

# MEDIA RELEASE

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## For Immediate Release:

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## Wyoming Secretary of State Ed Murray Responds to the Release of the “Panama Papers”

**CHEYENNE, WY** – On the morning of Monday, April 4<sup>th</sup>, Secretary of State Ed Murray and his office became aware of the release of the so-called “Panama Papers” alleging that the Panamanian law firm Mossack Fonseca aided wealthy individuals internationally with hiding assets in shell companies across the globe. In response to the serious allegations stemming from the “Panama Papers,” auditors from the Wyoming Secretary of State’s Office immediately performed an audit of M.F. Corporate Services Wyoming LLC, which serves as a registered agent for Mossack Fonseca in the State of Wyoming. Of the 214,488 entities mentioned in the leaked Panama Papers, 24 were found to be registered in Wyoming as Limited Liability Companies (LLCs). The audit concluded around noon on Monday, April 4<sup>th</sup>, and determined that M.F. Corporate Services Wyoming LLC failed to maintain the required statutory information for performing the duties of a registered agent under Wyoming law. (*W.S. 17-28-107*)

The Secretary of State’s Office immediately took administrative action demanding that the required information be provided. Subsequently, M.F. Corporate Services did provide the information. For the purpose of maintaining a high standard of due diligence and in order to report any possible illicit activity, Secretary Murray also briefed law enforcement on developments later that same day. The investigation of this matter is ongoing.

Secretary Murray pointed out that “shell companies often serve an important use for potential startups and are a well established means of doing of business in Wyoming and in any other state.” Wyoming, alongside Delaware and Nevada, have been the most proactive in directly confronting those same concerns related to improper use of shell companies.

Commenting on his office’s history combating fraud, Secretary Murray stated that “since 2009 we have actively sought to combat fraud by fully and directly addressing the underlying issues that were raised at the national level. Subsequent legislative changes have radically altered the way that businesses are registered in Wyoming. My office continues to do everything it can under current statutes to combat illicit activities while maintaining Wyoming’s competitive business environment.”

Business entities are attracted to forming and conducting business in Wyoming for several very legitimate and compelling reasons:

1. Wyoming overall has a low tax burden and no corporate or individual income tax.
2. Wyoming has a quick statutorily mandated five-day turnaround on all business filings.

3. Wyoming was the first state to adopt Limited Liability Company laws (a favorable IRS ruling for Wyoming in 1988 spurred early interest in LLCs).
4. Wyoming's business filing fees are low for LLCs and other business entities.
5. The strength of Wyoming's shield of liability laws.

These reasons, among others, are part of why Wyoming has been ranked as a top place to start, own, and operate a small business.

The release of the "Panama Papers" has led to some renewed calls for transparency and the revealing of beneficial ownership information for entities registered not just in Wyoming, but across the United States. Such a move would increase red tape and limit business formation and innovation in Wyoming, thereby changing the very purpose and mission of the Wyoming Secretary of State's Office.

"I oppose a one-size fits all federal law mandating the dissolving of privacy protections and assure the citizens of Wyoming that we will continue to fight fraud and, if there is a clear need to do so, address necessary changes to Wyoming statutes. We are not naive as to the importance of the release of these 'Panama Papers,' but we will not compromise the privacy of our customers. I will continue to work with the legislature to balance the pursuit of implementing progressive pro-business laws, while also taking the fight against fraud very seriously," said Secretary Murray.

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