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**Testimony**

**Bartlett Collins Naylor**

**Financial Policy Advocate, Economist**

**Public Citizen**

**Before the**

**House Financial Services Committee**

**Hearing on**

**“American Innovation and the Future of Digital Assets:**

**From Blueprint to a Functional Framework”**

**Friday, June 6, 2025, at 9:00 AM ET, Room 2220 Rayburn House Office Building**

### **Introduction**

On behalf of more than 500,000 members and supporters of Public Citizen, it is my solemn honor to provide testimony at what may be one of, if not the first congressional hearing that explores what we believe to be the [greatest, most flagrant](#) violation of conflict-of-interest statutes in United States presidential history.

I serve as financial policy advocate for Public Citizen’s Congress Watch division. Public Citizen is a nonprofit consumer advocacy organization with members in all fifty states. Public Citizen regularly appears before Congress, administrative agencies, and courts to support the enactment and enforcement of laws protecting consumers, workers, and the general public.

### **Public Citizen Efforts to Hold Trump Accountable and Defend Government**

Since the beginning of the Trump administration, Public Citizen has worked assiduously to hold the president accountable for misconduct.

Drawing on our historic strengths and our work in the first Trump term, Public Citizen has prioritized tracking Trump corruption. We publish a [tracker](#) for the massive number of corporate conflicts of interest among Trump’s appointees. To date, the Trump administration has [dismissed or withdrawn enforcement](#) against 18 crypto corporations, and frozen enforcement against 3 (total of 20 corporations, with Binance benefiting from both categories). Trump signed the first-ever presidential pardon for a corporation – the crypto corporation BitMEX – which now will never have to pay its \$100 million fine.

In addition to the overall documentation, we publish longer reports into the K street conflicts of important actors in the administration such as [Attorney General Pam Bondi](#) and White House Chief of Staff [Susie Wiles](#). Our work on Pam Bondi led to Public Citizen testifying on the AG’s conflicts of interest as the only outside group opposition witness in Bondi’s confirmation hearing.

The examples of corruption and conflict-ridden decision-making on the part of this President are sulphurously legion. From his Tesla car show on the White House lawn to benefit Elon Musk, to his recently accepted jumbo jet gift from Qatar, to the fact that he never issued an executive order on ethics (breaking 30 years of precedent), to the firing of the head of the OGE and numerous inspectors generals, and much more. Public Citizen has issued reports, filed complaints and endeavored to make sure that this corruption doesn’t simply become background news.

In late May, Public Citizen Co-President Lisa Gilbert spoke at a press conference with members of Congress including Rep. Sam Liccardo (D-Ca.) of this committee to highlight the disgusting corruption of the memecoin advertising and associated presidential profits. Co-President Robert Weissman spoke at a protest Public Citizen organized with Our Revolution in front of the memecoin reward dinner at the Trump National Golf Course in Virginia.

To defend government operations, Public Citizen has filed 15 lawsuits to date since Trump returned to power. We believe the Trump regime is unilaterally, unconstitutionally, and unlawfully dismantling the federal government, from Cabinet-level departments to lesser-known sub-agencies that perform the routine, unheralded work that makes for a functioning country. Attached below is a summary of that litigation.

### **Summary of Trump’s Crypto Grift and Pending Legislation**

Both houses of Congress now consider legislation addressing cryptocurrency. At the same time, President Donald Trump, in his self-described role as a private citizen, promotes not one, not two, but multiple for-profit crypto projects. He personally already profited [hundreds of millions of dollars](#). Legislation legitimizing crypto will surely fatten those profits. Before Congress approves any legislation in this sector, responsible lawmakers must force Trump to divest from all such crypto ventures.

Joining Public Citizen in this characterization of Trump’s historic grift and demand that Congress force termination before any legislation proceeds include the nation’s [leading government ethics](#) organizations and individuals, including Accountable.US, the Project on Government Oversight, and former White House Republican and Democratic ethics counsels.

Further, we ask the committee to direct the Government Accountability Office (GAO) to declare that one of Trump’s crypto projects, namely what he calls his “meme,” qualifies as a solicitation of a gift. While Trump controls other federal ethics and law enforcement authorities, he does not control the GAO. Without such a determination, any lawmaker could offer a “meme” as a vehicle for legalized bribery.

## Trump's Crypto Devolution

Trump once dismissed bitcoin, the most popular crypto, as [“based on thin air.”](#) It is a [“scam.”](#) It [can facilitate unlawful behavior, including drug trade and other illegal activity.](#) Now, he's the self-proclaimed crypto president.

Recently, the Trump family announced an agreement with a fund backed by Abu Dhabi that “would be making a \$2 billion business deal using the Trump firm’s digital coins,” according to the [New York Times](#). This deal involves a stablecoin. The Constitution (Article 1, Section 9) forbids accepting money (specifically a “present” or “emolument”) or anything of value from any “king, prince, or foreign state.”

Before this, Trump promised a presidential dinner to the largest new buyers of his crypto “meme,” called “Trump.” He [restated](#) this “gala” solicitation May 5. He hosted this gala on May 22 at his golf course near Sterling, Va.. Public Citizen [led a protest](#) at this [live violation](#) of federal conflict-of-interest statutes, which drew a large turnout and considerable [media](#) attention, as noted above.

Federal law strictly regulates payments to government officials, including gifts. Although the president may receive gifts, he may not [“solicit”](#) gifts. These prohibitions begin with the Constitution’s Emoluments Clause and are reiterated in the anti-bribery statute, 18 U.S.C. § 201, and federal regulations, 5 C.F.R. § 2635. Although [section 2635.205](#) lists several exemptions from the prohibition, none exempts soliciting purchases for personal gain.

As to why the public might be interested in sending money, the Trump meme [website explains](#): “This Trump Meme celebrates a leader who doesn’t back down, no matter the odds.” Under [the Trump meme website’s question](#), “What is a meme?” the website explains: “Merriam-Webster’s meme noun: 1: an idea, behavior, style, or usage that spreads from person to person within a culture.”

The [website states](#) that “Trump Memes . . . are not intended to be, or to be the subject of, an investment opportunity, investment contract, or security of any type.” Trump’s Securities and Exchange Commission also stated that meme coins have “no use.” Other cryptocurrency observers deride memes generally as without value. [Former aide Anthony Scaramucci](#) said Trump’s effort demeans broader cryptocurrency efforts, calling it “Idi Amin level corruption.” Another [commenter](#) said that the Trump meme “is effectively a ‘for sale’ sign on the White House.” Some, including an author in the Washington Post, characterized this token as a [“sh—coin.”](#)

In short, it appears Trump is not soliciting money in exchange for an investment or tangible product (such as a [Bible, sports shoes, or a guitar](#)), but soliciting money in exchange for nothing—that is, asking for a gift that will benefit him personally.

Already, Trump has profited millions of dollars from the meme and other ventures. His initial sale generated nearly \$100 million. The latest salvo in April brought in roughly [\\$100 million](#) more. Some new buyers come through the Binance exchange, legally barred for US investors, meaning that Trump may well be violating the emoluments clause with this venture as well.

The dangers inherent in the Trump meme portend ominously. Should the president be allowed to enrich himself in this way, other politician might follow this path, rendering the prohibition on solicitation in 18 U.S.C. § 201 and the prohibitions on receipt of gifts by officials other than the president meaningless.

Paradoxically, while this Trump meme is worthless (by his own estimation) Trump managed to create an earlier crypto that is worth even less. In October, 2024, he became the [“chief crypto advocate”](#) for World Liberty Financial, a nascent cryptocurrency firm. The World Liberty Trump crypto is worse because it

cannot be resold. This Trump crypto buys “governance,” but only a minority share. Trump controls the majority of the governance tokens.

Now, Congress considers twin bills on stablecoins. Perhaps not coincidental for a president who calls himself a “stable genius,” one bill is called the STABLE Act, and the other, (originally) the GENIUS Act. Stablecoins typically tie to the US dollar—one dollar buys one token.

Public Citizen views crypto dimly, largely as a Ponzi scheme whose victims disproportionately include vulnerable populations. We view stablecoins as financing vehicles for illicit activity, including human, drugs and arms trafficking. We attach below our analysis of the STABLE Act. But the deficiencies we highlight pale compared with the unprecedented grift perpetrated by Trump.

At the very least, Congress must bar the president along with all elected officials and their families from owning, buying or otherwise trafficking in stablecoins. Americans must be assured that policy won’t be fashioned by those profiting from the shape of the legislation. We support legislation introduced by [Ranking Member Maxine Waters](#) and that of other lawmaker to address Trump’s conflict of interest grift

Further, Congress should approve an amendment that restates conflict laws that already apply to the president. Namely, he may [not solicit gifts](#); he may not accept gifts from a foreign sovereign; he may not sell political favors.

Finally, federal ethics officials must declare that promotion of a meme constitutes a solicitation of a gift, in violation of conflicts and anti-bribery statutes. Public Citizen has [appealed to the Department of Justice](#) and the Office of Government Ethics for such a determination. (Letters attached below, and [linked](#).) We do not expect these Trump-controlled offices to respond to our letters or take action. However, the Government Accountability Office (GAO) operates independently. We ask responsible lawmakers to request a GAO determination.

Pro-crypto lawmakers apologize that Trump corruption will persist whether or not Congress approves crypto legislation. We reject this defeatist position. Congress must not abdicate any powers to hold Trump accountable. Without conflict-of-interest guardrails, approving these bills effectively endorses Trump’s conflicts. The bills will integrate crypto into mainstream banking, serving to fatten his grift.

In conclusion, Trump may not face felony prosecution under his administration. But his millions in crypto grift might lead to accountability under a subsequent independent federal prosecutor. His immunity only applies to presidential acts and he and his representatives themselves emphasize that his crypto efforts are [personal](#). Shilling crypto falls outside this immunity. We welcome this committee’s early and urgent interest. Ideally, accountability will come sooner than a change in administration.

Thank you.

## Summary of Public Citizen Litigation v Trump Administration

### *15. Suing to Maintain an Independent Consumer Product Safety Commission*

The Consumer Product Safety Commission (CPSC) does pretty much what its name suggests. It conducts product-safety research, sets standards, and issues recalls. Under federal law, the agency has five commissioners who serve staggered seven-year terms. To ensure the CPSC's independence, Congress stipulated that commissioners can be removed by the president prior to the end of their terms only "for neglect of duty or malfeasance in office but for no other cause."

However — with no explanation and no suggestion of neglect of duty or malfeasance — Trump has illegally attempted to terminate three CPSC commissioners whose terms are not complete. On May 21 — representing those commissioners — Public Citizen filed suit in federal court challenging the terminations as unlawful and outside the president's constitutional and statutory authority.

We are seeking an expedited ruling in the case to have the commissioners restored to their roles so they can continue their critical work on behalf of American consumers.

### *14. Suing to Preserve the National Institute for Occupational Safety and Health*

Somewhat under the radar, the regime has been dismantling the National Institute for Occupational Safety and Health (NIOSH). Housed within the Department of Health and Human Services — now under the "leadership" of MAGA convert Robert F. Kennedy Jr. — NIOSH is the country's premier authority on occupational safety and health, protecting workers in high-risk industries like mining, firefighting, construction, and healthcare.

Among other things, NIOSH screens miners for black lung disease, provides medical monitoring to September 11 first responders, and evaluates the safety of worksite protective gear (including certifying respirators like the N95 masks that were so essential throughout the COVID-19 pandemic).

Since Trump's inauguration, roughly 85% of NIOSH's staff has been fired, slated for termination, or otherwise forced out. With NIOSH so weakened, workers throughout the country who otherwise would have been safe will get sick, hurt, and killed on the job. (Following coverage of these cuts, a small portion of the employees have been called back to work.)

On May 14 — in partnership with AFL-CIO attorneys and representing numerous unions — Public Citizen filed suit in federal court to block the Trump regime's illegal shutdown of NIOSH. Our lawsuit seeks an order for the administration to immediately resume the many activities the law requires NIOSH to perform.

### *13. Suing to Defend Oversight Offices at the Department of Homeland Security*

When Congress created the Department of Homeland Security (DHS) in 2002, it established within the new department an Office for Civil Rights and Civil Liberties (CRCL) to make sure DHS respected those

foundational freedoms. Congress also established an Office of the Citizenship and Immigration Services Ombudsman (CISOMB) within DHS to help immigrants who experienced problems dealing with department bureaucracy. And, in response to abuses reported during the first Trump administration, Congress established an Office of the Immigration Detention Ombudsman (OIDO) within DHS to monitor conditions in detention facilities.

On March 21, DHS announced its intention to close all three of these oversight offices and fire nearly all of the employees. On April 24, Public Citizen — representing several organizations that work with immigrants and people living near the US-Mexico border — sued DHS and Trump’s Homeland Security Secretary Kristi Noem (self-professed dog killer) over the unlawful attempt to shutter the three oversight offices created and funded by Congress.

After several court hearings, the judge denied our motion for a temporary restraining order in light of the administration promising to post public notices indicating that the offices remained open and would continue performing their statutory functions. Our motion for a preliminary injunction is still pending.

### *12. Suing to Block “DOGE” from Ending International Labor Rights Programs*

For decades, Congress has authorized funding for the Bureau of International Labor Affairs (ILAB) within the Department of Labor. ILAB protects workers and businesses in the United States from unfair competition on the part of companies and governments that violate workers’ rights to free association and collective bargaining, that use forced labor or child labor, or that otherwise violate labor rights to gain an unfair advantage in the global marketplace.

In March, the Trump administration terminated all of ILAB’s cooperative agreements in one fell swoop. The so-called Department of Government Efficiency (DOGE) being run by Elon Musk made clear that the regime would not spend the funds that Congress specifically appropriated to combat unfair labor practices and to support workers’ rights abroad.

On April 15 — representing several impacted organizations — Public Citizen filed suit in federal court to block the administration’s abrupt and unlawful bulk termination of ILAB’s programs. We then filed a motion for a preliminary injunction and are now waiting for the judge’s decision.

### *11. Suing to Restore Environmental Tools Scrubbed from Federal Websites*

Shortly after the Trump regime took over in January, it started removing essential information about climate change and environmental justice from the websites of various agencies — including the Department of Energy, the Department of Transportation, the Environmental Protection Agency, and the Federal Emergency Management Agency.

The deleted pages were key to explaining how communities around the country are harmed by or benefit from energy, environmental, and transportation policies. The pages supported work examining how pollution affects disadvantaged communities, supplied a means by which community advocates can explain environmental harms, and provided the foundation for public participation in regulatory and legislative processes.

On April 14 — on behalf of the Sierra Club, the Union of Concerned Scientists, and others — Public

Citizen filed suit in federal court challenging the removal of numerous interactive pages related to climate change and environmental justice from publicly accessible, and taxpayer-funded, government websites. On May 16, we filed a motion for a preliminary injunction.

#### *10. Suing to Stop Project 2025 Architect from Hiding How Administration Allocates Funds*

Trump put a man named Russell Vought — a self-avowed “Christian nationalist” and one of the primary architects of the *Project 2025* manifesto that is essentially an authoritarian playbook for the Trump regime — in charge of the federal government’s Office of Management and Budget (OMB).

One of the many things OMB is responsible for is “apportionment” decisions — legally binding budget decisions that specify the federal funds that an agency may spend and any conditions on the agency’s expenditure of those funds. By law, OMB is required to post information about its apportionments on a publicly accessible website. But, in late March, OMB took down its Public Apportionments Database and told Congress that it will stop maintaining the database altogether.

On April 8 — representing Citizens for Responsibility and Ethics in Washington (CREW) — Public Citizen filed suit in federal court challenging OMB’s removal of the Public Apportionments Database from its website. On April 18, we moved for a preliminary injunction and partial summary judgment in the case. The court promptly held a hearing, and we are now waiting for its decision.

#### *9. Suing to Save the Institute of Education Sciences*

In 2002, Congress established the Institute of Education Sciences (IES), a semi-independent division of the Department of Education. By conducting, supporting, and disseminating high-quality, evidence-based research, IES has been the cornerstone of research on education in America for over 20 years.

In February, the Department of Education — now being run by billionaire former professional wrestling magnate and MAGA extremist Linda McMahon — began dismantling IES by cancelling dozens of contracts for research studies and support services vital to the agency’s functioning. In March, roughly 90% of IES employees were notified that they would be terminated.

On April 4 — representing education researchers, practitioners, and organizations — Public Citizen filed suit in federal court challenging the administration’s illegal attempt to shut down IES. On May 16, the court held a hearing on our motion for a preliminary injunction.

#### *8. Suing to Prevent the IRS from Illegally Sharing Taxpayer Data with DHS and ICE*

Like other workers, undocumented workers are required to pay income taxes. The Internal Revenue Service (IRS) is legally required to treat their tax records, like those of every other taxpayer, as private and confidential — unless disclosure is specifically allowed by law. No law permits the IRS to disclose tax records for immigration enforcement purposes. But the Trump regime wants to access tax data — including names, current addresses, and information about dependents — to support its mass deportation agenda.

This is not just about the rights of undocumented workers. Congress enacted taxpayer privacy laws in response to misuse of IRS records during the presidency of Richard Nixon. If the Trump regime is

allowed to carry out this particular invasion of taxpayer privacy — in flagrant violation of the law — it won't stop there. Before you know it, millions and millions of Americans could be subject to illegal invasions of privacy and government surveillance. It's a page right out of the authoritarian playbook.

On March 7 — with co-counsel and on behalf of immigrant rights organizations — Public Citizen filed suit in federal court to prevent the IRS from engaging in the unauthorized disclosure of taxpayer information for purposes of immigration enforcement. On March 14, we filed a motion for a temporary restraining order. And on March 31, we filed a motion for preliminary injunction to prevent the IRS from sharing taxpayer information with DHS and U.S. Immigration and Customs Enforcement (ICE).

Our motion for a preliminary injunction was denied. The court held that the law allows the IRS to share some taxpayer information with ICE solely to support criminal investigations and that the IRS said that was all it was doing. The court also indicated that sharing information for civil immigration enforcement would not be permissible. We then appealed the denial of the motion.

### *7. Suing to Protect the Consumer Financial Protection Bureau*

In 2008, Wall Street's reckless greed set off a worldwide financial crisis. In response, Congress — exercising its constitutional authority to regulate commerce — established a new federal agency, the Consumer Financial Protection Bureau (CFPB), to protect the American people from wrong or unfair conduct by Big Banks and other giant financial institutions. Public Citizen played a major role in the creation of the CFPB, which has recovered billions for everyday Americans and helped create a fairer, more transparent financial marketplace.

While Trump has openly declared his intent to “totally eliminate” the CFPB, the administration cannot lawfully dismantle a federal agency created by statute. Any attempt to do so is in defiance of the Constitution's separation of powers.

On February 13, Public Citizen and co-counsel filed suit in federal court to block the administration's illegal and unconstitutional attempt to dismantle the CFPB. On February 14, the judge barred the administration from firing employees or sending out reduction in force notices, from destroying CFPB data or records, and from defunding the agency while the case proceeds.

At a March hearing, lawyers were able to cross-examine current and former CFPB officials and employees, who made plain that the administration had planned, illegally, to eliminate the agency altogether. In a 115-page decision, the court granted our motion for a preliminary injunction, barring the administration from taking steps to destroy the agency. We are now waiting for the court of appeals to rule.

### *6. Suing to Block Trump's Illegal and Inhumane Foreign Aid Freeze*

On his very first day back in office, Trump issued an executive order directing agencies to freeze foreign assistance that supports humanitarian efforts worldwide.

On February 10, Public Citizen filed suit in federal court on behalf of two organizations — AIDS Vaccine Advocacy Coalition and Journalism Development Network — that receive federal grants for humanitarian work. On February 12, we filed a motion for a temporary restraining order requiring the administration to

allow aid groups funded by the U.S. to resume work while the case proceeds. The judge issued a temporary restraining order on February 13.

On February 26, with the administration so far having failed to comply with the order, the judge ordered it to release funds by midnight that day for work performed before the freeze went into effect. Instead, the administration asked the Supreme Court to overturn the judge's order and excuse its noncompliance.

On March 5, the Supreme Court rejected the administration's request to excuse its noncompliance with the judge's order requiring payment of completed work. On March 6, Public Citizen lawyers were back in court arguing for a preliminary injunction requiring the administration to allow work, and funding for that work, to resume while the case proceeds. The court granted our motion for a preliminary injunction in part.

On May 2, we amended the lawsuit to include an additional plaintiff, the Center for Victims of Torture. And we asked the court to order reinstatement of the over 80% of foreign assistance funding that had been cancelled. Meanwhile, the administration's appeal of the preliminary injunction order is pending.

One other point worth making in relation to this case: Polls reveal that Americans tend to think foreign aid accounts for 25% or even 50% of all federal spending and that they would prefer it to be something like 10% instead. In reality, only about 1% of the federal budget — just one penny out of every dollar — goes to foreign aid. With that relatively modest expenditure, American aid helps millions and millions of people all across the world who are facing disease, famine, illness, malnutrition, and oppression.

#### *5. Suing to Keep "DOGE" out of the Department of Education*

DOGE operatives infiltrated Department of Education databases that include financial information of thousands of student-loan applicants and their families.

On February 7, Public Citizen filed suit in federal court to block DOGE from accessing these databases. On February 18, the judge denied our motion for a temporary restraining order. We later dismissed the case.

#### *4. Suing to Preserve the U.S. Agency for International Development*

Shortly after returning to power, Trump tried to dissolve the U.S. Agency for International Development (USAID) — in clear disregard for the law and the Constitution. Elon Musk later bragged that he had spent a weekend "feeding USAID into the wood chipper."

Established by Congress in 1961 — when John F. Kennedy was president — USAID provides life-saving food, medicine, and support to much of the rest of the world. In January, though, Trump's Secretary of State Marco Rubio illegally ordered USAID workers to stop doing their jobs, froze the agency's funding, and prepared to lay off or fire nearly all employees. With USAID in disarray, medical clinics, soup kitchens, refugee assistance programs, and countless other critical projects across the globe could not operate.

On February 6 — with co-counsel at Democracy Forward and representing two federal worker unions — Public Citizen filed suit in federal court to stop Trump from carrying out this global humanitarian

nightmare. We initially got a temporary restraining order, but the judge later lifted it, allowing the administration to terminate the majority of USAID's employees. We subsequently added Oxfam America as an additional plaintiff and filed a motion for summary judgment, which is still pending.

### *3. Suing to Restore Critical Health Information Deleted from Government Websites*

Under the “leadership” of MAGA sycophants installed by Trump, many federal agencies — including essential public health agencies like the Centers for Disease Control and Prevention (CDC) and the Food and Drug Administration (FDA) — recklessly removed important information and data from their websites.

The CDC and FDA wiped from their websites vital information that doctors and researchers all across the country were using to treat patients, monitor diseases, advance medical discoveries, and save lives. For example, the CDC scrubbed information about school bullying, contraception, and preventing the spread of HIV. The FDA deleted pages about increasing female enrollment in clinical trials. In some instances, information that had been publicly available going back to the 1990s had vanished.

On February 4 — on behalf of Doctors for America — Public Citizen filed suit in federal court to reverse the unlawful deletion of critical health information from government websites. Two days later, we filed a motion for a temporary restraining order, which the court granted on February 11, requiring the administration to restore the deleted webpages and datasets while the case proceeds.

On March 11, we filed a motion for a preliminary injunction and summary judgment in the case. That motion is still pending before the judge.

### *2. Suing to Limit “DOGE” Infiltration of the Treasury Department*

The U.S. Treasury Department possesses sensitive personal and financial information for millions and millions of Americans who send money to or receive money from the federal government. Federal laws protect such information from improper disclosure and misuse — including by barring disclosure to individuals who lack a lawful and legitimate need for it. But instead of protecting Americans' private information as required by law, Scott Bessent — Trump's jillionaire Treasury Secretary — allowed DOGE access to the data.

On February 3 — representing the Alliance for Retired Americans, the American Federation of Government Employees, and the Service Employees International Union, with co-counsel at Democracy Defenders Fund — Public Citizen filed suit in federal court to stop Trump's Treasury Department from illegally sharing Americans' information with DOGE in violation of the federal Privacy Act.

We filed a motion for a temporary restraining order on February 5. The next day, the court issued an interim order preventing Elon Musk and any of his DOGE operatives from accessing the Treasury data while the case proceeds. On March 7, the court denied our motion for a preliminary injunction, relying on administration promises not to engage in the misconduct we warned about. We have since filed a motion for summary judgment in the case.

### *1. Suing over Failure of “DOGE” to Comply with the Federal Advisory Committee Act*

Within minutes of Trump taking office on January 20, Public Citizen — joined by the American Federation of Government Employees and Democracy Defenders Fund — filed suit in federal court alleging that Trump’s so-called Department of Government Efficiency (DOGE) was not complying with the Federal Advisory Committee Act. That law requires federal advisory committees to consist of members with a fair balance of viewpoints, to make meetings open to the public, and to make records and work product available to the public.

The case was later consolidated with two similar cases that were filed soon afterward. With DOGE mutating into something much more than an advisory committee, we voluntarily dismissed the case in early March.



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March 5, 2025

Douglas A. Collins, Acting Director  
U.S. Office of Government Ethics  
250 E Street, SW., Suite 750  
Washington, DC 20024

Dear Acting Director Collins,

Further to our letter of February 5, 2025 regarding President Donald Trump’s personal cryptocurrency venture, the Securities and Exchange Commission (SEC) recently declared new [policy](#) about so-called “meme coins.”

On February 27, 2025, the SEC stated, “Meme coins typically are purchased for entertainment, social interaction, and cultural purposes. . . . Meme coins . . . typically have limited or **no use or functionality**. . . . [The meme coin] does not generate a yield or convey rights to future income, profits, or assets of a business.” [Emphasis added.]

We highlight this new statement for two reasons. First, this SEC statement constitutes the official policy of President Trump and the Trump administration. In a previously dated [executive order](#), President Trump asserted that all agency policies must reflect those of the president. “It shall be the policy of the executive branch to ensure Presidential . . . control of the entire executive branch.” That is, it is official policy of President Trump that the Trump meme may have “no use.”

Second, the SEC statement buttresses our claim that those who purchase the meme are rendering President Trump a “gift.” In the Trump [meme website](#), we noted that President Trump emphasized that those who sent money for the meme were simply celebrating strong leadership. “This Trump Meme celebrates a leader who doesn’t back down, no matter the odds. Join the Trump Community - we’re all about fighting for what matters.”

Precisely what is a meme? Under [the Trump meme website’s question](#), “What is a meme?” the website explains: “Merriam-Webster’s meme noun: 1: an idea, behavior, style, or usage that spreads from person to person within a culture.”

As with the recent SEC policy statement, the Trump [website states](#) that “Trump Memes . . . are not intended to be, or to be the subject of, an investment opportunity, investment contract, or security of any type.”

As we noted in our February 5 letter, a person sending money for a Trump meme is not purchasing a tangible product. Instead, the person receives only a digital receipt (in a blockchain), which is similar to a donor sending a check and receiving digital confirmation that the check was received.

Beyond Trump’s own declaration that the Trump meme is not an investment and the new Trump SEC declaration that the meme may have “no use,” we have noted that other cryptocurrency observers deride memes generally as without value. [Former Trump aide Anthony Scaramucci](#) said Trump’s effort demeans broader cryptocurrency efforts, calling it “Idi Amin level corruption.” Another [commenter](#) said that the Trump meme “is effectively a ‘for sale’ sign on the White House.” Some, including an author in the Washington Post, characterized this token as a [“sh—coin.”](#)

In short, it appears Trump is not soliciting money in exchange for an investment or tangible product (such as a [Bible, sports shoes, or a guitar](#)), but soliciting money in exchange for nothing—that is, asking for a gift that will benefit him personally.

Again, we ask you to investigate whether President Trump has violated 18 U.S.C. § 201, as implemented in 5 C.F.R. §2635, barring the president from soliciting gifts.

To restate our February 5 claim, federal law strictly regulates payments to government officials, including gifts. Although the president may receive gifts, he may not [“solicit”](#) gifts. These prohibitions begin with the Constitution’s Emoluments Clause and are reiterated in the anti-bribery statute, 18 U.S.C. § 201, and federal regulations, 5 C.F.R. § 2635. Although [section 2635.205](#) lists several exemptions from the prohibition, none exempts soliciting purchases for personal gain.

As the [Congressional Research Service](#) has explained:

Under these regulations, the President is expressly exempt from the broad restrictions on receiving or accepting gifts from prohibited sources or gifts given because of his official position, and thus may accept gifts from the general public, even from "prohibited sources," or gifts given because of his official position, as long as the President does not ["solicit](#) or coerce" the offering of gifts from such sources, nor accept a gift in return for an official act. [Emphasis added.]

President Trump’s promotion of a Trump meme appears to violate this prohibition. As president, he has solicited. In a January 17 tweet, also apparently retweeted after January 20, [Trump stated](#): “My NEW Official Trump Meme is HERE! It’s time to celebrate everything we stand for: WINNING! Join my very special Trump Community. GET YOUR [\\$TRUMP](#) NOW. Go to <http://gettrumpmemes.com> — Have Fun!” On Truth Social, [he posted the same content](#), on January 21, at 6:19 PM.

Trump is the principal owner of the Trump Meme. The [website](#) explains that the memes are largely (80 percent) owned by CIC Digital LLC, “an affiliate of The Trump Organization.” CIC Digital is [100% owned](#) by the Donald J Trump Revocable Trust. Donald Trump is the “[sole beneficiary](#)” of the revocable trust. Under the question [on the website](#): “Is this an official Trump product?” the website answers: “Yes, this is the only Official Trump Meme, by President Donald J. Trump.”

Beyond the issue of solicitation, the Constitution (Article 1, Section 9) forbids accepting money (specifically a “present” or “emolument”) or anything of value from any “king, prince, or foreign state.” Because of the nature of a cryptocurrency exchange, it is difficult to know whether foreign state actors are gifting the president by way of purchasing a Trump meme.

We urge you to investigate this issue, as well.

The dangers inherent in the Trump meme portend ominously. Should the president be allowed to enrich himself in this way, other politician might follow this path, rendering the prohibition on solicitation in 18 U.S.C. § 201 and the prohibitions on receipt of gifts by officials other than the president virtually meaningless.

In light of the new SEC policy, we reiterate our request that the Office of Government Ethics investigate this arrangement to determine whether it constitutes an impermissible gift solicitation. If the OGE finds in the affirmative, we ask that they make appropriate recommendations, including termination of the meme sale, return of monies, and any other available remedies.

For questions, please contact Bartlett Naylor at [bnaylor@citizen.org](mailto:bnaylor@citizen.org); and/or Dr. Craig Holman at [cholman@citizen.org](mailto:cholman@citizen.org),

Sincerely

Bartlett Naylor  
Public Citizen

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March 31, 2025

The Honorable French Hill, Chair  
The Honorable Maxine Waters, Ranking Member  
Honorable Members  
House Financial Services Committee  
Washington, DC 20515

Dear Committee members,

On behalf of more than 500,000 members and supporters of Public Citizen, we offer the following comments on bills slated for mark-up before the House Financial Services Committee on April 2, 2025. Several misguided bills serve only to buttress cryptocurrency, a sector riddled with grifters. Other bills reduce bank safeguards, or reverse consumer protections. Such lawmaking ill serves the American public.

What inescapably explains this Committee's and Congress' unreasonable attention to crypto is the flood of [political spending](#) by a handful of crypto financiers in the 2024 election cycle, and the threat of more in the next cycle. Lawmakers must not allow political spending by an inherently harmful sector to shape important policy.

President Donald Trump now figures as the face of cryptocurrency, replacing [Sam Bankman-Fried](#). The latter serves a prison term after looting billions of customer dollars. The former promotes numerous [crypto projects](#), enriching himself perhaps [more through this effortless half-year-old grift](#) than from his decades-long career with [six bankruptcies](#), [failed casinos](#), a grounded airline, a short-lived non-accredited university, unsold steaks and vodka, and more.

Generally, Americans don't care much for crypto. According to the [Federal Reserve](#), 93 percent of Americans neither own nor use crypto. [According to Pew](#), 88 percent of Americans who report they are familiar with crypto declare they don't trust it. Arguably, that's because crypto scams abound. One that [deserves this Committee's scrutiny](#): President Trump's meme coin scheme. By his own estimation, this meme instrument holds no value, an observation recently [affirmed by Trump's own Securities and Exchange Commission](#). Public Citizen [believes](#) President Trump may be in violation of federal law that prohibits the president from soliciting gifts.

Yet in service of Trump's latest crypto ventures and the tsunami of crypto politico spending, this committee insists that Congress must act urgently. Bill sponsors insist that this precious innovation deserves promotion.

In our comment, we begin with discussion of the Stablecoin Transparency and Accountability for a Better Ledger Economy Act, or STABLE Act, which includes a description of stablecoins, an outline for responsible legislation, and a critique of the STABLE Act. We then we turn to a discussion of the other bills.

## Stablecoins

Prevailing cryptocurrencies gyrate wildly in price, often in a single day. In the last five years, Bitcoin traded as high as [\\$110,000 per token and as low as \\$10,000](#). These swings undermine the case for digital assets as a means of exchange: A customer who believed that Bitcoin would rise in value would not rationally use one for a purchase on that day since they would be over-paying. They would only use the coin if they thought the price would fall. Conversely, a vendor who believed Bitcoin would fall would not accept the coin, since it would be an underpayment, and would only accept the token if they believed the price would rise. In other words, a fluctuating price stifles the use of Bitcoin as a vehicle of market exchange.

Stablecoins promised to answer the problem of volatility in pricing by pegging each token to a specific value, such as the U.S. dollar, held in a reserve. However, many sponsors failed to fully back these tokens with legitimate reserves. The [New York Attorney General](#) fined Tether and Bitfinex for such failures. [Celsius](#) promised high yields to those who purchased its stablecoin, but allegedly paid those yields with newer investors' money, a basic Ponzi scheme.

In less dramatic cases, many stable coins have not been “stable” [according to a review by Moodys](#), with many failing to hold to a \$1 value per token.

Meanwhile, other stablecoins may be used in [illicit finance](#).

Public Citizen welcomes responsible legislation that addresses these problems. We believe any stablecoin bill should contain the following assurances:

- Assets are backed on a 1-1 basis.
- The assets must be safe and highly liquid, restricted to U.S. Treasury securities.
- The sponsor must maintain capital of 5 percent. (Sponsors must maintain assets that are 5 percent greater than the value of outstanding stablecoins.)
- Sponsors must not be affiliated with any commercial firm, that is, a firm that is not a bank. (This includes firms such as Facebook or Walmart.)
- Sponsors must comply with anti-money laundering and know-your-customer laws.
- Sponsors must disclose their climate footprint.

Sponsors must register with the Securities and Exchange Commission (SEC).

Registration must include:

- A list of any criminal conviction, deferred prosecution agreement, and pending criminal proceeding in any jurisdiction against all of the following: (i) The applicant; (ii) Any executive officer of the applicant; (iii) Any responsible individual of the applicant; (iv) Any person that has control over the applicant; (v) Any person over which the applicant has control.

- A list of any litigation, arbitration, or administrative proceeding in any jurisdiction in which the applicant or an executive officer or a responsible individual of the applicant has been a party for the 10 years before the application is submitted determined to be material in accordance with generally accepted accounting principles and, to the extent the applicant would be required to disclose the litigation, arbitration, or administrative proceeding in the applicant's audited financial statements, reports to equity owners and similar statements or reports.
- A list of any bankruptcy or receivership proceeding in any jurisdiction for the 10 years before the application is submitted in which any of the following was a debtor: (i) The applicant; (ii) An executive officer of the applicant; (iii) A responsible individual of the applicant; (iv) A person that has control over the applicant; (v) A person over which the applicant has control.
- A set of fingerprints for each executive officer and responsible individual of the applicant.
- Sponsors must publicly disclose monthly their assets, liabilities, capital, income, and expenses of the licensee, and secure and publish an independent audit of this financial data quarterly.
- Sponsors shall maintain a surety bond or trust account in United States dollars in a form and amount as determined by the SEC for the protection of those who engage in digital financial asset business activity with the registrant.
- Banks that hold stablecoins must post 1250 percent risk capital, as described by the [Basel Committee](#).
- Penalties for infraction of any of these terms shall be one percent of the outstanding value of the stablecoin on the first infraction, and termination of the stablecoin on the second.
- Legislation should include a resolution framework in the case of failure as standard bankruptcy proceedings typically take years before customers can recover funds.

## **HR. 2392, the STABLE Act**

The STABLE Act focuses on essentially one element of what's necessary to govern stablecoins: namely the integrity of their reserves. It requires that the sponsor buy safe securities, such as U.S. treasuries. Even here, however, the STABLE Act falls short because it also allows the sponsor to include uninsured demand deposits. While cash might seem safe, if held in a bank, accounts beyond \$250,000 would not enjoy FDIC coverage. The episode of Silicon Valley Bank's failure demonstrated this vulnerability. Further, the bill relies on sponsor certification (or attestation) as to the components of the reserve. Instead, responsible legislation should require an audit by a firm overseen by the Public Company Accounting Oversight Board (PCAOB). (Some stablecoins have sought audits from firms outside this recognized regime.)

Generally, the STABLE Act includes several foundational flaws. First, it invites major commercial firms such as Amazon, Walmart, Twitter/X and/or Facebook/Meta to enter the banking sector because it lacks provisions under the [Banking Holding Company Act](#) that otherwise prohibit non-financial firms from entering the banking business. The nation's centuries old policy separating banking and commerce stems from concerns about concentration in power. Creditors should not face the moral hazard of competing with the borrower. Viability of a credit facility should not hinge on the viability of a commercial venture. For example, an automobile manufacturer that also sponsored a stablecoin might raid the reserve should

car sales begin to falter. Or a major online aggregating retailer might disfavor a subcontractor if it failed to use the aggregator's stablecoin. [History illustrates](#) that when banks have entered commerce, such as financiers did in the late 19<sup>th</sup> century during the construction of railroads, manipulations led to frequent economic shocks. Any stablecoin legislation should obligate issuers to abide by robust Bank Holding Company Act provisions that guard against these harms by restricting sponsorship to existing banks.

Second, the STABLE Act provides a dual oversight structure, permitting stablecoins to register under individual states. This allows a race to the bottom, where unscrupulous sponsors would seek the state with the most convenient rules. The bill calls on the states to establish safety standards, but these will inevitably be worked out between industry and lawmakers with little consumer protection given the scant interest by average Americans in this sector.

The bill also fails to establish clear safeguards for those stablecoins that seek federal oversight, with the same vague injunctions to regulators. As implementation of the 2010 Wall Street Reform Act demonstrates, regulators were slow to implement rules, and those rules reflected intense Wall Street lobbying. With the U.S. Supreme Court decision eliminating [Chevron deference](#), rules that industry finds inconvenient now may perish at the whim of cherry-picked courts.

Third, the bill fails to provide speedy resolution for customers in case of failure of a stablecoin. Bankruptcy does not suit a firm that custodies savings that should be available within days of a failure, as is the case with banks that are resolved by the Federal Deposit Insurance Corp. Bankruptcy triggers an automatic stay on payments that could take years before the relief of funds, according to [Georgetown Prof. Arthur Wilmarth](#), which renders "priority" little relief in actuality. Related to this, the bill includes adequate custodial rules. The STABLE Act declares that stablecoins are the property of the investor and must be segregated from sponsor funds. But this [doesn't direct the bankruptcy](#) court to pay the investor immediately.

Lastly, the bill lacks a fair redemption regime. It simply requires the stablecoin sponsor to establish a policy. It fails to prohibit a firm from establishing exorbitant fees, or setting an unreasonable time to honor a redemption, or favoring some customers over others. A sponsor could establish long waiting periods; a sponsor could even change policies, such as advertising a low fee one month, then raising it the next, and setting different fees for different customers. In a money market mutual fund, all customers receive the same prevailing interest rate and enjoy equal redemption rules.

Sponsors of this bill will not admit that they're serving the business interests of President Trump. Instead, [proponents](#) insist that Congress must urgently approve crypto-friendly legislation to protect American innovation leadership in what they mislabel as a promising technology sector. But this claim misunderstands the very nature of decentralized finance. Cryptocurrency and its developers live digitally on the internet that respects no state or national borders. There are no sprawling Silicon Valley office campuses, no Detroit factories, and certainly no country that's luring innovators in the way that cheap labor invites American manufacturers to relocate overseas.

- Binance, the world's largest crypto exchange, began in China, then moved to Japan after China banned crypto trading in 2017, and then to [Malta](#). It has no formal corporate headquarters. It [notes](#), "Binance, one of the largest remote companies in the world, is setting the standard for the future of work with its global, decentralized workforce. "Binance employment [reached 3,000](#) before a one-third staff reduction in 2023. It now lists [5,000 employees](#) "from more than 50 countries and working from nearly 100."

- Coinbase, the largest crypto exchange based in the United States, [counts 3,700 employees](#). Most of [these work remotely](#). Coinbase originally drew most employees from the San Francisco Bay Area, but that has changed, and it now longer maintains a headquarters. Some Coinbase [employees live outside](#) the United States.
- Bitcoin, the largest cryptocurrency by capitalization, famously claims no ownership or control. A group of five coders reportedly maintain the [related software](#).
- Ethereum, or more precisely, Ether, the second largest cryptocurrency, emerged from the efforts of Russian-born Canadian Vitalik Buterin and a number of associates in 2013. Unlike a conventional company, a volunteer community maintains the system, akin to contributors to Wikipedia. The [Ethereum Foundation](#) lists 21 employees. It maintains an office [in Zug, Switzerland](#).
- Tether, the world's largest stablecoin, as measured by the amount of currency invested in the token, lists [El Salvador](#) as it's country of registration. It moved there from the British Virgin Islands. Tether Chief Executive Paolo Ardoino said the El Salvador relocation marked the first time it would maintain a dedicated office. Tether employs roughly 100 staff, and most work remotely, [according to news reports](#).

Few policy makers can rationally fear El Salvador or Malta as threats to American innovation. Of note, a number of crypto fraudsters prefer [countries with difficult extradition treaties](#) with the United States, also hardly the nations that should worry American policy makers as innovation usurpers.

Remote crypto “innovators” might choose location based on urban amenities, or natural attractions. To lure them, American policy makers might need to concentrate more on urban planning, or the creation of a new Riviera and Alpine range, improvements only feasible in science fiction.

Members of Congress who naturally promote employment in their districts won't find cryptocurrency innovation a fecund sector. A [2023 report](#) identified 190,000 total employees working worldwide in the crypto industry (down from 210,000 in 2021). Roughly a third of these work for exchanges (such as Binance), another 26 percent work in crypto financial services, and about 15 percent in blockchain protocols and mining (which is verification of transactions). U.S. nationals account for about 29 percent of the total workforce, or about 55,000. This scattered workforce would be better served with retraining in a productive sector.

In sum, this committee should not be guided by Trump's business goals, must not succumb to political spending, and should not hide behind specious arguments about American primacy in crypto innovation. Without foundational amendments, we ask the Committee to reject this bill.

## **Conclusion**

President Trump's actions imperil our nation's economy along with an ominous swath of other arenas, from human rights, to health, international relations, education and more. This Committee should conduct rigorous oversight over these actions. Instead, the primary legislation it chooses to advance in this mark-up shamefully enhances his personal business. History will not record this charitably.

For questions, please contact Bartlett Naylor at [bnaylor@citizen.org](mailto:bnaylor@citizen.org)

Sincerely,

Public Citizen