

July 21, 2020

FINCEN FILES SPOTLIGHT FAILURE OF DECADES-OLD ANTI-MONEY LAUNDERING LAWS

Defense Bill Includes Critical Reforms

On Sunday, BuzzFeed News and a global coalition of journalists working with the International Consortium of Investigative Journalists released the results of a year-long analysis of thousands of documents exposing \$2 trillion in dirty money that was laundered through the global banking system, including \$1 trillion through U.S. banks. The exposé reveals gaps in our anti-money laundering rules. The rules have not been significantly updated in almost twenty years.

Transparency International's U.S. office issued the following statement:

"The system failed. There is plenty of blame to spread around, including on banks, regulators, and an outdated law to stop sophisticated financial crime that was originally written before there was the Internet.

The stories are chilling. North Korea-linked organizations were able to evade U.S. sanctions aimed at blocking the regime from buying or selling material for its weapons program. A Dubai-based business laundered cash on behalf of the Taliban, and a notorious money laundering network known to fund drug cartels was able to anonymously move money around the world.

All of this is made possible because of secrecy. In the United States we do not ask business owners to put their own names on registration papers, so criminals can easily hide behind a shell company. It turns out that what we don't know can, in fact, hurt us.

The revelations in these documents give us one trillion reasons to urgently update our laws to combat money laundering and end hidden ownership.

This Congress has a real opportunity to bring protections against money laundering into the modern era. With bipartisan support, the Corporate Transparency Act is included in the defense spending bill that's now under

consideration. The Act would expose those who exploit our laws and help us hold bad actors accountable. It would fill the gaps that allow these criminals to corrupt our financial system.

We can only hope that the alarming stories in the FinCEN Files release move Congress to address our safety and security and quickly pass the Corporate Transparency Act.

Related Resources:

- Read the [FinCEN Files series from BuzzFeed News](#).
- Read the [Corporate Transparency Act](#).
- Read the TI-US [Letter of Support](#) for including the Corporate Transparency Act in the House defense spending bill.

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