

**Testimony of Mark Christopher Crawford<sup>1</sup>**  
**Before the Subcommittee on Government Operations Regarding**  
**the Foreign Account Tax Compliance Act**

I would like to thank you, Chairman Meadows, and members of the Government Operations Subcommittee for allowing me to be here today to share my first-hand experience as an international businessman within the context of “Reviewing the Unintended Consequences of the Foreign Account Tax Compliance Act (‘FATCA’)”.

The politics that divide Americans at home don’t often divide those abroad. Most of the 9 million overseas Americans<sup>2</sup> are ordinary citizens who are living their lives, raising their families, studying, and working as teachers, doctors, businessmen, or relief volunteers. We are just Americans and though we are often far from home, America is still our home and the US Constitution is still our Constitution wherever we are. I’ve been pleased to join a bi-partisan group to raise this issue to all three branches of Government---the White House via the Republican platform, the Judiciary via challenging FATCA in Federal Court, and today before Congress. It is my hope and desire that my testimony today prompts Congress to re-addresses the negative impact that FATCA is having on Americans around the world and to repeal this legislation.

During my testimony I will discuss (1) my own experience in international finance(always having worked in the private sector but often alongside US Government initiatives in collaboration with USAID and US Treasury), (2) the impact that FATCA has had on my entrepreneurial activity as an American living overseas, and (3) possible remedies to the unintended consequences of FATCA. I look forward to answering any questions that the Members may have as we seek to mitigate the consequences of FATCA.

**I. My experience in the foreign financial sector and the importance of fostering financial inclusion.**

My name is Mark Crawford. I am an American citizen and international entrepreneur, based in Dayton Ohio. I do not have any other citizenship, though at various times I have been a resident of the UK, Albania, Montenegro, Macedonia and Greece. I currently have investment activity in four

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<sup>1</sup> Director, BlackburnSteele LLC, Dayton, Ohio; markcrawford.org ; See Resume of Mark C. Crawford attached.

<sup>2</sup> [https://travel.state.gov/content/dam/travel/CA\\_By\\_the\\_Numbers.pdf](https://travel.state.gov/content/dam/travel/CA_By_the_Numbers.pdf)

countries, including the United States. During my career, I have worked across three continents, reaching across party lines to promote American business and American values. I have started banks, micro-lending firms, NGOs, Chambers of Commerce, accounting and brokerage firms, and a film production company. I have led investments in natural resources and advised leaders of several American-allied governments regarding privatization, stabilization and economic growth. I have employed hundreds of people and increased economic activity between the United States and its friends around the world.

By way of background, my parents are Texans and my father is a Texas A&M Electrical Engineering graduate and upon graduation was commissioned into the Air Force and assigned to build unmanned spacecraft at NASA's Jet Propulsion Laboratory at Caltech. I was born in Pasadena, California in 1971.

Employment with NCR took our family to Wichita, Kansas for five years and then to Dayton, Ohio, which was NCR's headquarters at the time. I graduated from Dayton Christian High School and then attended Miami University in Ohio, studying liberal arts. I graduated from Miami in 1993, one year behind current House Speaker, Paul Ryan. Though my travels take me to a number of countries, I am still based in Dayton Ohio and one of my companies is headquartered there.

Growing up I never travelled abroad. The closest experience I had to visiting a foreign culture was visiting my Grandparents in Texas. None of my extended family had spent much time living outside of the United States since the American Revolution. That changed in 1992 during my junior year at Miami of Ohio when I was invited by English Language Institute China (ELIC), which is based in Los Angeles, to spend the summer teaching spoken English to Chinese teachers at the Hunan Educational Institute in Changsha, China. My expenses were covered by friends and family up to the point of arriving in China, at which point the University covered our costs in conjunction with ELIC.

The summer of 1992 was when the first US Olympic basketball "Dream Team" played in Barcelona, and in China I saw first-hand how closely US culture and sports are followed by many around the world. After this first-hand experience abroad I began to feel, and continue to feel today, that the more Americans are enabled to travel, study, teach, and serve abroad, there is intrinsic

value not only to those that we communicate our culture, language and values with, but for ourselves as well as we experience their languages, cultures and understand their values.

While a student at Miami of Ohio, I was active with Campus Crusade for Christ. Though I did not intend to spend my career in missions and relief work, I had decided to take a gap year before applying to graduate school and was invited to spend one as a missionary in Albania working with Campus Crusade for Christ. During that year we worked with students and travelled through the villages of the country. In 1993, the banking sector in Albania at the time was hardly functional and my four hundred dollar monthly missionary stipend was flown in to Albania in cash by our regional director, who lived in Austria. I was so strapped for cash that I remember seeing a can of Coke being sold in Tirana for the first time, but I couldn't afford to buy one. Thankfully in Albania, wages have risen and many American products such as Coke, Pepsi, Microsoft, HP, Apple, Philip Morris and other American owned products are now very available in the market and affordable.

After spending a year in Albania I was accepted a Masters Program at the University of London in the UK. In the fall of 1994, I used all my savings and flew from Corfu Greece to Manchester then took the bus down to London to start my studies. I then moved to London England where I did a Masters Degree at the School of Slavonic and Eastern European Studies (currently within UCL of the University of London). I spent most of my time studying macro-economic stabilization and central bank reform under Professor Jacek Rostowski, who later became the Minister of Finance in Poland. In order to pay for the balance of my tuition, I received a Federal Stafford loan and though my account balance was always small, Barclays bank in London was kind enough to accept me as a client so that I could pay my expenses during my graduate school years. I remained fairly cash-strapped during those years and often would walk a few miles rather than take the underground. When I did buy a day pass to use the 'tube' I would often try and sell it for half price after I finished my morning classes. I stopped when someone told me that wasn't really something 'to be done' in the UK. In the end I made it through and graduated, paid for in thanks to a bit of savings, a Stafford loan, and a Barclays bank account.

I moved back to the United States at the end of 1995 and began to work for my family's financial planning firm, LifePlan Financial Group, which my father had started after his time with NCR. While working with LifePlan I earned my Series 7 securities license.

In 1996, I was recruited by appointees of President Clinton to join the Albanian-American Enterprise Fund (AAEF)<sup>3</sup> which was authorized by the US Congress under the Support for Eastern Europe's Democracy Act of 1989 (SEED Act).<sup>4</sup> I had learned functional Albanian and had experience in the country, along with a master's degree in economics and I quickly found myself moving up the corporate ladder, being assigned to the Albania office, making coffee, then answering phones, making copies, and eventually doing some basic accounting.

Albania's transition toward a pro-Western free market system has been challenging. During the 1997, there was a financial collapse because of a nationwide pyramid scheme and due to the following civil unrest all Americans were evacuated for the first time from Albania. I wound up getting myself out of the country on my own but many of my American friends were a bit slower, and had to wait for the Marines to helicopter them out of a safe zone in the American Embassy housing compound to the USS Nassau in the Mediterranean (Operation Silver Wake).<sup>5</sup> I do remember that those American friends of mine had to repay the US Government for the cost of their evacuation, meaning that there would be no additional cost to the taxpayer for their extraction.

One year later, Americans were evacuated a second time due to a specific threat against American interests in Albania from Egypt's Islamic Jihad, a group suspected to be related to Bin Laden and the bombings of the US Embassies in Kenya and Tanzania.<sup>6</sup> Again, I got myself out of the country and relocated along with many of the other Americans working in Albania to Ohrid Macedonia, where we ran each of our projects from just over the Albanian border. Even though the Americans with the AAEF had been evacuated, our work did not stop. During this evacuation the AAEF inaugurated what became its most successful investment, the American Bank of Albania, a

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<sup>3</sup> AAEF.com

<sup>4</sup> <https://www.congress.gov/bill/101st-congress/house-bill/3402>

<sup>5</sup> <http://www.navy.mil/navydata/policy/vision/vis04/vpp04-appxa.pdf>

<sup>6</sup> <http://www.nytimes.com/1998/08/17/world/us-removes-its-diplomats-from-embassy-in-albania.html>

Greenfield investment, 100% owned and controlled by the Fund with the purpose of introducing conservative banking practice to the country. The bank was ultimately sold to Intesa San Paolo Bank.<sup>7</sup> I continued to move up the corporate ladder as I lived in Macedonia, taking over an investment portfolio and running back-office operations as the deputy to the CEO of the AAEF for nine-months. Over the years several AAEF directors came and went, and by the time I was 29 years old I was running all of the Tirana based operations. In spite of its tumultuous path to capitalism, Albania has been strongly pro-American and the engagement of the Enterprise Fund fostered this relationship both while I was there and long after I left, investing in real estate, insurance, airports, shopping malls, biometric passports and trade. Though the Albanian-American Enterprise Fund was the smallest and the youngest of the Enterprise Fund's operating under the 1989 SEED ACT, our team generated the highest return on capital invested. Ultimately, at the end of the Fund's mandate, US Congress decided to return half of the original seed money to the Treasury Department and the remainder of the AAEF's capital was used to establish a US-based foundation with a mandate to use its funds to support Albanian education, entrepreneurship and infrastructure which continues to operate today.<sup>8</sup>

As Eastern Europe emerged from Communism during the 1990's, one of the driving objectives of US international aid assistance was the increasing financial inclusion. Concurrent to my work with the AAEF, I volunteered to found and later Chair USAID's micro-lending initiative in Albania, named the Albanian Partner for Microcredit.<sup>9</sup> Though this project, in collaboration with Opportunity International, based in Chicago, we were able to bring needed financing to thousands of Albanian small businesses, bringing many of our clients up to the level of being bankable by the traditional banking sector, meaning that they were able to open a bank account, receive basic transaction services and apply for traditional bank loans.

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<sup>7</sup>[http://www.intesasanpaolobank.al/web/Intesa\\_Sanpaolo\\_Signs\\_Participation\\_in\\_the\\_American\\_Bank\\_of\\_Albania.php](http://www.intesasanpaolobank.al/web/Intesa_Sanpaolo_Signs_Participation_in_the_American_Bank_of_Albania.php)

<sup>8</sup> <https://www.usaid.gov/news-information/press-releases/albanian-american-enterprise-fund-return-15-million-american>

<sup>9</sup> [http://pdf.usaid.gov/pdf\\_docs/pdabu161.pdf](http://pdf.usaid.gov/pdf_docs/pdabu161.pdf)

As a follow-up to these projects, I was recruited to move to Montenegro, then part of 'small Yugoslavia' in 2001. I became the CFO of a Greenfield investment in a private bank that had received some USAID financial support. The business strategy of the bank was to expand financial services throughout the country, with a heavy focus on supporting small businesses. It was quite challenging to start the bank in Montenegro in 2001 considering that NATO had recently bombed Montenegro along with Serbia during the Kosovo war. Nevertheless our mandate included aggressively marketing ourselves as American, with USAID assistance, and that is what we did.

At the time, Montenegro remained part of a political union with Serbia and I moved to Podgorica just following the end of the Milosevic regime. In 2001 much of the US diplomatic presence for Montenegro was still working out of Dubrovnik, Croatia. We, as private businessmen, engaged in promoting American interests in advance of the establishment of the US Consulate in Podgorica, and founded a commercial bank.

Several years later I became the CEO of the bank. During my tenure as CFO and then CEO, the bank extended inclusion to over 15% of the citizens of the country, became the most profitable bank in the country and introduced MasterCard products and NCR ATMs into the country.<sup>10</sup> We were able to meaningfully improve US-Montenegro relations by engaging with citizens on the basic level of providing access to credit, receipt of international transfers, and savings accounts.

When Montenegro voted for independence from its union with Serbia, the United States established its Embassy in Podgorica and I was approached by Ambassador Rod Moore regarding establishing the American Chamber of Commerce in Montenegro. With the break between Montenegro and Serbia, the existing American Chamber of Commerce remained in Belgrade, Serbia and a new Chamber needed to be formed for Montenegro. Normally, the American Chamber of Commerce in a given country is an affiliate of the US Chamber of Commerce in Washington DC and, depending upon the relationship of the AmCham President of the Board and the US Embassy, the Chamber can be close collaborators representing American business interests in the country. While

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<sup>10</sup> <https://seenews.com/news/montenegros-opportunity-bank-h1-net-profit-up-four-times-to-3091-mln-euro-table-217033>

we received no financial support from the US Government, I was able to successfully organize American businesses in Montenegro and formed the American Chamber of Commerce in Montenegro, serving as its Pro-Bono Chairman for two years. Upon the sale of the bank where I was the CEO in Montenegro to an Austrian banking group,<sup>11</sup> I moved to Greece, but continued to come back to Chair the AmCham Pro-Bono, meeting regularly with the US Ambassador and Montenegrin Prime Minister or members of his cabinet.<sup>12</sup>

## **II. The impact that FATCA has had on my entrepreneurial activity as an American living overseas**

My wife, is an American citizen, but comes from the ethnic Greek minority in Albania. Most of her family only speaks Albanian and Greek, while my own ancestors haven't really spent much time outside of the United States since the American Revolution, and my family is fairly monolingual, speaking only English. After living in Greece for a year, we decided to move back to Albania in order for our children to learn the different languages they would need in order to communicate with my in-laws.

During my first stint in Albania the banking market had developed rapidly. Still Albania was grossly underdeveloped in terms of other traditional financial pillars. Albania had a stock market, but there had never been any listings.<sup>13</sup> The banks did not offer any access to international capital markets or placement options other than domestic treasury bills.

Since I had lived in Albania in the 1990's the country has progressed, coming closer to European Union candidacy and joining NATO.<sup>14</sup> By 2010, many of my friends had steady jobs, owned their own homes, cars and kept some savings. However, the country offered no other financial products to give them investment alternatives, therefore they were forced to either buy real estate, hold domestic treasury bills, savings account balances or cash. In smaller developing markets such as Albania, there isn't enough volume to support offering sophisticated financial products. Of the 16

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<sup>11</sup> <https://seenews.com/news/croatian-arm-of-austrias-erste-takes-over-us-micro-lenders-majority-stake-in-montenegros-opportunity-bank-237677>

<sup>12</sup> <http://photos.state.gov/galleries/montenegro/61077/2008theyearinreview/3.html>

<sup>13</sup> <http://www.tse.com.al/history/>

<sup>14</sup> <http://www.mod.gov.al/eng/index.php/security-policies/relations-with/nato/88-history-of-nato-albania-relations>

banks in the market, 14 have a majority foreign shareholder and all 16 have significant foreign investors. For all of these banks, especially the 14 tied to foreign shareholders, decisions taken outside of Albania impact all of the clients of the daughter institution. Therefore, local banks piggy-back on their mother banks, insurance companies piggy-back on their group and so on in order to offer a range of products to Albanians.

While my children learned a few other languages, my vision in returning to Albania was to introduce access to international capital markets to the average Albanian citizen. Since the local stock market had no listings, I focused my efforts on developing an introductory brokerage business, where I would provide limited investment advice and know-your-customer due diligence services for a larger European investment bank that was willing to accept Albanian clients. Though my US securities license was no longer active, having earned my Series 7 years ago allowed me to qualify to apply for a brokerage license and introductory brokerage permission from the Albanian Financial Services Authority. During this process I began to hunt for an international investment firm that would work with me in Albania. Most firms viewed Albania as too small or underdeveloped to bother with, however, during my trip to Copenhagen, Saxo Bank indicated that they would be willing to work with me to develop my vision and we began to put in place the procedures and process maps in order to make that work.

After almost one year from the start of my inquiry into the application process, in the April of 2011 I was awarded Albania's first brokerage license that provided for introductory brokerage activity with a foreign investment bank.<sup>15</sup> A few weeks later I sent the first ten applications to Copenhagen in order to open brokerage accounts for these residents of Albania. Saxo was fairly quick to respond approving nine of the ten applicants. Naturally, I wanted to start well with my partners in Copenhagen, so I had carefully vetted all of the potential clients in order that everyone would be approved. I reached out to Saxo to see what we had missed with the client that was rejected and they simply said that the application that was rejected was my own. I, myself, was one of the ten applicants, at the time an Albanian resident. I was told that I was rejected solely because

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<sup>15</sup> <http://www.amf.gov.al/news.asp?id=506>

of my American citizenship. Saxo said that due to FATCA they didn't want to work with Americans or Green Card holders. After what seemed to be a few weeks of confusion I realized that I could not serve Americans or Green Card holders in my brokerage firm in Albania because of the carry-on impact of the Saxo decision. The introductory brokerage firm vision was alive but the idea of working with Americans, Albanian-Americans, Green Card holders, etc. was dead.

My experience in banking had seen a dramatic positive effect of branding a financial institution as American owned and operated. However, a brokerage firm that marketed itself as American, yet could accept no American clients was a logical anomaly to the Albanian market, and understandably so. Our hopes to develop an introducing brokerage product lining international capital markets with Albania began to die. Volumes were not sufficient and new clients were difficult to find. The introductory brokerage product became sidelined and Saxo grew unhappy and after a couple years dropped our firm altogether. During my time in emerging markets I have become used to fluid situations and dealing with the unexpected in order to create a positive outcome. This has been the case with my brokerage firm, including the summer of 2011 when one of my student interns from the University of New York, Tirana turned out to have been a former Guantanamo Bay detainee.<sup>16</sup> However, the obstacle to my brokerage business created by FATCA was a deal-breaker in many ways. I was able to rework my business model, re-focusing on fee based investment advisory and bond agency work, and the business continues to develop but the financial harm was done and it was significant.

FATCA has also impacted the manner in which I operate my own personal foreign bank accounts. I am currently an independent director of an American owned bank in Albania.<sup>17</sup> Not every country in the world is as American friendly as Albania. By requiring US persons to provide their social security numbers to potentially foreign owned financial institutions the US Government has put its citizens at significant risk of fraud. Certainly banking secrecy and privacy is not always well guarded in emerging markets. Should a foreign financial institution, foreign government, or even

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<sup>16</sup> <https://www.ft.com/content/eba77a9c-6d71-11de-8b19-00144feabdc0>

<sup>17</sup> <https://invest-in-albania.org/the-newest-private-bank-in-albania-with-american-capital/>

rouge individual working within one of the FATCA compliant institutions wish to do expat Americans harm then they would have easy access to their personal data in order to cause identity theft and harm, therefore I have restricted my banking activity as much as possible naturally causing more cost to do business bank to bank because of wire fees.

In spite of the challenges that FATCA has caused my personal business, I have remained active assisting US interests whenever called upon. In 2012, I assisted the US Treasury Department's Office of Technical Assistance (OTA) representative in Kosovo as we explored the potential for developing capital markets access in that country.<sup>18</sup> Additionally, I was again called upon by the US Embassy to put my name forward for Pro-Bono President of the Board of the American Chamber of Commerce, this time in Albania. I have just been unanimously elected by the members to my third two year mandate.<sup>19</sup>

### **III. Possible remedies to the unintended consequences of FATCA.**

The bi-partisan group that is testifying before you today has been exploring remedies to the unintended consequences of FATCA for several years. Proposals to address the unintended consequences of FATCA have been considered by parties<sup>20</sup> and candidates<sup>21</sup> on both sides of the aisle during last year's Presidential race. In recognizing the problems of FATCA, some have suggested implementing safe harbor/same country exception that would help Americans solely within the country of residency. Such a safe harbor/same country exception would not have solved the negative impact that FACTA has had on my situation. I am not, nor have every been a resident of Denmark, thus such an exception would not alleviate Saxo Bank's relationship with me or other clients of my brokerage firm which would remain non-resident American client applicants. The best way to fully alleviate the consequences of FATCA is fully repeal this law or to mute the existence of FATCA by simplifying the tax code and moving away from citizenship based taxation (a system that

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<sup>18</sup> <http://bankassoc-kos.com/en/the-conference-on-regional-capital-markets-raising-opportunities-for-kosovo-firms>

<sup>19</sup> <http://www.amcham.com.al/general-assembly-meeting-2017/>

<sup>20</sup> <https://prod-static-ngop-pbl.s3.amazonaws.com/docs/RESOLUTION-TO-REPEAL-THE-FOREIGN-ACCOUNT-TAX-COMPLIANCE-ACT-FATCA.pdf>

<sup>21</sup> [http://www.democratsabroad.org/our\\_candidates](http://www.democratsabroad.org/our_candidates)

the USA shares with few outlying countries such as Eritrea and North Korea), toward a territorial or residential based system.

Today the Albanian brokerage firm is only one of several of my investments around the world, including banking, natural resources and film. Two weeks ago, I was in Albania and Bulgaria producing an action film, starring a number of American and European actors that are in the final days of filming on set right now. My experience is that the American entrepreneurial mentality sets our culture apart. American businesswomen and businessmen do not restrict their investment based on their personal residency. Their investment choices follow opportunity according to the market. Access to international financial services is critical for all of such projects and FATCA's impact has already harmed some of my businesses and if left un-repealed will risk others as well.

It is ironic that after spending much of my career helping advance US interests by expanding financial inclusion, through FATCA the United States has inadvertently restricted financial inclusion for its own citizens. The fact that an increasing number of banks and financial institutions either directly (as in the case of Saxo Bank) or via a carry-on effect (as in the case of my brokerage firm in Albania) reject working with American citizens outright harms US interests. It harms Americans that are living abroad as teachers, students, missionaries, and businesses from the taking risk that is so necessary for a successful free market to work. It is my belief that the best way to improve the current situation is not to make the situation more complex by creating carve-outs and exceptions, such as safe harbor or other partial fixes. Therefore, I support a full repeal of FATCA.