

# United States Senate

WASHINGTON, DC 20510

November 12, 2015

Senator Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20510

Dear Senator McConnell,

I write to express my opposition to the eight tax treaties approved on November 10, 2015 by the Senate Foreign Relations Committee (Treaty Docs 112-1, 111-8, 111-7, 112-8, 112-5, 113-4, 113-5, 114-1).

Let me start off by saying I do not condone tax cheats, domestically or abroad. I equally cannot support a law that provides for the bulk collection of US citizens' financial records, who are living overseas. The American right to privacy is perpetually being diminished. Our government is monitoring our email and cell phones, and they are increasingly monitoring our bank account records – among the most private of an individual's possessions. An individual's bank account is the epitome of who they are as a private citizen; a bank account reveals where someone is shopping, what foods they like, the medicines they are taking, the doctors they are visiting, and the places they are traveling. Bulk collection tax treaties are not a policy prescription to US citizens conducting illicit financial transactions in a foreign country.

At the very least, every American – whether at home or abroad – deserves to have their Fourth Amendment rights protected.

Previous tax treaties were more focused on information specific to suspicions of tax fraud while requiring that serious allegations of tax wrongdoing were grounded in evidence. However, these new bulk collection treaties demand Americans' records under a vague standard that allows the government to access personal financial information that “may be relevant” through information exchanges between the U.S. and foreign governments – a standard extended to other governments as well. This new, much lower and ambiguous threshold allows the government to access bank records for hardly any reason at all.

It also appears that these treaties may end up being the tool that implements a domestic law known as the Foreign Accounts Tax Compliance, or FATCA. In short, this law punishes every single overseas financial institution with a 30 percent withholding tax unless they send the IRS the private records of overseas American bank holders– no questions asked, and no reasonable suspicion, due process, or court order required. This law has forced many foreign banks to simply deny services to Americans rather than deal with the burdens and costs of compliance with FATCA, thus impeding foreign investment and risking economic harm.

This egregious law was passed under the false narrative of catching tax cheats. However, it has led the international community to simply shut its doors and deny banking services to seven million law-abiding, innocent Americans citizens with bank accounts who work overseas. Mary Louise Serrate, executive director of American Citizens Aboard, noted recently in the International Business Times, “many (foreign) banks, regardless of inter-government agreements... seem to be taking a decision that it’s just easier not to provide service to American clients.”

I do not condone tax cheats, but I cannot support a law that endangers legal foreign investment, and punishes every American, in pursuit of a few tax cheats. Most importantly, I cannot support a bulk collection tax treaty that has complete disregard for the important protections provided to every American by the Fourth Amendment.

Accordingly, I will object to any unanimous consent request, motion, or waiver of any rule in relation to these treaties or any related measure. Thank you for protecting my rights in regards to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Rand Paul". The signature is written in a cursive, flowing style.

Rand Paul, M.D.  
United States Senator