Maloney Bill to Crack Down on Shell Companies Passes House Committee

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WASHINGTON, DC – Today, the House Committee on Financial Services voted to pass Congresswoman Carolyn B. Maloney's (D-NY) Corporate Transparency Act out of committee. Rep. Maloney has been working for over a decade to pass legislation to crack down on anonymous shell companies and the use of NYC properties as bank accounts instead of homes, which drive up home prices for all New Yorkers.

"I am tired of money launderers using NYC apartments as bank accounts and driving up home prices for New Yorkers. My bill, the Corporate Transparency Act, will crack down on anonymous shell companies and help to stop this practice by requiring companies to disclose their true, beneficial owners – the people who actually own the LLC – when the company is formed.

"This bill is also critical for our national security, because it finally allows law enforcement to track the money that terrorist groups use to finance their operations. Disrupting terrorist financing networks should be one of our top priorities, but right now, terrorist groups can easily hide their money using anonymous shell companies. That is completely unacceptable. And its not just terrorists – far too many criminal networks can legally hide and launder their money legally here in the US. We should all be outraged that human traffickers, gun rings, and drug cartels are skirting the law because we allow these shady practices.

"The Corporate Transparency Act is one of the most important bills our committee will consider this Congress and I am thrilled that so many members of the committee agree with this and voted to pass the bill. I'm hopeful that this bill will pass the House like it did in the committee- with a bipartisan vote."

Background

The Congresswoman's Corporate Transparency Act will crack down on money laundering in the U.S. through anonymous shell companies by requiring companies to disclose their true, beneficial owners at the time the company is formed to prevent bad actors from using anonymous shell companies to thwart law enforcement and hide their illicit activities.

This bill is not only supported by but was also requested by law enforcement agencies so that they can "follow the money." In addition to law enforcement, more than 60 national security experts, 108 NGOs representing a broad cross-section of society, the banking, credit union, and real estate industries, the Delaware Secretary of State, the National District Attorneys Association, human rights organizations, and others have sent letters of support to Congress urging passage of this critical legislation.

Letters of support:

- 108 NGOs (https://maloney.house.gov/sites/maloney.house.gov/files/108%20NGOs.pdf)
- 60+ National Security Experts (https://maloney.house.gov/sites/maloney.house.gov/files/National%20Security%20Experts.pdf)
- 4 Real Estate Trade Associations (https://maloney.house.gov/sites/maloney.house.gov/files/Real%20Estate%20Trade%20Associations.pdf); American Escrow Association, American Land Title Association, National Association of REALTORS©, Real Estate Services Providers Council, Inc. (RESPRO)
- B Team (https://maloney.house.gov/sites/maloney.house.gov/files/B%20Team.pdf)
- Coalition Against Insurance Fraud (https://maloney.house.gov/sites/maloney.house.gov/files/Letter%20-%20Coalition%20Against%20Insurance%20Fraud%20%28Supporting%20Corporate%20Transparency%20Act%29%20%2804
- Credit Union National Association (CUNA) (https://maloney.house.gov/sites/maloney.house.gov/files/Letter%20-%20CUNA%20%28Supporting%20H.R.%202513%29%20%2805.08.19%29.pdf)
- Delaware Secretary of State Jeffrey W. Bullock (https://maloney.house.gov/sites/maloney.house.gov/files/DE%20Sec%20of%20State.pdf)

- Federal Law Enforcement Officers Association (FLEOA) (https://maloney.house.gov/sites/maloney.house.gov/files/Letter%20-%20FLEOA%20%28Supporting%20H.R.%202513%29%20%2805.07.19%29.pdf)
- Fraternal Order of Police (https://maloney.house.gov/sites/maloney.house.gov/files/Fraternal%20Order%20of%20Police.pdf)
- Human Rights NGOs (https://maloney.house.gov/sites/maloney.house.gov/files/Human%20Rights%20NGOs.pdf)
- Jubilee USA (https://maloney.house.gov/sites/maloney.house.gov/files/Jubilee%20USA.pdf)
- National Association of Assistant U.S. Attorneys (NAAUSA) (https://maloney.house.gov/sites/maloney.house.gov/files/Letter%20-%20NAAUSA%20%28Supporting%20H.R.%202513%29%20%2805.06.19%29.pdf)
- National Association of Federally-Insured Credit Unions (NAFCU) (https://maloney.house.gov/sites/maloney.house.gov/files/Letter%20-%20NAFCU%20%28Supporting%20H.R.%202513%29%20%2805.07.19%29.pdf)
- National District Attorneys Association (https://maloney.house.gov/sites/maloney.house.gov/files/NDAA.pdf)
- National Sheriffs' Association (https://maloney.house.gov/sites/maloney.house.gov/files/Letter%20-%20National%20Sheriffs%27%20Association%20%28Supporting%20H.R.%202513%29%20%2805.07.19%29.pdf)
- Polaris (https://maloney.house.gov/sites/maloney.house.gov/files/Polaris.pdf)
- Street Grace (https://maloney.house.gov/sites/maloney.house.gov/files/Street%20Grace.pdf)

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