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BROOKINGS CAFETERIA PODCAST

DIRTY MONEY IN OFFSHORE BANKS

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P R O C E E D I N G S

DEWS: Welcome to the Brookings Cafeteria, the podcast about ideas and the experts who have them. I'm Fred Dews.

Billions of dollars and other currencies are in tax havens outside the owner's country of origin, allowing individuals and corporations to evade taxation by their home governments. Since many of these offshore accounts are secret, it's difficult to trace what's legal and what is not. In new research, Brookings expert Matthew Collin, a David M. Rubenstein Fellow in Global Economy and Development at Brookings, examines a leaked dataset from a bank in the Isle of Man to find some interesting discoveries about who owns these accounts. In this conversation, Collin discusses his findings and some policy ideas to address the problem of dirty money. His report is titled, "What lies beneath: Evidence from leaked account data on how elites use offshore banking."

Also on this episode, Governance Studies Senior Fellow Sarah Binder talks about what's happening in Congress, with a look at five things you need to know about the road ahead for President Biden's infrastructure plans in Congress.

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First up, here's Sarah Binder, with what's happening in Congress

BINDER: I'm Sarah Binder, a senior fellow in Governance Studies at the Brookings Institution.

Crazy times on Capitol Hill. President Biden and a bipartisan gang of senators have agreed on a plan to plow more than a trillion dollars into rebuilding the nation's physical infrastructure. If the plan wins bipartisan support in Congress, Biden could claim a major down-payment on a campaign promise to fix crumbling roads and bridges, expand rural broadband access, and invest in clean energy, transit, and other programs.

But beware: potholes—maybe even sink holes—lie ahead.

Here are five things to know about the road ahead.

First: The road got rocky really fast. President Biden last week vowed that he would only sign the bipartisan plan into law if Congress also sends him a bill, crafted separately by the Democrats, to shore up the nation's *social* infrastructure—what we call a "reconciliation" bill.

Republicans knew Democrats were working on reconciliation but cried foul when Biden explicitly linked passage of the two bills. Republican lawmakers threatened to blow up the deal, so the president backtracked to set things straight. But House Speaker Nancy Pelosi had already made the same vow. She won't call up the bipartisan bill until the Senate sends over a reconciliation bill.

Second: This bipartisan plan is a framework, not an actual legislative bill. Producing a bill takes time. Lawmakers and staff must translate the agreement into legislative text—and the devil is always in the details. Then, the Congressional Budget Office has to estimate the cost of the bill. And not all the provisions in the agreement—like closing the "tax gap" by collecting unpaid back taxes—will yield the promised revenues. And that could cost the bill some Republican votes.

Third: Reconciliation is also far off. Before lawmakers can write a reconciliation bill, the House and Senate must first agree to a budget resolution that provides a budget blueprint for the coming fiscal year. The resolution also gives marching orders to various congressional committees to draft parts of the reconciliation bill.

Democratic chairs of the House and Senate budget committees are already discussing the size and scope of the resolution, but they haven't yet agreed. Once the chambers agree on the resolution, they can start drafting the reconciliation bill. But budget law allows for nearly unlimited Senate amendments to both measures. That means days of floor time in a summer season when the Senate is often in recess.

And of course, the longer the process drags our, the more opportunities to shoot holes in the bills.

Fourth: Democrats are divided. With slim majorities and disagreements within the party, Democratic leaders are walking a tightrope to get majorities for both bills. Liberal Democrats want a reconciliation bill focused on social programs financed by tax increases on corporations and the wealthy. But liberals worry that with the elections looming next year, Democratic leaders might move the bipartisan bill and give up on reconciliation.

At the same time, moderate Democrats favor the less costly bipartisan bill to appeal to moderate voters back home. Some are even threatening to oppose the budget resolution to kill off reconciliation.

Enter Speaker Pelosi. She has vowed to use her procedural powers to yoke the bills together. No reconciliation bill, no bipartisan bill. Leaders bet *that* will entice both factions to vote for both measures.

Fifth: Republicans don't have a lot of leverage. It's unusual to see bipartisan cooperation when the minority party thinks it has a chance to win back control of Congress. Usually the opposition tries to point out *differences* with the majority party, so voters know what's at stake in the next election.

So why are some Republicans eager to cooperate? Well, spending on infrastructure is popular. And Republicans thought adopting the bipartisan bill would take the wind out of the sails of reconciliation. Democrats' move to yoke the bills together undermines that strategy. And if Republicans kill the bipartisan bill, Democrats can always fold the physical infrastructure bill into reconciliation, which would be financed by raising taxes on Republican constituencies.

So, here's the question: Are Republicans willing to accept a robust, popular, bipartisan deal even if the optics work in Democrats' political favor? It could be a long hot summer—and fall—until we know.

DEWS: And now, here's my interview with Matt Collin about his research on how elites use offshore banking.

Well, Matt, welcome to the Brookings cafeteria.

COLLIN: Thanks for having me.

DEWS: I was reflecting on the fact that the last and actually only time you've been on the Cafeteria was when you introduced herself in our Coffee Break segment. So, it's great to have you on as an interviewee, as a guest about your new research.

COLLIN: Thanks for having me back.

DEWS: And the research we're talking about, it's titled "What Lies Beneath: Evidence from leaked account data on how elites use offshore banking." I definitely want to get into the substance of the research, but I have to ask you about that title. "What lies beneath." That sounds like a reference to an old horror movie that I'm familiar with.

COLLIN: Yeah, it's unfortunately not a reference to the Michelle Pfeiffer and Harrison Ford drama movie from, I think 2000. What it's a reference to, there's a struggle that people that work, both policymakers and researchers who work on offshore tax evasion and money laundering face. And that's the fact that the very behavior that we're trying to understand better, the causes and consequences of it, is really hard to measure. If you're working in the space of education or in health, you can measure test scores, you can measure mortality rates. But if you're trying to study how people hide their money, then you're trying to cite people who are very much trying to stay under the radar.

And so I think of it a little bit like as if oceanographers or marine biologists were forced to stay on the shore, and instead of being able to go underneath the waves and observe how animals are moving around, they're forced to infer how things are changing by the ripples in the water and the movements of the currents.

That same is true of a lot of people working the space. We often use public use data, macroeconomic data, to get a sense of how things are responding to new policies. But the thing about the leaked data that I use in this paper is it doesn't provide a whole view of the ocean floor to push that metaphor further, but it allows us to see for a small group of people who use this one bank precisely how they're reacting to the policy environment. So that's what inspired the title, the idea that we can finally look beneath the surface of something that typically is pretty opaque.

DEWS: I definitely want to spend a lot of time on your research and you mentioned the offshore bank and some other issues. I don't want to spend some time on that. But first, let's talk about the larger issue, the big context in which you're doing this research. And you open a recent blog post on offshore deposits with this very striking sentence: "The global financial system is infected with dirty money." Can you unpack that?

COLLIN: Yeah, I think it's worth briefly unpacking what I mean by "dirty money." And there are various definitions, but what I mean is money that is either being laundered--so it's the proceeds of some sort of crime or corruption, or by money that is evading taxation, people staying away from the taxman. That's a strong statement. It's hard to know exactly what proportion of the financial system is contaminated by dirty money. There are estimates on the order of magnitude of two to five percent worth of global gross domestic product per year. But these are kind of really back of the envelope estimates.

It's hard to know the problem's getting worse or getting better. I think the best way we can tell that things are not necessarily improving is by the sheer number of scandals that we've had in the last few years. So, we've had about 20 to 30 years of pretty substantial change in policies aimed at fighting both money laundering and tax evasion. But despite that, we're still seeing every couple of years a pretty substantial scandal that involves a large international bank having facilitated an illicit transaction. So back in 2009, we had HSBC, who got in trouble for hiding the fact that some of these transactions were coming out of Iran, which was currently under subject to U.S. sanctions. A few years ago, we had Deutsche Bank, one of its banks in Estonia, I think, facilitated roughly two hundred billion dollars' worth of dirty transactions. We have the Panama Papers scandal that we all know about. We had the FinCEN files leak last year. And so, by that metric, things are not improving. Governments are still struggling to protect their economies from dirty money, and banks are still struggling to keep their systems clear of the.

DEWS: And one more question to kind of set the scene before we go into your research and the bank in question. You mentioned that two to five percent, an estimate of global GDP, might be affected by this phenomenon. Do those numbers reflect what's happening in the U.S. with US individuals, with U.S. companies? Is there an estimate of how much United States based money is actually being offshored?

COLLIN: There are estimates. Part of the struggle is estimates come online a few years after the fact. So, the best estimate we have globally is about 10 percent worth of GDP sits offshore in tax havens at any given point in time and the estimate for the United States is probably around seven to eight percent of the GDP. Now, it's a little hard to know if that applies today because there's been quite a lot change in the policy environment since that number was created. But I think a lot of people think that number is likely to be an underestimate anyway. So, we're talking about a sizable amount of wealth sitting offshore.

DEWS: All right, to your research, which is just published and is available on the Brookings web site, I'll link to it in the show notes of this episode. You spent a year looking at leaked data from a bank in the Isle of Man. So, can you describe the nature of this data? Where it came from? And also, along the way, just can you tell listeners what is the Isle of Man?

COLLIN: So, I mean, the Isle of Man is kind of a weird duck. It's what you call a British Crown dependency, of which there are three: The Isle of Man, Guernsey, and Jersey, who are all often thought of as being tax havens. Being a British crown dependency, it sets its own laws, but the United Kingdom is ultimately responsible for it. So, if for some reason the Spanish Armada showed up yesterday to invade, the UK government would have to respond.

So, it's a small island that sits in the Irish Sea and sets its own tax policy. And kind of unsurprisingly, there's about one company for every three people on the island, which already gives you a sense that there are a lot of companies in the jurisdiction. They're just there just to hold assets, they're shell companies that are not actually engaging in any sort of economic activity.

There are about 12 banks in the Isle of Man, some of them big international banks. But one particular bank, which is called the Cayman National Bank, confusingly called the Cayman National Bank, Isle of Man Branch, that sits on the Isle of Man. It's a small what you might call boutique bank that serves mainly small businesses or medium sized businesses and individuals. It's not the kind of bank that Google or Apple would park its profits in.

About four years ago, in 2016, someone hacked into their accounts, a hacktivist collective, potentially a person called Phineas Fisher, who is renowned for hacking into political parties, to hacking into firms that provide surveillance software to authoritarian states. Fisher hacked into the bank and purportedly stole several hundred thousand dollars by exploiting their payment messaging system and then disappeared for a while, then returned again in 2019.

And when Fisher returned, they copied several dozen hard drives worth of information from the bank and turned that information over in full to a group called Distributed Denial of Secrets, which was a WikiLeaks style transparency collective. One of these groups that posts big data dumps online with very little to no censorship.

So, that information was put online in December of 2019. It's still online today if you have the hard drive space to download it. And I downloaded it shortly thereafter and began going through the accounts. And in those accounts is an unprecedented level of detail. It's the full accounts for the bank's client base over an 11-year period. You can see down to a given second of a day how much money sitting in each account. You can see personal information on the clients down to their addresses, their passports. Importantly, you can also see--not just for individual clients, you know, if you or I open up a bank account, our information would be there--but for clients that opened up bank accounts using shell companies, these fictitious companies with no real economic presence, for a large proportion of them the data also contain the ultimate owner of those companies.

So, if it was a shell company based on the Isle of Man, you can see that the owner was actually living in the United States or the United Kingdom. And there's a lot more in the data leak. And there's also kind of correspondence between people who work at the bank that helped to give some context to the numbers that I was going through. So, yeah, I spent a year going through it and bothering all my friends by talking about it all the time. And I got the first report out.

DEWS: So, what kind of things did you talk about with your friends as you were going through this report, or more broadly speaking, what kinds of things did you find? What are your conclusions from this year spent with this enormous data set?

COLLIN: So, with my friends, I brought up the more salacious stuff. And this is not one of the main points of the paper, but it's worth pointing out. The sheer diversity of the types of people that use an offshore account is pretty amazing. There are people in the data who are billionaires on the lam from the Kremlin. There are people who held government positions in post-Soviet countries. There's a family member of a former White House chief of staff. There are people who hold knighthoods in the UK. There are celebrities, including soccer players and golfers. So just the sheer variety of people that end up in the same place, almost a little bit like the canteen in the beginning of Star Wars, just a huge, diverse group of people who are all there from different backgrounds, but are all there because they want to enjoy a little bit of the advantage you get from being based in a tax haven.

DEWS: That was a hive of scum and villainy.

COLLIN: That is true. That's perhaps a little bit strong in that there are, and maybe we should get to this in a moment, there are legitimate reasons to have an offshore account. And so, having an account isn't necessarily a smoking gun. But I would argue there's fewer legitimate reasons and there are illegitimate reasons to have one.

So, the three main findings that I report on the Brookings piece are, the first is not going to be terribly surprising to anyone. The first is that these clients are largely people from richer countries. And once you look within the countries they come from, they're very likely to be the richest part of society. If you compare the amount of wealth that they controlled to the average level of incomes in the country in which they reside, they have several orders, multiple times your average level of GDP. So, these are going to be fairly rich people. And that's true even if you look within which part of a country they're living in, they tend to live in richer parts of the country that they come from.

That's not surprising, but it builds on a lot of work that's showing that it is the richest part of society that is best able to hide their wealth offshore. There was a recent study produced by the IRS in collaboration with some academics that found that the IRS, through its standard auditing program, often missed out on people's offshore accounts. So, this is another red flag indicating that the rich are always going to be with us. But they're also very frequently always going to be using offshore services.

A finding that is perhaps more alarming, and that is the presence of people that have political power in the data. So, there is this category of persons that banks are often on the watch for called "politically exposed persons." These are people that either currently hold political office or used to or they're connected by blood or through friendship or through business ties to those that do. And the reason that we worry about these people more than your average client is because if someone who works in the civil service in a country has an offshore account in which they're sticking thousands to millions of dollars, we're going to worry a little bit that this person is perhaps engaging in corrupt practices. The bank maintained a register of these people as they're required to for their anti-money laundering regulations.

And so that allowed me to see where these clients that were connected to these politically exposed people came from. A lot of them came from countries that have a worryingly low score on indicators of corruption. Clients were connected to those with political connections, had substantially greater amounts of wealth than other offshore clients. So even compared to the average person who uses a bank in the Isle of Man, these clients had about 100 percent to 200 percent more in wealth stashed in their accounts. There also were more likely to be working in tax havens or moving money out of tax havens into their account on Isle of Man which are again, not a smoking gun of corrupt behavior. But it is alarming because even though the bank knew that these people were politically exposed, that doesn't mean that other governments knew or that their business counterparts knew. So that itself was a bit worrying.

The final thing that comes out of the paper is the degree to which the way that people hold this offshore wealth might be affecting our ability to understand how bad the problem is. So, if you open up an offshore account, you can do it under your own name. But most people open it up through a shell company or an offshore trust, which is a legal vehicle for holding assets. And that means that you're not listed as the account holder. That entity is instead. And most banks report on who owns their offshore assets to a group called the Bank of International Settlements. This is like the central bank for central banks. They worry about international financial stability and they ask banks to count up who owns these offshore assets.

But there's a quirk in the way that data is collected. So, if I, Matt Collin, if I open up an account under my own name, then the bank will correctly say these are deposits owned by a U.S. citizen and I'll be reported correctly. But if I instead open up a shell company in Cyprus or in the Seychelles and that company opens up a bank account on Isle of Man, the bank will report the assets as being held by Cyprus or the Seychelles instead. So that means that a lot of the assets are being held by people that are in tax havens go unreported or incorrectly reported in these macroeconomic statistics. And by my estimation, for these bank submissions to the Bank of International Settlements, about half of all wealth owned by clients that lived outside of tax havens went incorrectly reported. So that means that makes it a lot harder for us to understand just how much wealth is sitting offshore and how it responds to the policy environment. So that's also a very alarming thing that I found.

DEWS: Sure. And all of these findings are described in detail in your report. Again, it's going to be in the show notes on our website. I want to ask maybe a clarifying question on one of those points and also goes back to something you said a few minutes ago, which is that there are legitimate reasons for having an offshore account, so an account outside your home country. So setting aside the fact that there could be illegitimate reasons or illicit reasons that people have the money in the first place, it's not illegal for a person, say, a U.S. citizen, a Canadian citizen, a British citizen, to open a bank account at the bank on the Isle of Man, is it?

COLLIN: No, not at all. Definitely not. It's not illegal at all. And there are some legitimate reasons. If you're a company, there are some instances where having an account in a tax neutral place may help you avoid double taxation. That might be a way to protect your investment if your ultimate investees in a country that is unstable. And for certain people, especially, for example, celebrities, you may want a little bit of privacy that an offshore account can give you. So, when the Panama Papers scandal broke, Emma Thompson, who's the actress from the Harry Potter series, it was revealed that she owned an apartment in London through a shell company based in a tax haven. And that's because she didn't want a stalker looking up her name in the property register and going to her place of residence.

I would argue, though, that the legitimate reasons for having these accounts are not an excuse to have an environment where anything goes and one in which opacity and secrecy is the norm. If you want people to be protected from stalkers or from kidnapers or protected from abusive governments, we can put in place legal regimes to allow them to declare that as being a problem and to have some degree of privacy. But that shouldn't be the norm that people get to enjoy.

DEWS: People will hear this and think, well, of course, rich people are going to put their money in offshore accounts, they've always been doing that. It's just something that happens. Nothing we can do about it. But what would you, Matt, is really at stake here? I mean, you mentioned IRS auditing, for example. So, I'm thinking about these are tax shelters. There are taxes that aren't being collected perhaps on some of these accounts. What do you think people listening to this episode need to know about how this practice affects them, affects our lives in this country?

COLLIN: So, I think there's pretty broad agreement that inequality has gotten out of control in our country. And even if you don't agree with that, I think to the extent that we have a tax system, we want it to function as well as it can. We want people to pay tax on their income or their wealth to the degree that the law says so. We don't want people to be able to avoid it through loopholes or by evading tax altogether. But for those of us that worry about inequality, our ability to raise tax revenue on the richest in society is going to be affected by their ability to move that money offshore.

And so, it has implications for inequality, for our ability to kind of rein it in. And has implications for revenue--that's we're going to take in less tax revenue from this cohort of people if they're able just to move it offshore out of the reach of the tax authority. It impacts our ability to actually understand how bad inequality is getting. So most inequality statistics are based off of surveys or based on tax data, and if that tax data is missing out a large proportion of income or wealth which is being held offshore, we're going to be understanding how bad the problem is. And so there's a lot of talk nowadays about raising taxes on the rich, but we really have to figure out how to stop them from hiding money offshore before these policies are going to be effective to the degree that we want them to.

DEWS: Well, can you talk then about the recent passage of the Corporate Transparency Act in the U.S. and whether or not it addresses some of these challenges?

COLLIN: So, the data that I'm looking at in the paper, the analysis is largely possible because I can look past all these shell companies and trusts and see the ultimate beneficial owner, at least who the bank thought was the ultimate beneficial owner. So, there is some benefit to knowing who ultimately owns a company, because otherwise that might be someone who's laundering money or engaging in tax evasion in some sense.

So the U.S. has actually recently been labeled by some as being a tax haven itself, because it is one of the few countries that until recently allowed for maintaining a certain degree of secrecy by holding money in a shell company in the states has taken a step towards making that a lot harder. So Congress passed earlier this year a law which requires anyone who owns a company based in the United States that isn't listed publicly to provide information on who the ultimate owner is to FinCEN, which is the arm of Treasury that deals with financial crime and money laundering. So that will make it harder, at least for those that are from outside the U.S. who have brought their money to our shores to enjoy it here, to hide that money. It doesn't get us all the way there, but it at least makes our economy a little bit less hospitable to that kind of money.

The other step that we haven't taken yet, which we could take, has to do with the way that we exchange information with foreign tax authorities. So right now, if you're a U.S. citizen, you live overseas, including the Isle of Man, banks in those countries have to figure out that you're a U.S. citizen and have to report routinely and automatically once a year back to the IRS how much you hold in offshore wealth. And that's really helpful for the IRS to figure out whether or not you're potentially ducking taxation. We do not reciprocate that exchange of information currently with most countries around the world. So, we ask for information from everyone, but we don't provide information to other jurisdictions. So if we want to stand up and be a leader in the space of fighting both dirty money but also tax evasion around the world, it would be really useful if the U.S. would step forward and find a way to begin exchanging this information with other countries around the world.

DEWS: Sounds like the U.S. definitely has to take a leadership role on the global stage in addressing this problem, but are there other kinds of policies that need to happen, whether from the U.S. or from global institutions or other kinds of global organizations?

COLLIN: So, from the U.S. side, the passage of the Corporate Transparency Act was a big move. There are some things to worry about. This information is being provided directly to FinCEN which is getting a big budget boost soon. I've often said that its former budget didn't surpass that of the last Jumanji film. So, it's a small number of people, about 300 people with a fairly modest budget. So, the idea that they're going to go through all this information on ultimate beneficial ownership and find where people are perhaps lying or giving incorrect information is ambitious, to say the least.

One way to get around it, and it's something that a number of jurisdictions around the world are beginning to embrace, is instead of just having this information being held by law enforcement or by what we call financial intelligence units, making the information public, and that just means the information is open to tons more eyes, open to investigative journalists, to nonprofits, to civil society who are going to be better in aggregate at spotting some of the discrepancies in the data and finding cases where people were trying to duck these reporting requirements. So that's one area which we could push things further.

The other is, I described this exchange of information that the U.S could start embracing. That's something that a lot of countries around the world, around one hundred countries have already embraced with each other, something called the OECD's Common Reporting Standard for the Automatic Exchange of Information, which is a long and boring name. But it's a really important policy. It means that tax havens around the world are now exchanging this information with a lot of different tax authorities. But it's a fairly new policy. It was only implemented around five or six years ago. And while we can now see that a bunch of money is being reported on, we don't know what isn't being reported on. And we don't quite know yet which ways people may be ducking these reporting requirements and avoiding having their information transmitted to their tax authorities back home. And that's going to be the next part of the study. We need to understand a little bit more whether or not these policies have had the impact that they could have had, that we want them to have.

DEWS: Before we end this conversation, I want to ask you one more question about the paper before we wrap up, and that's on the ethical question. You said at the beginning, and you write about this in the paper, that this is a leaked data set. Can you comment on the ethics of using leaked data in research?

COLLIN: So, this was the first time I've written an ethics section in the middle of a paper, and I did it for a couple of reasons. One is a lot of economic researchers grapple with ethical issues all the time when they conduct studies, but it frequently gets discussed in the main text of the paper. The first concern I had was around privacy. So, when we analyze data on people, we worry that maybe a leak of information and those people may come to harm because of it. That, I felt, was worth discussing, even though I didn't feel that it applied in this situation, because even though this is pretty detailed personal data, in many cases these are people's passports and Social Security numbers, it's still publicly available. It's available right now if you want to go and download it. So there wasn't much space for there to be any additional harm through doing a direct analysis of the data, because it's already been leaked, and because people have probably already taken some countermeasures to protect themselves from the harm of having their information revealed to the public.

The second concern is obviously this is illegitimately obtained data. Someone hacked into a bank. That's an illegal act. And one might worry about condoning that behavior by conducting research and using the data. This isn't the first paper to do so. A lot of papers have come out of the Panama Papers leak, which itself was the result of illicit act. And I think the distinction in this case is you have to have a pretty good argument that the work is going to have a public benefit before you're willing to take that step. A few years ago, someone collated a bunch of personal information from the dating site OK Cupid and put it online for anyone to use. And I think most people at the time decried that as being an illegitimate release of data because there wasn't any major public benefit to having all these people's dating information being leaked online. In the space of tax and money laundering, these are activities that we've all agreed are harmful to society. And this is a fight we're still in the middle of. We're still trying to figure out how to rein in offshore wealth. We're still trying to figure out how to curb corruption and its deleterious side effects. So, I think there's an enormous public benefit argument to using this data, given it already exists, of using this data to learn as much as we can about this kind of behavior so that we can start cracking down on it a little bit better.

DEWS: Well, as we wrap up here, Matt, I want to ask you to look ahead, and you just mentioned that there is a next part of the study. So, are you doing more work in this area on this data set, specifically? What's next in your research?

COLLIN: So, this paper is largely setting the scene and understanding who was using these accounts. The next stage is understanding how people responded to an increase in reporting requirements. So, during the time frame that this data covers, the bank had to start reporting to the IRS about its customers and had to start reporting to a large number of mainly European countries about its customers. So, some of these people who have these offshore accounts faced a sudden risk of being reported on. So, the next stage is trying to understand, did people respond to that risk of being reported on? Did they allow themselves to be reported on? Did they move their money elsewhere? Did they start changing their arrangements in ways that would make it harder for the bank to understand that they were liable for tax? So, the next stage is just trying to understand if these policies were really having the intended effect. And this is a great natural experiment to look at this problem, because I know who these people are, and I can see how they respond once they're someone liable for being reported on.

DEWS: All right, well, we'll look forward to seeing that research come out. Matt Collin, I want to thank you for spending some time and sharing your expertise with us today.

COLLIN: Thanks so much for having me, Fred. It was a pleasure.

DEWS: You can find the report, "What lies beneath: Evidence from leaked account data on how elites use offshore banking," on our web site, brooking.edu.

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Until next time, I'm Fred Dews.