

December 14, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
H-232, U.S. Capitol  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Republican Leader  
H-204, U.S. Capitol  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Democratic Leader  
United States Senate  
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

We the undersigned groups applaud the inclusion of the bipartisan Corporate Transparency Act in the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. This initiative will make it easier for law enforcement to crack down on the misuse of anonymous shell companies by requiring companies in the United States to disclose their beneficial owners.

Anonymous companies facilitate a wide variety of illicit activities that directly harm U.S. domestic and foreign policy interests: everything from public corruption, government and defense contract fraud, organized crime, intellectual property theft, money laundering, human trafficking, and terrorism financing to the opioid crisis.

Section 6314 creates a new gold standard in U.S. law to protect whistleblowers challenging financial misconduct. Unlike the Dodd-Frank Act, it protects those who make internal disclosures where they work, including communications that are part of their job duties, and extending to post-employment retaliation. It not only protects disclosures of illegal money laundering, but exposure of illegality that violates any law, rule or regulation enforced by the Treasury Department. Whistleblowers have up to six years to challenge retaliation, and the law includes best practice provisions for confidentiality, legal burdens of proof, shields against gag orders, and relief for those who win. Whistleblowers left unsupported have all too often suffered from retaliation that can lead to other poor psychosocial conditions, such as homelessness, divorce, depression, anxiety, and suicide.

We were particularly encouraged to see that Section 6314, which creates new whistleblower protections for those reporting Bank Secrecy Act violations, includes an incentive program to encourage whistleblowers to come forward and report misconduct and malfeasance when they see it. The new Anti-Money Laundering and Counter-Terrorism Financing Fund will pay financial rewards to whistleblowers when the government is able to recuperate money based on the whistleblower's report.

Using the Securities and Exchange Commission's whistleblower program as a model, those who come forward under Section 6314 may receive up to 30 percent of the money collected when the monetary amount exceeds \$1 million. The SEC's whistleblower program has been instrumental

in notifying the Commission of securities violations and to date has provided whistleblowers with more than \$562 million to more than 100 individuals who made reports that resulted in enforcement actions.<sup>1</sup>

We thank the Senate for their support and for cementing this important anti-corruption reform and for protecting the health and safety of the individual(s) who save the lives of others.

Sincerely,

ACORN 8

Government Accountability Project

Project On Government Oversight

Public Citizen

Whistleblowers of America

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<sup>1</sup> U.S. Securities and Exchange Commission, “SEC Awards \$800,000 to Whistleblower,” Press Release 2020-255, October 15, 2020. <https://www.sec.gov/news/press-release/2020-255#:~:text=Whistleblower%20awards%20can%20range%20from,could%20reveal%20a%20whistleblower's%20identity>.