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OPINION

The Wealth Hiding in Your Neighborhood

Absentee billionaires buying condos

BY CHUCK COLLINS

The rich are hiding trillions in wealth.

You've probably heard about their offshore bank accounts, shell corporations, and fancy trusts. But this wealth isn't all sitting in the Cayman Islands or Panama. Much of it's hiding in plain view: maybe even in your town.

America's big cities are increasingly dotted with luxury skyscrapers and mansions. These multi-million dollar condos are wealth storage lockers, with the ownership often obscured by shell companies.

In Boston, where I live, there's a luxury building boom. According to a study I just co-authored, out of 1,805 luxury units — with an average price of over \$3 million — more than two-thirds are owned by people who don't live here.

One-third are owned by shell companies and trusts that mask their ownership. And of these units, 40 percent are limited liability companies (LLCs) organized in Delaware.

Why Delaware?

Criminals around the world set up their shell companies in Delaware, the premiere secrecy jurisdiction in the United States —

where you don't have to disclose who the real owners are. As a result, human traffickers, drug smugglers and tax evaders all enjoy the anonymous cover of a Delaware company.

Many of these companies use illicit funds to purchase real estate in North American cities to launder their ill-gotten money.

In New York City, dozens of luxury

zerland.

The U.S. Treasury Department's Financial Crimes Enforcement Network has increased its scrutiny over real estate markets in Miami, New York, and parts of California, Texas, and Hawaii.

But that just makes the rest of the country more attractive for secret cash — even far from big cities. In a small Vermont town, I met a Russian investor who lives in Dubai.

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towers have been connected to global money laundering. In Vancouver, B.C., Chinese investors disrupted the city's housing market so badly that the province established a foreign investor tax and a tax on vacant properties.

With European countries now insisting on more transparency, illicit cash is now cascading into the United States. In fact, the U.S. is now the world's second-biggest tax haven and secrecy jurisdiction, after Swit-

He was buying up thousands of acres of Green Mountain farmland.

Our communities are being fundamentally transformed by land grabs and luxury building booms. These drive up the cost of land in central neighborhoods, with ripple impacts throughout a community. And this worsens the already grotesque inequalities of income, wealth, and opportunity.

Our communities should defend themselves.

Property ownership should have to pass the "fishing license" or "library card" test. In most communities, to get a library card or a fishing license, you need to prove who you are and where you actually live.

In Boston, they're pretty strict — you need to show a utility bill with your name on it. Cities should require the same for real estate purchases.

At a national level, bi-partisan legislation from Senators Marco Rubio and Sheldon Whitehouse would require real estate owners to be disclosed when buyers use shell corporations and pay millions in cash. That would be a welcome development.

Better still, cities should tax luxury real estate transactions on properties selling for over \$2 million to fund local services. Such a tax in San Francisco generated \$44 million last year that's been used to fund free community college and help the city's neglected trees.

Communities could discourage high-end vacant properties by taxing buildings that sit empty for more than six months a year. Cities like Vancouver have created incentives to house people, not wealth.

We need to defend our communities for the people who live in them, not just store their wealth there.

Chuck Collins co-authored the report *Towering Excess for the Institute for Policy Studies*. Distributed by OtherWords.org.

Young Voices Help Create Nation They Deserve

Children fighting for freedom

BY MARIAN WRIGHT EDELMAN

I wrote recently about a few of the brave children who helped change our nation during the Civil Rights Movement. There are many, many others whose examples should inspire us today. Claudette Colvin — sometimes called "The First Rosa Parks" — was a 15-year-old black girl who challenged bus segregation in Montgomery, Ala. on March 2, 1955, nine months before Mrs. Parks.

Claudette boarded a Montgomery city bus and refused to give her seat to a white person when ordered by the driver to do so. Claudette had been studying the U.S. Constitution and the connection between constitutional rights and segregation in school, and insisted she had a constitutional right to her seat because she had paid the same fare. She became the first of several women arrested for refusing to abide by the state's segregation laws and one of four plaintiffs in *Browder v. Gayle*, the case that successfully overturned bus segregation laws in Montgomery and Alabama.

Later, when Claudette described her decision to stay in her seat that day, she used a powerful image: "It felt like Sojourner Truth was on one side pushing me down and Harriet Tubman was on the other side

of me pushing me down. I couldn't get up."

Claudette was just one of many young people determined to prove in the wake of *Brown v. Board of Education* that they would no longer be confined to "separate but equal." On Aug. 27, 1956, twelve black students desegregated Clinton High School in Clinton, Tenn. making it the first public high school in the south to desegregate. Two years later the school building was bombed; no one was arrested.

But the Clinton Twelve were the leading

The fearless Unita Blackwell, then a SNCC field officer and parent of one of the students, filed a lawsuit to allow suspended students to return and wear the pins and to demand that Issaquena County schools finally desegregate.

edge of a change wave that could not be stopped. A year later, nine black students who enrolled at Central High School in Little Rock, Ark., despite white mob violence, captured national headlines after Gov. Orval Faubus ordered the Arkansas National Guard to block their entry into the school. The students refused to give up

requiring federal troops to be called in to escort the Little Rock Nine to class.

Other students fought for other freedoms. In January 1965, a group of students at the all-black Henry Weathers High School in Issaquena County, Miss. began wearing Student Nonviolent Coordinating Committee freedom pins to class. A reprimand by school administrators sparked an outpouring of support from other students and community leaders causing 300 students to be suspended for wearing and distributing banned "freedom" buttons.

who boycotted the high school while the fight went on. Unita Blackwell would later become the first black woman mayor in Mississippi.

Even the youngest children were determined to make a difference. Sheyann Webb, "The Smallest Freedom Fighter," was eight years old. Sheyann was the youngest to join the march from Selma to Montgomery on "Bloody Sunday," March 7, 1965. After the day's violent events she went home and wrote plans for her own funeral, but returned for the final Selma march without her parents' knowledge or consent. She was suspended from her elementary school for participating in the Selma march but kept fighting for freedom.

We should make sure children today know these and many other stories about courageous children from the past. We are at another inflection point where children's voices are desperately needed to help create the nation they deserve.

Let's applaud those young people who have stepped forward to end epidemic gun violence in schools and churches and on streets they must walk; protest the separation of children from their parents; and seek to ensure the right to vote is exercised by all who have it. I hope they will continue to stand, march, and work together seeking freedom and justice for all. We adults should follow their examples.

Marian Wright Edelman is president of the *Children's Defense Fund*.