



November 21, 2017

The Honorable Charles Grassley
Chairman, Committee on the Judiciary
United States Senate
135 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Dianne Feinstein
Ranking Member, Committee on the Judiciary
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

RE: Combating Money Laundering, Terrorist Financing, and Counterfeiting Act of 2017 (S.1241)

Dear Chairman Grassley and Ranking Member Feinstein,

On behalf of the Financial Accountability and Corporate Transparency Coalition (FACT Coalition), we write in support of the **Combating Money Laundering, Terrorist Financing, and Counterfeiting Act of 2017 (S.1241)**. The FACT Coalition is a non-partisan alliance of more than 100 state, national, and international organizations in the United States promoting policies to combat the harmful impacts of corrupt financial practices.¹

In August, the FACT Coalition issued a report indicating that, worldwide, anti-money laundering efforts are currently just a decimal point away from total failure.² This failure to follow the money has very serious consequences for the American people. The opioid, methamphetamine, and cocaine epidemics are ravaging communities across the country.³ Human trafficking cartels continue to enslave millions of people — more than a century and a half after the Emancipation Proclamation. Identity theft, financial fraud, fraud in government contracting, and worse endanger individuals and waste taxpayer dollars. Terror finance, global corruption, and sanctions evasion threaten our national security.

As former U.S. Treasury Special Agent John Cassara — the author of our report — notes, “outside of crimes of passion, criminals, kleptocrats, and unscrupulous companies are typically motivated by *greed*.” To truly make a dent in the fight against sex trafficking, the opioid epidemic, or global graft, it is incumbent upon us to tackle the money fueling all of these crimes. S.1241 is an important step toward strengthening the U.S. anti-money laundering

¹ For a full list of FACT Coalition members, visit <https://thefactcoalition.org/about/coalition-members-and-supporters/>.

² John Cassara, “Countering International Money Laundering,” *The FACT Coalition*, August 23, 2017, <http://thefact.co/JwVhb>.

³ Nathan Proctor and Julia Ladics. “Anonymity Overdose: Ten Cases that Connect Opioid Trafficking and Related Money Laundering to Anonymous Shell Companies” *Fair Share Education Fund*, August 1, 2016, http://www.fairshareonline.org/sites/default/files/AnonymityOverdose_Aug1_2016.pdf.

regime.

While we are very supportive of many of the provisions in the bill, the Coalition is particularly appreciative of Section 11, which would make tax evasion a predicate offense for money laundering. It is estimated that the U.S. loses between \$35 billion and \$70 billion each year in revenue due to offshore tax evasion by individuals.⁴ The numbers are even higher if domestic tax evasion is taken into account. Section 11 will make it increasingly difficult for criminals to defraud U.S. taxpayers while simultaneously assisting our allies around the world — particularly those in the developing world — where revenue shortfalls have life and death implications for millions of people.

We thank you for your leadership in sponsor the Combating Money Laundering, Terrorist Financing, and Counterfeiting Act of 2017, and we look forward to working with both of you in the coming months to address the problem of anonymous shell companies through your True Incorporation Transparency for Law Enforcement, or TITLE, Act (S.1454).

For additional information, please contact Clark Gascoigne at cgascoigne@thefactcoalition.org or +1 (202) 810-1334.

Thank you again for your commitment to this important issue.

Sincerely,

Gary Kalman
Executive Director
The FACT Coalition

Clark Gascoigne
Deputy Director
The FACT Coalition

cc The Honorable John Cornyn
 The Honorable Orrin Hatch
 The Honorable Amy Klobuchar
 The Honorable Sheldon Whitehouse
 Members of the U.S. Senate Committee on the Judiciary

⁴ *The FACT Coalition*, “FACT Sheet: Offshore Tax Haven Abuse,” November 3, 2017, <http://thefact.co/cSulP>.

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