

September 20, 2010

The Honorable Barney Frank, Chairman  
The Honorable Spencer Bachus, Ranking Member  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, District of Columbia

Dear Mr. Chairman and Ranking Member,

We are writing to express our support for H.R. 6098, legislation that will help pierce the veil shrouding the financial activities of corrupt foreign politicians who enrich themselves at the expense of their own citizens. Our organizations are concerned with increasing the transparency of revenue flows into developing nations with significant natural resource wealth to ensure those revenues are used for the benefit of the people of those countries.

Thanks in no small part to your leadership, the effort to increase transparency scored a major victory recently when mandatory extractive industry disclosure requirements for payment to countries was included in the recently passed Dodd-Frank conference report. In the same spirit of transparency, we believe it is important to prevent corrupt foreign officials from illegally re-directing legitimate payments into private accounts for their sole benefit.

While we cannot alter the behavior of foreign politicians determined to steal the wealth of their state, we can make it significantly more difficult for them to store and access their ill-gotten gains. The United States should be a leader in the fight to ensure that the proceeds of corruption do not enter the banking system, and its money laundering legislation and implementation is well ahead of its peers. Unfortunately our system of corporate formation leaves a gaping hole in our anti-corruption efforts. By allowing the ultimate owners of corporate entities to remain anonymous, it increases the difficulty for banks to identify accounts that may be holding proceeds of corruption. Numerous inquiries, including by the Senate Permanent Subcommittee on Investigations, have identified proceeds of foreign corruption being held in the United States through the use of shell companies developed as a result of the leniency of corporate formation laws.

In the effort to continue the fight to end corruption in resource-rich states, we support H.R. 6098, introduced by the Chairman and Representative Carolyn Maloney, which would require beneficial ownership information to be collected and allow it to be accessed by law enforcement conducting investigations into foreign corruption. While the United States cannot prevent some of these accounts moving offshore, we certainly should not be a repository for ill-gotten gains; H.R. 6098 will help to prevent the U.S. financial system from facilitating the pillaging of the wealth of developing countries.

We urge the committee to consider H.R. 6098 at the earliest opportunity, and look forward to continuing to work with you to support the global fight against corruption.

Sincerely,

**Boston Common Asset Management, LLC**

**CorpGov.net**

**Earthrights International**

**Friends of the Earth**

**Global Financial Integrity**

**Global Witness**

**Natural Investments, LLC**

**Oxfam America**

**Pax World Management, LLC**

**Revenue Watch Institute**