



STATE OF RHODE ISLAND

Attorney General Peter F. Neronha

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Attorney General Peter F. Neronha today joined a coalition of 21 states in filing a lawsuit to stop the Trump Administration from gutting the Corporate Transparency Act (CTA) which helps police and prosecutors catch money launderers, fraudsters, and tax cheats.

“In these often politically polarized times, eliminating corruption and fraud is, and should be, something we can all agree on,” said **Attorney General Neronha**. “Yet, perhaps it shouldn’t come as a surprise that the Trump Administration is attempting to dismantle a bipartisan law that gives law enforcement the tools they need to root out and hold accountable those who engage in illegal financial dealings. The American people are fed up with individuals and institutions cheating the system in order to get ahead, and we will fight to ensure that this law, a powerful tool to combat this type of illegal behavior, stays intact.”

The CTA is a bi-partisan, landmark anti-money laundering statute passed in 2021 that requires corporations, LLCs, and similar entities to report identifying information about their beneficial owners to the United States Treasury Department’s Financial Crimes Enforcement Network (FinCEN) in order to stop shell companies from hiding their financial transactions from law enforcement. The law created a Treasury database of business owners to enable law enforcement to trace dirty money, track down stolen assets, and uncover bribes and political payoffs.

On March 26, 2025, FinCEN issued a rule which exempted 99.9% of businesses from the law’s reporting requirements, making it nearly useless. Then, on August 14, 2026, FinCEN issued a final rule making these exemptions permanent. Finally, when announcing the final rule, FinCEN committed to executing a data purge and deleting all information previously reported by U.S. companies and individuals that are no longer required to report by February 10, 2027.

The states allege violations of the Administrative Procedure Act (APA), the Separation of Powers, and Take Care Clause of the U.S. Constitution. The states seek a court order that vacates FinCEN’s new rule and declares it unlawful. Furthermore, the Complaint seeks a court order enjoining FinCEN from implementing or effectuating the data purge.

Joining Attorney General Neronha in filing this lawsuit are the attorneys general of Arizona, California, Colorado, Delaware, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Virginia, Washington, Wisconsin, and the District of Columbia.

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