

Brown Slams Trump Plans to Undermine Key Wall Street Reforms

Senator Warns Against Efforts to Roll Back Inversions Crackdown, Make it Easier for Corporations to Cheat the System

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WASHINGTON, D.C. – U.S. Sen. Sherrod Brown (D-OH) – ranking member of the Senate Banking, Housing, and Urban Affairs Committee, and a member of the Finance Committee – issued the following statement today after news reports that President Trump plans to issue executive orders aimed at dismantling key Wall Street reforms enacted after the 2008 financial crisis, and take steps toward rolling back crackdowns on corporate tax loopholes.

“After the 2008 financial crisis almost destroyed our economy, Wall Street reform put tools in place to protect working Americans from once again bailing out ‘too-big-to fail’ banks and financial institutions. Any actions to undermine these protections encourage Wall Street’s risky behavior and leave taxpayers and our economy exposed to another catastrophe,” Brown said.

According to news reports, the President’s executive orders would call for a review of two key provisions under the Dodd-Frank Wall Street Reform law to prevent another too-big-to-fail financial crisis. The orderly liquidation provision of the law empowers government oversight authorities to wind down a large, complex financial institution that is failing and dismantle it in a way that is less harmful and disruptive than taxpayer bailouts or bankruptcy. Another provision allows the Financial Stability Oversight Council (FSOC) to monitor the risks posed by nonbank financial companies, like the insurance conglomerate AIG, and to address these risks through enhanced supervision and stricter rules.

The President is also expected to order the U.S. Treasury Secretary to review all of the tax rules the Treasury Department issued last year. Brown warned against efforts to make it easier for corporations to invert, or move their headquarters overseas on paper simply to avoid paying their fair share in U.S. taxes. Under the Obama Administration, Treasury issued new rules cracking down on these so-called inversions and the tax structures that make them attractive. According to reports, one of the White House’s expected orders today may aim to roll back these important safeguards.

“We should be working to lower taxes for hardworking families and workers across Ohio, not helping multimillion-dollar corporations cheat the system to avoid paying their fair share,” Brown said.

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