Testimony of Frederick Thiel
CEO and Chairman of the Board

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United States House of Representatives

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Chairman Meuser, Ranking Member Green, and distinguished Members of the Committee,

Thank you for the opportunity to testify on the critical issue of the debanking of the digital asset ecosystem. I am honored to be here today to discuss the events that took place under Operation Choke Point 2.0 and the effects it had on the digital asset industry at large.

Introduction

My name is Fred Thiel, and I serve as CEO of MARA, a leading company in the digital asset industry and the largest publicly traded Bitcoin miner. MARA is also the second largest corporate holder of bitcoin. I am proud to say that MARA is dedicated to fostering U.S. economic growth, advancing domestic energy innovation, and bolstering U.S. national security through blockchain technology. From revitalizing renewable energy assets and strengthening our power grids to mitigating methane emissions on oil fields and driving efficiency gains in high-performance computing applications, like AI, MARA is fueling progress at the intersection of technology and energy.

The employees that put on the MARA hat and go to work every day are a team comprised of veterans, blue-collar workers, and technology and finance experts who contribute significantly to our local and national economies. We invested nearly $2 billion into the U.S. economy in 2024, including a $215 million investment in Nebraska, a $229 million investment in Ohio, and a $1 billion investment in Texas.

As CEO of MARA, I have had the privilege of being at the forefront of the digital asset industry's evolution over the last five years, witnessing firsthand its growth and impact on the future of finance. The United States is no stranger to the disruption and change that accompanies innovation. Our nation has not only witnessed but led the development of transformative technologies like the internet, personal computers, and now artificial intelligence. Blockchain technology and digital assets represent yet another frontier of auspicious change that is already revolutionizing our daily lives.

Yet, despite the positive impact and promise of this technology, it is undeniable that the digital asset industry has been treated differently – singled out and subjected to unprecedented actions that threaten to stifle America's leadership in innovation. Such discriminatory practices contradict our nation's ethos of technological advancement and pose significant risks to our economic competitiveness and national security.

Today, I'm here to shed light on how these opaque, behind-the-scenes financial exclusion practices often occur without public scrutiny or legislative oversight, and if left unchecked, jeopardize the ability of legitimate businesses to operate within the United States, driving economic opportunities offshore. Clear, fair regulation must ensure that all companies that follow the law and play by the rules are treated fairly and have equal access to basic financial services. It is crucial that we address these challenges to ensure America maintains its competitive edge in this rapidly evolving sector.

The Systematic Financial Exclusion of the Digital Asset Industry

In 2023 and 2024, companies in the digital asset sector have experienced a disturbing pattern of financial exclusion by major banks, payment processors, and financial services providers. These actions, taken without clear justification, include the closure of commercial banking services, denial of lending and credit facilities, and exclusion from payment platforms.

MARA specifically has faced a pattern of financial exclusion resulting from discriminatory banking and financial practices targeting crypto-related companies. These actions have disrupted operations and required burdensome workarounds in order for MARA to compete on a global stage – despite our full compliance with local, state and federal laws and regulations.

For instance, MARA has been recognized as a company in good standing by the state of Nevada since 2010. We are an SEC registrant and therefore subject to significant regulation by the SEC. We are audited rigorously by a national independent CPA firm and frequently engage in transactions that require robust due diligence of our company. Auditors, regulators, and transactional counterparties are continually vetting MARA. At every level, MARA is held to the highest legal, regulatory and industry standards – and we meet them without exception.

Forced Bank Account Closures

Forced bank account closures have been a significant issue in the digital asset industry since 2023. Multiple financial institutions have abruptly closed accounts of digital asset firms, citing unclear risk concerns rather than any compliance deficiencies. In some cases, companies were given extremely short windows to relocate funds, disrupting normal business operations. Additionally, companies attempting to open new commercial banking accounts have faced rejections despite meeting all regulatory and compliance requirements. Some institutions have explicitly stated that they have policies against servicing digital asset-related businesses, regardless of financial health or compliance standing.

Denial of Credit and Lending Services

The denial of traditional credit and lending services has also been a major challenge for the industry historically. Digital asset companies have been denied access to traditional credit, even in cases where they have offered fully collateralized guarantees. Financial institutions have cited internal policies prohibiting lending to companies in the sector, effectively cutting off capital needed for business expansion and innovation. Furthermore, companies seeking traditional lines of credit for operational expenses, travel, and business development have been denied services solely due to their industry affiliation, forcing them to find less efficient alternatives.

Payment Services Restrictions

Payment services restrictions have further compounded these difficulties. Certain payment platforms and fintech services have explicitly restricted access for digital asset companies, making it more difficult to conduct routine business transactions. Moreover, some firms in the sector have been unable to obtain corporate credit card accounts due to blanket risk policies that exclude digital asset businesses without consideration of individual companies' financial profiles.

Impact on Innovation, Economic Growth, and National Security

These discriminatory banking and financial policies threaten the digital asset ecosystem and broader economic interests. By restricting access to essential financial services, banks and payment processors are effectively deciding which industries can exist and grow within the U.S. economy. This situation is driving U.S. innovation offshore, as companies in the digital asset industry that contribute to technological advancements, job creation, and economic growth are forced to consider offshore banking options, pushing innovation and capital outside the United States.

Furthermore, these restrictions are undermining U.S. energy and national security goals. Digital asset mining and blockchain technology are critical tools for optimizing energy grids and supporting national security. Financial restrictions on the industry slow down investments in these innovative energy solutions. Additionally, these practices violate free market principles, as financial institutions should not be in the business of arbitrarily deciding which legitimate industries can operate. The systematic exclusion of digital asset companies undermines market competition, disrupts businesses, and sets a dangerous precedent for financial censorship.

Policy Recommendations

To address these systemic abuses, I urge Congress to consider several actions. These include ensuring equal access to financial services by prohibiting banks from implementing industry-wide bans on providing banking and lending services to digital asset companies without individual risk assessments. Increasing regulatory transparency by requiring financial institutions to disclose reasons for account closures or denials, ensuring due process for affected businesses, is also recommended. Fostering a competitive financial ecosystem by encouraging regulatory clarity that allows digital asset businesses to operate within the U.S. without fear of arbitrary exclusion is crucial. Lastly, protecting innovation and energy optimization by recognizing the role of blockchain and digital asset technology in supporting energy infrastructure and ensuring financial policies align with national security goals is essential for the industry's growth and contribution to the broader economy.

Partnering with Financial Institutions

Some financial institutions have become increasingly welcoming of cryptocurrencies and blockchain technology in recent months, recognizing the growing and strategic importance of digital assets. Many have even established dedicated teams and divisions devoted to integrating this technology, expanding access to cryptocurrencies and investing in its future. I want to thank those who have partnered with our industry and have vocally advocated for clear regulatory frameworks that will provide the necessary certainty to allow America to continue to innovate and lead the world on digital assets.

Conclusion

The financial debanking of the digital asset ecosystem represents an existential threat to American leadership in technology, economic competitiveness, and national security. Without immediate action, legitimate businesses will continue to face discrimination, forcing innovation offshore and reducing U.S. influence in a critical sector.

I appreciate the Committee’s attention to this matter and look forward to answering any questions. Thank you.