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AG Rayfield Challenges Trump Administration's Gift to Fraudsters and Tax Cheats

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Lawsuit Filed today in U.S. District Court in Eugene

Attorney General Dan Rayfield is leading a coalition of 21 attorneys general **in a lawsuit to stop the Trump administration from gutting a law that helps police and prosecutors catch money launderers, fraudsters, and tax cheats** (</wp-content/uploads/2026/10/CTA-lawsuit.pdf>).

The law, the Corporate Transparency Act, requires businesses to tell the federal government who actually owns and controls them. That matters because criminals often hide their money in shell companies—businesses that exist on paper but don't do much of anything—so their names never show up. Now the United States Treasury Department's Financial Crimes Enforcement Network, known as FinCEN, has exempted 99.9% of businesses from the law, making it nearly useless.

"The federal administration has given a green light to all sorts of criminals," said Attorney General Rayfield. "In gutting the Corporate Transparency Act, the administration is welcoming organized crime, international money laundering, corruption, and tax evasion—and allowing it to happen right under our noses. Congress decided to crack down on criminals hiding behind anonymous shell corporations, and this administration has unilaterally reversed that effort. It is illegal, and it hurts state law enforcement's efforts to do their job by following the money."

Congress passed the Corporate Transparency Act with bipartisan support in 2021. It created a Treasury database of business owners that law enforcement can use to trace dirty money, track down stolen assets, and uncover bribes and political payoffs.

In August 2026, the Trump administration issued a rule exempting nearly every business from reporting. Then FinCEN went further, announcing it would delete the ownership information already in the database, records that likely include evidence of unsolved crimes. The states argue that would break multiple federal laws.

The lawsuit says FinCEN:

- Violated the Corporate Transparency Act and Administrative Procedure Act
- Skipped required legal steps before changing the rule
- Acted arbitrarily and without a reasonable explanation
- Failed to properly consult the Secretary of Homeland Security and the U.S. Attorney General before exempting nearly all businesses

If the states win, the court would throw out FinCEN's rule and require the agency to keep collecting and maintaining the ownership database for law enforcement.

The case, *State of Oregon v. Bessent*, was filed today in U.S. District Court in Eugene. Attorney General Rayfield is leading the case with Illinois Attorney General Kwame Raoul. Also joining are the attorneys general of Arizona, California, Colorado, Delaware, Washington, DC, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Rhode Island, Virginia, Washington, and Wisconsin.