DC CHILDREN'S LAW CENTER
family • health • education

250 Massachusetts Ave. NW, Suite 350
Washington, DC 20001
T 202.467.4900 · F 202.467.4949
www.childrenslawcenter.org

Testimony Before the District of Columbia Council
Committee on Public Works and Operations
April 23, 2026

Public Hearing:
Department of Licensing and Consumer Protection

Patrick Cothern
Policy Attorney
Children's Law Center

Introduction

Good morning, Chairperson Nadeau, and members of the Committee. My name is Patrick Cothern, and I am a Policy Attorney at Children's Law Center. Thank you for the opportunity to testify today regarding the proposed budget for the Department of Licensing and Consumer Protection ("DLCP").

Children's Law Center believes every child should grow up with a strong foundation of family, health and education and live in a world free from poverty, trauma, racism and other forms of oppression. Our more than 100 staff, together with DC children and families, community partners and pro bono attorneys, use the law to solve children's urgent problems today and improve the systems that will affect their lives tomorrow. Since our founding in 1996, we have reached more than 50,000 children and families directly and multiplied our impact by advocating for city-wide solutions that benefit hundreds of thousands more.

DLCP's licensing and corporate registration functions are essential to housing stability and safety. When ownership information is incomplete or inaccurate, tenants, advocates, and District agencies can struggle to identify responsible parties, to deliver notices, to obtain repairs, and to enforce accountability. Budget decisions that strengthen DLCP's data systems and enforcement capacity therefore have direct implications for families who are forced to endure unsafe or unhealthy housing conditions. At the same time, the FY 2027 proposed budget reflects a 3.8 percent reduction in DLCP's operating budget and a reduction of 7.5 Full Time Equivalents ("FTEs") overall, which makes it even more important that staffing and systems resources are aligned with accountability and enforcement outcomes.

DLCP Must Ensure Accurate Collection and Review of Beneficial Ownership Data.

A key weakness in housing code enforcement is that corporate registration records are often incomplete or inaccurate. DLCP is responsible for collecting beneficial ownership information when entities register to do business in the District.[1] Tenants, advocates, and District agencies rely on those records to identify the real people behind a housing provider and hold them accountable.

When those records are unreliable, enforcement slows and accountability weakens.[2] DLCP's current review process largely checks whether required fields are filled out—not whether the information reflects real-world control and ownership. The result is that the system can be "complete" on paper while still hiding the human owner. For example, a natural person seeking to conceal their interest can list another entity as the "beneficial owner," and repeat that tactic through multiple layers. In at least one instance visible in public records, company X was listed as the beneficial owner of company Y while company Y was also listed as the beneficial owner of company X, a logical impossibility that nonetheless appears facially complete.[3]

This is not a technical problem. It is an accountability problem.[4] When the natural persons behind shell corporations are obscured, it becomes harder to secure repairs, collect fines, and deter repeat misconduct. Families can remain in unsafe conditions longer than they should, including conditions that harm children's health, like mold, pests, lack of heat, or other serious housing code violations.[5] The Council has appropriately emphasized accountability through the business licensing framework, but accountability depends on accurate, usable records.

For these reasons, we urge the Council to ensure the FY27 budget includes dedicated staffing and operational support to improve the accuracy and usability of corporate registration and beneficial ownership records. DLCP needs Corporations Division capacity for proactive review, investigation, and ongoing data-quality work—not just intake and form-checking. In practice, that means moving from a "form completeness" model to a "data integrity" model that can identify red flags and support targeted follow-up (for example, circular ownership, non-responsive addresses, or high-risk repeat filers). Continued CorpOnline improvements should support this work by strengthening validation at the point of entry and making it easier for DLCP staff to search and understand ownership relationships.

The FY 2027 proposal would also reduce staffing in key front-door functions that support compliance: Business Licensing is proposed to decrease by 1 FTE, while Corporation Services is proposed to increase by 1 FTE.[6] These staffing choices should not come at the expense of the proactive review and data-quality work needed to ensure that beneficial ownership information is accurate and complete.

Recent CorpOnline Improvements Should Be Built Upon, with a Focus on Usability and Enforcement Value.

CorpOnline is the public-facing system that houses corporate registration and beneficial ownership information.[7] For tenants, advocates, and enforcement partners, it is often the first place to look when trying to figure out who is responsible for a property. We appreciate improvements DLCP has made over the past year, including expanded guidance and improved functionality during entity registration. Measures that block obviously invalid entries (like non-existent phone numbers, invalid street addresses, or prohibited P.O. boxes) are especially important because they improve the quality of the data at the point of filing.

But tenants and advocates still run into avoidable barriers when they try to use CorpOnline. For example, searches can require entering an owner's name exactly as it appears on record, which makes it harder to identify responsible parties across related entities. Some advanced search functionality also appears to require logging into DC Access, but that is not clearly communicated on the public-facing site.[8] When the system is hard to navigate or search, information that exists in the registry is functionally out of reach for the people who need it to support enforcement and accountability.

We therefore urge the Council to ensure the FY27 budget is sufficient to continue CorpOnline modernization and to support robust user assistance. DLCP needs ongoing investments to improve search functionality, especially beneficial-owner search, provide clearer public-facing guidance, and add system features that prevent obviously invalid or misleading entries from being accepted. Just as importantly, DLCP needs resources for responsive user support and staff training so that the public and agency users can consistently access and use these records.

DLCP Must Improve Coordination with DOB and Other Enforcement Agencies.

Accurate beneficial ownership data is necessary, but it is not enough on its own. To support enforcement, the information must be shared and used across agencies. Housing enforcement responsibilities are spread across multiple District agencies, and each agency needs reliable ownership and contact information to fulfil their respective roles, whether that be to deliver notices, pursue repairs, or hold repeat offenders accountable.[9]

When agencies cannot readily access and use ownership and licensing information, it slows enforcement and weakens deterrence. It also makes it harder to address persistent housing code violations, utility arrearages, and related public health risks. We ask the Committee to ensure the FY27 budget supports routine, secure, and actionable data sharing between DLCP and enforcement partners such as Department of Buildings, the Office of the Attorney General, and DC Water. The FY 2027 proposal would also reduce Civil Infractions Enforcement by 1 FTE, which will make it harder to hold noncompliant businesses accountable for registration and licensing failures through the Notice of Infraction NOI process.[10]

In practice, DLCP should produce regular reports linking corporate entities and beneficial owners across filings; flags entities and owners associated with repeated or unresolved Class 1 and Class 2 housing code violations; and responds to targeted information requests from partner agencies.[11] The goal would be to produce usable outputs that help enforcement partners identify repeat bad actors and prioritize cases. Accordingly, to ensure these improvements lead to faster enforcement and better outcomes for District residents, the budget should also include resources for training and technical assistance for DLCP staff and partner agencies.

Conclusion

Children's Law Center supports DLCP's ongoing efforts to strengthen corporate transparency, improve consumer-facing systems, and collaborate with enforcement partners. To build on that progress, the FY27 budget should include targeted investments in staffing, technology, and interagency data-sharing capacity so that corporate registration and licensing records are accurate, usable, and able to support timely enforcement that protects tenants' health and safety. The current proposal to cut DLCP budget, and the proposed removal of FTEs in crucial roles, would be a backwards step from the progress DLCP has already made.

---

[1] D.C. Code § 29-102.01(a)(6)–(9),Entity filing requirements. (requiring entity registration filings to identify beneficial owners meeting specified ownership/control thresholds; prohibiting registration/do-business status when required beneficial ownership information is not included; requiring amendments when required information changes).

[2] James Horner, *Code Dodgers: Landlord Use of LLCs and Housing Code Enforcement*, 37 Yale L. & Pol'y Rev. 647, (2019), *available at:* https://yalelawandpolicy.org/sites/default/files/YLPR/5_horner_code_dodgers.pdf

(describing how use of single-property LLCs and entity structuring to obfuscate ownership records can weaken code enforcement, reduce deterrence, and increase harms to low-income tenants).

[3] District of Columbia Council, Committee on Public Works and Operations, *Legislative Hearing on the Housing with Integrity Amendment Act of 2025* (Oct. 22, 2025), *available at:* https://dc.granicus.com/ViewPublisher.php?view_id=58 (video recording available in the Council's online video archive, which is organized by date and Committee name) (public testimony/discussion noting that beneficial ownership review may prioritize whether required fields are completed rather than verifying accuracy and real-world control).

[4] Horner, *supra* n. 3 (explaining deterrence/accountability problems when enforcement tools do not reach the real, controlling parties behind property-holding entities).

[5] Centers for Disease Control and Prevention (CDC), National Institute for Occupational Safety and Health (NIOSH), *Health Problems—Mold*, (updated Feb. 25, 2025), *available at:* https://www.cdc.gov/niosh/mold/health-problems/index.html (summarizing research associating damp indoor spaces with respiratory symptoms, asthma exacerbation, and evidence of association with new-onset asthma); Denis Caillaud et al., *Indoor mold exposure, asthma and rhinitis: findings from systematic reviews and recent longitudinal studies*, 27 European Respiratory Rev. 170137 (2018), *available at:* https://publications.ersnet.org/content/errev/27/148/170137 (finding evidence of a causal relationship between indoor mold exposure and asthma development/exacerbations in children).

[6] *See* Office of the Chief Financial Officer, District of Columbia, FY 2027 Proposed Budget and Financial Plan: Department of Licensing and Consumer Protection (CR0), *available at:* https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/cr0_dlcp_chapter_2027a.pdf.

[7] District of Columbia Department of Licensing and Consumer Protection (DLCP), Corporations Division, *Corporations—Access CorpOnline, available at:* https://dlcp.dc.gov/node/1614386 (describing CorpOnline as DLCP's platform for corporate registration filings and related public-facing access to corporate registration information).

[8] DLCP, Corporations Division, *Business Registration FAQs—Accessing CorpOnline*, *available at:* https://dlcp.dc.gov/page/corporations-division-business-registration-faqs (describing Access DC account requirement for CorpOnline access and related functionality).

[9] Council of the District of Columbia, Committee of the Whole, *Broken and In Need of Repair*, *supra* n. 1 (describing multi-step enforcement pipeline and points where delays and notice/service problems can undermine outcomes, reinforcing the need for coordinated use of ownership/contact data across agencies involved in enforcement).

[10] *See* Office of the Chief Financial Officer, *supra* n. 6.

[11] 16 D.C.M.R. § 3200.1(a)–(b), Civil Infractions: Classes of Infractions, (defining Class 1 and Class 2 infractions as egregious/serious infractions, including those that are imminently dangerous to health/safety/welfare); see also B26-0287, *Housing with Integrity Amendment Act of 2025* (as introduced) (using Class 1 and Class 2 housing code violations as key triggers in the contemplated accountability framework).