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Media Inquiries: Judy Pino, 202-869-5218

WATCH: NCLA’s Case Video Shows the CFPB’s “Knee-Buckling” Power to Punish Private Citizens

Bureau of Consumer Financial Protection v. Law Offices of Crystal Moroney, P.C.



Washington, DC (October 30, 2020) – During the last three years, Crystal Moroney has been fighting a multi-headed beast called the Consumer Financial Protection Bureau (CFPB). The New Civil Liberties Alliance, a nonpartisan, nonprofit civil rights group today released its latest [video production](#) featuring the case, *Bureau of Consumer Financial Protection v. Law Offices of Crystal Moroney, P.C.*

The government agency targeted Ms. Moroney’s law firm with a Civil Investigative Demand (CID) in 2017. Since then, she has expended tens of thousands of dollars to comply with the CID and defend against its unlawful demands, and she has endured the punitive publicizing of CFPB’s baseless accusations to her clients. Now her business teeters on the brink of insolvency.

NCLA filed a lawsuit in the U.S. District Court for the Southern District of New York on Ms. Moroney’s behalf challenging the funding mechanism for the CFPB as unconstitutional. Specifically, NCLA alleges that Congress unlawfully divested its legislative appropriations power when it gave CFPB the ability to draw funding directly from the Federal Reserve without annual appropriations from Congress and without oversight from the appropriations committees of Congress. By handing over the power of the purse—a core legislative power—to an executive branch agency, Congress violated Article I of the Constitution, which vests ALL legislative power in Congress, including appropriations power.

On June 30, 2020, Crystal Moroney prevailed on her structural constitutional claim against the agency when the U.S. Supreme Court held in *Seila Law v. CFPB*, that the CFPB Director’s protection from presidential removal violated the separation of powers because the agency head must be answerable to the President.

Given Congress’s broad delegation of appropriations authority to CFPB, this case may ultimately provide the U.S. Supreme Court the opportunity to revive the Nondelegation Doctrine that five justices expressed interest in revisiting after the Court’s *Gundy v. United States* decision.

Excerpts from the video:

“I often describe it to family and friends as fighting a three-headed beast. As soon as you make some progress on one head, you’re fighting two more heads and the third grows back. It just feels somewhat hopeless, like there’s no rules that apply to this opponent.”

— **Crystal Moroney, Defendant, *Bureau of Consumer Financial Protection v. Law Offices of Crystal Moroney, P.C.***

“Ultimately, this case is about a gross abuse of power. Crystal Moroney has a right to be free from the unlawful exercise of governmental authority, and that is exactly what the CFPB exercises.”

— **Michael P. DeGrandis, Senior Litigation Counsel, NCLA**

Read full case summary [here](#).

ABOUT NCLA

NCLA is a nonpartisan, nonprofit civil rights group founded by prominent legal scholar Philip Hamburger to protect constitutional freedoms from violations by the Administrative State. NCLA’s public-interest litigation and other pro bono advocacy strive to tame the unlawful power of state and federal agencies and to foster a new civil liberties movement that will help restore Americans’ fundamental rights.

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