



Anonymous Shell Companies

Jubilee USA works to reform the global economic system, end the root causes of extreme poverty and build an inclusive global economy.

Background

Anonymous shell companies are corporations 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 their people.



When someone forms a company in the United States, they do not have to disclose the real people who profit from its existence or activities, known as "beneficial owners." Instead, individuals can conceal their identity by using front people (such as a lawyer) to represent the company. This lack of transparency allows criminals and the corrupt to launder their money and makes it more difficult for law enforcement to solve financial crime.

Financial transparency is critical to ending poverty and protecting both resources and tax revenues in 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.

Solution

The bi-partisan Incorporation Transparency and Law Enforcement Assistance Act would ensure that companies formed in the United States disclose their true owners. This will make it much easier for law enforcement 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 United States financial system as their "getaway car."

Get Involved

Jubilee USA and its partners work actively to win policies that improve corporate transparency and reduce crime generated by anonymous companies. If you're interested in getting involved in our work, contact Andrew Hanauer: Andrew@jubileeusa.org or (202)783-3566 x 100.

Jubilee USA Network is an alliance of more than 75 US organizations, 550 faith communities and 50 Jubilee global partners. Jubilee's mission is to build an economy that serves, protects and promotes the participation of the most vulnerable. Jubilee USA Network has won critical global financial reforms and more than 130 billion dollars in debt relief for the world's poorest people.

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