

Josh Kaul
Wisconsin Attorney General



P.O. Box 7857
Madison, WI 53707-7857

NEWS FOR IMMEDIATE RELEASE

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Wisconsin DOJ Joins Coalition Challenging Trump Administration Rule Making It Easier to Conceal Financial Crimes

MADISON, Wis. — The Wisconsin Department of Justice (DOJ) has joined a coalition in filing a [lawsuit](#) to block the Trump administration’s efforts to weaken a federal law that helps law enforcement investigate money laundering, fraud, and other financial crimes.

The law, the Corporate Transparency Act, requires businesses to tell the federal government who actually owns and controls them. This information helps law enforcement investigate financial crimes, 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, limiting its effectiveness.

“This rule makes it easier for criminals to get away with fraud, money laundering, and corruption,” said AG Kaul. “The Trump administration should be stopped from gutting the Corporate Transparency Act.”

Congress passed the Corporate Transparency Act with bipartisan support in 2021. The law created a Treasury database of business owners that law enforcement can use to trace illicit funds, recover stolen assets, and investigate bribery and corruption.

In August 2026, the Trump administration issued a rule exempting nearly all businesses from the law’s reporting requirements. FinCEN subsequently announced plans to delete existing ownership information in the database, potentially

eliminating records that include evidence of unsolved crimes. The coalition argues that these actions would violate multiple federal laws.

In the lawsuit, the coalition argues that 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.

The coalition is asking the court to dismiss FinCEN's rule and require the agency to continue collecting and maintaining the ownership database for law enforcement.

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