

**June 30, 2020**

**ATTORNEY GENERAL RAOUL URGES SENATE TO PASS LAW TO FIGHT SHELL COMPANIES**

**Chicago** — Attorney General Kwame Raoul today joined 42 attorneys general in urging the U.S. Senate to pass S. 2563, the Improving Laundering Laws and Increasing Comprehensive Information Tracking of Criminal Activity in Shell Holdings (ILLICIT CASH) Act.

The ILLICIT CASH Act updates the federal framework for fighting money laundering and terrorism financing, which has not been comprehensively reassessed since its inception in the 1970s. It creates new tools for information sharing between financial institutions and law enforcement. In addition, the act requires a covered entity to report its “beneficial owners,” the actual people who benefit from or control the entity.

“Currently, states cannot track information on who owns or benefits from corporations that do business in the U.S., and cannot determine whether criminals are abusing our financial institutions,” Raoul said. “I urge the Senate to pass the ILLICIT CASH Act and take this important and necessary step to give states tools that allow law enforcement to put an end to unlawful use of financial institutions.”

In the letter sent to Sen. Mike Crapo, chairman, and Sen. Sherrod Brown, ranking member, of the Senate Committee on Banking, Housing and Urban Affairs, Raoul and the coalition recognize that many states do not have the ability to track information on the actual people who control or benefit from corporations and other entities that do business in the states. Without that information, states cannot determine if an entity is a shell for concealing the illicit proceeds of criminals such as drug traffickers, terrorist financiers, tax evaders, and corrupt government officials.

Under the ILLICIT CASH Act, certain business entities will have to disclose a “beneficial owner” to the federal government. A beneficial owner is a “natural person” who controls an entity, owns at least 25 percent of it, or receives economic benefits from it. The Financial Crimes Enforcement Network of the U.S. Department of Treasury (FinCEN) will then keep all the disclosed beneficial ownership information in a federal registry. The act requires FinCEN to release beneficial ownership information to law enforcement agencies, including at the local and state levels.

Joining Raoul in the letter are the attorneys general of Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, N. Mariana Islands, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Utah, Virginia, Washington, West Virginia and Wisconsin.