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New York law enforcement joins call for Congress to end abuse of secret companies following Global Witness investigation

New York: Law enforcement figures including New York District Attorney Cyrus Vance, former President of the FBI Agents Association Konrad Motyka and New York Attorney General Eric. T. Schneiderman today joined Representative Carolyn B. Maloney (D-NY) in calling on Congress to end the abuse of anonymously-owned shell companies by money launderers, terrorists and other criminals.

The news follows a ground-breaking undercover investigation by [Global Witness](#), which was featured on [60 Minutes](#) last month and was covered by the [New York Times](#). The exposé shines a light on how easily suspect money can flow into the U.S. via anonymously-owned shell companies, without detection from the authorities.

Days later, Representatives Carolyn Maloney (D-NY) and Peter King (R-NY), and Senators Sheldon Whitehouse (D-RI) and Dianne Feinstein (D-CA) introduced the *Incorporation Transparency and Law Enforcement Assistance Act*. The bill would require disclosure of the true owners of companies, which are presently able to operate in secret. This would make it much harder for money launderers to hide their identity behind webs of shadowy companies, and stash their ill-gotten gains in banks.

Today, at a press conference in NY, Rep. Maloney said, “ISIS and other terrorists are remarkably sophisticated, and they are looking for any opportunity to exploit our legal and financial systems. We are aiding and abetting terrorists and criminals when we allow them to set up anonymous shell companies and funnel money into the United States. The level of ineptitude in dealing with this problem in Washington is shocking. My bill simply says, if you want to form a corporation in the United States, tell us who really owns it! It’s that simple. I think the American people would be shocked to learn that isn’t the law already.”

At the press conference, Manhattan District Attorney Cyrus R. Vance, Jr. said, “Anonymous corporations are used to facilitate crimes like terrorism, international money laundering, and large-scale financial frauds of every kind, and frequently result in investigative dead ends for law enforcement agencies. Creating and enforcing minimum disclosure requirements – like a real name, current address, and valid identification as Rep. Maloney’s bill does – is a common-sense way to ensure more transparency in the incorporation process.”

Former President of the FBI Agents Association Konrad Motyka stated, “We cannot hold ourselves out to be a nation of laws and financial stability without the needed reforms being sought by this legislation. The Society of Former Special Agents of the FBI stands behind this bipartisan effort to make our financial system more transparent, effective, and free of terrorist and criminal financial influence.”

New York Attorney General Eric. T. Schneiderman said, “I applaud Congresswoman Maloney for shining a light on the abuse of anonymous corporate vehicles in the United States to hide and potentially launder foreign money. State incorporation laws should be used to help start and grow businesses, not to facilitate shadowy criminal activity. The Incorporation Transparency and Law Enforcement Assistance Act will provide law enforcement with the tools they need to better identify and investigate money laundering, and I salute Representatives Maloney and King and Senator Whitehouse for their bipartisan work on this critical law enforcement issue.”

On March 1, the U.S. Treasury started a pilot program to require people purchasing high end real estate with cash in Manhattan and Miami to disclose who they really are.

In its investigation, an investigator from Global Witness wearing a hidden camera met with 13 New York law firms and asked them how to get suspect money into the U.S anonymously. All but one gave us suggestions on how we might do it using anonymously owned companies and trusts, which can be very easily set up, and used to hide the identity of the true owner. None of the lawyers took our investigator on as a client, and no money was actually moved. For more information, and the full context of the investigations see: www.globalwitness.org/shadyinc.

Global Witness has previously shown how anonymously-owned American companies allow a wide range of criminals to cheat justice and rip off ordinary people – from forcing vulnerable families into foreclosure to luring individuals from overseas into a human trafficking scheme that stretched across the U.S.

“This issue’s time has come - this bill can stop the flow of dirty money into our property market and banking system,” said Stefanie Ostfeld, Head of U.S. Office at Global Witness. “It’s swift passage through Congress will make America fairer and safer by stopping dictators, terrorists and drug traffickers from being able to legally hide behind anonymously-owned American companies. We strongly welcome today’s call from DA Vance and Congresswoman Maloney, it’s another big step towards a new era of transparency and fairness in business.”

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