

# House Committee Approves Bill That Would Reopen the U.S. to Drug Cartel and Iranian Money Laundering

*The bill would gut the Corporate Transparency Act and restore the anonymity that drug cartels, fentanyl traffickers, and the Iranian government exploit to move and hide dirty money inside the United States*

A statement from Transparency International U.S.  
April 21, 2026

WASHINGTON, D.C.—Today the U.S. House Committee on Financial Services narrowly advanced a bill that would effectively gut the most important anti-money laundering and anti-corruption law in a generation, the Corporate Transparency Act (CTA). The CTA, enacted in 2021 with strong bipartisan support in Congress and the backing of the Trump Administration, effectively ended the ability of U.S. adversaries, such as Iran and China, as well as criminals, including drug cartels, human trafficking organizations, corrupt politicians, and terrorists, to use anonymous shell companies in the U.S. to commit and conceal their crimes. The CTA does this by requiring certain, higher-risk corporate entities to disclose their true owners to a confidential federal database housed at the U.S. Department of the Treasury.

The bill advanced today, the *Repealing Big Brother Overreach Act* (H.R. 425) would gut the CTA by exempting all U.S.-formed companies and all U.S. beneficial owners of foreign companies from the law, in effect exempting more than 99.9 percent of the companies Congress and the Trump Administration sought to cover with the CTA.

Gary Kalman, Executive Director of Transparency International U.S. (TI US), issued the following statement:

Today's vote ignores clear warnings from American national security and law enforcement officials and moves the United States one step closer to a system where anonymous companies can once again serve as a roadblock to police and prosecutors trying to do their jobs. These entities are not abstract—they are the tools that drug cartels, human traffickers, corrupt

politicians, and money launderers use to move profits, conceal ownership, and expand operations across our borders.

We have already seen how this works: The Zheng drug trafficking organization, for example, used U.S.-formed companies to distribute fentanyl across 38 different states. Prior to enactment of the Corporate Transparency Act, the Government of Iran evaded U.S. sanctions for years by laundering billions through U.S. accounts and real estate purchases in Manhattan and elsewhere. The Corporate Transparency Act was designed to stop exactly these kinds of dangers. Weakening it now risks turning the United States back into a place where criminals and foreign adversaries can more easily fund their networks and hide dirty money in plain sight.

We call on every member of Congress to stand with law enforcement and national security experts across the political spectrum, reject this proposal, and vote against any effort to weaken the Corporate Transparency Act.

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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](#) the text of the *Repealing Big Brother Overreach Act* as approved by the U.S. House Committee on Financial Services.
- [Read](#) a TI US factsheet on the involvement of U.S. anonymous companies in fentanyl and other drug trafficking.

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