



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

June 5, 2026

The Honorable Tim Scott, Chairman  
The Honorable Elizabeth Warren, Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
United States Senate  
Washington, DC 20510

The Honorable French Hill, Chairman  
The Honorable Maxine Waters, Ranking Member  
Committee on Financial Services  
United States House of Representatives  
Washington, DC 20515

Re: Beneficial Ownership Information Report (OIG-CA-26-040)

Dear Chairman Scott and Chairman Hill,

Section 6403 of the Corporate Transparency Act (CTA)<sup>1</sup> requires the Department of the Treasury (Treasury) Office of Inspector General (OIG), in coordination with the Secretary of the Treasury, to provide public contact information to receive external comments or complaints regarding the beneficial ownership information (BOI) notification and collection process or regarding the accuracy, completeness, or timeliness of such information. In December 2021, Treasury OIG created a dedicated email address, [CorporateTransparency@oig.treas.gov](mailto:CorporateTransparency@oig.treas.gov), for the purpose of receiving such comments or complaints. We received our first complaint on September 26, 2023.

The CTA also requires Treasury OIG to submit to Congress a periodic report that (1) summarizes external comments or complaints and related investigations conducted by OIG related to the collection of BOI; and (2) includes recommendations, in coordination with the Financial Crimes Enforcement Network (FinCEN), to improve the form and manner of the notification, collection, and updating processes of the BOI reporting requirements to ensure the BOI reported to FinCEN is accurate, complete, and highly useful. This report

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<sup>1</sup> P.L.116-283, Title LXIV (January 1, 2021); codified at 31 U.S.C. § 5336

summarizes external comments and complaints received by our office from December 14, 2021, to December 31, 2025.

## Summary of Results

During this reporting period, we received 94 comments and complaints related to the collection of BOI. On January 1, 2024, FinCEN started accepting BOI reports via its BOI electronic filing system. As of December 31, 2025, more than 16 million BOI reports had been filed with FinCEN. In the results section of this report, we summarize the comments and complaints received. The results are broken into ten categories based on the nature of the comments and complaints. For this reporting period, we are not making any recommendations to improve the notification, collection, and updating processes of the BOI reporting requirements.

## Background

FinCEN's mission is to safeguard the financial system from illicit activity, counter money laundering and the financing of terrorism, and promote national security through strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence. On January 1, 2021, Congress passed the CTA as part of the Anti-Money Laundering Act of 2020, Division F of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. The purpose of the CTA is to prevent malign actors seeking to conceal their ownership of corporations, limited liability companies, or other similar entities in the United States to facilitate illicit activity, including money laundering, terrorist financing, proliferation financing, serious tax fraud, human and drug trafficking, counterfeiting, piracy, securities fraud, financial fraud, acts of foreign corruption, and harming the national security interests of the United States and its allies.

To comply with the CTA, in September 2022, FinCEN issued a final rule titled "Beneficial Ownership Information Reporting Requirements" (hereinafter referred to as Reporting Rule) requiring certain entities to file BOI reports with FinCEN.<sup>2</sup> The Reporting Rule implements Section 6403 of the CTA and describes who must file a report, what information must be provided, and when a report is due. The Reporting Rule had an effective date of January 1, 2024, and FinCEN began accepting reports on that date. The CTA's reporting requirements were later suspended starting December 3, 2024, due to two federal court injunctions.<sup>3</sup> Ultimately, the U.S. Supreme Court stayed one injunction on January 23, 2025,<sup>4</sup> and the U.S. District Court for the Eastern District of Texas stayed the second

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<sup>2</sup> 87 Fed. Reg. 59498 (September 30, 2022)

<sup>3</sup> See *Texas Top Cop Shop, Inc., et al. v. Garland*, Case No. 4:24-CV-00478 (E.D. Tex. 2024) and *Smith, et al. v. U.S. Department of the Treasury, et al.*, Case No. 6:24-CV-00336 (E.D. Tex. 2025).

<sup>4</sup> See *McHenry, et al. v. Texas Top Cop Shop, Inc.*, Docket No. 24A653, 604 U.S. \_\_ (2025).

injunction on February 17, 2025, thereby reinstating Treasury’s ability to enforce the CTA’s reporting requirements. Both cases are presently held in abeyance.

On March 2, 2025, Treasury announced<sup>5</sup> it would not enforce any penalties or fines associated with the Reporting Rule under the existing regulatory deadlines, and further, that it would not enforce any penalties or fines against U.S. citizens or domestic reporting companies<sup>6</sup> or their beneficial owners.<sup>7</sup> On March 26, 2025, FinCEN issued an interim final rule<sup>8</sup> that significantly narrowed the scope of its Reporting Rule by only requiring foreign reporting companies<sup>9</sup> to report BOI. The interim final rule also extended foreign reporting companies’ deadline to file initial BOI reports to April 25, 2025. Under the interim final rule, domestic reporting companies are exempt from the BOI reporting requirements and do not need to update or correct previously reported BOI. FinCEN officials told us that, as of December 31, 2025, more than 16 million BOI reports had been filed, including approximately 15,000 BOI reports from foreign reporting companies. FinCEN officials also told us they expect approximately 12,000 more BOI reports to be filed annually by foreign reporting companies, but it would be premature, given the interim final rule, to definitively state the expected number of additional domestic reporting company filings going forward.

A reporting company must file a report concerning each company applicant<sup>10</sup> and its beneficial owners with FinCEN that includes four pieces of information. The report shall include the individual’s (1) full legal name; (2) date of birth; (3) current residential or business street address; and (4) a unique identifying number from an acceptable identification document, such as a passport or State-issued driver’s

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<sup>5</sup> U.S. Department of the Treasury, press release, “Treasury Department Announces Suspension of Enforcement of Corporate Transparency Act Against U.S. Citizens and Domestic Reporting Companies” (March 2, 2025), <https://home.treasury.gov/news/press-releases/sb0038/> (accessed March 3, 2025)

<sup>6</sup> Subject to certain exemptions, a domestic reporting company is a corporation, a limited liability company, or other similar entity that is created by the filing of a document with a secretary of state or any similar office under the law of a State or Indian Tribe. See 31 U.S.C. § 5336(a)(11)(A)(i).

<sup>7</sup> Subject to certain exemptions, a beneficial owner means, with respect to an entity, an individual who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, exercises substantial control over the reporting company or owns or controls not less than 25 percent of the reporting company’s ownership interests. See 31 U.S.C. § 5336(a)(3).

<sup>8</sup> 90 Fed. Reg. 13688, “Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension” (March 26, 2025)

<sup>9</sup> A foreign reporting company is a corporation, limited liability company, or other similar entity that is formed under the law of a foreign country and that is registered to do business in the United States or Tribal jurisdiction by the filing of a document with a secretary of state or similar office under the law of a State or Indian Tribe. See 31 U.S.C. § 5336(a)(11)(A)(ii). See 90 Fed. Reg. 13697 for FinCEN’s definition of “reporting company” under the interim final rule.

<sup>10</sup> A company applicant is the individual who directly files the document that first registers the reporting company, and if more than one individual is involved, the individual who is primarily responsible for directing or controlling such filing. See 31 CFR § 1010.380(e).

license, and the name of the jurisdiction issuing that document. The reporting company must also file an image of the identification document(s). Alternatively, if an individual has obtained a FinCEN identifier (FinCEN ID),<sup>11</sup> the reporting company may include such FinCEN ID in its report in lieu of the four pieces of required information. These reports are filed electronically through a secure system available via the FinCEN website.<sup>12</sup> Violations of the CTA's reporting requirements, including willfully failing to report complete or updated BOI and willfully providing, or attempting to provide, false or fraudulent BOI, may result in civil penalties, or even criminal penalties of up to two years imprisonment and a fine of up to \$10,000.

The CTA excludes 23 types of entities from the definition of a "reporting company." These entities, including banks, insurance companies, and tax-exempt organizations, as defined, are exempted from the reporting requirements. The CTA also includes an option for the Secretary of the Treasury, with the written concurrence of the Attorney General and the Secretary of Homeland Security, to exclude any entity or class of entities, if they, by regulation, determine that requiring BOI from the entity or class of entities would not serve the public interest and would not be highly useful in national security, intelligence, and law enforcement efforts to detect, prevent or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes. FinCEN officials told us the Secretary of the Treasury exercised this option in the March 2025 interim final rule to exclude domestic entities from the "reporting company" definition.

The BOI reported to FinCEN is confidential, and the CTA requires Treasury to maintain BOI in a secure, nonpublic database, using information security methods and techniques that are appropriate to protect non-classified information systems at the highest security level. FinCEN must maintain a reporting company's BOI for at least five years following the termination of the reporting company. The CTA authorizes FinCEN to disclose BOI only to a statutorily defined group of governmental authorities and financial institutions, and only in defined circumstances. FinCEN took a phased approach to providing access to BOI. Initially, FinCEN initiated a pilot program for a handful of Federal agency users, after which additional federal agencies were able to request access to BOI for authorized activities related to national security, intelligence, and law enforcement. Treasury officers or employees also were able to request access to BOI for official duties requiring BOI inspection or disclosure, including for tax administration purposes. FinCEN anticipated that state, local, and tribal officials, as well as certain foreign officials who submit a request through a U.S. Federal Government agency, would be able to request access to BOI in a later phase in certain other circumstances. FinCEN also anticipated extending access to the BOI system to financial institutions

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<sup>11</sup> A FinCEN ID is a unique identifying number assigned by FinCEN to an individual for BOI reporting purposes. See 31 U.S.C. § 5336(a)(6) and (b)(3); 31 CFR 1010.380(b)(4).

<sup>12</sup> <https://boiefiling.fincen.gov/>

subject to customer due diligence (CDD) requirements under applicable law, along with their federal regulatory supervisors. Unauthorized disclosure or use of BOI may result in civil penalties, or criminal penalties including up to a \$250,000 fine and/or five years imprisonment.

To ensure the public understands the reporting requirements, FinCEN published written guidance, including a multilingual “Small Entity Compliance Guide” (Compliance Guide) for BOI reporting requirements and frequently asked questions (FAQ) on its BOI website,<sup>13</sup> and conducted education and outreach activities. FinCEN also operates the Beneficial Ownership Contact Center (BOCC) to field questions from the public. The BOCC responds to inquiries submitted via a form located on FinCEN’s BOI website.<sup>14</sup> FinCEN switched to a fully web-based system for inquiries in March 2025; previously, the BOCC also responded to inquiries submitted via email or a voice message left on FinCEN’s Regulatory Helpline. FinCEN officials told us that, starting in May 2024, FinCEN also began making outbound calls to improve their BOI ticket close out rate. FinCEN officials told us, as of December 31, 2025, the BOCC had opened more than 355,000 tickets to address BOI inquiries.

## **Methodology and Review Approach**

For each email received from December 14, 2021, to December 31, 2025, we reviewed to determine whether it is related to the CTA and BOI reporting. For comments and complaints related to the CTA and BOI reporting, we further analyzed, summarized, and assigned them to categories by topic. Our analysis included reviewing FinCEN’s rulemakings, including the Reporting Rule; guidance, such as FAQ and web resources; and actions taken by FinCEN to address the issues raised. We regularly consulted with FinCEN officials, including email communications to obtain additional information required for our analysis, as well as monthly meetings to discuss comments and complaints, and if applicable, how FinCEN resolved them.

## **Results**

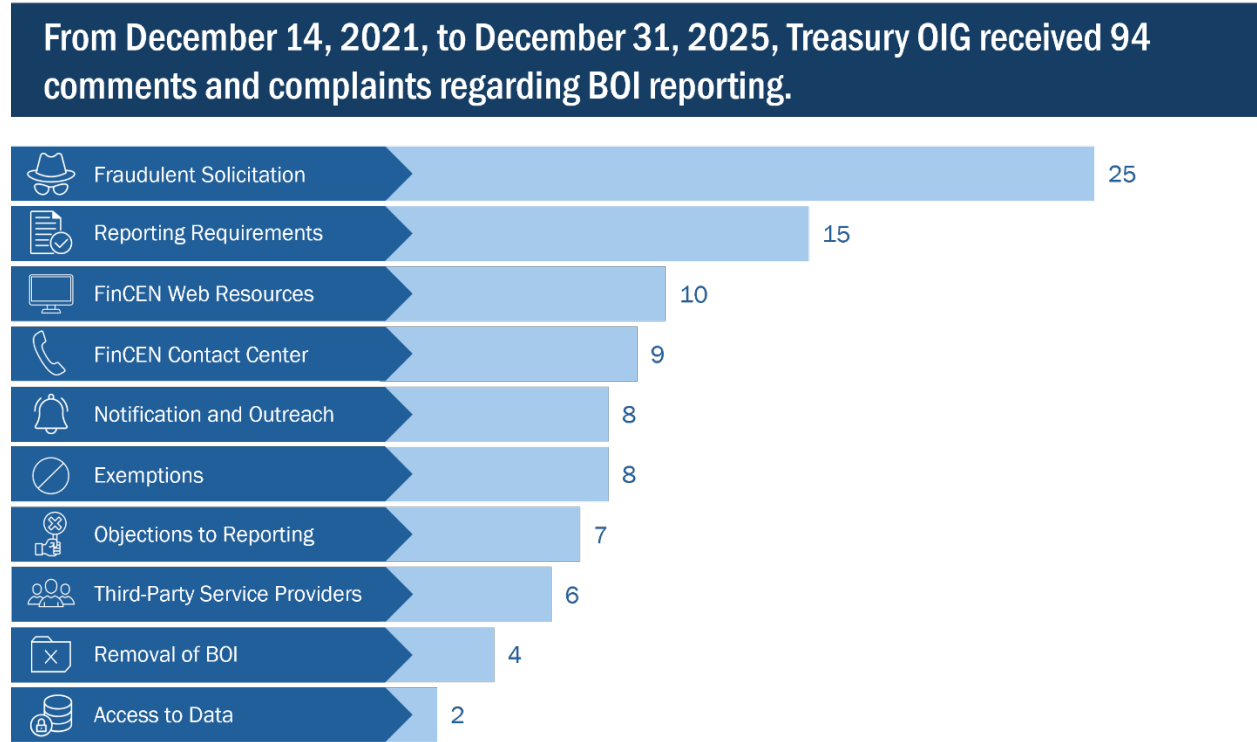
We received more than 20,000 emails from December 14, 2021, to December 31, 2025, and determined 84 emails, comprised of 94 comments and complaints, related to the CTA and BOI reporting. These comments and complaints are separated into ten categories, as shown in Figure 1.

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<sup>13</sup> <https://fincen.gov/boi/>

<sup>14</sup> Inquiries may be submitted to FinCEN at [www.fincen.gov/contact/](http://www.fincen.gov/contact/), which can automatically create a ticket to be addressed by the BOCC.

**Figure 1: Comments and Complaints Received in the Reporting Period**



Source: Treasury OIG analysis of comments and complaints received from December 14, 2021, to December 31, 2025.

We are not making any recommendations to improve the form and manner of the notification, collection, and updating processes of the BOI reporting requirements for this reporting period. The following sections provide a summary of the comments and complaints received in each category.

### Fraudulent Solicitation

We received 25 comments and complaints related to alleged potential fraudulent attempts to solicit information or money from individuals and entities who may be subject to BOI reporting requirements. Of these,

- 13 appeared to be fraudulent attempts to solicit information or payment from filers,
- 4 appeared to be advertisements for legitimate BOI filing services, and
- 8 did not contain enough information to indicate whether the attempted solicitation was fraudulent.

Twelve of the thirteen fraudulent attempts to solicit information or payment appear to be related to a single fraud scheme in which individuals posed as a fake

government organization, presented official-looking forms, or both. The remaining comment related to an individual posing as a FinCEN agent to solicit information from filers.

Our office is investigating these allegations. We also coordinated with FinCEN personnel throughout the reporting period and notified them of potential fraud schemes as we became aware of them. FinCEN was already aware of these attempts and, early in our reporting period, posted an alert on its BOI website to notify the public of the first potential fraud scheme it identified. FinCEN continued to update the alert with details regarding additional fraud schemes throughout the reporting period. FinCEN also refers inquiries it receives that relate to potential fraud schemes to OIG's Office of Investigations.



## Reporting Requirements

We received 15 comments and complaints related to BOI reporting requirements, such as general complaints about the reporting process, difficulties in understanding how to file BOI, and confusion about reporting deadlines and who must report. Of these,

- 4 related to questions or concerns about what entities are considered reporting companies,
- 4 related to BOI reporting deadlines,
- 3 related to general complaints about the reporting process,
- 3 related to the types of identification documents required for BOI reporting, and
- 1 related to the obligations of certain bankruptcy trustees to report BOI.

### *Reporting Companies (four comments/complaints)*

A complainant asked if certain cooperative corporations were required to report BOI, stating that the regulations and BOI FAQ were unclear. A FinCEN official explained that FinCEN does not, in response to inquiries, determine whether an entity is required to report BOI; when receiving questions about whether specific entities are exempt from reporting, FinCEN clarifies the scope of its regulations rather than making a determination. FinCEN officials told us the onus is on a reporting company and its third-party service providers to make this determination. The FinCEN officials also emphasized that penalties for violations of the reporting requirements are not targeted at individuals who make an innocent mistake in a good faith effort to comply with the regulation. In November 2023, a complainant expressed concern that service companies that assist attorneys in establishing new corporate entities may be considered company applicants and therefore required to

report BOI. In January 2024, FinCEN added new information regarding company applicants to the BOI FAQ to clarify the responsibilities of corporate service providers, third-party couriers or delivery service employees, and automated incorporation services.

The third complainant expressed concerns that they were unable to file a BOI report because the reporting company's information was similar to another of the complainant's businesses, for which a BOI report was successfully submitted. FinCEN officials said the BOI system validates certain reporting company information to determine if an initial BOI report for that company already exists. However, in the complainant's case, the companies had different tax ID numbers and, if the complainant filed its BOI reports correctly, the second report should not have been rejected as a duplicate. FinCEN stated it would follow up with this complainant via an outbound call. On May 12, 2025, FinCEN officials told us that all outstanding call backs were completed, providing individuals with guidance detailing the changes resulting from the interim final rule.

The fourth complainant stated that there was confusion regarding who is exempt from filing, including entities that have ceased to exist. FinCEN's BOI FAQ provides a list of criteria and additional clarifying information regarding reporting company exemptions, including the exemption for inactive entities.

#### *Reporting Deadlines (four comments/complaints)*

In October 2023, we received a comment from an individual who appeared to have intended to submit a public comment on FinCEN's Notice of Proposed Rulemaking regarding extending the reporting deadline for entities created or registered in 2024. A month later, FinCEN amended the Reporting Rule to extend the filing deadline from 30 days to 90 days for entities created or registered on or after January 1, 2024, and before January 1, 2025, to give those entities additional time to understand the new reporting obligation and collect the necessary information to complete their filings.

Another complainant suggested newly incorporated entities created or registered after January 1, 2025, should be given at least six months to file a BOI report instead of 30 days. In the amended rule extending the filing deadline, FinCEN stated that a 30-day timeframe for entities created or registered in and after 2025 is appropriate given the reporting companies' greater awareness of and better position to comply with the Reporting Rule. After the publication of the interim final rule, FinCEN officials told us they were not considering extending the 30-day deadline for new reporting companies to file initial BOI reports.

Two weeks before the CTA was to go into effect, one complainant expressed concern that there was no electronic filing system in place at that time. They suggested that the law should not take effect for a year after the filing system was

made available to the public, to give reporting companies and their service providers time to understand and vet the system before being subject to civil and criminal consequences. Regardless, the electronic filing system was brought online, as scheduled, on January 1, 2024. Entities created or registered prior to 2024 had until January 1, 2025 (one year from the Reporting Rule's effective date), to submit an initial report, and a business newly formed in 2024 had 90 days to submit BOI. In either case, the electronic filing system was online in time for reporting companies to comply with reporting requirements. FinCEN has also emphasized that penalties for violating the CTA's reporting requirements target individuals who willfully fail to report or provide false information, not those who make a good faith effort to comply with the regulation.

Another complainant suggested that the initial reporting requirement would be easier to fulfill and create less of an administrative burden if BOI reporting was included in an organization's annual filing, as compared to the current filing deadline, which is based on when a new entity is formed. In the Reporting Rule, FinCEN explained that it considered this suggestion, among others, when drafting the BOI regulations. However, FinCEN determined that the remittance of information from other authorities, including state and tribal authorities, would create inconsistencies in information and create challenges in processing the information.

#### *Reporting Process (three comments/complaints)*

Two complainants said there was a lack of detail about the BOI reporting process and that the process was confusing. However, at the time we received these complaints, FinCEN had just begun publishing its BOI FAQ and Compliance Guide. As of December 31, 2025, the BOI FAQ included more than 120 questions related to BOI reporting, and FinCEN updated the FAQ 15 times after it was first launched.

Another complainant expressed concerns that there was no mail-in option to file BOI reports. FinCEN officials said there would be logistical issues if mail-in BOI reports were accepted, but they will reassess paper filing after considering any comments received on this topic in response to their interim final rule.

#### *Identification Documents (three comments/complaints)*

In October 2023, three complainants expressed concern that (1) their clients, who are unable to provide a copy of a photo identification document due to religious reasons, may be unable to comply with the requirement to submit an image of an acceptable identification document<sup>15</sup> as part of a BOI report; (2) their client does

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<sup>15</sup> The CTA defines an acceptable identification document as (1) a non-expired U.S. passport; (2) a non-expired identification document issued by a State, local government, or Indian Tribe; (3) a non-expired State-issued driver's license; or (4) if the individual does not have one of these documents, a non-expired passport issued by a foreign government.

not possess a valid identification document; or (3) providing a complete picture of their identification for an online database increases the potential risk of exposure to bad actors and requested FinCEN to reconsider the photo identification requirement. The CTA defines what is considered an acceptable form of identification, though in January 2024 FinCEN updated the BOI FAQ to clarify acceptable identification documentation. The FAQ states that if an individual's identification document does not include a photograph for religious reasons, the reporting company may submit an image of that identification document when submitting its report, if the identification document is one of the types accepted by FinCEN.

### *Bankruptcy Trustees (one comment/complaint)*

In March 2024, a complainant asked FinCEN to issue guidance stating that chapter 7 bankruptcy trustees<sup>16</sup> have no obligation to report BOI. Shortly thereafter, FinCEN was asked to provide statements in two bankruptcy court cases<sup>17</sup> to clarify whether bankruptcy trustees have a duty to report BOI on the debtor's behalf. In May 2024, FinCEN made a statement in both cases that a chapter 7 bankruptcy trustee is not typically responsible for fulfilling a debtor reporting company's duty to report BOI. FinCEN officials told us they were consulting with the U.S. Trustee Program<sup>18</sup> to update the FAQ, but they anticipate waiting until after the conclusion of the interim final rule's comment period to determine whether to publish new guidance.



### FinCEN Web Resources

We received 10 complaints related to difficulties accessing FinCEN websites and web forms associated with the collection of BOI. Of these,

- 6 related to errors received when applying for a FinCEN ID or filing a BOI report,
- 2 related to issues accessing FinCEN's website, and
- 2 related to improper confirmation messages.

### *FinCEN ID and BOI Report Errors (six comments/complaints)*

A complainant reported having difficulties using FinCEN's web form to apply for a FinCEN ID, stating they made multiple attempts to obtain a FinCEN ID but received

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<sup>16</sup> A bankruptcy trustee gathers and sells the debtor's nonexempt assets and uses the proceeds of such assets to pay creditors in accordance with the U.S. Bankruptcy Code.

<sup>17</sup> *In re BOA Nutrition, Inc.*, Case No. 23-03665-5-PWM (Bankr. E.D.N.C.) and *In re YLG Partners Inc.*, Case No. 23-10709 (Bankr. M.D.N.C.)

<sup>18</sup> The U.S. Trustee Program is a component of the U.S. Department of Justice, responsible for overseeing the administration of bankruptcy cases and private trustees.

error messages stating that a FinCEN ID already existed for the complainant's information. FinCEN investigated the issue and identified it as having limited applicability to other filers; therefore, FinCEN chose to have the BOCC directly address the individual's complaint.

The second complainant expressed concern that they were unable to apply for a FinCEN ID due to an error message, though the complainant confirmed the issue was resolved before the BOCC contacted them.

The third complainant stated that FinCEN's BOI reporting platform would not accept attached files. FinCEN identified possible causes for this issue, including the use of special characters in the name of the attachment and files that have been downloaded directly from a cloud storage provider. FinCEN has since addressed this issue by developing guidance for the BOCC to provide in response to similar inquiries.

Another two complainants stated that they were unable to update or correct their BOI report. The BOCC responded to the complainants with guidance regarding updating or correcting a BOI report.

The sixth complainant said that they tried to submit their BOI report six times using the online form, but the form was rejected. The BOCC responded with guidance to address their technical issues.

#### *FinCEN Website Inaccessible (two comments/complaints)*

Two complainants stated that their web browser blocked the FinCEN website; one complainant said they were unable to access the FinCEN website at all, while the other said they could not apply for a FinCEN ID. The browser errors the complainants encountered have several possible causes, some of which can be attributable to a user's computer security system settings.

#### *Confirmation Message (two comments/complaints)*

Two complainants stated that they did not receive confirmation that their BOI reports were successfully submitted. FinCEN officials said that filers are provided the option and instructions to download a transcript of the BOI report for their records, which contains the values entered in each field of the submitted report. Filers also receive an email stating whether their BOI report was successfully submitted or rejected. FinCEN officials also told us that a user is unable to access their BOI report after its submission because FinCEN limits system access in accordance with disclosure requirements under the CTA. On May 12, 2025, FinCEN officials told us that, along with the confirmation email, they added functionality to the system after its launch to provide users with a submission tracking number and date/time stamp of when the BOI report was received.



## FinCEN Contact Center

We received nine comments and complaints related to FinCEN's BOCC, including difficulties receiving answers from FinCEN about BOI-related inquiries. Of these,

- 6 related to the BOCC's failure to provide an adequate response,
- 1 related to a lack of assistance with the complainant's BOI inquiries via FinCEN's Regulatory Helpline,
- 1 related to an individual that requested assistance from the BOCC as they were unable to file a BOI report, and
- 1 related to the way inquiries are submitted through FinCEN's Regulatory helpline.

For each of the seven complainants related to inadequate assistance from the BOCC or Regulatory Helpline, we found that FinCEN had either responded appropriately to the complainants or acknowledged that the BOCC mistakenly provided inapplicable guidance. In instances where the BOCC was in error, FinCEN subsequently reopened the complainants' tickets and resolved their inquiries.

For the complainant that stated they were unable to file a BOI report, FinCEN officials told us the BOCC did not provide an appropriate response to resolve part of the issue. FinCEN subsequently reopened the complainant's BOCC ticket. On May 12, 2025, FinCEN officials said that all outstanding call back requests were completed and FinCEN provided individuals with guidance detailing the changes resulting from the interim final rule.

Another complainant expressed general objections to the way inquiries are submitted through FinCEN's Regulatory Helpline.

FinCEN officials told us it endeavors to provide a response to all questions received through the BOCC. However, with respect to inquiries that request specific guidance on questions, such as whether a certain company is required to report, whether a certain company meets an exemption, or whether a certain individual in a scenario is a beneficial owner or company applicant, FinCEN generally does not provide definitive guidance through the BOCC. Rather, the BOCC will direct an individual to existing FinCEN guidance so that the reporting company or its third-party service provider can make its own determination about their specific entity's reporting requirements. In cases where an individual replies to the BOCC stating that the guidance did not address their question, the BOCC will escalate the ticket for resolution.



## Notification and Outreach

We received eight comments and complaints related to concerns about a perceived lack of notification and outreach from FinCEN to inform the public about the BOI reporting requirements. Of these,

- 7 related to public awareness of the reporting requirements, and
- 1 related to the public's knowledge of their ability to contact OIG with their comments and complaints.

### *Awareness of Reporting Requirements (seven comments/complaints)*

Complainants expressed concerns that reporting companies and their beneficial owners are not aware of the filing requirements, including one complainant that said they had not known about the CTA reporting requirement until they had watched a video about the CTA. FinCEN is unable to identify every entity that is subject to the CTA, especially as the statute is targeted toward entities that are less regulated and therefore less likely to be subject to other reporting obligations. Despite this limitation, FinCEN conducted outreach efforts to raise awareness of and help reporting companies understand the new reporting requirements. FinCEN officials told us that FinCEN engaged in more than 200 BOI-related events and other outreach activities, including conferences, roundtables, and informational sessions, which FinCEN estimated to have reached 30,000 stakeholders. FinCEN officials also told us that FinCEN published 17 informational videos and webinars on its YouTube channel, reaching more than 2.4 million viewers. Additionally, to conduct its outreach, FinCEN officials stated FinCEN partnered with multiple organizations, including congressional offices, secretaries of state and other government agencies, chambers of commerce, small business advocacy organizations, legal and accounting organizations, and other professional and industry groups. Furthermore, FinCEN officials stated that they used their website to communicate BOI-related updates, including FinCEN's changes to the Reporting Rule, as well as the temporary enjoinder of the reporting requirements because of the preliminary injunctions.

### *OIG Contact Information (one comment/complaint)*

A complainant stated that the public would not know how to contact Treasury OIG unless they read the Reporting Rule. While the Reporting Rule includes OIG's email address for receiving comments and complaints related to BOI reporting, FinCEN's BOI website also has a link to contact OIG for concerns related to the

implementation of the CTA. The link leads to OIG’s website,<sup>19</sup> which provides the email address and information about the CTA.

## Exemptions

We received eight comments and complaints related to existing statutory exemptions from BOI reporting requirements or requests for FinCEN to consider adding exemptions. Of these,

- 5 related to requests to add certain non-political organizations to the CTA’s list of exempt entities,
- 1 related to the definition of public utilities,
- 1 related to clarification for qualification of pooled investment vehicles,<sup>20</sup> and
- 1 related to guidance for large operating companies.

### *Non-Political Organizations (five comments/complaints)*

Five complainants requested that FinCEN consider adding certain non-political organizations to the list of entities the CTA exempts from BOI reporting requirements. These organizations included non-tax-exempt small homeowners associations (HOA), HOAs in general, and unincorporated condominium owners associations, as well as a certain type of State-regulated community association. In promulgating its regulations, FinCEN declined to add exemptions to the list of entities specified by the CTA. In the Reporting Rule, FinCEN cited the CTA’s high bar for creating additional exemptions, which FinCEN said reflects Congress’s concern that exemptions could create loopholes that illicit actors could exploit to evade reporting requirements. A FinCEN official told us that FinCEN was not considering additional statutory exemptions. However, after we received the comments about HOAs, FinCEN updated its BOI FAQ to address whether HOAs are reporting companies and to clarify who is a beneficial owner of an HOA.

One of the complainants also expressed concern that the BOI regulations may result in HOAs being unable to afford legal fees for the related filings. However, FinCEN guidance states that a reporting company does not need to engage third-party service providers, such as attorneys and accountants, to file a BOI report.

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<sup>19</sup> <https://oig.treasury.gov/>

<sup>20</sup> The Securities and Exchange Commission defines a pooled investment vehicle as an entity—often referred to as a fund—that an adviser creates to pool money from multiple investors. Each investor makes an investment in the fund by purchasing an interest in the fund entity, and the adviser uses that money to make investments on behalf of the fund. Investors generally share in the profits and losses in proportion to their interest in the fund.

FinCEN believes that many, if not most, reporting companies will be able to submit BOI for free using the guidance found on FinCEN’s BOI website.

*Public Utilities (one comment/complaint)*

In November 2023, a complainant requested confirmation that telecommunications service providers must report BOI, as these entities did not meet the Reporting Rule’s definition of an exempted public utility. FinCEN officials later told us that FinCEN intended the exemption to use the definition of a “regulated public utility” under 26 U.S.C. § 7701(a)(33)(A) or (D), not just (A). The citation to (D), which would have covered telecommunications service providers, was inadvertently omitted from the Reporting Rule. In June 2024, FinCEN updated the BOI FAQ to clarify that telecommunications services are included in the public utility exemption, citing both 26 U.S.C. § 7701(a)(33)(A) and (D). A FinCEN official told us the omission was first addressed via the FAQ because it was seen as an immediate tool for messaging the public while the Reporting Rule was being amended. In October 2024, FinCEN published a final rule to clarify the exemption.<sup>21</sup> The rule modified the language exempting certain public utilities from the definition of a reporting company to more clearly implement the language of the exemption found in the CTA.

*Pooled Investment Vehicles (one comment/complaint)*

We received one comment from an individual whose organization represents several issuers of pooled investment vehicles, or “section 3(c)(5)(C) funds.” These funds rely on Section 3(c)(5)(C) of the Investment Company Act of 1940<sup>22</sup> for an exclusion from the definition of an “investment company” under Section 3(a) of the same act. The complainant requested clarification on whether these entities qualify for an exemption from reporting under the CTA’s definition of a “pooled investment vehicle.” The CTA defines a pooled investment vehicle as:

- (A) any investment company, as defined in section 3(a) of the Investment Company Act of 1940; or*
- (B) any company that –*
  - (i) would be an investment company under that section but for the exclusion provided from that definition by paragraph (1) or (7) of section 3(c) of that Act; and*
  - (ii) is identified by its legal name by the applicable investment adviser in its Form ADV (or successor form) filed with the Securities and Exchange Commission.*

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<sup>21</sup> 89 Fed. Reg. 83782, “Update to the Public Utility Exemption Under the Beneficial Ownership Information Reporting Rule” (October 18, 2024)

<sup>22</sup> 15 U.S.C. § 80a–1 et seq.

The complainant noted that multiple legal commentators appear to have read the “or” between (A) and (B) in the definition as an “and,” therefore concluding that a Section 3(c)(5)(C) fund does not qualify for the pooled investment vehicle exemption. We determined that the plain language of the statute is clear, and that this misunderstanding is predicated on a misinterpretation of the text. Accordingly, using accepted statutory construction, a Section 3(c)(5)(C) fund can meet the CTA’s definition of a pooled investment vehicle, and may be excluded from the definition of a reporting company.

#### *Large Operating Companies (one comment/complaint)*

A complainant said FinCEN’s guidance related to the large operating company exemption is inconsistent. This exemption applies to entities meeting specific criteria, such as employing more than 20 employees on a full-time basis in the United States and having more than \$5 million in gross receipts or sales in the aggregate, including the receipts or sales of other entities owned by the entity and other entities through which the entity operates. We reviewed the BOI FAQ, the Compliance Guide, and Reporting Rule, and they were consistent in that they allow consolidation of gross receipts or sales, but not employee headcount.



### Objections to Reporting

We received seven comments and complaints related to general objections to the requirement to report BOI. Four of the seven complainants included additional details regarding their general objection,

- 2 complained that the government already had enough tools at its disposal to collect BOI and track down crimes in the financial sector, and
- 2 complained that the collection of BOI violates the U.S. Constitution.

Complainants stated that BOI collection more specifically violates the Fourth Amendment protection from unreasonable searches and seizures by the government, and the Eighth Amendment protection from excessive bail, fines, and cruel and unusual punishment. However, as BOI reporting requirements and the penalties applied for violating those requirements are mandated by the CTA, FinCEN officials told us these are concerns that are addressed in ongoing litigation.



### Third-Party Service Providers

We received six comments and complaints related to third-party service providers, such as accountants or lawyers, who provide BOI reporting services for, or on behalf of, beneficial owners. Of these,

- 3 related to the risk of the unauthorized practice of law as it pertains to filing BOI reports,
- 2 related to third-party service providers' ability to access tools to facilitate BOI reporting on behalf of their clients, and
- 1 related to the reporting of third-party service providers' personal information as a company applicant.

*Unauthorized Practice of Law (three comments/complaints)*

Three complainants were concerned that accountants or financial advisors would not be able to assist their clients with filing BOI, as doing so could be construed as the unauthorized practice of law. As of the end of our reporting period, some state regulatory and judicial bodies offered their views on the matter. For example, in May 2024, Maryland's Office of the Attorney General published its opinion<sup>23</sup> that Maryland courts would most likely hold that a certified public accountant may provide clients general information about the CTA and the BOI reporting requirement or fill out and file a BOI form using information submitted by the client. However, the opinion cautioned that a certified public accountant generally should not answer a BOI-related question for a client where there is uncertainty as to the answer and resolving that uncertainty would require legal knowledge, skill, and judgment.

In October 2024, FinCEN published an FAQ stating that nothing in the CTA or FinCEN's regulations prevents a third-party service provider who is not an attorney from submitting a reporting company's BOI or otherwise assisting a reporting company with preparing or submitting a BOI report. The FAQ states, however, that whether an action qualifies as the unauthorized practice of law is generally determined by state law, and thus may vary.

*BOI Reporting Tools (two comments/complaints)*

In October 2023, a complainant asked if FinCEN would provide a login for licensed professionals, as that would make the reporting process easier for their business clients. In January 2024, FinCEN began accepting BOI reports and subsequently updated the BOI FAQ to state that third-party service providers would have the ability to submit multiple BOI reports through an Application Programming Interface (API)<sup>24</sup> and included instructions on how to request the API technical specifications from FinCEN. A second complainant reported waiting nearly three

<sup>23</sup> State of Maryland Office of the Attorney General, Memorandum to Jan L. Williams and Christopher E. Dorsey (May 8, 2024), <https://www.labor.maryland.gov/license/cpa/pdf/cpa-attgeneral-accountantsandpracticeoflaw.pdf> (accessed August 12, 2024)

<sup>24</sup> An API is a set of rules or protocols that enables software applications to communicate with each other to exchange data, features, and functionality. FinCEN officials told us, as of March 2025, FinCEN no longer supports the BOI API program.

months to receive access to the API, but FinCEN officials told us this specific request required additional review. FinCEN explained that the process for providing access to the API usually takes approximately 30 to 45 days from the date the request is made.

#### *Company Applicants (one comment/complaint)*

A complainant stated that the BOI collection process is extremely cumbersome for attorneys that form entities for their clients and, as a company applicant, they objected to the collection of their personal information. However, the CTA stipulates what information reporting companies must submit regarding their company applicants. Accordingly, this is not a requirement that FinCEN can waive.



#### Removal of BOI

We received four complaints related to the removal of BOI data from FinCEN's database for domestic reporting companies that have submitted reports. Three of the four complainants also referred to FinCEN's March 2025 announcement regarding the non-enforcement of penalties and fines against domestic reporting companies. FinCEN officials said they have received similar inquiries and intend to determine next steps after they finalize revisions to the Reporting Rule. Until then, FinCEN officials told us that they intend to continue to respond to these inquiries with a reply stating that FinCEN is still determining next steps and encouraging interested individuals to subscribe to the FinCEN website to stay informed of updates to the Reporting Rule.



#### Access to Data

We received two comments and complaints related to access to BOI data, including who will have access and how the data will be disclosed. Of these,

- 1 related to public access to BOI data, and
- 1 related to access by financial institutions.

#### *Public Access to BOI (one comment/complaint)*

A complainant asked who would be able to access information collected under the CTA, and if the information would be public record or would require a subpoena to access. BOI is nonpublic information, and the CTA limits its disclosure to certain authorized recipients. These recipients include federal agencies engaged in national security, intelligence, or law enforcement activity, and state, local, and tribal law enforcement agencies that receive authorization from a court of competent jurisdiction to request BOI from FinCEN.

*Financial Institution Access to BOI (one comment/complaint)*

A complainant stated that the CTA and FinCEN do not describe any safeguards to prevent the solicitation of financial services to individuals who have reported BOI to FinCEN. The complainant asked how FinCEN intends to protect individuals from solicitations and other “offers” from financial institutions who have access to the BOI database. The CTA permits financial institutions to access BOI only to perform CDD. Before financial institutions receive BOI access, FinCEN regulations require them to develop and implement administrative, technical, and physical safeguards reasonably designed to protect BOI. More specifically, FinCEN regulations require the financial institution’s security and information handling procedures comply with Section 501 of the Gramm-Leach-Bliley Act,<sup>25</sup> regarding the protection of its customers’ nonpublic personal information. FinCEN also planned to establish a more limited BOI database interface for financial institutions than would be available to most federal agencies and state, local, and tribal law enforcement agencies. The interface would be based on the requirement that financial institutions (1) use BOI only for CDD and (2) obtain reporting company consent before requesting the information from FinCEN. Lastly, FinCEN is taking a phased approach to providing BOI access pursuant to which financial institutions would only receive it during the fifth and final phase, which was expected to begin after FinCEN revises its Reporting Rule and CDD regulations.

## **FinCEN Management Response**

In a written response, which is included in its entirety as appendix 1, FinCEN management stated that, on March 26, 2025, Treasury issued an interim final rule that removed the requirement for U.S. companies and U.S. persons to report BOI under the CTA. Management also stated that the comment period for this interim final rule closed on May 27, 2025, and Treasury continues to work diligently to finalize the rule.

\* \* \* \* \*

We would be pleased to brief you or members of your staff on this response. If you wish to discuss further, please contact me at (202) 927-5400, or Pauletta Battle, Assistant Inspector General for Audit, at (202) 927-5792.

Sincerely,

Loren J. Scieurba /s/  
Deputy Inspector General

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<sup>25</sup> P.L. 106-102, Gramm–Leach–Bliley Act (November 12, 1999)

cc: General Counsel, Department of the Treasury  
Deputy Assistant Secretary for Legislative Affairs, Department of the Treasury  
Deputy Secretary of the Treasury

## Appendix 1: Management Response

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Financial Crimes Enforcement Network  
U.S. Department of the Treasury

Office of the Director

Washington, D.C. 20220

May 27, 2026

Loren J. Sciarba  
Deputy Inspector General  
Department of the Treasury – Office of Inspector General  
1500 Pennsylvania Avenue  
Washington, DC 20220

Dear Mr. Sciarba:

I write regarding the Office of Inspector General's (OIG's) draft report entitled *Beneficial Ownership Information Report* (Draft Report). The Draft Report is required by the Corporate Transparency Act (CTA) to include recommendations, in coordination with FinCEN, to improve the form and manner of the notification, collection, and updating processes of the beneficial ownership information (BOI) reporting requirements to ensure the BOI reported to FinCEN is accurate, complete, and highly useful. For this reporting period, the OIG made no recommendations in its Draft Report. FinCEN appreciates OIG's review and the opportunity to comment on the Draft Report.

As the Draft Report notes, on March 26, 2025, Treasury issued an interim final rule (IFR) that removed the requirement for U.S. companies and U.S. persons to report BOI under the CTA. The comment period for this IFR closed on May 27, 2025, and Treasury continues to work diligently to finalize the rule.

Sincerely,

Andrea Gacki  
Director, Financial Crimes Enforcement Network