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Financial Accountability & Corporate Transparency

United States Senate  
Committee on Banking, Housing, and Urban Affairs

Hearing on  
“Outside Perspectives on the Collection of Beneficial Ownership Information”

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Testimony of Gary Kalman  
Executive Director  
Financial Accountability and Transparency (FACT) Coalition  
1225 Eye Street NW, Suite 600  
Washington, D.C. 20005

Chairman Crapo, Ranking Member Brown, and Members of the Committee,

Thank you for holding this important hearing and for inviting me to testify today.

On behalf of the Financial Accountability and Corporate Transparency (FACT) Coalition and our member organizations, I appreciate the opportunity to talk about a foundational reform in the global anti-corruption movement and the nexus between secrecy jurisdictions, crime, corruption, human rights, and national security.

The FACT Coalition is a non-partisan alliance of more than 100 state, national, and international organizations working to combat the harmful impacts of corrupt financial practices.<sup>1</sup>

### **What Is an Anonymous Company?**

When people create companies in the United States, they are not required to disclose who really profits from their existence or controls their activities — the actual “beneficial owners” of the business. Instead, individuals who benefit can conceal their identity by using front people, or “nominees,” to represent the company. For instance, the real owner’s attorney can file paperwork under his or her own name even though the attorney has no control or economic stake in the company. Finding nominees is not terribly difficult — there are corporations whose entire business is to file paperwork and stand in for company owners. Additionally, some jurisdictions do not require ownership information at all and other jurisdictions allow for companies to be listed as the owners of companies, adding layers to an opaque corporate structure that makes it difficult — in some cases impossible — to identify the true owners.

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<sup>1</sup> A full list of FACT Coalition members is available at <http://thefactcoalition.org/about/coalition-members-and-supporters/>.

## Threats Posed by Anonymous Companies

There is now overwhelming evidence of the use of anonymous companies for money laundering and other criminal purposes. In addition to human trafficking, drug trafficking, grand corruption, and other criminal enterprises, there is growing evidence that anonymous structures are used to threaten our national security.

In a 2018 advisory, the Financial Crimes Enforcement Network (FinCEN) issued a warning:

*“The Iranian regime has long used front and shell companies to exploit financial systems around the world to generate revenues and transfer funds in support of malign conduct, which includes support to terrorist groups, ballistic missile development, human rights abuses, support to the Syrian regime, and other destabilizing actions targeted by U.S. sanctions.”<sup>2</sup>*

The Center for Sanctions and Illicit Finance at the Foundation for the Defense of Democracies (FDD) described in its 2017 Terror Finance Briefing Book how anonymous companies are being abused by rogue nations and sanctioned organizations.<sup>3</sup> They wrote:

*“In February 2017, Treasury sanctioned the Vice President of Venezuela, Tareck El Aissami, for his involvement with the drug trade. That same month, CNN reported that a 2013 confidential intelligence report by a group of Latin American nations assessed that El Aissami had ordered Venezuelan passports to be fraudulently issued to 173 people in the Middle East, including individuals connected to Hezbollah.”*

*“Latin American intelligence officials reportedly told an American researcher that El Aissami created a network of nearly 40 shell companies to launder money, including some that were based in Miami. This network was used by Hezbollah supporters (including the Lebanese Canadian bank), Colombian and Mexican cartels, and Ayman Joumaa, discussed above.”*

Later in the report, they note:

*“Hezbollah supporters run an extensive network of commercial and illicit businesses around the globe, including in South America and Africa, which may morph into new enterprises to avoid scrutiny. By using shell companies, and by renaming companies to avoid U.S. sanctions, Hezbollah-linked groups can continue to access the international financial system and transact with an ever-growing network of companies. The U.S. Treasury Department has designated dozens of Lebanon-based firms for supporting Hezbollah, including real estate firms and auto care companies. It is likely the group will continue its money laundering operations, growing into new fields and businesses in the future.”<sup>4</sup>*

Another disturbing story comes from a report by the anti-corruption organization (and FACT Coalition member) Global Witness. In their report, *Hidden Menace*, they found numerous incidents in which the

<sup>2</sup> FinCEN, “Advisory on the Iranian Regime’s Illicit and Malign Activities and Attempts to Exploit the Financial System,” October 11, 2018, <https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2018-a006>.

<sup>3</sup> Yaya J. Fanusie and Alex Entz, “Terror Finance Briefing Book: Hezbollah Financial Assessment,” *Foundation for Defense of Democracies*, September 2017, <http://bit.ly/2ZxNfif>.

<sup>4</sup> Ibid.

U.S. Department of Defense had contracted with anonymous companies that, at best, defrauded the U.S. military and, at worst, endangered the lives of troops serving overseas. In one case, the Pentagon contracted with a U.S. company to supply services to troops in Afghanistan. The company was secretly owned by interests associated with the Taliban. We were literally supplying funds that could be used to purchase guns and other weapons aimed at our troops.<sup>5</sup>

These reports are why nearly 100 civilian and former military national security experts signed a recent letter to Congress in support of the collection of beneficial ownership information.

Alarming, these individual stories are not isolated incidents but are part of a larger collection of threats to the safety and security of our communities and our nation.

According to a 2011 study by the Stolen Asset Recovery Initiative, a joint effort of the World Bank and U.N. Office on Drugs and Crime, anonymous companies were used to hide the proceeds of corruption in 85 percent of the grand corruption cases reviewed, with U.S. entities being the most common.<sup>6</sup>

According to a 2018 study by the anti-human trafficking group Polaris, anonymous companies play an outsized role in hiding the identities of the criminals behind trafficking enterprises, specifically illicit massage businesses.<sup>7</sup> The report found that:

- Of the more than 6,000 illicit massage businesses for which Polaris found incorporation records, only 28 percent of these illicit massage businesses have an actual person listed on the business registration records at all.
- Only 21 percent of the 6,000 business records found for illicit massage parlors actually specifically name the owner — although, even in those cases, there is no way to know for sure if that information is legitimate.

In the 2018 National Money Laundering Risk Assessment, the U.S. Department of Treasury wrote that, “The nature of synthetic drug trafficking, and associated financial flows, has changed with the rise of China as a supplier of fentanyl and its analogues and precursors. China is the primary source of fentanyl and fentanyl analogues.” The Assessment noted that the U.S. Drug Enforcement Agency determined there is an Asian version of the Black Market Peso Exchange “with goods being exported to China by U.S. front companies as payment for drugs.”

Anonymous companies are also used to undermine our markets and disrupt legitimate business. There are numerous examples in which anonymous companies disrupt supply chains, fraudulently compete for contracts, and engage in illicit commerce through the selling of counterfeit and pirated goods.

In a recent FACT Coalition report authored by David M. Luna, a former U.S. national security official and the current chair of the Anti-Illicit Trade Committee of the United States Council for International

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<sup>5</sup> *Global Witness*, “Hidden Menace: How secret company owners are putting troops at risk and harming American taxpayers,” July 12, 2016, <http://bit.ly/HiddenMenace>.

<sup>6</sup> Stolen Asset Recovery (StAR) Initiative, “The Puppet Masters,” *World Bank* and *UNODC*, Nov. 2011, Pages 34 and 121, <http://bit.ly/PuppetMasters>.

<sup>7</sup> *Polaris*, “Hidden in Plain Sight: How Corporate Secrecy Facilitates Human Trafficking in Illicit Massage Parlors,” April 2018, <http://bit.ly/2JEO4IB>.

Business, examined the role of anonymous companies in facilitating a growing global illegal economy valued at between \$500 billion and \$3 trillion.<sup>8</sup> We found:

- *Anonymous companies have helped criminals across the United States sell in recent years several billion dollars in fake and counterfeited luxury handbags and apparel accessories branded as Burberry, Louis Vuitton, Gucci, Fendi, Coach, and Chanel, as well as sportswear and gear from the NFL, NBA, and MLB including Nike, Adidas, and Under Armour, among many others.*
- *Anonymous companies were used to import and sell to American consumers, through internet pharmacies, counterfeit medicines from India and China worth hundreds of millions of dollars. These counterfeits included fake versions of Arimidex, a breast cancer treatment, Lipitor, the cholesterol drug, Diovan, for high blood pressure, and other medications such as illicit OxyContin, Percocet, Ritalin, Xanax, Valium, and NS Ambien.*
- *Anonymous companies assisted in selling knock-off parts to the Pentagon that have cost the U.S. military tens of millions of dollars.*
- *Anonymous companies helped an organized criminal network sell counterfeit cellphones and cellphone accessories on Amazon.com and eBay.com. They also misrepresented goods worth millions of dollars as new and genuine Apple and Samsung products.*
- *Anonymous companies were leveraged to help criminals sell millions of dollars' worth of counterfeit computer anti-virus software over the internet.*

Not surprisingly, when businesses were asked, without context, if they would support additional regulation, they did not. However, entrepreneurs understand and manage risk every day. When the organization Small Business Majority asked small business owners if they were more concerned about the risks and burden of reporting ownership of their businesses or the potential loss of contracts to fraudulent anonymous companies, 76 percent said they were more concerned about losing contracts than about the regulatory burden.<sup>9</sup>

The collection of beneficial ownership information strengthens our national security, assists law enforcement, and creates a safer business environment for the vast majority of honest businesses.

### **The U.S. Is Particularly Vulnerable to the Abuses of Anonymous Companies**

A 2017 report by the Government Accountability Office (GAO) found that, “GAO was unable to identify ownership information for about one-third of GSA’s 1,406 high-security leases as of March 2016 because ownership information was not readily available for all buildings.”<sup>10</sup> This finding was a leading factor in Congress voting to adopt a provision in the FY2018 National Defense Authorization Act for the Department of Defense to collect beneficial ownership information for all high security office space it leases.

<sup>8</sup> David M. Luna, “Anonymous Companies Help Finance Illicit Commerce and Harm American Businesses and Citizens,” *The FACT Coalition*, May 2019, <http://bit.ly/2LCOV99>.

<sup>9</sup> *Small Business Majority*, “Opinion Poll: Small Business Owners Support Legislation Requiring Transparency in Business Formation,” April 4, 2018, <https://smallbusinessmajority.org/our-research/government-accountability/small-business-owners-support-legislation-requiring-transparency-business-formation>.

<sup>10</sup> *Government Accountability Office*, “GSA Should Inform Tenant Agencies When Leasing High Security Space from Foreign Owners,” Jan. 3, 2017; <http://bit.ly/2JiDFwI>.

A 2014 study by academics from the University of Texas-Austin (UT-Austin), Brigham Young University (BYU), and Griffith University found that among the 103 countries they studied, the United States is the easiest place for suspicious individuals to incorporate an anonymous company.<sup>11</sup>

According to a 2019 Global Financial Integrity analysis, *The Library Card Project: The Ease of Forming Anonymous Companies in the United States*, in all fifty states and the District of Columbia, “more personal information is needed to obtain a library card than to establish a legal entity that can be used to facilitate tax evasion, money laundering, fraud, and corruption.”<sup>12</sup>

It is data like these that led the Financial Action Task Force — the world’s recognized body for establishing anti-money laundering standards and of which the U.S. is a founding member — to find in its 2016 mutual evaluation of the U.S. that the lack of beneficial ownership information was a significant gap in the U.S. anti-money laundering framework.<sup>13</sup>

Progress in the rest of the world means the U.S. is likely to become an even more attractive haven for illicit cash unless we act. In 2016, the United Kingdom became one of the first countries to collect beneficial ownership information. In 2015, the European Union agreed that all 28-member states would establish beneficial ownership directories.

### Addressing Concerns, Negotiating Workable Proposals

Throughout a decade long debate, some concerns have been raised about various proposals. Negotiations with multiple parties have made the current proposals, like the ILLICIT CASH Act, more workable and compliance easier for businesses. The changes have led several organizations and constituencies to drop their earlier opposition and others to become advocates for reform.

#### Small Business

The proposals call for the collection of four pieces of readily known and accessible information — name, address, date of birth, and a drivers’ license or other identification number of the owner. This is less information than is required for an individual to obtain a library card in any of the fifty states.<sup>14</sup>

In the U.K., an analysis by Global Witness of data collected by the British beneficial ownership directory found that the average number of owners per business in the U.K. is 1.13. The most common number of owners is one. More than 99 percent of businesses listed less than six owners.<sup>15</sup>

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<sup>11</sup> Michael Findley et al. “Global Shell Games: Experiments in Transnational Relations, Crime, and Terrorism.” *Cambridge University Press* (March 24, 2014), Page 74. <http://bit.ly/2uTLptQ>.

<sup>12</sup> Press Release, “Report Demonstrates Ease of Establishing Anonymous Shell Companies,” *Global Financial Integrity*, March 21, 2019, accessible at <https://www.gfintegrity.org/press-release/report-demonstrates-ease-of-establishing-anonymous-shell-companies/>.

<sup>13</sup> *Financial Action Task Force*, “Anti-money laundering and counter-terrorist financing measures — United States,” Fourth Round Mutual Evaluation Report, Dec. 2016; <http://www.fatf-gafi.org/media/fatf/documents/reports/mer4/MER-United-States-2016.pdf>.

<sup>14</sup> *Global Financial Integrity*.

<sup>15</sup> *Global Witness*, “Hard Data on Lessons Learned from The UK Beneficial Ownership Register,” May 2019; <http://bit.ly/2FhwX6u>.

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According to the U.S. Small Business Administration, approximately 78 percent of all businesses in the U.S. are non-employer firms, meaning there is only one person in the enterprise<sup>16</sup>. This suggests that the experience in the U.S. would be similar to that of the U.K.

Additionally, to my knowledge, there has not been a problem in implementing the beneficial ownership rules now in place in the U.S. Defense Department when leasing high security office space. And a main concern regarding the Treasury Department's Geographic Targeting Orders (GTOs), a pilot program to collect beneficial ownership information for high-end, cash-financed real estate transactions in twelve metropolitan areas, is that they are temporary and keep changing in scope and location. One consistent, predictable rule would seem to be preferable.

New proposals, such as the bipartisan discussion draft of the ILLICIT CASH Act<sup>17</sup> and the House of Representative's Corporate Transparency Act of 2019 (H.R.2513, which was reported favorably out of the Committee on Financial Services last week with a strong bipartisan vote<sup>18</sup>), have found creative ways to use, where practicable, existing structures through which companies can update their information.

This is why, when asked, more than three quarters of small business owners felt the tradeoff — reporting burden vs. benefits — was worth it.<sup>19</sup>

### Privacy

While there are disagreements about whether this information should be made public, the proposals introduced over the last decade chose to keep the information private. The discussion draft of the ILLICIT CASH Act and the Corporate Transparency Act of 2019 both see FinCEN as the best repository of this information.

The rationale behind that decision is that FinCEN is our nation's financial intelligence unit with the responsibility of housing and reviewing data to protect our financial system from abuse by terrorist networks and other criminals who seek access to our markets and our strong and stable economy. Law enforcement officials and financial institutions with legally required anti-money laundering responsibilities have existing relationships with FinCEN.

FinCEN also has a strong track record of safeguarding sensitive data. According to public information on FinCEN's portal system, it appears that the database has strict limitations on who can access information and how that information can be used. The database is accessed through a physical portal, meaning that a local police officer could not log on during a routine traffic stop. Users must be trained and certified and must undergo a background check. All searches must be done as part of an ongoing

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<sup>16</sup> *Small Business Administration*, "Frequently Asked Questions," September 2012; [https://www.sba.gov/sites/default/files/FAQ\\_Sept\\_2012.pdf](https://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf)

<sup>17</sup> Senator Mark Warner, "Warner, Cotton, Jones, Rounds, Unveil Draft Legislation to Improve Corporate Transparency and Combat Financing of Terrorism, Money Laundering," *U.S. Senate*, June 10, 2019, <http://bit.ly/2ZsmGfo>.

<sup>18</sup> *Committee on Financial Services*, "Committee Passes Legislation to Protect Housing Rights, Reform National Flood Insurance Program and Strengthen the Financial System," *U.S. House of Representatives*, June 12, 2019, <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=403895>.

<sup>19</sup> *Small Business Majority*, "Opinion Poll: Small Business Owners Support Legislation Requiring Transparency in Business Formation," April 4, 2018, <https://smallbusinessmajority.org/our-research/government-accountability/small-business-owners-support-legislation-requiring-transparency-business-formation>.

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investigation, and every file that is reviewed is logged so that there is a record of who accessed what information. Misuse of the information is a criminal act.<sup>20</sup>

### Accountability

Like all laws, there are penalties for violating the law. However, the proposals over the last decade have ensured that mistakes by honest businesses will not be penalized. Negligence is not a punishable offense. That means that honestly forgetting to update the information — if, for example, a family member joins a business — is not punishable.

The proposals specifically state that only knowing and willfull violations are punishable. In fact, the standards in the bill provide greater protections for filers against errant prosecutions than the American Bar Association’s model guidelines in this area recommend.<sup>21</sup>

### **Collecting Beneficial Ownership Information Has an Impact**

The limited data available, since there are very few examples of collecting the information to date, suggests the policy will have a measurable impact.

In 2016, FinCEN implemented Geographic Targeting Orders (GTOs). In an early analysis, FinCEN found that, “Within this narrow scope of real estate transactions covered by the GTOs, FinCEN data indicate that about 30 percent of reported transactions involve a beneficial owner or purchaser representative that was also the subject of a previous suspicious activity report. This corroborates FinCEN’s concerns about this small segment of the market in which shell companies are used to buy luxury real estate in “all-cash” transactions. In addition, feedback from law enforcement indicates that the reporting has advanced criminal investigations.”<sup>22</sup>

A second study of the impact of the GTOs, in 2018, by the New York Federal Reserve and the University of Miami found, “After anonymity is no longer freely available to domestic and foreign investors, all-cash purchases by corporations fall by approximately 70 percent, indicating the share of anonymity-seeking investors using LLCs as ‘shell corporations.’”<sup>23</sup>

### The British Experience

The United Kingdom implemented the first beneficial ownership directory, and their experience can be instructive. As I previously mentioned, Global Witness did an analysis of the U.K. data in 2019.<sup>24</sup> Among

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<sup>20</sup> *Global Witness*, “Memo: Basic information on use and access to the FinCEN Portal (aka, the FinCEN database, or gateway),” June 1, 2019; <http://bit.ly/2lQp0M>.

<sup>21</sup> See: “A Lawyer’s Guide to Detecting and Preventing Money Laundering,” *American Bar Association, International Bar Association, and Council of Bars and Law Societies of Europe*, October 2014; accessible at <http://bit.ly/ABA-AML-Guide>.

<sup>22</sup> Steve Hudak, “FinCEN Targets Shell Companies Purchasing Luxury Properties in Seven Major Metropolitan Areas,” *FinCEN*, August 22, 2017; <https://www.fincen.gov/news/news-releases/fincen-targets-shell-companies-purchasing-luxury-properties-seven-major>.

<sup>23</sup> Hundtofte, C. Sean and Rantala, Ville, “Anonymous Capital Flows and U.S. Housing Markets” (May 28, 2018). *University of Miami Business School*, Research Paper No. 18-3. Available at SSRN: <https://ssrn.com/abstract=3186634> or <http://dx.doi.org/10.2139/ssrn.3186634>.

<sup>24</sup> *Global Witness*, “Getting the UK’s House in Order,” May 6, 2019; <https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/anonymous-company-owners/getting-uks-house-order/>.

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the many findings was the successful early collaboration between Companies House (the government agency hosting the beneficial ownership directory) and law enforcement.

They found:

- “...a huge spike in Suspicious Activity Reports filed by Companies House, with 2,264 reports being filed between April 2017 and April 2018, as compared with 426 reports the preceding year.”
- “...enquiries from law enforcement to Companies House for help in investigations increased from an average of 11 requests per month to 125 per month in the last three years. While the increase has slowed, it continues to grow by more than 50% (2017/18).”
- A “major drop” in U.K.-incorporated “vehicles previously associated with crime[.] After becoming part of the new transparency rules, incorporation levels of Scottish Limited Partnerships — a vehicle previously implicated in countless money laundering scandals — plummeted by 80% in the last quarter of 2017 from their peak at the end of 2015. [Global Witness’s] analysis this year [in 2019] confirms it remains at historically low levels.”

#### Cutting Off Legitimate Channels to the Financial System for Illicit Actors

We also need to recognize that, today, criminals have open access to our financial system. Legitimate gatekeepers in the legal and accounting professions assist clients that may well be laundering money but have no responsibility to ask even the most basic questions.<sup>25</sup>

Earlier in my testimony, I referenced a 2014 study by academics at UT-Austin, BYU, and Griffiths University that found that the United States is the easiest place in the world for suspect individuals to establish an anonymous company. The researchers sent out thousands of inquiries to corporate formation agents in over 100 countries with details that should have raised red flags for the recipients. An agent in Florida responded to a request in an email saying:

*“Your stated purpose could well be a front for funding terrorism ... if you wanted a functioning and useful Florida corporation, you’d need someone here to put their name on it, set up bank accounts, etc. I wouldn’t even consider doing that for less than 5k a month...”*<sup>26</sup>

While clearly crossing ethical lines, this individual did nothing illegal. By requiring the collection of beneficial ownership information, gatekeepers across the country would no longer engage with these shady clients — thereby cutting off access to the U.S. financial system through legitimate channels.

<sup>25</sup> Steve Kroft (60 Minutes), “Anonymous, Inc.,” *CBS News*, January 31, 2016; accessible at <https://www.cbsnews.com/news/anonymous-inc-60-minutes-steve-kroft-investigation/>.

<sup>26</sup> Findley et al.



## Conclusion

The FACT Coalition came together in 2011. One primary concern among the international development and anti-poverty groups that formed the core of the Coalition's leadership was the wealth drain from the developing world. Corrupt leaders were siphoning money from their national treasuries leaving few resources for basic services, impoverishing local populations and propping up dictators and autocrats who engaged in widespread abuses of human rights. The realization that the illicit proceeds were being moved into the U.S. through anonymous companies gave rise to the effort to rein in corporate secrecy.

Over the years, leaks and a number of painstaking investigations, including several by the Senate Permanent Subcommittee on Investigations, uncovered the ubiquitous use of anonymous companies for a wider array of illicit acts — terrorist financing, sanctions evasion, human trafficking, drug trafficking, the illicit trade in counterfeit and pirated goods, Medicare fraud, tax evasion, and more. The threats to our local communities and our nation has brought together an unprecedented set of allies all calling for reform.

Support for ending the incorporation of anonymous companies has expanded beyond the core anti-corruption community to now include national security experts,<sup>27</sup> cops,<sup>28</sup> sheriffs,<sup>29</sup> local prosecutors,<sup>30</sup> state Attorneys General,<sup>31</sup> federal prosecutors,<sup>32</sup> human rights advocates,<sup>33</sup> anti-human trafficking groups,<sup>34</sup> faith-based networks,<sup>35</sup> international development NGOs,<sup>36</sup> CEOs,<sup>37</sup> big businesses,<sup>38</sup> small businesses,<sup>39</sup> banks,<sup>40</sup> credit unions,<sup>41</sup> real estate professionals,<sup>42</sup> insurance companies,<sup>43</sup> over 125 non-

<sup>27</sup> Bipartisan Letter from 91 National Security Experts, June 10, 2019, available at <http://bit.ly/2ZvJECi>.

<sup>28</sup> Letter from the Fraternal Order of Police, May 6, 2019, available at <http://bit.ly/2KoYC9W>.

<sup>29</sup> Letter from the National Sheriffs' Association, May 7, 2019, available at <http://bit.ly/2Fk7vxd>.

<sup>30</sup> Letter from the National District Attorneys Association, May 6, 2019, available at <http://bit.ly/2KoJDg9>.

<sup>31</sup> Bipartisan Letter from Two Dozen State Attorneys General, August 2, 2018, available at <http://bit.ly/2J5Bla3>.

<sup>32</sup> Letter from the National Association of Assistant United States Attorneys, May 6, 2019, available at <http://bit.ly/2L0fkvU>.

<sup>33</sup> Letter from Amnesty International USA, EarthRights International, EG Justice, Enough Project, Freedom House, Global Witness, Human Rights First, Human Rights Watch, International Corporate Accountability Roundtable, and the International Labor Rights Forum, April 11, 2019, available at <https://www.hrw.org/news/2019/04/11/letter-chairwoman-waters-and-ranking-member-mchenry-re-corporate-transparency-act>.

<sup>34</sup> See, for example, Letter from Polaris, May 2, 2019, available at <http://bit.ly/2WSJeUS>; and Letter from Street Grace, March 10, 2019, available at <http://bit.ly/2WOoti6>.

<sup>35</sup> Letter from Jubilee Network USA, March 12, 2019, available at <http://bit.ly/2IXMXLU>.

<sup>36</sup> Letter from ActionAid USA, Bread for the World, Jubilee USA Network, The ONE Campaign, and Oxfam America, June 7, 2019, available at <http://bit.ly/2MYVPpY>.

<sup>37</sup> Letter from the CEOs of a Dozen Major Companies, April 30, 2019, available at <http://bit.ly/31Gcd1L>.

<sup>38</sup> Richard Sawaya, "A maximum pressure campaign against the Kremlin," *The Hill*, April 30, 2019, <https://thehill.com/opinion/international/441350-a-maximum-pressure-campaign-against-the-kremlin>.

<sup>39</sup> Letter from Small Business Majority, April 25, 2019, available at <http://bit.ly/2KtteqK>.

<sup>40</sup> See, for example: Letter from Nine Banking Associations, May 7, 2019, available at <http://bit.ly/2XpRlwx>; Letter from the Independent Community Bankers of America, May 8, 2019, available at <http://bit.ly/31Rbc7o>; and Letter from 51 State Banking Associations, June 10, 2019, available at <http://bit.ly/2Kow6Fh>.

<sup>41</sup> Letter from the Credit Union National Association, June 11, 2019, available at <http://bit.ly/2Kttlgy>.

<sup>42</sup> Letter from the American Escrow Association, American Land Title Association, National Association of REALTORS®, and Real Estate Services Providers Council, Inc. (RESPRO), May 7, 2019, available at <http://bit.ly/2E2KQoq>.

<sup>43</sup> Letter from the Coalition Against Insurance Fraud, April 15, 2019, available at <http://bit.ly/2KYYvgz>.

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governmental organizations,<sup>44</sup> and scholars at both conservative<sup>45</sup> and liberal think tanks,<sup>46</sup> among others.

We hope this hearing provides members an opportunity to better understand the dangers posed by anonymous companies and move to address them. We thank you for this opportunity to share our views, and we look forward to working with you on this important issue.

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<sup>44</sup> Letter from 127 Groups Supporting Corporate Transparency Act of 2019, June 10, 2019, available at <http://bit.ly/2L7yjon>.

<sup>45</sup> See, for example: Clay R. Fuller, "Dealing with anonymity in business incorporation," *American Enterprise Institute*, March 29, 2019, <https://www.aei.org/publication/dealing-with-anonymity-in-business-incorporation/>.

<sup>46</sup> See, for example: Molly Elgin-Cossart and Trevor Sutton, "The Real Scandal Behind the Panama Papers," *Center for American Progress*, May 10, 2016, <https://www.americanprogress.org/issues/security/news/2016/05/10/137191/the-real-scandal-behind-the-panama-papers/>.

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