



# NEVER AGAIN COALITION

March 20, 2023

Policy Division Financial Crimes Enforcement Network  
P.O. Box 39  
Vienna, VA 22183

RE: Beneficial Ownership Information Reports (Docket No.: FINCEN-2023-0002)

Dear Sir or Madam,

The Never Again Coalition (NAC) is a U.S. civil society organization dedicated to the awareness and prevention of genocide and mass atrocities. NAC supports local communities in our focus countries of DRC, South Sudan, Sudan, and Burma/Bangladesh (in support of the Rohingya). We advocate in the US for government policy to elevate public awareness of local conditions and to bring the full pressure of the U.S. government on the governments of these countries to change their behavior and serve their people. Our focus countries all experience high levels of corruption and kleptocracy and NAC celebrated the passage of the CTA, monitoring closely as FinCEN has written the implementing rules. We are deeply alarmed at the current proposed form for the collection of data in the beneficial ownership registry, particularly the ability of the filer to opt out of providing most of the required information about the beneficial owner of the reporting company: name, address, and identifying document, by stating this information is "unknown".

The CTA passed as landmark anti-corruption legislation, to help the government, law enforcement and tax officials fight (among other crimes) money laundering, terrorism financing, sanctions evasion, tax evasion, kleptocracy, bribery, and the erosion of democratic institutions globally. Secrecy is the tool that enables bad actors to facilitate their business, launder their money and protect their ill-gotten gains. By attacking the money laundering system, specifically through the disallowance of anonymous shell companies, the CTA was meant to make it harder for criminals to benefit from the system: harder to move their money, launder dirty money into clean assets, and hide stolen assets from authorities. Accessing the international financial system is the reward these crooks enjoy, benefitting from their crimes. Making this access riskier, by requiring disclosure of beneficial ownership of these companies, is a critical part of disabling financial crimes because the information would assist tax and law enforcement authorities but also because it could make enablers less willing to work with criminals. A robust implementation of the CTA would have both a strong enforcement and a strong deterrence effect. This was the clear intent of Congress in the bipartisan passage of the bill, and if this form is not revised to remove the opt out option, what then is left? FinCEN must revise this form, or publicly justify the analysis behind the opt out option and explain how a database full of incomplete forms would be any better than the current registries of anonymous shell companies.

The Biden administration has made anti-corruption a top policy priority. Their stated whole of government approach to fighting corruption recognizes the global and interconnected reality of our time. The U.S. uses its financial strength and political credibility to further its goals, and the CTA was meant



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to be one of the tools to this end. It makes no sense to deploy the military while simultaneously not doing everything possible to deter illegal arms sales, or terrorist financing, for example. Indeed, why have a Summit for Democracy while enabling kleptocrats and criminals to capture governments, oppress their citizens and perpetrate mass atrocities (ex. Burma and Sudan)? How can a government fight climate change if they cannot help create the necessary conditions for secure investment, from both International Financial Institutions and private investors (ex. DRC)? As Russia vividly demonstrates, the ability of a government and its elites to capture the institutions and finances of a state can have devastating consequences. Critical to state capture is the ability to move stolen assets into the international system, to launder them into 'clean' assets and to use this process to secure loyalty and material to perpetuate the cycle of corruption. Ending anonymous shell companies is one obvious step to breaking this cycle.

The U.S. needs to lead by example, to honor previous commitments, and to make the most of its own resources. This can't be done if the government doesn't utilize all the tools available, particularly having strong laws that are implemented and enforced. The U.S. is one of the founding members of the Financial Action Task Force (FATF). This month FATF released revisions for Recommendation 24, regarding a country's obligation to collect beneficial ownership information that is robust and verifiable.<sup>1</sup> The Never Again Coalition believes that compliance with Recommendation 24 is an obligation of the U.S. government and should inform Treasury as they revise their beneficial ownership registration form.

Sincerely,

Kelly McDermott  
Financial Accountability Analyst  
Never Again Coalition

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<sup>1</sup> <https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/Guidance-Beneficial-Ownership-Legal-Persons.pdf.coredownload.pdf>