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GAO CONTINUES BAUCUS-GRASSLEY PUSH FOR ANSWERS ON CAYMAN TAX HAVENS

*Investigators to meet with senior public and private finance officials
in effort to curb U.S. tax evasion*

Washington, DC – On behalf of Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Chuck Grassley (R-Iowa), the Government Accountability Office (GAO) is continuing its investigation of potential offshore tax evasion by U.S. companies and individuals in the Cayman Islands. Following up on requests made in 2007 by Baucus and Grassley, GAO investigators are holding meetings next week with finance experts representing the Cayman Islands government. The Finance Committee, which has jurisdiction over U.S. tax policy and programs, initially requested a GAO investigation of a five-story Cayman Islands building listed as the address of thousands of U.S. and international companies. Investigators are also scheduled to meet with the primary tenant of the building in question. The Finance Committee hopes to use the GAO's findings to gain a greater perspective on the problem of offshore tax evasion.

“Our hope in sending GAO investigators to the Caymans is to get some answers about whether business there indeed contributes to the U.S. tax gap, which totals more than \$300 billion each year. The tax gap represents taxes legally owed but uncollected, and we know that some of the gap is the responsibility of entities breaking the law by funneling money to offshore locations at the expense of honest, hardworking Americans who pay their taxes,” said Baucus. **“We need the GAO to determine fairly what’s really happening with U.S. companies going offshore.”**

“Americans benefit from a global economy,” Grassley said. **“We need to strike the right balance between allowing Americans to benefit from the global economy and policing the evasion of U.S. taxes. The Uglad House office building in the Cayman Islands has been the source of much debate on the Senate floor over the past few years. It’s good to have U.S. auditors and investigators with a neutral perspective try to find out what’s really going on there.”**

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