By electronic submission (via the Federal E-rulemaking Portal)

April 15, 2024

Ms. Andrea Gacki
Director
Financial Crimes Enforcement Network
U.S. Department of the Treasury
P.O. Box 39
Vienna, VA 22183

Re: Anti-Money Laundering Regulations for Residential Real Estate Transfers, RIN 1506-AB54, Docket No. FINCEN-2024-0005

Dear Director Gacki,

Transparency International U.S. ("TI US")[1] appreciates the opportunity to provide comments on the Financial Crimes Enforcement Network's ("FinCEN") Notice of Proposed Rulemaking ("NPRM") to combat and deter money laundering in the U.S. residential real estate sector by increasing transparency.[2] We offer these comments in order to both commend key aspects of FinCEN's proposed rule (the "Draft Rule") as well as to recommend important changes to the rule so as to ensure a final rule that is effective and practicable. As FinCEN works to develop the final rule, please consider us partners in that effort.

Writ large, we commend FinCEN for establishing nationwide and permanent anti-money laundering ("AML") requirements for transfers of residential real estate that involve a legal entity, regardless of the value of the transfer; for establishing a "cascading" order for identifying *who*—based on activity, not profession—must perform those AML obligations; for rejecting several of the higher-risk exemptions included in the beneficial ownership reporting rules created by the Corporate Transparency Act ("CTA"); and for incorporating the CTA's definition of "beneficial owner" in the Draft Rule. We also commend FinCEN for indicating that it will develop a specific real estate report form for electronic filing.

However, the Draft Rule falls short in two essentials ways which may prevent it from effectively identifying and targeting illicit funds in the U.S. real estate sector. First, the Draft Rule would only apply to residential—and not *commercial*—real estate transfers. Second, while the cascading order will certainly ensure more effective and generative filing and recordkeeping requirements, the Draft Rule unfortunately would not require the reporting party to verify, or otherwise scrutinize to any clear degree, the beneficial ownership information they are charged

[1] TI US is part of the largest global coalition dedicated to fighting corruption. With over 100 national chapters around the world, Transparency International ("TI") partners with businesses, governments, and citizens to promote transparency and curb the abuse of power in the public and private sectors. For more information about TI US, please see our website at https://us.transparency.org/.
[2] *See* Financial Crimes Enforcement Network, "Anti-Money Laundering Regulations for Residential Real Estate Transfers," Feb. 16, 2024, https://www.federalregister.gov/documents/2024/02/16/2024-02565/anti-money-laundering-regulations-for-residential-real-estate-transfers.

with collecting; to conduct due diligence on the transferee(s) (purchaser(s)) of the property; to identify or report the original source of the wealth used in the transfer; if a transfer involves an entity created, or a trust formed, in the U.S., to document the state in which it was registered or formed; or to document whether the transfer involved a politically exposed person ("PEP"), all contrary to the recommendations we made in our comment responding to FinCEN's December 2021 Advance Notice of Proposed Rulemaking regarding money laundering through U.S. real estate ("ANPRM").[34]

Our office recently completed and published a legal analysis comparing the relevant AML frameworks for real estate purchases in some 21 foreign countries,[5] 20 of which are member countries of the Organization for Economic Cooperation and Development ("OECD").[6] The results of this research are remarkably consistent: When it comes to nearly every key policy approach involved (whether a country's rules apply evenly to both residential and commercial real estate purchases, for example), nearly every country surveyed uses the same approach. We hope that FinCEN can see these commonalities, collectively, as a "North Star" as it responds to feedback on the Draft Rule and begins to develop its final rule. We have attached the full report to the end of this comment for your convenience.

Key Developments Regarding Money Laundering Risks in the U.S. Real Estate Market

The ability of criminal actors to exploit the U.S. real estate sector to hide, finance, and profit from their illegal activities is of course by now notorious and well-documented, with high-profile examples of such abuse[7] only continuing to drive home the alarming extent of this problem. In our comment responding to the ANPRM, we provided several examples of the scale and severity of this issue, especially with regard to corrupt foreign officials who had laundered funds stolen from their citizens.[8]

Building on that record, we highlight here several cases that have been brought by the U.S. Department of Justice ("DOJ") since that time that we believe demonstrate both the severity and continuing nature of this problem and, as discussed in greater detail below, illustrate the contours that should be brought to FinCEN's final rule in order to achieve a lasting, effective, and practical framework.

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[4] *See* Financial Crimes Enforcement Network, "FinCEN Launches Regulatory Process for New Real Estate Sector Reporting Requirements to Curb Illicit Finance," Dec. 6, 2021, https://www.fincen.gov/news/news-releases/fincen-launches-regulatory-process-new-real-estate-sector-reporting-requirements.

[5] These countries are Belgium, Czech Republic, Denmark, England & Wales, Finland, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, and the United Arab Emirates.

[6] *See* Transparency International U.S., "A Welcome Mat for Corruption," December 2023, https://us.transparency.org/resource/a-welcome-mat-for-corruption/.

[7] *See, e.g.,* Konrad Putzier, "That Suburban Home Buyer Could be a Foreign Government Overseas Investors turn to America's single-family rentals," The Wall Street Journal, Apr. 13, 2021, https://www.wsj.com/articles/that-suburban-home-buyer-could-be-a-foreign-government-11618306380; s*ee also* Casey Michel & Paul Massaro, "The U.S. Midwest is Foreign Oligarch's New Playground," Foreign Policy, June 3, 2021, https://foreignpolicy.com/2021/06/03/the-u-s-midwest-is-foreign-oligarchs-new-playground/.

[8] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 2-3, Feb. 18, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.

1. In March 2023, the DOJ announced the resolution of two civil cases brought under the Kleptocracy Asset Recovery Initiative resulting in the forfeiture of various luxury assets that were the proceeds of foreign corruption laundered in the United States. The conduct involved Nigerian businessmen who conspired to pay bribes to Nigeria's former Minister for Petroleum Resources. Lucrative oil contracts were steered towards the defendants, and the illicit proceeds, totaling more than $100 million, were laundered in the U.S. and "used to purchase various assets through shell companies, including luxury real estate in California and New York." In addition to using illicit proceeds to acquire real estate, the real estate was then used as collateral to further finance and obtain loans for the shell companies controlled by the defendants.[9]
2. In April 2022, a former Sri Lankan ambassador in Washington, DC, pleaded guilty to a scheme involving the diversion and attempt to embezzle over $300k related to the purchase of a new embassy building. The scheme involved inflating the price of the real estate and diverting the excess funds to companies which otherwise played no role in the underlying real estate transaction.[10]
3. In August 2022, the DOJ returned nearly $700k in forfeited criminal proceeds to Peru in relation to a corruption and bribery scheme involving the Peruvian President and a Brazilian global construction conglomerate. Over $1 million in bribery payments were used to purchase real estate in Maryland in 2007 using a scheme to hide the former president's ownership of the funds and connection to the Brazilian company. The funds were laundered through a trust and bank account controlled by the former president.[11]

The exploitation of U.S. real estate by Russian oligarchs and sanctioned persons has become even more concerning after Russia's February 2022 invasion of Ukraine, which U.S. law enforcement and its global counterparts are aggressively combating with sanctions. For example:

1. In September 2022, the DOJ announced the indictment of an associate of a sanctioned Russian oligarch for sanctions evasion. A naturalized U.S. citizen and resident of New Jersey has allegedly, among other things, used the U.S. financial system to maintain and sell real estate, which were owned through anonymous shell companies.[12]
2. In October 2022, the DOJ announced the grand jury indictment in New York and subsequent arrest in the UK of an associate of a sanctioned Russian oligarch who is alleged to have facilitated illicit financial transactions on behalf of the oligarch, primarily in his role as a manager of the oligarch's properties. The UK national carried out over $1 million dollars in illicit transactions to fund real estate properties in the United States on

[9] *See* The U.S. Department of Justice, "Justice Department Recovers Over $53M in Profits Obtained from Corruption in the Nigerian Oil Industry," Mar. 27, 2023, https://www.justice.gov/opa/pr/justice-department-recovers-over-53m-profits-obtained-corruption-nigerian-oil-industry.
[10] *See* U.S. Department of Justice, "Former Sri Lankan Ambassador Pleads Guilty to Defrauding Sri Lankan Government," Apr. 1, 2022, https://www.justice.gov/usao-dc/pr/former-sri-lankan-ambassador-pleads-guilty-defrauding-sri-lankan-government.
[11] *See* U.S. Department of Justice, "Justice Department Will Return Approximately $686,000 in Forfeited Corruption Proceeds to the Republic of Peru," Apr. 1, 2022, https://www.justice.gov/opa/pr/justice-department-will-return-approximately-686000-forfeited-corruption-proceeds-republic.
[12] *See* Dylan Tokar, "Prosecutors Targeting Russian Oligarchs Shift Focus to Service Providers That Support Them," The Wall Street Journal, Nov. 29, 2022, https://www.wsj.com/articles/prosecutors-targeting-russian-oligarchs-shift-focus-to-service-providers-that-support-them-11669767556; *see also* U.S. Department of Justice, "Russian Oligarch Oleg Vladimirovich Deripaska And Associates Indicted For Sanctions Evasion And Obstruction Of Justice," Sept. 29, 2022, https://www.justice.gov/usao-sdny/pr/russian-oligarch-oleg-vladimirovich-deripaska-and-associates-indicted-sanctions-evasion.

behalf of the oligarch, with transactions dating as far back as 2005 and involving the purchase of residential properties in New York and Washington, DC. Once the oligarch was sanctioned in 2018, the UK national formed a new company to which the properties were transferred.[13]

3. In February 2023, the DOJ announced the indictment of the associate of a sanctioned Russian oligarch for sanctions evasion. The associate, a Russia-born U.S. permanent resident, allegedly aided the sanctioned oligarch in concealing his ownership, maintenance, and sale of properties in New York and Florida valued at approximately $75 million. The properties were acquired using anonymous shell companies prior to the imposition of sanctions and involved U.S. lawyers to manage the property finances through interest on lawyers' trust accounts (or "IOLTA"), which received funds from accounts in Bahamas.[14]
4. In February 2024, the DOJ filed a civil forfeiture complaint in Florida for the forfeiture of two luxury condominiums in Miami Beach. The complaint is based on violations of sanctions imposed by the Office of Foreign Assets Control ("OFAC") as well as AML laws. The condos were owned by two Russian founders of a sanctioned construction company in embargoed Crimea. The complaint alleges that their Miami real estate agent transferred the properties to a minor-aged relative of the sanctioned Russian owners via the creation of a limited liability company and continued to manage the properties.[15]
5. Also in February 2024, the DOJ unsealed an indictment in New York charging a Russian oligarch at the head of one of Russia's largest banks for allegedly engaging in schemes to violate U.S. sanctions and for conspiring to commit international money laundering, with one such scheme involving maintaining and selling luxury real estate in Aspen, Colorado.[16]

Through schemes like these, corrupt foreign officials, kleptocrats, sanctioned persons, and others will continue to be able to undermine U.S. national security and foreign policy objectives, steal from their own people, and impoverish their home countries. And as the percentage of all-cash transactions accounted for some 28 percent of total transactions in 2023, these risks will remain serious and persistent until addressed.[17]

[13] *See* Dylan Tokar, "Prosecutors Targeting Russian Oligarchs Shift Focus to Service Providers That Support Them," The Wall Street Journal, Nov. 29, 2022, https://www.wsj.com/articles/prosecutors-targeting-russian-oligarchs-shift-focus-to-service-providers-that-support-them-11669767556; *see also* U.S. Department of Justice, "U.K. Businessman Arrested For Sanctions Evasion Benefitting Russian Oligarch Oleg Deripaska," Oct.11, 2022, https://www.justice.gov/usao-sdny/pr/uk-businessman-arrested-sanctions-evasion-benefitting-russian-oligarch-oleg-deripaska.

[14] *See* Dylan Tokar, "Prosecutors Targeting Russian Oligarchs Shift Focus to Service Providers That Support Them," The Wall Street Journal," Nov. 29, 2022, https://www.wsj.com/articles/prosecutors-targeting-russian-oligarchs-shift-focus-to-service-providers-that-support-them-11669767556; *see also* U.S. Department of Justice, "Associate of Sanctioned Oligarch Indicted for Sanctions Evasion and Money Laundering," Feb. 27, 2023, https://www.justice.gov/opa/pr/associate-sanctioned-oligarch-indicted-sanctions-evasion-and-money-laundering.

[15] *See* U.S. Department of Justice, "Justice Department Seeks Forfeiture of Two Bal Harbour Condos for Violations of Russia-Related U.S. Sanctions," Feb.22, 2024, https://www.justice.gov/usao-sdfl/pr/justice-department-seeks-forfeiture-two-bal-harbour-condos-violations-russia-related.

[16] *See* U.S. Department of Justice, "Sanctioned Russian Oligarch and Others Indicted for Sanctions Violations and Money Laundering," Feb. 22, 2024, https://www.justice.gov/usao-sdny/pr/sanctioned-russian-oligarch-and-others-indicted-sanctions-violations-and-money.

[17] *See* National Association of Realtors, "Cash Rules," Apr. 11, 2023, https://www.nar.realtor/blogs/economists-outlook/cash-rules.

The Draft Rule & TI US Recommendations

In our comment responding to FinCEN's ANPRM,[18] we discussed how extensive research published by TI analyzed real estate markets in the United States, Australia, Canada, and the United Kingdom, finding several common and significant vulnerabilities across the four markets.[19] These vulnerabilities included inadequate compliance with AML standards; insufficient collection and reporting of beneficial owners of legal entities, including trusts and other legal arrangements;[20] the abilities of foreign companies to gain access to real estate markets with few AML checks;[21] how an over-reliance on AML obligations at financial institutions ignores risks in non-financed transactions;[22] an absence of required checks on PEPs and their family members and associates;[23] and, despite risk assessments, how countries have been slow to adopt mitigation measures.[24]

TI's research concluded that the U.S. had severe deficiencies in its AML legal framework for real estate,[25] and that its framework was largely not in line with the commitments the U.S. had made at international fora.[26]

From this context, we first and foremost commend FinCEN for the important steps it has taken via the Draft Rule to reduce these vulnerabilities. As discussed below, the Draft Rule incorporates the overwhelming majority of the recommendations we included in our comment on the ANPRM.[27] At the same time, as evidence of vulnerabilities and risk continue to come to light (including as illustrated by the high-profile examples listed above), we encourage FinCEN to modify the Draft Rule to comprehensively reflect all eight of our previous recommendations.

1. ***The Draft Rule would establish a permanent and nationwide framework***.

In our comment responding to the ANPRM, we stated that the U.S. Government's current, *temporary* and *location-specific* approach to combating money laundering through U.S. real estate—i.e., GTOs, wherein title insurance companies involved in cash-only purchases by legal entities of residential real estate properties valued above certain dollar thresholds in certain locations were required to report information about the actual persons purchasing the property—must be expanded to cover the entire United States, made permanent, and broadened to cover all transfers of residential real estate, regardless of the value of the property.[28]

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[18] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 3-4, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.

[19] *See* Maíra Martini, "Doors Wide Open: Corruption and Real Estate in Four Key Markets," Transparency International, 2017, https://images.transparencycdn.org/images/2017_DoorsWideOpen_EN.pdf.

[20] *Id.* at 20.

[21] *Id.* at 22.

[22] *Id.* at 23.

[23] *Id.* at 26.

[24] *Id*. at 30.

[25] *Id*. at 9.

[26] *See* Financial Action Task Force, "United States Mutual Evaluation Report," Dec. 2016, 220-221, https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/MER-United-States-2016.pdf.

[27] *See generally* Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.

[28] *Id.* at 5-6.

We commend FinCEN for proposing a framework that would do so via the Draft Rule. Shortcomings of the GTOs, as evidenced by its constantly changing provisions—most notably, the variation of coverage of particular metropolitan areas and ever-lower dollar thresholds — have made clear that such an approach has been insufficient in addressing the size, scope, and durability of the problem of dirty money in U.S. real estate. Continued uncertainty, variability, and incompleteness regarding the scope and permanency of a new AML framework for U.S. real estate would only threaten to complicate implementation, and raise costs on the real estate industry, as potential changes would prevent the development of standardized training programs and implementation software. These complications may in turn undermine data quality. Lastly, but highly informative, every one of the 21 countries surveyed in our *Welcome Mat for Corruption* report employs rules for real estate that are permanent and apply nationwide.[29]

We commend FinCEN for expressly acknowledging that the GTOs were "not a permanent solution to a nationwide problem"[30]. Building on the eight years of insights gathered from practitioners, regulators, other stakeholders, and the GTO data itself, FinCEN is appropriately moving toward a permanent, nationwide, framework that clearly incorporates lessons learned from the GTOs. We urge FinCEN to maintain this approach in the final rule.

2. The Draft Rule does not impose a dollar threshold.

We similarly commend FinCEN for eliminating requisite dollar thresholds in the Draft Rule and instead proposing a framework that would establish permanent AML requirements for transfers of residential real estate that involve a company or other legal entity regardless of the value of the property or transfer. Particularly important to this conclusion is how the rule would thus apply to *gifts* of residential real estate, assuming the receiver of the gift is a company or other legal entity.

As we wrote in our comment on the ANPRM, "Should FinCEN now issue a nationwide rule, numerous thresholds would need to be created, monitored, and periodically adjusted based on market changes."[31] Such an approach would be inherently complex, with various thresholds dependent on numerous, ever-changing factors and variables across the United States. This variability would create costs and complexity for FinCEN and the real estate industry. Even a single, baseline threshold would be riddled with complications: perpetually either over- or under-inclusive and thus illuminating a clear path for evasion. The advocacy organization Global Financial Integrity's groundbreaking 2021 report, *Acres of Money Laundering* found several instances in which bad actors laundered money through the purchase of below-the-threshold real estate suggesting the elimination of dollar thresholds is consistent with FinCEN's risk-based approach to AML.[32]

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[29] *See* Transparency International U.S., "A Welcome Mat for Corruption," 3, Dec. 11, 2023, https://us.transparency.org/resource/a-welcome-mat-for-corruption/.
[30] Federal Register, "Anti-Money Laundering Regulations for Residential Real Estate Transfers," 12428, Feb. 16, 2024, https://www.federalregister.gov/documents/2024/02/16/2024-02565/anti-money-laundering-regulations-for-residential-real-estate-transfers#citation-38-p12428.
[31] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 6, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.
[32] *See generally* Lakshmi Kumar & Kaisa de Bel, "Acres of Money Laundering: Why U.S. Real Estate is a Kleptocrat's Dream," Global Financial Integrity, Aug. 2, 2021, https://gfintegrity.org/report/acres-of-money-laundering-why-u-s-real-estate-is-a-kleptocrats-dream/.

Finally, eliminating thresholds, especially in the residential market, is unlikely to add many additional filings. The National Association of Realtors, for instance, estimates that 87 percent of homebuyers financed their purchase[33]—suggesting that most of the market would not be covered by a new rule.

We commend FinCEN for expressly acknowledging that criminals seeking to launder dirty money do not "exclusively invest in luxury" property,[34] but also launder their funds via low-value real estate. We strongly urge FinCEN to keep dollar thresholds out of the final rule.

3. The Draft Rule does not apply to commercial real estate transfers.

The U.S. commercial real estate sector has proven a particularly attractive option for money laundering, especially by corrupt foreign officials, drug cartels, and sanctions evaders. Despite this robust and undeniable record, the Draft Rule fails to cover commercial real estate transfers.[35] Treasury's own *2022 National Strategy for Combating Terrorist and Other Illicit Finance* specifically calls for rulemaking to bring greater transparency to all real estate transactions.[36] Whether through this rulemaking, a simultaneous rulemaking(s), or a future rulemaking(s), FinCEN must extend AML obligations to commercial real estate transfers.

The vulnerabilities presented by the commercial real estate sector have been studied and echoed repeatedly, including, perhaps most notably, in the *Acres* report, as well as in recent alerts from FinCEN itself. In addition to the cases of money laundering through commercial real estate identified in *Acres*,[37] FinCEN identified concerns as far back as 2003. In an analysis of the commercial real estate sector, FinCEN found that "Since 2003, the trend line in suspicious activity reporting associated with potential commercial real estate-related money laundering has risen steeply."[38] We now know that the commercial real estate sector accounts for more than 30 percent of all real estate money laundering cases, through which millions of dollars flow into the U.S. illegally each year. FinCEN, too, recognizes that commercial real estate investments may "vary tremendously in kind and are just as likely to be attempted in small- to mid-sized urban areas as in the largest cities."[39] Indeed, in his public comments reacting to the Draft Rule,

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[33] *See* National Association of Realtors, "2021 Highlights from the Profile of Home Buyers and Sellers," Nov. 11, 2021, https://www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers.

[34] Federal Register, "Anti-Money Laundering Regulations for Residential Real Estate Transfers," 12436, Feb. 16, 2024, https://www.federalregister.gov/documents/2024/02/16/2024-02565/anti-money-laundering-regulations-for-residential-real-estate-transfers#citation-38-p12428.

[35] While the proposed rule would cover properties that *include* a commercial element (e.g., the owners of a Mom & Pop store residing above their shop), it is otherwise functionally silent on the issue.

[36] *See* U.S. Department of Treasury, "2022 National Strategy for Combating Terrorist and Other Illicit Finance", 6, May 2022, https://home.treasury.gov/system/files/136/2022-National-Strategy-for-Combating-Terrorist-and-Other-Illicit-Financing.pdf.

[37] *See* Lakshmi Kumar & Kaisa de Bel, "Acres of Money Laundering: Why U.S. Real Estate is a Kleptocrat's Dream," Global Financial Integrity, 29, Aug. 2, 2021, https://gfintegrity.org/report/acres-of-money-laundering-why-u-s-real-estate-is-a-kleptocrats-dream/.

[38] *See* Financial Crimes Enforcement Network, "Money Laundering in the Commercial Real Estate Industry," Dec. 2006, https://www.fincen.gov/money-laundering-commercial-real-estate-industry.

[39] *See* Fox Business, "Russian Oligarchs Invest in US Commercial Real Estate Bypassing Sanctions as Feds Warn Banks," Jan. 29, 2023, https://www.foxbusiness.com/economy/russian-oligarchs-invest-in-us-commercial-real-estate-bypassing-sanctions-as-feds-warn-banks.

Senator Whitehouse (D-RI), points out that much like the impact of illicit funds inflating prices in the residential real estate market, local businesses are similarly harmed when illicit funds are used to make purchases in the commercial real estate market.[40]

The consequences of the commercial real estate gap for victims of corruption, in particular, have reached global audiences. Consider the story, surfaced in the Pandora Papers, of the autocratic Prime Minister of Iraqi Kurdistan, reportedly known for torturing and killing journalists and critics, who reportedly purchased a retail store valued at more than $18 million in Miami, Florida, with the assistance of a Pennsylvania-based law firm.[41] Or the now notorious example of Ukrainian oligarch Igor Kolomoisky and his associates, who allegedly embezzled billions of dollars from a Ukraine-based bank and routed the money through a Cyprus branch before purchasing commercial real estate in Cleveland, Ohio, and Louisville, Kentucky, using anonymous shell companies.[42]

FinCEN has also published reports highlighting the risks posed by sanctioned Russian elites, oligarchs, and their proxies to the U.S. commercial real estate sector,[43] pointing out that ”[w]ealthy Russians with ties to the Kremlin are likely attempting to evade the economic sanctions placed on them in the U.S. by moving money into the commercial-real-estate sector, where complex financing methods and opaque ownership structures can help bad actors hide funds.”[44]

Moreover, the DOJ is taking action to combat the convergence of sanctions and AML enforcement, including evasion using the commercial real estate in the U.S. In fact, the Director of the DOJ’s KleptoCapture Task Force has pointed out how a recent enforcement action against a Russian oligarch represents a pivot in how the U.S. and other countries are enforcing sanctions against Russia.[45] The Brookings Institution, referring to the KleptoCapture program, has also stressed “the need for high quality ownership information [as being] greater than it has ever been

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[40] *See* Sheldon Whitehouse U.S. Senator for Rhode Island, “Whitehouse Welcomes FinCEN Proposed Rule Strengthening Anti-Money Laundering Safeguards in Residential Real Estate Market” Feb. 9, 2024, https://www.whitehouse.senate.gov/news/release/whitehouse-welcomes-fincen-proposed-rule-strengthening-anti-money-laundering-safeguards-in-residential-real-estate-market/.

[41] *See* Fox Business, “Russian Oligarchs Invest in US Commercial Real Estate Bypassing Sanctions as Feds Warn Banks,” Jan. 29, 2023, https://www.foxbusiness.com/economy/russian-oligarchs-invest-in-us-commercial-real-estate-bypassing-sanctions-as-feds-warn-banks.

[42] *See* U.S Department of Justice, “Justice Department Seeks Forfeiture of Two Commercial Properties Purchased with Funds Misappropriated from PrivatBank in Ukraine,” Aug. 6, 2020, https://www.justice.gov/opa/pr/justice-department-seeks-forfeiture-two-commercial-properties-purchased-funds-misappropriated.

[43] *See* Financial Crimes Enforcement Network, ”FinCEN Alert on Potential U.S. Commercial Real Estate Investments by Sanctioned Russian Elites, Oligarchs, and Their Proxies,“ Jan. 25, 2023, https://www.fincen.gov/sites/default/files/shared/FinCEN%20Alert%20Real%20Estate%20FINAL%20508_1-25-23%20FINAL%20FINAL.pdf; *see also* Financial Crimes Enforcement Network, ”FinCEN Alert on Real Estate, Luxury Goods, and Other High-Value Assets Involving Russian Elites, Oligarchs, and their Family Members,“ Mar. 16, 2022, https://www.fincen.gov/news/news-releases/fincen-alert-real-estate-luxury-goods-and-other-high-value-assets-involving.

[44] *See* Dylan Tokar, “US Warns Banks to Watch for Russian Oligarchs Investing in Commercial Real Estate,” The Wall Street Journal, Jan. 25, 2023, https://www.wsj.com/articles/u-s-warns-banks-to-watch-for-russian-oligarchs-investing-in-commercial-real-estate-11674686651.

[45] *See* Dylan Tokar, “Prosecutors Targeting Russian Oligarchs Shift Focus to Service Providers that Support Them,” The Wall Street Journal, Nov. 29, 2022, https://www.wsj.com/articles/prosecutors-targeting-russian-oligarchs-shift-focus-to-service-providers-that-support-them-11669767556.

before."[46] Dr. Louise Shelley, the Director of the Transnational Crime and Corruption Center at George Mason University and an expert on efforts to combat Russian money laundering, has stated that there has "not been enough emphasis on commercial real estate. It's all about oligarchs' buying real estate for themselves."[47] The more recent cases outlined above also demonstrate the ongoing need for international cooperation. U.S. law enforcement, in this regard, needs adequate tools, including sufficient legal authorities, to be a maximally effective global partner. Rules to address money laundering in the commercial real estate sector would obviously strengthen its hand.

Finally, so long as FinCEN continues to leave the risks posed by commercial real estate unaddressed, the U.S. will continue to lag behind other countries: As uncovered in our *Welcome Mat for Corruption*, all 21 countries that we sampled applied their AML rules to both residential and commercial real estate transactions, without distinction.[48] Treasury's cabining of the Draft Rule to residential real estate will leave the United States' resulting AML framework clearly and immediately outdated and incomplete.

As we wrote in our ANPRM comment, while commercial real estate transfers are often more complex and involve multiple buyers or buying groups, "it is precisely the complicated nature, and lack of transparency, of these purchases that make these transactions higher risk and thus worthy of being covered[.]"[49] As FinCEN develops its rule to cover commercial real estate transfers, we encourage it to consider the following:

1. Covered transfers should extend to all commercial transfers—not simply ones that involve financing (however that term might be defined). Unlike most residential transfers, commercial transfers often involve multiple buying units, some with financing and some without. Banks, the backstop on mortgage-financed residential purchases, are only required to perform AML due diligence on their direct clients. Those clients may only be a part of a larger buying group. Defining "financed transfers" in the commercial setting will leave significant gaps in the AML architecture that could be exploited by bad actors.
2. While commercial real estate transfers may be more complex than residential transactions, they nevertheless involve similar professionals. To this end, FinCEN could easily establish a hierarchy of responsible parties similar, if not identical, to that outlined in the Draft Rule.

While Treasury has stated elsewhere that it is "considering next steps" for addressing illicit finance risks posed by the U.S.'s commercial real estate sector, FinCEN must not only propose, but *finalize*, a rule covering commercial transfers before the end of 2024. We strongly urge

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[46] *See* Matthew Collin, Florian M. Hollenbach, and David Szakonyi, "The Impact of Treasury's Pilot Program on Stemming the Tide of Dirty Money into US Real Estate," The Brookings Institution, Mar. 8, 2022, https://www.brookings.edu/articles/the-impact-of-treasurys-pilot-program-on-stemming-the-tide-of-dirty-money-into-us-real-estate/.

[47] *See* Louise Shelley, "Russian Money Flows Through U.S. Real Estate," Criminal Investigations and Network Analysis, Apr. 22, 2022, https://cina.gmu.edu/russian-money-flows-through-u-s-real-estate/.

[48] *See* Transparency International U.S., "A Welcome Mat for Corruption," 3, December 2023, https://us.transparency.org/resource/a-welcome-mat-for-corruption/.

[49] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 7, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.

FinCEN to move forward as promised and release a commercial real estate rule as soon as possible to adequately protect U.S. real estate from being poisoned by the proceeds of corruption and other illicit financing.

4. ***The Draft Rule aligns its definition of "beneficial owner" with the definition used in the Corporate Transparency Act.***

As we wrote in our comment on the ANPRM,[50] FinCEN has multiple definitions of "beneficial owner." The Bureau defined the term "beneficial owner" when issuing and renewing the GTOs,[51] a second definition of "beneficial owner" exists in FinCEN's Customer Due Diligence ("CDD") rule for financial institutions,[52] and FinCEN has finalized a third definition of "beneficial owner" as part of the December 2021 Notice of Proposed Rulemaking ("NPRM") to meet the requirements of the Corporate Transparency Act ("CTA").[53] As we wrote, multiple definitions would likely yield conflicting information and sow confusion among filers, law enforcement would not easily be able to cross-reference data, which may frustrate investigations, and FinCEN itself might be unable to do effective analysis of its own data.[54]

Fortunately, FinCEN expressly incorporates the CTA's definition of "beneficial owner" in the Draft Rule, ensuring that the expertise acquired through the development and implementation of the CTA will be paid forward to this important new database, and that cental definitions will be consistent across relevant programs and industry sectors.[55]

5. ***The Draft Rule covers trusts (and foregoes other high-risk exemptions).***

As illustrated in our comment on the ANPRM, the Pandora Papers thoroughly exposed how U.S. trusts are frequently used by corrupt and other criminal actors to purchase U.S. real estate. This "easy and exploitable loophole," we wrote, created significant and obvious vulnerabilities in the integrity of the U.S. real estate sector.[56] One need only look to the example of Yahya Jammeh, former president of The Gambia, who owns a multimillion-dollar home in Potomac, Maryland, that is listed as belonging to "Trustees of the MYJ Family Trust."[57]

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[50] *Id.* at 8.
[51] *See, e.g.,* Financial Crimes Enforcement Network, "Geographic Targeting Order," July 27, 2016, https://www.fincen.gov/sites/default/files/shared/Title_Ins_GTO_Sample_072716.pdf.
[52] *See* Financial Crimes Enforcement Network, "Frequently Asked Questions Regarding Customer Due Diligence Requirements for Financial Institutions," Apr. 3, 2018, https://www.fincen.gov/sites/default/files/2018-04/FinCEN_Guidance_CDD_FAQ_FINAL_508_2.pdf.
[53] *See* Financial Crimes Enforcement Network, "Beneficial Ownership Information Reporting Rule Fact Sheet," Sept. 29, 2022, available at https://www.fincen.gov/beneficial-ownership-information-reporting-rule-fact-sheet.
[54] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 8, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.
[55] As the CTA requires FinCEN to update the CDD rule to conform with the CTA, we similarly anticipate the forthcoming CDD definition of "beneficial owner" to join this consensus definition.
[56] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 8, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.
[57] *See* Max Bearak, "The real dictators of Potomac, Maryland," The Washington Post, Feb. 3, 2017, https://www.washingtonpost.com/news/worldviews/wp/2017/02/03/the-real-dictators-of-potomac-maryland/.

In addition, a related experience in the United Kingdom ("UK") has proven instructive: When the UK adopted a beneficial ownership transparency requirement for companies, the law did not initially cover Scottish Limited Partnerships ("SLPs"). Following implementation of the law, the number of registered SLPs increased by over 23,000 (some 430 percent) between 2007 and 2016.[58] The UK government has since closed the loophole to address the concerns that SLPs were being used to evade the law.

Commendably, the Draft Rule would at long last end the notorious exemption for trusts, along with other exemptions to the U.S.'s umbrella beneficial ownership reporting regime under the CTA, including by covering purchasers that are nonprofits, pooled investment vehicles that are not registered with the Securities and Exchange Commission (e.g., hedge funds and private equity funds), as well as large companies (those with 20+ employees and over $5 million in gross receipts). Taken together, this means that corrupt and other illicit actors will have fewer means of evading AML checks by using uncovered entities to make purchases. FinCEN should maintain this scope of coverage in its final rule.

6. *The Draft Rule does not impose key AML safeguards—most importantly, requirements to verify the beneficial ownership information collected or to conduct due diligence*.

Using the statutory authority provided by the Bank Secrecy Act and the USA PATRIOT Act, we wrote in our comment responding to the ANPRM, FinCEN should require each responsible party to apply "traditional AML requirements."[59] While we recognized that there are differences between real estate, banking, and other sectors when it comes to customer relationships (for example, banks have an ongoing monitoring responsibility that does not easily translate to real estate transfers), given identified risks, FinCEN nevertheless must apply the relevant suite of AML obligations to the real estate sector.

FinCEN's resulting Draft Rule is unfortunately a mixed bag. In short, the responsible party (known as the "reporting person"), once identified (see #8 below), would be required to file a "Real Estate Report" within 30 days of the purchaser receiving ownership of the property in question (and maintain a copy of that Report for 5 years). This Report would include:

1. The name and business address for themselves, for the purchasing/transferee-ing entity, and for the selling/transferor-ring entities;
2. The beneficial ownership information, as well as citizenship information, for all beneficial owners of a purchasing entity, individual seller/transferor, and individuals who are trustees of transferor trusts (note that, as discussed in #4 above, the term "beneficial owner" would have the same meaning as that in the U.S.'s broader beneficial ownership reporting regime via the Corporate Transparency Act);
3. A unique identifying number (e.g., IRS Taxpayer ID Number, foreign passport number) for each person whose name or address is required to be reported;

[58] *See* STV News, "Scots firms with business model tied to $1bn fraud probed," Jan. 11, 2018, https://archive.news.stv.tv/politics/1406010-scots-firms-with-business-model-tied-to-1bn-fraud-probed.html.
[59] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 9, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.

4. The total amount (or other consideration) paid by all buyers, the method of payment, and the accounts and financial institutions used; and
5. The address of the property, and a legal description thereof (e.g., the section, lot, and block).

Importantly, while the beneficial ownership information to be collected and reported is consistent with the CTA, FinCEN could have proposed a more specific reporting regimen for real estate[60] that incorporated high-value data collection practices. Most importantly, this could have included the basic requirement that the reporting person *verify* the beneficial ownership information—even simply by requiring the provision of a photocopy of an identifying document (e.g., driver's license or passport), as is required by the CTA. While the Draft Rule requires the *transferee* to certify in writing that, to the best of their knowledge, the information they have provided is accurate, there is no requirement that the reporting person conduct any, even superficial, review of the provided information. Given the interests and incentives involved, at the very least, the Draft Rule could have obligated the reporting person to conduct a "clear error" or "best efforts" review of the information, helping to eliminate obviously false information (e.g., "Mickey Mouse" and "123 Main Street"). Along this same line, it is unclear from the Draft Rule itself whether the provision of false information (and what accompanying *mens rea*) would result in civil and/or criminal consequences, and for whom.

As discussed in our *Welcome Mat* report, in 20 of the 21 countries surveyed, at least one person or entity involved in a real estate transaction was required to not only collect, but to verify, beneficial ownership information.[61]

We encourage FinCEN to adopt a final rule that requires the reporting person to review all beneficial ownership information for "clear error" (and attest that such a review has been completed) as well as to state expressly in the rule that the provision of false information to a reporting person will carry the same consequences as the prohibition against providing false information to the U.S. Government.[62]

Furthermore, as we found in our *Welcome Mat* report:

> In 20 of the 21 countries, covered persons or entities were required to conduct customer due diligence in every covered real estate transaction. At a minimum, every such country required a basic level of due diligence, and survey results show that at least half of the countries tailored the prescribed level of due diligence to reflect the level of risk presented by a particular transaction.[63]

In our comment on the ANPRM, we urged FinCEN to "expand customer due diligence/know your customer programs to the real estate sector."[64] CDD is a basic, yet essential, element of

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[60] *See* 31 U.S.C. § 5318(a)(2).
[61] *See* Transparency International U.S., "A Welcome Mat for Corruption," 3, Dec. 2023, https://us.transparency.org/resource/a-welcome-mat-for-corruption/.
[62] *See* The False Claims Act - 31 U.S.C. § § 3729-3733.
[63] *See* Transparency International U.S., "A Welcome Mat for Corruption," 3, Dec. 2023 https://us.transparency.org/resource/a-welcome-mat-for-corruption/.
[64] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 9, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.

every Bank Secrecy Act ("BSA")-grade AML program. It is an express requirement in all but one of the jurisdictions evaluated in our report, and as outlined in the report's appendix listing persons or entities involved in real estate transactions that are subject to such AML requirements, a requirement that is routinely performed by an extremely wide range of professionals, from real estate agents to notaries, corporate service providers to escrow agents.[65] That FinCEN would choose to chart a different path for such a high-risk, high-profile category is both counter-intuitive and, given the absence of any meaningful analysis of this shortcoming in the Draft Rule's accompanying narrative, without explanation.

Moreover, additional reporting requirements could have included—and should include—documentation of the state in which an entity or trust was registered or formed (if a transfer involves an entity created or a trust formed in the United States) as well as documentation of the *source* of the wealth used in the transfer. As we wrote in our comment:

> Verifying occupation, income, bank account information, gifts, informal personal loans, and the sale of securities or other property are all data collected for real estate transactions involving mortgage-financed purchases. As such, FinCEN could proceed with confidence that such requirements are not without precedent and can be accomplished without undue disruption to the closing process.[66]

Unfortunately, while the Draft Rule requires the reporting person to collect if a payment was paid from an account held at a financial institution, the name of the financial institution, and account number, the reporting person is under no obligation to collect, let alone verify, the source of the wealth used in that transfer.

Lastly, a "risk-based rule" we wrote, "would also include identification of PEPs as buyers," as "PEPs are widely recognized by regulators and standard-setting bodies as high-risk individuals."[67] In particular, PEPs are understood by domestic and foreign law enforcement and regulators to be high-risk individuals for corruption and associated money laundering crimes. For example, the *Acres* report found that over 50 percent of surveyed U.S. cases involving money laundering in real estate from 2015 to 2020 involved a PEP.[68] This important safeguard could be realized, we suggested, by adding a box to the relevant reporting form that the responsible party could check if a PEP was involved.

Unfortunately, and contrary to these recommendations, the Draft Rule does not require the reporting person to document the source of wealth used by the transferee(s) or to report whether the transfer involved a PEP. This contrasts with countries evaluated in our *Welcome Mat* report, in which we found that "in 20 of the 21 countries, covered persons or entities could be required to document whether a covered transaction involved a [PEP]."

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[65] *See* Transparency International U.S., "A Welcome Mat for Corruption," 8-11, Dec. 2023, https://us.transparency.org/resource/a-welcome-mat-for-corruption/.
[66] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 9, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.
[67] *Id.*
[68] *See* Lakshmi Kumar & Kaisa de Bel, "Acres of Money Laundering", Global Financial Integrity, Aug. 2, 2021, https://gfintegrity.org/report/acres-of-money-laundering-why-u-s-real-estate-is-a-kleptocrats-dream/.

The ability of Oleg Deripaska—one of Vladimir Putin's closest allies—to reportedly own properties in the United States through anonymous companies proves the necessity of these additions: A company in Delaware reportedly owns a $15 million mansion in Washington, DC that is linked to Deripaska, with a separate Delaware company reportedly connected to Deripaska owning a $14 million townhouse in New York City.

The same goes for members of the family of Teodorin Obiang, the authoritarian President of Equatorial Guinea, who allegedly embezzled millions of dollars from Equatorial Guinea that were then used to purchase luxury assets in the United States—including a mansion in California and "$1 million representing the value of other property"—through the use of shell companies.[69]

Together, we strongly urge FinCEN to remedy these gaps by incorporating into its final rule express requirements that the reporting person (1) collect a photocopy of an identifying document for the beneficial ownership information provided to them, as well as verify, or at least review for "clear error," all such information; (2) conduct relevant CDD on the transferee(s) (purchaser) as described above; (3) collect information about the source(s) of wealth used by the transferee(s); (4) if a transfer involves an entity created, or a trust formed, in the U.S., document the state in which it was registered or formed; and (5) document whether the transfer involved a PEP.

7. The Draft Rule ensures at least one "responsible party" for each transfer.

One significant problem with the implementation and effectiveness of the GTOs, as we wrote in our earlier comment, was the use of title insurance companies as the singular party responsible for collecting and reporting the appropriate information to FinCEN; these individuals are in a good position to collect and report such information to FinCEN, but the lack of an alternative responsible party when it comes to transactions that do *not* involve a title insurance company has opened the door to evasion of the rules.[70]

Fortunately, the Draft Rule responds to our comment by setting up a "cascading" system for identifying who must perform the required AML obligations, ensuring that there is always at least one responsible party per transfer. Notably, this party, known as the "reporting person," would be identified by reference to FinCEN's clear reporting order,[71] an order that is based on the *function* the person performs in a covered transfer (not simply by their profession or industry). The order of this cascade is:

1. Those providing certain settlement services in the settlement process;
2. The person who underwrites an owner's title insurance policy for the buyer/transferee;
3. The person who disburses the greatest amount of funds in connection with the purchase or transfer (e.g., an escrow agent);
4. The person that prepares an evaluation of the title status; and

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[69] U.S. Department of Justice, "$26.6 Million In Allegedly Illicit Proceeds to Be Used To Fight COVID-19 and Address Medical Needs in Equatorial Guinea," Sept. 20, 2021, https://www.justice.gov/opa/pr/266-million-allegedly-illicit-proceeds-be-used-fight-covid-19-and-address-medical-needs.

[70] Transparency International U.S., "TI-US Comment on ANPRM for Real Estate Sector Reporting Requirements to Curb Illicit Finance," 9-10, Feb. 15, 2022, https://us.transparency.org/resource/ti-us-comment-on-anprm-for-real-estate-sector-reporting-requirements-to-curb-illicit-finance/.

[71] Or by agreement among those described in the reporting order.

5. The person who prepares the deed.

FinCEN's reporting hierarchy will ensure that no bad actor slips through the cracks—even if a title insurance company, lawyer, or escrow agent happens to be absent from a given real estate purchase. FinCEN can also rest assured that such an approach, even as such activities are performed by a variety of professionals, is not without ample precedent: our *Welcome Mat* report provides a detailed outline of each type of person or entity involved in real estate transactions that is subject to AML requirements in 21 different countries, a list that includes lawyers, real estate agents, accountants, escrow agents, tax advisers, and conveyancing practitioners.[72]

We also strongly support FinCEN's decision to not create an unnecessary exemption for lawyers when performing services with AML obligations under the proposed rule. In a 2022 TI US briefing paper[73] on the compatibility of proposed AML requirement with existing legal ethics rules, overall, we noted that the services described in the proposed rule do not require the involvement of legal professionals. For example, the hierarchical, cascading approach proposed by FinCEN — wherein non-lawyer professionals involved in real estate transactions (such as title insurance companies or escrow agents) might be assigned the relevant AML requirements before those requirements fall to lawyers, if at all —evidences that such services do not necessitate the involvement of a legal professional or the provision of legal advice. This demonstrates that such services require substantially less legal guidance than more complex legal services or transactions and are conventionally provided with no accompanying standardized protections regarding client confidentiality, privilege, or other related ethical considerations. Thus, the proposed rule would not affect such traditional legal representation calling for a lawyer's unique skill and judgment.

8. The Draft Rule should clarify financed transactions.

We would urge FinCEN to clarify the parameters of a "financed transaction," specifically those involving partially financed transactions. FinCEN properly exempts transactions in which financing is provided by entities – and their beneficial owners -- that have undergone AML checks by financial institutions with AML obligations. However, transactions in which some or all of the source of funds originate from entities or beneficial owners that have not undergone AML checks from a covered financial institution should be covered in the final rule. While less common in residential real estate transactions, purchasing structures can be layered and financing can originate from multiple sources. Reporting on the source of funds from beneficial owners not otherwise vetted by a covered financial institution would close a potential loophole in the rule that would be ripe for abuse.

Conclusion

The risk of money laundering through the U.S. real estate market is now well-documented. These dangers extend across the U.S. financial system and the more than $50 trillion[74] U.S. real

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[72] *See* Transparency International U.S., "A Welcome Mat for Corruption," 8-11, Dec. 2023, 8-11, https://us.transparency.org/resource/a-welcome-mat-for-corruption/.

[73] Transparency International US, "Enablers Act: The Compatibility of Proposed AML Requirements with Existing Legal Ethics Rules," Oct. 28, 2022, available at https://us.transparency.org/resource/enablers-act-the-compatibility-of-proposed-aml-requirements-with-existing-legal-ethics-rules/.

[74] *See* First National Realty Partners, "Commercial Real Estate and the Economy by the Numbers," Sept. 28, 2021, https://fnrpusa.com/blog/commercial-real-estate-numbers/; s*ee also* Zillow, "U.S. Housing

estate market. An unchecked market provides lucrative investments for corrupt networks, and distorts markets that, in turn, disadvantage U.S. homebuyers and entrepreneurs, and erode communities. The above recommendations offer a path forward that, if incorporated into the final rule, will serve as a major step toward closing a serious gap in our county's AML framework, provide law enforcement with necessary information to hold corrupt and criminal actors accountable, and do so in a way that integrates, as much as practicable, new requirements into existing industry practices and processes.

If you have any questions, or for additional information on TI US's work in this regard, please contact Scott Greytak, Director of Advocacy for TI US, at sgreytak@transparency.org. Thank you for the opportunity to present these comments.

Respectfully submitted,

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Market has Doubled in Value since the Great Recession, Gaining $6.9 Trillion in 2021," Jan. 27, 2022, https://www.zillow.com/research/us-housing-market-total-value-2021-30615/.