



June 18, 2009

The Honorable Senator Joseph I. Lieberman, Chairman  
The Honorable Senator Susan M. Collins, Ranking Member  
Senate Committee on Homeland Security and Governmental Affairs  
340 Dirksen Senate Office Building  
Washington DC, 20510

Dear Mr. Chairman and Ranking Member:

We the undersigned write to express our support for Senate Bill 569, the Incorporation Transparency and Law Enforcement Assistance Act.

It is clear that implementing the provisions of this legislation will help law enforcement stop the misuse of U.S. corporations for tax fraud, money laundering, terrorist financing and other illicit financial transactions. Equally crucial will be to bring the United States in line with international standards of transparency.

Practitioners in offshore jurisdictions accuse the United States of demonstrating hypocrisy by calling for compliance with international standards to combat money laundering, terrorist financing, and tax evasion while failing to meet those standards itself. Cayman, Bahamas, BVI and other tax havens cite Delaware, Nevada, Wyoming, and other states for failing to comply with international standards requiring the collection of beneficial ownership information for the companies formed under their laws.

The Financial Action Task Force on Money Laundering (FATF) issued a report in 2006 criticizing the United States for its failure to comply with a FATF standard requiring countries to obtain beneficial ownership information for the corporations formed under their laws. The United States, to this day, remains non-compliant.

The FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing. It is the leading international anti-money laundering body in the world. FATF Members and Associate Members include a number of nations commonly regarded as secrecy jurisdictions or tax havens.

In order for the United States to obtain international cooperation from other jurisdictions for combating tax evasion, money laundering and terrorist financing, it is essential for it to be seen as compliant with international standards of transparency. Enacting the Incorporation Transparency and Law Enforcement Assistance Act would ensure that the United States meets its commitment to comply with FATF anti-money laundering standards, and would restore a critical measure of credibility in its international stature.

Sincerely,

Charlie Cray, Director, Center for Corporate Policy  
Robert S. McIntyre, Director, Citizens for Tax Justice  
Constance Brookes, Executive Director, Friends Fiduciary Corporation  
Raymond Baker, Director, Global Financial Integrity  
Corinna Gilfillan, Global Witness  
Bea Edwards, International Program Director, Government Accountability Project  
Marie Dennis, Director, MaryKnoll Office for Global Concerns  
Jo Marie Griesgraber, Executive Director, New Rules for Global Finance  
Gawain Kripke, Director, Policy and Research, Oxfam America  
Todd Tucker, Research Director, Public Citizen's Global Trade Watch  
Sarah Lewis, Executive Director, Tax Justice Network USA

CC: The Honorable Timothy F. Geithner, Secretary, Department of the Treasury

The Honorable Peter R. Orszag, Director, Office of Management & Budget

The Honorable Max Baucus, Chairman, Senate Committee on Finance

The Honorable Charles B. Rangel, Chairman, House of Representatives Committee on Ways and Means Committee