October 22, 2013

United States House of Representatives
Washington, DC 20515

Dear Representative,

We, the undersigned investors, are writing to express our strong support for the Holding Individuals Accountable and Deterring Money Laundering Act, and the Incorporation Transparency and Law Enforcement Assistance Act. Each of these bills contains important provisions that would provide safer and more predictable operating environments for investors.

The Holding Individuals Accountable and Deterring Money Laundering Act would require bank executives and directors to approve and monitor their institutions’ anti-money-laundering policies and procedures. Importantly, the legislation would strengthen the legal and regulatory framework for holding executives and other bank employees individually liable for money laundering violations.

This legislation is important to ensure that appropriate deterrents are in place to discourage banks from facilitating money laundering, which has a detrimental impact on communities, businesses, and investments. As recent banking scandals demonstrate, the current legal and regulatory framework is not sufficiently robust to discourage bank employees from ignoring anti-money-laundering requirements. Putting in place a law with real teeth is critical for sending a strong message to bank executives and other employees that violators of money laundering regulations risk criminal prosecution.

The Incorporation Transparency and Law Enforcement Assistance Act would require companies to disclose information about the real people who own or control them (often called the “beneficial owners”) at the time they are created. Currently, across the U.S. companies can be created anonymously, effectively removing personal responsibility or accountability from the corporate equation. As a result, such companies have been implicated in money laundering associated with drug traffickers, terrorist organizations, tax evaders, corrupt politicians, and others. This legislation would provide law enforcement with information crucial for combating these types of criminal activities.

By ensuring greater transparency over the individuals who own and control companies, this bill would promote sound corporate governance and financial stability, help ensure a fair and level playing field for small- and medium-sized businesses, enable individuals and companies to know with whom they are doing business, provide investors with greater information about company structures, and curb corruption. Hidden company ownership facilitates bribery, which can erode democratic institutions, rule of law, and human rights protections. There is a real cost of corruption to investors, shareholders, small businesses, consumers, and the general public, including the creation of a corporate culture that tolerates unethical behavior.
Secrecy is not conducive to successful investing or business. Both activities are dependent upon access to reliable and accurate information, and a stable environment in which the rule of law, transparency, and accountability are standard practice. Investors have a right and obligation to know the identities of those in whom they are placing their trust and money. Investors benefit from a system in which all participants in free market capitalism, including banks and corporations, are beholden to the same standards of transparency and responsibility.

By supporting the Holding Individuals Accountable and Deterring Money Laundering Act and the Incorporation Transparency and Law Enforcement Assistance Act, you will be working to provide law enforcement and prosecutors with the tools needed to effectively fight crime and the criminals that rely on the anonymity of U.S. corporations or the willingness of bank employees to turn a blind eye to money laundering. In the process, you will be helping to protect the millions of investors whose success is predicated upon the existence of transparent and accountable institutions.

Yours sincerely,

Bennett Freeman
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Adam Kanzer
Managing Director and General Counsel
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Thomas E. Francione
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Rev. William Antone OMI
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Sr. Denise Granger
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