial system: the collection of beneficial ownership information by the U.S. Department of the Treasury’s Financial Crimes Enforcement Network.

Each of us regularly witnesses the devastation caused by the abuse of anonymous companies. This includes those of us in:

- **Law enforcement**, who are forced to drop cases against those suspected of fuelling the opioid epidemic because drug cartels hide behind anonymous companies;
- **Faith-based organizations fighting human trafficking**, who see victims living in horror while the traffickers hide their operations and illicit profits behind anonymous companies;
- **National security organizations**, who struggle to uncover terrorist networks and violence against Americans funded by money laundered through anonymous companies;
- **Brand-name businesses**, who lose billions to fraudsters who market counterfeit and pirated goods through anonymous companies;
- **Small businesses**, who lose out on contracts to anonymous fraudsters;
- **Financial services companies**, who work to protect not only their own institutions, but the broader U.S. financial system from abuse by the criminal and corrupt;
- **Human rights advocacy groups**, who see brutal regimes pay off militias to harass and imprison opposing voices with stolen money laundered through anonymous companies;
- **Economic justice organizations**, who see corrupt leaders siphon off public funds from development programs, and pay for lavish lifestyles with money laundered through anonymous companies; and
- **Anti-corruption groups**, who see crooked public officials hide bribes in anonymous companies and foster a culture of corruption that undermines democratic institutions and the rule of law.

All of the bad actors we work to hold accountable have adopted increasingly sophisticated methods for laundering money—yet every one of them relies on secrecy as a common feature of their schemes.

The United States has not updated its anti-money laundering laws in approximately twenty years. These outdated rules, according to the Financial Action Task Force, result in significant gaps in our anti-money laundering laws. The real-life consequences, as detailed above, are alarming. **It is long past time to bring our laws into the modern era.**

The Corporate Transparency Act, currently included in the House-passed National Defense Authorization Act for Fiscal Year 2021, offers a bipartisan pathway to modernizing the nation's anti-money laundering laws and closing the loopholes that allow the dangerous manipulation of our financial system.

We call on you, as leaders engaged in moving the NDAA through Congress, to include the Corporate Transparency Act in the final bill.

We appreciate your consideration of our views. For any questions, please contact Scott Greytak, Advocacy Director for Transparency International U.S., at sgreytak@transparency.org or 614-668-0258.

Sincerely,

American Bankers Association
American Sustainable Business Council
Bank Policy Institute
CUFI Action Fund

FDD Action
Financial Accountability and Corporate Transparency (FACT) Coalition
Foreign Policy for America
Enough Project
Freedom House
Global Financial Integrity
Global Witness
Human Rights First
Human Rights Watch
Independent Community Bankers of America
International Justice Mission
Jubilee USA Network
Main Street Alliance
National Association of Assistant United States Attorneys (NAAUSA)
National Association of Federally-Insured Credit Unions (NAFCU)
National District Attorneys Association
National Foreign Trade Council
ONE Campaign
Oxfam America
Project On Government Oversight
Small Business Majority
Street Grace
The B Team
The Sentry
Transparency International U.S. Office
United States Council for International Business