

Anonymous Shell Companies

Anonymous corporations, also called shell companies, are companies created on paper that don't do significant business and don't disclose the company's true owner. They are often used as vehicles for financial crimes, including tax evasion, Medicare fraud, terrorism, human trafficking, drug dealing and weapons trafficking. Our partners at Global Witness call these companies the "getaway cars" for financial crime. Shell companies contribute to the estimated one trillion dollars that leaves the developing world annually through crime, tax evasion and corruption. This flow of dirty money takes resources away from the world's poorest countries and people.

When someone forms a company in the U.S., they do not have to disclose the real people who profit from its existence

or activities, known as the "beneficial owners." Instead, the real owners can conceal their names and identities by using a front person (such as a lawyer) to represent the company. This lack of transparency allows criminals and the corrupt to launder money and makes it difficult for law enforcement to solve financial crime.

Financial transparency is critical to ending poverty and protecting both the resources and tax revenues of poor countries. Here in the United States, we have an important role to play in promoting transparency and stopping the flow of dirty money out of developing countries.

The bi-partisan Corporate Transparency Act would

ensure that companies formed in the U.S. disclose their true owners. This will make it much easier for law enforce-



Shell companies facilitate crime and fraud.

ment to track down criminals and prosecute and prevent illegal activity. Corporate transparency can reduce the flow of dirty money and ensure that vulnerable populations can access resources to build schools, hospitals and infrastructure. This bill will make it harder for those stealing from the most vulnerable to use the U.S. financial system as their "getaway car."