

MONTANA STATE AUDITOR JAMES BROWN



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FOR IMMEDIATE RELEASE

MONTANA STATE AUDITOR JAMES BROWN JOINS CALL FOR THE SEC TO INVESTIGATE DELISTING CCP BASED INSURERS.

Protecting Montana Consumers, Investors, and Americas National Security Interests.

August 25th, Helena, Montana.

Montana State Auditor James Brown joined elected leaders and financial officers nationwide to urge the Securities and Exchange Commission (SEC) to protect Americans by investigating the delisting of Chinese companies that fail to meet anti-fraud standards and the standards of transparency that we demand for our citizens.

This is part of President Trump's America First investment policy and a great bipartisan step towards strengthening protections for Montana consumers. Over 90% of the U.S.-listed Chinese firms use "VIE" shell companies that are clones of the real Chinese companies that they appear to be affiliated with. In short, this means American investors don't have real ownership, there is massive uncertainty if China decides to pull the rug, and it leaves a massive doorway open for fraud.

There are also far-reaching national security implications for having these CCP-affiliated insurers in our markets. CCP cells are embedded in every Chinese company, leaving our nation vulnerable to undue influence in one of our most important sectors – your healthcare and insurance.

To make matters worse, American inspectors have already reviewed many of these companies and found serious concerns in their reports – even including falsified documents. This leads to an obvious risk of fraud that could leave Montanans holding the bag.

"I am proud to have signed on to this important letter," said Auditor Brown. "Montanans should not be forced to roll the dice on companies that are controlled by the CCP. If China won't play by our rules, then they should not be allowed in our markets. Period. As your Auditor, my job is to protect you – the people of Montana. Whether it's a scam in Sanders County or a Beijing billionaire, the rules are the rules, and I will continue to ensure that they are enforced to protect the people of Montana."