

## USA: The taxman's last gleaming

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**The land of the free, the home of the brave... and the last resort for tax evaders? That would certainly seem to be the case with the advisement from the Tax Justice Network – a think-tank and NGO highlighting unfair and criminal practices with the global financial and tax systems – which has the United States down as the very worst country enabling financial secrecy for the global elite. One hardly**



**thinks that the line ‘everything’s bigger in America’ would amount to the complicity in avoiding transparency, but the USA is number one – only this is a list for which it will not relish top spot.**

That the USA is a haven for asset hiding and tax opacity is not new. States such as Delaware virtually built their economies on the practice, and ongoing reforms in North Dakota will see that state on a par with the Virgin Islands and Switzerland in terms of financial secrecy and legal anonymity. Of course, it is not so well-known for the practice as those other jurisdictions, but (as the Tax Justice Network point out) not only actively participates in the avoidance of transparency on its own terms, but has the biggest scope and role to do so by virtue of it being the leader of the free world. One would expect the US to do better as a result of its global power and position, and the stance it has taken against countries with an apparent lesser degree of conscience and morality (such as Russia and China). Instead, America has facilitated the greatest supply of financial secrecy ever seen, with Treasury Secretary Yellen admitting that it ‘may be the best place to launder and hide ill-gotten gains’. In addition to its own state-level encouragements, the US shares very little information with international tax authorities, and there are sufficient loopholes in domestic registration and requirement procedures that even the worst criminals could, if they wanted to, set up an American account with little difficulty. This is nothing less than the weaponization of the financial system.

President Biden has made anti-corruption a key plank of his administration, but his approval ratings are tanking and there is every change that the Republicans will control both the House and the Senate by the November midterms, leaving him a lame-duck president – it is debatable whether international financial transparency will be seen as the vote-winner that he sorely needs. Plus, President Obama failed to get a

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similar package of reforms through during his time in the Oval Office. Arguably, Biden is a weaker leader in a weaker position. America looks set to be number one for quite the while yet.

Away from purely financial matters, America is dealing with the ongoing political fallout from the Trump administration and attempted Capitol coup, the continuing disinformation coming from Russia seeking to manipulate public opinion and divide the country further, and after recent events a social schism over the Supreme Court's Roe vs Wade decision and the legal direction of the country. It is not hyperbole to suggest that America is at risk of becoming divided along social, political and existential lines to a point of no return – even if not quite a 'civil war' (as some commentators have suggested) then certainly a country riven with infighting that cannot hope to lead the world, stand up to Putin and put forward the case for engagement and investment. From enabling the financial criminal elite to enabling the potential collapse of the last remaining superpower is some feat – but far from the realm of impossibility.

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