

# **New Treasury Rule Opens U.S. Financial Borders, Provides Secrecy to Fentanyl Traffickers and Other Criminals**

A statement from Transparency International U.S.  
March 21, 2025

Today the Treasury Department issued an Interim Final Rule (IFR) that narrows the scope of the Corporate Transparency Act (CTA) to apply only to certain foreign companies that register to do business in the United States. The IFR, which is effective immediately, exempts all domestic companies, as well as all beneficial owners of covered foreign companies who are U.S. persons.

Scott Greytak, Director of Advocacy for Transparency International U.S. (TI US), issued the following statement:

Today's decision threatens to make the United States a magnet for foreign criminals across the world. The decision tells criminals—fentanyl traffickers, human traffickers, terrorist organizations, corrupt officials—that they can evade the most powerful anti-money laundering law since the PATRIOT Act by choosing to set up a shell company for their criminal operations anywhere in the United States.

The U.S.'s national security, intelligence, and law enforcement communities strongly supported the bipartisan Corporate Transparency Act because it stopped criminals from hiding behind anonymous shell companies—regardless of where those companies happened to be formed. Yet from this day forward, criminals can evade this national security law by simply starting and running those front companies inside the United States. The record of criminals forming companies inside the United States in order to commit their crimes is well-documented: A notorious Chinese drug trafficking organization, for example, used front companies formed in Massachusetts to distribute deadly fentanyl analogues and 250 other drugs to some 37 U.S. states. Anonymous companies in the U.S. have also been used by Iran to evade sanctions and by terrorist-affiliated groups to gain access to U.S.

defense contracts. Congress recognized these threats, and designed the CTA to address them. Treasury's decision today completely ignores what Congress put in place, and opens the U.S.'s financial borders to illicit activity from across the globe.

Today's decision also ensures that the United States will be found noncompliant with baseline, globally accepted anti-money laundering and counter-financing of terrorism standards. We emphatically urge the U.S. Treasury Department to abandon this interim rule and maintain the current scope of the CTA.

\*\*\*

Transparency International U.S. is part of the world's largest coalition against corruption. In collaboration with national chapters in more than 100 countries, we are leading the fight to turn our vision of a world free from corruption into reality.

#### **Related Resources**

- [Read](#) Treasury's interim final rule narrowing the application of the CTA;
- [Read](#) a TI US amicus brief illustrating how the current scope of the Corporate Transparency Act advances national security interests;
- [Read](#) a TI US factsheet on the involvement of domestic anonymous companies in fentanyl and other drug trafficking.

#### **Media Contact**

Scott Greytak, Director of Advocacy, Transparency International U.S.

Telephone: +1 202-642-1515

Email: [sgreytak@transparency.org](mailto:sgreytak@transparency.org)

Twitter: @TransparencyUSA