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Alaska House Labor and Commerce Committee Members:

Some 25 years ago, as Governor, I signed the Alaska Trust Act into law after it had been modified to protect the property rights of children and spouses in response to my initial veto. Today, I am submitting comments in support of proposed amendments to that original law in House Bills 405 and 406.

Russian oligarchs, currently on the U.S. Treasury Department's sanctions list, are using legal trusts to hide their wealth while they continue to enrich Vladimir Putin and fund a genocidal war machine. It has recently been revealed in the Pandora Papers investigation that other interests, including drug traffickers, international criminals, and embezzlers, are also subject to federal sanctions. Alaska should not allow either enemies of our democracy or criminal interests the opportunity to hide their wealth from the legal action of the federal government because of a lack of transparency in Alaska trust laws.

Confidentiality in trust laws is an important economic privacy right of law-abiding citizens. The reform advocated in HB405 guarantees that right. However, it also will require asset owners and beneficiaries to reveal their identities to the Alaska Department of Commerce, Community, and Economic Development. Any party appearing on the U.S. Treasury's sanctions list then would be turned over to federal authorities for appropriate action. Anyone not on the sanctions list will continue to have complete confidentiality. HB406 requires that the DCCED deny authorization of trusts by parties listed on the sanctions list.

I urge you to act favorably on HB405 and HB406 as necessary and timely modifications to the original trust law. The reforms you are considering are an important step in aligning our existing trust structure with national and Alaskan security interests. Thank you.