

grow worse because Social Security and Medicare are going to demand more and more funds from the general operating fund because of the imbalances in those two items. If we don't get serious about solving this debt crisis right now, we will not be able to fully support our national security and our domestic priorities.

Recently, Richard Haass, a former top State Department official, said in a Senate Foreign Relations Committee hearing, "Our inability to deal with our debt challenge will detract from the appeal of the American political and economic model" as we try to influence young democracies around the world. He continued: "The result will be a world that is less democratic and increasingly less deferential to U.S. concerns in matters of security."

We must create restraint and fiscal sanity in Washington. In the private sector, you fix a business by first drilling down and finding the underlying problem. The way that Washington funds the Federal Government, the time it takes to complete the federal budget, and the fact that the current process allows Members of Congress to put off making tough decisions are the real problem. In business, this would never be allowed. In your personal home, this cannot be tolerated, but somehow we are able to do it here year after year. This process has only worked four times in the past 42 years.

It has been encouraging to hear the Senate Budget Committee chairman, Senator MIKE ENZI, and the House Budget chairman, Congressman TOM PRICE from my home State of Georgia, make this a priority for this year. I believe they are making great progress. Both are having hearings to find out if there are models around the world that do it better than we do. We are finding those examples, especially at a time when we cannot allow the process to break down and result in more continuing resolutions, omnibus bills, or short-term funding fights that don't solve anything.

We must also reduce redundant programs, roll back the regulatory regime, and focus on growing our economy through overhauling our archaic Tax Code, and unlocking, finally, our Nation's full economic and energy potential.

Finally, we have to save Social Security and Medicare and tackle the biggest problems of our overall health care costs. To do this, Washington needs to stop pretending that these crises will go away on their own and that the national debt will somehow solve itself. It won't. In fact, it has already done irreversible damage to our credibility and capability on the world stage. Our mounting debt crisis is already raising questions from our allies around the world about how we will be able to stand by our international commitments.

I just got back from a trip to Europe and the Middle East. The No. 1 point raised to us by leaders, heads of state

in those countries, was that America needs to lead again. To lead again, we need to get our financial house in order.

Our debt crisis and a failed foreign policy has served to confuse our allies and embolden our enemies. It threatens our ability to defend our country, period. Also, the interest payments on our debt is affecting our education, infrastructure, and more—here at home in the programs that are necessary. Imagine if we didn't have that unproductive responsibility of unnecessary interest. Every Member of this body knows we need to act now.

My question is, why aren't we acting? The challenge is to stop talking about it theoretically and start putting solutions into practice. That is why Georgians sent me to the U.S. Senate, and that is why I will continue fighting on this every day.

Let's not lose sight of Congress's No. 1 responsibility. We are charged in the Constitution under article I to responsibly fund the Federal Government and to ensure that the 6 reasons why 13 Colonies got together in the first place can actually be realized.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHITEHOUSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCORPORATION TRANSPARENCY AND LAW ENFORCEMENT ASSISTANCE ACT

Mr. WHITEHOUSE. Mr. President, I am here today to highlight law enforcement legislation that would help crack down on human trafficking, terrorism financing, money laundering, Medicare fraud, the narcotics trade, tax evasion, public corruption, and a litany of other crimes in the United States and around the world. These crimes all involve money, and the United States has become a favorite destination for criminals looking to hide it.

Earlier this month, the International Consortium of Investigative Journalists published the first of the so-called Panama papers, a leak of 11.5 million confidential documents from a Panama-based law firm that sets up shell corporations and tax shelters for wealthy clients. The documents we have seen so far show that, along with the Caribbean islands you might expect, several American States are popular places to form shell corporations.

Our friend Senator Kent Conrad, who used to be chairman of the Budget Committee, was fond of using this floor chart showing what is called the Ugland House building in the Cayman Islands. This little building claims to be the place from which an astonishing

18,000 companies do business. As unimaginable as it may be to have 18,000 companies claiming to be doing business out of that one little building, I am sorry to say that there is a building just a 2-hour drive from the U.S. Capitol Building that serves as the official address for a quarter of a million companies, many of them shell corporations.

A shell corporation is a company that serves no economic purpose and doesn't conduct any real business. Shell corporations exist primarily to hold legal title to bank accounts, real estate, or other assets, often obscuring the true human owners. While people can form shell corporations in just about any country, many American States make it especially easy to do so, perhaps even easier than getting a library card. You may actually need to go down to a library to sign up for a library card, but you can form a shell corporation with a few clicks of a mouse and payment of a small fee.

There is another reason that the United States has become so popular for shell corporations. Currently, none—zero—of the 50 American States require the disclosure of the beneficial owners—the real human beings who own the companies. Instead, corporate records can identify the owner as just another faceless shell corporation, or the owner could be identified as a professional agent paid to sign the needed forms and never speak of them again or a lawyer who refuses to disclose who his client is under attorney-client privilege. Behind this easy-to-establish veil of secrecy, criminals can and do use these shell corporations to open bank accounts, transfer funds, and even to hide the ownership of expensive assets.

This building shown here is at 650 Fifth Avenue in New York City. The Iranian Government used a string of generic businesses to obscure its ownership of this Fifth Avenue skyscraper. Profits from this enterprise helped fund Iran-backed terrorism for decades, until a U.S. Government investigation finally uncovered the scheme in 2008.

How could a state sponsor of terrorism own a piece of the New York City skyline and profit from owning that piece of the New York City skyline for so long without anyone knowing? Let's look at how Iran used anonymous shell corporations to hide its involvement.

On paper, 650 Fifth Avenue was owned by a partnership of the Alavi Foundation, a New York-based charity, and the Assa Corporation, a New York shell company. Assa Corporation was, in turn, owned by yet another shell company, Assa Company, Limited, and formed in the Isle of Jersey, a notorious banking center and tax shelter. The Isle of Jersey company was in turn owned by individuals representing Bank Melli, the Iranian Government's financial arm, and there is the connection to Iran.

So to the public, that building—worth about half a billion dollars—was

owned by a charity and a faceless shell company. Because there is no requirement in the United States that States keep track of the real owners of a company formed under State law, New York State only knew that the Assa Corporation was owned by another shell corporation. Ultimately, investigators were able to connect those dots and tie Iran to the structure from a clue in the corporate records kept on the Isle of Jersey.

How is that for irony? A notorious tax shelter actually had better ownership records than we have in the United States. Once Iran's investment and involvement was uncovered, the Department of Justice moved to seize and sell the building and to distribute the proceeds of that sale to American victims of Iranian-backed terror. After years of legal appeals, the victims look close to receiving this compensation.

Of course, Iran isn't the only criminal enterprise hiding behind American shell companies. Other recently uncovered examples of enterprises hiding behind American shell companies include a Mexican drug cartel using an Oklahoma corporation to launder money through a horse farm, a crime syndicate setting up a web of corporations in eight States as part of a \$100 million Medicare fraud scheme, and a human trafficking ring based in Moldova that hides their crimes behind anonymous corporations in Kansas, Missouri, and Ohio.

According to the Rhode Island State Police, corporate secrecy in my own State has complicated their investigations into real estate fraud, illegal prescription drug distribution, and sales tax evasion.

In January, just months before the Panama Papers hit the headlines, "60 Minutes" aired a segment showing just how easy it can be for criminals to hide money in the United States. The program featured an investigator with the anticorruption organization Global Witness. That investigator pretended to represent a corrupt African leader, and "60 Minutes" brought a hidden camera along into his meetings with lawyers in New York.

The investigator, presenting himself as representing the corrupt African leader, made clear that his client wanted help using suspicious funds to buy a mansion, a jet, and a yacht in the United States and to hide his ownership of these assets. Of the 16 lawyers who met with the undercover investigator, only 1 turned him away. It seems the others were comfortable helping a corrupt foreign official hide money in opaque American shell corporations.

While the underlying criminal schemes may be colorful and complex, the answer to this shell corporation problem is simple and straightforward. The Incorporation Transparency and Law Enforcement Assistance Act would direct States to require applicants forming corporations and limited liability companies to include basic in-

formation about the actual human beings who own the company.

The States would maintain and periodically update this information, and it would be available to law enforcement officers who present valid court-ordered subpoenas or search warrants. It is simple. Have each State keep track of who actually owns companies they charter and ensure that information is available for Federal, State, and local law enforcement agencies through proper processes.

Transparency in business ownership is not a novel idea. Every member of the European Union will be transparent by 2017. The United Kingdom and the Netherlands have even announced plans to make their corporate ownership registries available to the public. With the light of corporate transparency about to shine on criminal assets hidden in Europe, their shell corporations will not be effective for these purposes. So that money will be looking for new dark homes.

America should take swift action to make sure these assets don't find new hidden homes in opaque American shell corporations. We are supposed to be an example to the world, not the place where the world's corrupt and the world's criminals hide their cash and their assets.

The Incorporation Transparency and Law Enforcement Assistance Act enjoys broad support from the national law enforcement community, including the Federal Law Enforcement Officers Association, the Fraternal Order of Police, the Society of Former Special Agents of the FBI, and the U.S. Marshals Service Association, as well as the Rhode Island State Police.

Mr. President, I ask unanimous consent to be able to finish my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHITEHOUSE. Chuck Canterbury, president of the National Fraternal Order of Police, explains it this way: "When we are able to expose the link between shell companies and drug trafficking, corruption, organized crime, and terrorist finance, the law enforcement community is better able to keep America safe from these illegal activities and keep the proceeds of these crimes out of the U.S. financial system."

Of all places, the United States should not be a safe haven for criminals, foreign or domestic, to hide their illegal assets. We could take a simple major step in fighting money laundering, financial fraud, and terrorist financing by passing this bill. I urge my colleagues on both sides of the aisle to cosponsor it and to help us get it passed.

I thank the Chair. I appreciate the extra time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

NOMINATION OF ROBERTA JACOBSON

Mr. FLAKE. Mr. President, it has been nearly 9 months since the United States had an ambassador to Mexico. The President's nominee to that post, Roberta Jacobson, is eminently qualified, as all of us know, to serve in that position. However, she has been waiting for the Senate to confirm her since the Foreign Relations Committee reported her nomination to the Senate in November of last year with a vote of 12 to 7.

Yesterday I took to the floor to talk about our important trade relationship with Mexico. That is not the only reason finalizing this nomination is so critical. The bilateral work on migration, security, and border issues of the United States and Mexico requires top-level leadership at our Embassy in Mexico City. It is critical for the United States to have an ambassador to ensure cooperation on border security issues and to identify threats to our national security.

We continue to engage Mexico in disrupting organized criminal networks that facilitate human trafficking. According to Mexico's National Institute of Migration, Mexico apprehended more than 190,000 migrants in 2015, including nearly 19,000 unaccompanied minors, children, better known as UACs. This is a significant increase from 2014, when 127,000 migrants, including just over 11,000 UACs, were apprehended.

It is clear these complex issues require top-level diplomacy, and we would benefit from an experienced leader who can navigate the nuances of these regional relations. In addition to these migration issues, the United States and Mexico need to address security challenges from transnational drug trafficking. As we hear all too often, we are witnessing an increase in heroin use leading to rising levels of violence and heroin-related deaths.

While the United States and Mexico are cooperating on a strategy to fight heroin, this represents a priority that requires the leadership of an ambassador. We need someone in place as our top diplomat in Mexico with experience with Mexican security and with law and to engage the most senior Mexican Government officials on the narcotics issues.

In addition, there are specific ongoing cases that necessitate having an ambassador in place to ensure that our Nation's interests are being represented. As I said yesterday, Mexico represents one of our most important bilateral relationships. It is clear the longer the United States goes without having an ambassador to Mexico, the greater our partnership will suffer.

There is simply no reason to go any longer without an ambassador to Mexico when we have someone as qualified as Roberta Jacobson. I come with good news; that is, it is my understanding that a deal—an agreement—is in the works that will ultimately lead to the