

# Memo from Greg Wertsch

Global Trade Investigator

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To:  
Colorado Fraudulent Business Filing Working Group  
Colorado Department of State  
1700 Broadway STE 1500  
Denver, CO 80290

This memo is in response to Mr. Lidstone's January 4, 2023, email to the working group.

Mr. Lidstone asserts that my viewpoint is solely from a law enforcement perspective. This is untrue.

My viewpoint is aided by extensive knowledge about the crimes that are being perpetrated by Colorado Illicit Shells, but it is entirely humanistic in nature. No particular law enforcement agency is benefited by increasing security within business filings. In fact, by reducing the amount of crime within the CDOS database it is likely there will be a reduction in arrest, seizure, and conviction statistics and thereby law enforcement budgets and staffing. If I had a purely law enforcement viewpoint, I would be only advocating for tools to aid law enforcement arrest and prosecute offenders. Instead, I am offering ideas on how to prevent the need for arrests and prosecutions by avoiding the creation of thousands of future victims. My viewpoint could not be more humanistic in this regard. I believe the other law enforcement representative in our group would concur that this is also his viewpoint.

Mr. Lidstone also asserts that I broadly disparaged the CTA and its rules. This is also untrue.

The CTA may eventually become a great tool for law enforcement to use to investigate and prosecute violators. My "law enforcement perspective" appreciates the CTA for that reason. However, my humanistic perspective (informed by my work in law enforcement) informs me that for our specific problem of illicit shell companies in Colorado it will have zero effect if we continue to operate like we do.

As Mr. Lidstone says in his most recent email, the "CTA is not even effective" and there is "no experience yet to review to determine whether the CTA works or does not work." Those statements are true.

We likely won't know for several years if the CTA has any effect whatsoever on our Colorado Illicit Shell problem. During the ensuing time, countless new victims here in Colorado, across the US, and perhaps within schools in Kiev may be created while we wait for the federal government to act.

Perhaps Mr. Lidstone could help walk us through how the CTA will curtail the purchase and export of US components to Iran by illicit shell companies that are created in Colorado from Iranian soil and use completely fabricated information with the CDOS filing? How will the CTA fine unknown persons? How will the CTA fine unknown person in Iran? Why will the Iranian military be worried about the CTA's civil penalties when they can create 1,000 new shells unimpeded every hour here in Colorado?

My final disagreement with Mr. Lidstone's email is his unproven contention that any of the proposals that we are discussing would "significantly and adversely impact the 99.9% of honest Coloradoans and others forming entities in Colorado."

Other than Mr. Lidstone's singular example of how he needed to form a business within minutes to complete a deal while in New York, we have not heard from a single other business owner that believes having to wait a few minutes to a few days to form a business would "significantly and adversely" effect their business, much less "99.9% of honest Coloradoans." These statements appear to be extreme exaggerations of the reality of forming most businesses. It can take weeks to get business credit cards and debit cards. A few days is nothing compared to wait times for other business startup needs. This statement also ignores that fact many honest Coloradoans are currently being victimized by Colorado Illicit Shells.

Perhaps Mr. Lidstone would like to also remove all security from airports because 99.9% of the flying public are not terrorists? Why would we inconvenience so many to stop so few? I remember 9/11 like it was yesterday. I drove past the Pentagon hours after it was struck by a plane full of 99% good people. The truth is, just a couple bad actors can (and will) destroy everything if we let them - and we are letting them every day, every night, and even on weekends right here in our Great State of Colorado.