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Financial Secrecy Continues to Damage Economic Recovery, Facilitate Crime

New Report from Tax Justice Network Reveals that U.S. Ranks in Top Five Countries for Financial Secrecy

WASHINGTON – In a [report](#) released by the non-profit Tax Justice Network, it was revealed that the U.S. government and its major corporations, along with many other major financial centers, continue to enable and participate in the widespread use of secrecy jurisdictions. The Financial Secrecy Index, a massive and independent research project with global scope, reveals that financial secrecy is as entrenched as ever.

The damage caused by financial secrecy has reached epic proportions in that governments worldwide struggle to balance their books and are mired in political gridlock over where to cut programs and how to increase revenues. It has been reported that the U.S. loses approximately \$100 billion every year due to corporations and wealthy individuals keeping their assets in offshore secrecy jurisdictions.

[Read the full report here.](#)

“As lawmakers wring their hands over how to deal with the budget deficit, they need to take a hard look at the widespread tax avoidance, evasion and financial secrecy that rob the Treasury and force average taxpayers and small businesses to pick up the tab,” said Nicole Tichon, Executive Director of Tax Justice Network U.S.A.

The U.S. remains a hotbed for those who want to hide assets and set up shop anonymously. While some progress has been made with the passage of the Dodd-Frank financial reform bill and the Foreign Account Tax Compliance Act (FATCA), the U.S. government offers significant secrecy facilities. For decades, the U.S. has offered tax-free treatment as well as corporate anonymity to lure in foreign capital as well as domestic “shell” companies that can offer a safe haven for illicit activities.

[Read the U.S. Detailed Report here.](#)

"TJN's newly-updated FSI is shocking," said Jim Henry, TJN-USA Board Member. "It underscores the growing role of Asian havens like Singapore. It also shows that, despite endless rhetoric from the G20, OECD and the U.S. about "ending tax havens" we've actually gone backwards. At a time when hundreds of millions are suffering from the global economic crisis, this is outrageous and unacceptable."

[Read executive summary here.](#)

[Read fact sheets on tax haven abuse, repatriation proposals and corporate transparency here.](#)

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