US Now Surpasses Cayman Islands to Become Second Largest Tax Haven on Earth

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'Great' for criminals, liars and cheats

Proving its role in the global race to the bottom on tax avoidance and contributing to a multitude of abuses around the world, the United States is now second-largest tax haven on the planet, according to an updated international index.

The Tax Justice Network <u>found</u> that the U.S. has surpassed the Cayman Islands as the number-two place where corporations can easily stash their money to avoid tax liabilities. Switzerland retained its top place on the list.

"Financial secrecy provided by the <u>U.S.</u> has caused untold harm to the ordinary citizens of foreign countries, whose elites have used the United States as a bolt-hole for looted wealth," wrote the group in its Financial Secrecy Index.

"This is not a ranking in which the U.S. wants to be number one or even number two," <u>said</u> Gary Kalman, executive director of the FACT Coalition, which advocates for policies to combat criminal activity in the financial system. "We have one of the strongest economies and one of the most secret. It's a perfect recipe for attracting the proceeds of crime, corruption, and tax evasion. Internationally, this secrecy facilitates corruption that drains wealth from developing countries."

The Index reports that shadowy shell companies in the U.S. were used to divert millions of dollars in international aid intended to improve the safety of former Soviet nuclear plants. Delaware, Wyoming, and Nevada were named as states with a multitude of "shell" companies, which allow hidden owners to store and launder money gathered via criminal activity.

"The opioid crisis and human trafficking are both on the rise with the help of anonymous shell companies to launder the proceeds," said Kalman.

"Almost two million corporations and limited liability companies (LLCs) are formed in U.S. states

each year, many by foreigners, without the states ever asking for the identity of the ultimate beneficial owners," according to the report.

The U.S. now holds about 22 percent of the global market in offshore financial services, up from 14 percent in 2015, the last time the Index was updated.

The report notes that the U.S. government has been vigilant in protecting itself against citizens who might evade taxes by disguising as foreigners, while "preserving the U.S. as a secrecy jurisdiction for foreigners."

"This report is the latest evidence that policymakers should move forward with sensible measures to end the abuse of anonymous shell companies, increase transparency around where multinational companies pay taxes, and engage constructively in international financial transparency initiatives," Kalman said.

[Welcome to Trump's America. Trump has laid down the welcome mat for all the leading criminal scum on earth. Now that's what we call a 'good' immigration policy!]

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