

ORRIN G. HATCH, UTAH, CHAIRMAN

CHUCK GRASSLEY, IOWA  
MIKE CRAPO, IDAHO  
PAT ROBERTS, KANSAS  
MICHAEL B. ENZI, WYOMING  
JOHN CORNYN, TEXAS  
JOHN THUNE, SOUTH DAKOTA  
RICHARD BURR, NORTH CAROLINA  
JOHNNY ISAKSON, GEORGIA  
ROB PORTMAN, OHIO  
PATRICK J. TOOMEY, PENNSYLVANIA  
DANIEL COATS, INDIANA  
DEAN HELLER, NEVADA  
TIM SCOTT, SOUTH CAROLINA

RON WYDEN, OREGON  
CHARLES E. SCHUMER, NEW YORK  
DEBBIE STABENOW, MICHIGAN  
MARIA CANTWELL, WASHINGTON  
BILL NELSON, FLORIDA  
ROBERT MENENDEZ, NEW JERSEY  
THOMAS R. CARPER, DELAWARE  
BENJAMIN L. CARDIN, MARYLAND  
SHERROD BROWN, OHIO  
MICHAEL F. BENNET, COLORADO  
ROBERT P. CASEY, JR., PENNSYLVANIA  
MARK R. WARNER, VIRGINIA

# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

CHRIS CAMPBELL, STAFF DIRECTOR  
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

May 10, 2016

The Honorable Barbara K. Cegavske  
Nevada Secretary of State  
101 N Carson Street Suite 3  
Carson City, NV 89701

Dear Secretary Cegavske,

The Senate Committee on Finance is charged with overseeing many Treasury Department functions, including efforts related to financial crimes and terrorist financing, as well as administration of the tax code. As Ranking Member of the Committee, I have become increasingly concerned about the use of anonymous shell companies as vehicles for terrorist financing, tax evasion, and fraud targeting major government programs within the Committee's jurisdiction, such as Medicare. Recent news media reports indicate that over 1,000 Nevada-registered business entities are linked to a single Panamanian law firm, Mossack Fonseca, and its Nevada-based affiliate.<sup>1</sup>

To assist my review in this matter, please provide the following information:

1. For the over 1,000 Nevada business entities that have been linked to Mossack Fonseca, please provide all documents filed with the Secretary of State related to each entity, including, but not limited to, documents related to the articles of organization for each entity and any other documents related to the registration, maintenance and operation of the entity.
2. Has the Secretary of State conducted audits of any business entities identified in item 1? If so, please provide any official documents or correspondence related to any such audit.
3. Nevada law allows the Secretary of State to demand a list of beneficial owners of any entity registered in Nevada that is suspected of illegal activities.<sup>2</sup> How many times has this authority been used in each of the past three years? Has the Secretary of State used this authority to collect beneficial ownership information for any entity identified in item 1? If so, please provide the beneficial ownership information for each such entity.

<sup>1</sup> Steve Reilly, *Panama Papers: 1,000 secret Nevada firms, 2 overseas address*, USA Today (April 8, 2016) <http://www.usatoday.com/story/news/2016/04/07/1000-secret-nevada-firms-and-most-trace-2-overseas-addresses/82760186/>

<sup>2</sup> Press Release, Nevada Secretary of State, Corporate Ownership Fraud to be Focus of Joint State and Federal Task Force (Sept. 9, 2011) <http://nvsos.gov/index.aspx?recordid=738&page=23>.

4. Under Nevada state law, registration agents who represent 10 or more entities must register with the State of Nevada as a commercial registered agent.<sup>3</sup> How many commercial registered agents are there in Nevada? For each registration agent associated with a business entity in item 1, please provide copies of any documents filed with the State of Nevada related to the operation of the registration agent as a commercial registered agent.
5. Please describe the process for reviewing and approving the operation of a commercial registration agent in the State of Nevada. Has the State of Nevada conducted any additional audits or oversight of commercial registration agents? If so, how many such audits have been conducted? How many commercial registration agents have been found to be in violation of Nevada licensing requirements? For each registration agent associated with a business entity in item 1, please provide copies of any documents related to any audit of the commercial registration agent.
6. In 2011, the Secretary of State established a joint Corporate Ownership Fraud Task Force in cooperation with the U.S. Internal Revenue Service to investigate registered Nevada business entities that were suspected of being involved in illegal activities including tax evasion, money laundering, securities violations, and the marketing of shell or shelf companies for fraudulent and/or deceptive purposes.<sup>4</sup> Did the task force identify or investigate any entities associated with Mossack Fonseca or MF Corporate Services? How many business entities were reviewed by the task force? What were the findings of this task force? Did any criminal or civil prosecutions result from the work of the task force? If so, please describe each such prosecution. Did any legislative or regulatory changes occur as a result of the task force's findings? Please provide any formal report issued by the task force.

I would appreciate your response to these questions by June 3, 2016. If you have any questions, please have your staff contact Dan Goshorn at (202) 224-4515.

Sincerely,



---

Ron Wyden  
Ranking Member

---

<sup>3</sup>Press Release, Nevada Secretary of State, Noncompliant Registered Agents Face Fines, Penalties from Secretary of State's Office (Mar. 12, 2014) <http://nvsos.gov/index.aspx?recordid=1607&page=23>.

<sup>4</sup> Press Release, Nevada Secretary of State, Corporate Ownership Fraud to be Focus of Joint State and Federal Task Force (Sept. 9, 2011) <http://nvsos.gov/index.aspx?recordid=738&page=23>.