

Coalition for Integrity

Coalition for Integrity calls for collection of beneficial ownership information of anonymous companies by all jurisdictions following the massive Paradise Papers leak.

The massive leak of 13.4 million files, dubbed the “Paradise Papers,” highlights the loopholes that exist in the global financial system and showcases how easy it is for tax evaders, money launderers, and senior public officials to utilize anonymous companies to hide their identities, their potential conflicts of interest and their business deals.

Washington D.C., 6 November, 2017: Leaked documents from offshore law firm Appleby, Asiaciti, and from company registries in 19 secrecy jurisdictions highlight the loopholes in the shadowy offshore financial system. The [Paradise Papers](#) were revealed on Sunday, November 5 by the International Consortium of Investigative Journalists (ICIJ).

The papers revealed that U.S. Commerce Secretary Wilbur Ross failed to adequately disclose his interest in a shipping company that does business with an energy firm whose owners include Russian President Vladimir Putin’s son-in-law and a sanctioned Russian businessman. This follows closely on reports last week that President Trump’s former campaign chairman, Paul Manafort, laundered millions of dollars using offshore accounts and companies, enabling him to enjoy a lavish lifestyle in the U.S. without paying taxes on the money. Manafort also reportedly failed to register as a foreign lobbyist.

While shell companies have legitimate uses, their opacity makes them a favorite tool for tax evaders, money launderers, corrupt public officials and other criminals. The leaks also shine a light on the role of offshore tax havens. The United Kingdom has led the way by publishing the world’s first fully open [register](#) of beneficial ownership, but it needs to do more to tackle abuses by its Overseas Territories and Crown Dependencies, many of which are well known tax havens.

Unfortunately, it is not just Bermuda, Panama, and other known tax havens that provide vehicles for tax evaders and criminals to launder their illicit wealth. In every state in the United States, one can incorporate a legal entity without having to disclose who controls the entity or derives economic benefits from it. “The Paradise Papers leaks show how important it is for all jurisdictions, including the U.S., to collect beneficial ownership information upon company formation,” said Claudia J. Dumas, President and CEO of the Coalition for Integrity.

“It is imperative that company service providers are required to conduct due diligence and screenings of their clients so that they are not unwittingly opening shell companies for tax evaders or corrupt public officials” said Shruti Shah, Vice President of the Coalition for Integrity.

Notes to Editors:

1. [Coalition for Integrity](#) is a non-profit, non-partisan 501(c)(3) organization. We work in coalition with a wide range of individuals and organizations to combat corruption and promote integrity in the public and private sectors.



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2. Information on the Paradise Papers can be found here: <https://www.icij.org/blog/2017/614/icij-releases-paradise-papers/>

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