

# A no-brainer bill to fight crime: Require corporations to disclose who runs them

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The [U.S. Senate Committee for Homeland Security and Governmental Affairs](#) is considering a bill that would require the states, when they allow someone to create a corporate entity, to obtain information about the true ownership of the corporation.

The pending bill, the Incorporation Transparency and Law Enforcement Assistance Act, has bi-partisan support and is sponsored by Sens. [Carl Levin \(D-Mich.\)](#), [Chuck Grassley \(R-Iowa\)](#) and [Claire McCaskill \(D-MI\)](#). This bill is being reviewed by committee [Chairman Joe Lieberman](#), who is a straight-shooting and no-nonsense senator with a track record of supporting law enforcement and national security.

The bill is as simple and straight-forward as it sounds. It would require a simple line on the registration form - "State the beneficial owner of the corporation" - and would require the person creating the corporation to provide some form of identification.

Believe it or not, only two states ([Alabama](#) and [Alaska](#)) currently require this basic piece of information before granting a corporate license.

Why do we need this bill? The answer is simple: It is a tool that will help us stop and deter criminals. Every kind of criminal organization uses shell companies, both foreign and domestic, to open bank accounts, launder money and hide the activities of its owners. Tax cheats, money launderers, securities fraudsters and even the financiers of terror need shell companies for their nefarious activities. For instance, we recently found \$1 billion that had been transmitted by a foreign bank to an account in a small town U.S. bank opened in the name of a company of unknown ownership.

Requiring a simple statement of ownership will make it harder for criminals to form shell companies and will give law enforcement an important tool in proving crimes at trial.

It will also bring the [United States](#) up to international standards. It is difficult for us to lecture to the [Cayman Islands](#), [Switzerland](#) and other "secrecy jurisdictions" when we have 48 states providing their own versions of secrecy corporations right here at home.

Virtually every law enforcement group that has considered this bill supports it.

So what is the hold up? The states that have the most lax standards are against it because they fear they will lose revenue. But since the bill will apply to all states evenly, no single state will suffer unfairly. And, of course, the big incorporation services do not like any bill that could complicate their business.

This is a bill that will increase transparency and end shoddy practices that help criminals avoid detection. The public interest requires that the [Committee for Homeland Security and Governmental Affairs](#), under Lieberman's leadership, report the bill out to the Senate floor.

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