



# Commonwealth of the Northern Mariana Islands Office of the Attorney General

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**For Immediate Release**

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## **CNMI Attorney General Urges U.S. Senate to Pass Legislation to Fight Shell Companies**

**Office of the Attorney General, Saipan** – Attorney General Edward Manibusan joins a bipartisan group of attorneys general 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. Along with that, the Act requires a covered entity to report its “beneficial owners,” the actual people who benefit from or control the entity.

“Today, I join my colleagues of chief legal officers in advocating to the US Senate to pass legislation that will help local and federal law enforcement identify businesses and individuals engaged in criminal activity, especially through shell corporations,” says Attorney General Manibusan. He continues, “Any businesses or individuals in the Commonwealth found concealing illegal transactions will be held accountable under this proposed statute.”

In their letter, the attorneys general recognizes that many states and territories do not have the ability to track information on the actual people who control or benefit from corporations and other entities doing business there. Without that information, states cannot know if an entity is a shell for concealing the illicit proceeds of criminals like 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% 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.

Attorney General Manibusan joins 42 attorneys general in sending the letter: Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Utah, Virginia, Washington, West Virginia and Wisconsin.

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