



# TRANSPARENCY INTERNATIONAL | USA

July 18, 2013

The Honorable Carl Levin  
269 Russell Senate Office Building  
United States Senate  
Washington, DC 20510-2202

Dear Senator Levin:

We are writing to express our support for the introduction of legislation that promotes transparency of beneficial owners of corporations or limited liability companies. The existing legal framework is inadequate because it allows entities to be created in the United States without disclosing meaningful information about the individuals who own or control them.

While incorporation laws vary by state, a number of states require less information for incorporation than they do for opening a bank account or obtaining a driver's license. This anonymity facilitates domestic and foreign corruption by allowing individuals to hide their identities and their corruptly obtained assets behind the façade of a U.S. corporation. Once a U.S. corporation is formed, it can easily open one or more bank accounts and engage in activities that launder the tainted funds. A 2011 study by the Stolen Asset Recovery Initiative – “The Puppet Masters” – found in the 150 grand corruption cases analyzed, corporate vehicles were misused in nearly all of these cases, to conceal the identities of corrupt public officials.

Transparency International-USA urges you to introduce and support legislation that requires persons forming U.S. corporations to disclose for law enforcement purposes the names of the beneficial owners of those corporations. To accomplish this, any proposed legislation should require that state corporate registries collect, maintain and update beneficial ownership information. This information would then be available to law enforcement agencies upon delivery of a summons or subpoena.

Over the years, the United States has committed to implementing beneficial ownership transparency in a number of different fora. The most recent example was the adoption of the G8 Action Plan for Transparency of Company Ownership and Control during the June meeting in Northern Ireland. Your introduction of and support for this type of legislation would be a strong signal to the rest of world that the U.S. is taking the necessary steps to uphold its commitments to beneficial ownership transparency.

Sincerely,

Claudia Dumas  
President and Chief Executive Officer  
Transparency International-USA