

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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March 13, 2025

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Bessent,

I write regarding President Trump's recent executive order on the creation of a strategic reserve for cryptocurrency—an asset class that Mr. Trump initially wrote off as a “scam.”¹ Such a reserve provides no discernible benefit to the American people but would significantly enrich the President and his donors. It would also constitute unsound fiscal policy by picking winners among currencies via social media and wasting taxpayer dollars on a plan that one federal reserve official described as “the dumbest idea” ever.² I urge you to cease all attempts to create the strategic cryptocurrency reserve.

On January 23, 2025, President Trump signed an Executive Order titled “Strengthening American Leadership in Digital Financial Technology.”³ Then on March 2, 2025, President Trump published a post on Truth Social explaining that as part of this Executive Order, the United States would create a cryptocurrency reserve including five digital assets: Bitcoin (BTC), Ethereum (ETH), XRP, Solana (SOL), and Cardano (ADA).⁴ President Trump's announcement came with few details, other than his declaration of “love” for the digital currencies that would

¹ *Trump Names Cryptocurrencies in Strategic Reserve, Sending Prices Up*, Reuters (Mar. 3, 2025) (online at www.reuters.com/world/us/trump-says-cryptocurrency-strategic-reserve-includes-xrp-sol-ada-2025-03-02/); President Donald Trump (@realdonaldtrump), Truth Social (Mar. 2, 2025) (online at <https://truthsocial.com/@realDonaldTrump/posts/114093946326587357>).

² *Bitcoin Reserve Plan Called ‘The Dumbest Idea Ever’ By Fed, Expert Unveils*, Bitcoinist (Jan. 18, 2025) (online at <https://bitcoinist.com/bitcoin-reserve-dumbest-idea-ever-fed/>).

³ Exec. Order No. 14178, 90 Fed. Reg. 7009 (Jan. 23, 2025).

⁴ *4 Things to Know About Trump's Plan for a “Crypto Strategic Reserve,”* NPR (Mar. 4, 2025) (online at www.npr.org/2025/03/04/g-s1-51748/trump-crypto-reserve-bitcoin-stockpile-ether); President Donald Trump (@realdonaldtrump), Truth Social (Mar. 2, 2025) (online at <https://truthsocial.com/@realDonaldTrump/posts/114093946326587357>); *4 Things to Know About Trump's Plan for a “Crypto Strategic Reserve,”* NPR (Mar. 4, 2025) (online at www.npr.org/2025/03/04/g-s1-51748/trump-crypto-reserve-bitcoin-stockpile-ether).

make up the reserve.⁵ Prior to a March 7, 2025 White House Summit on Cryptocurrency, President Trump announced that the strategic reserve would be funded by cryptocurrency seized from criminal enterprises.⁶

The United States has historically, through acts of Congress, created reserves of certain commodities of strategic value, such as petroleum, particularly during times of economic crisis.⁷ However, no strategic need has arisen that would necessitate investment in the volatile and speculative cryptocurrency market. A digital currency reserve would constitute nothing more than a highly speculative taxpayer-backed hedge to “provide bitcoin speculators the assurance that when the crash comes, the State will deploy this fund to rescue it.”⁸ Other countries can provide an example of the risks of relying on cryptocurrency: in 2021, El Salvador adopted a cryptocurrency as legal tender, but it has since abandoned the experiment after the system proved vulnerable to hacking and failed to address inflation concerns.⁹

Taxpayer-backed assurance for a volatile industry would primarily benefit the cryptocurrency industry. The purchase of cryptocurrency on a massive scale to build a strategic reserve would also provide cryptocurrency with both legitimacy and increased demand for crypto assets—something that Eswar Prasad, Tolani Senior Professor of Trade Policy at Cornell University, has noted “would certainly be great for current Bitcoin holders and equally certainly be a bad deal for taxpayers.”¹⁰

Holders of cryptocurrency include the President, his family, and his closest allies. The Trump Organization maintains significant ownership in World Liberty Financial, a cryptocurrency venture that “aspires to be a sort of digital asset bank, where customers will be encouraged to borrow, lend and invest in digital coins.”¹¹ Eric Trump and Donald Trump Jr. have both promoted certain cryptocurrencies, and Donald Trump Jr. has described World Liberty Financial as “the future of finance.”¹²

⁵ President Donald Trump (@realdonaldtrump), Truth Social (Mar. 2, 2025) (online at <https://truthsocial.com/@realDonaldTrump/posts/114093946326587357>).

⁶ *Trump Is Set to Speak to Crypto Founders and Investors at the White House on Friday*, NPR (Mar. 7, 2025) (online at www.npr.org/2025/03/07/nx-s1-5319049/trump-crypto-summit).

⁷ Department of Energy, *SPR Origins* (online at www.energy.gov/ceser/spr-origins) (accessed Mar. 3, 2025); U.S. Const. art. I; *What is a Strategic Crypto Reserve and What would be the Point of Having One?*, CBS News (Mar. 3, 2025) (online at www.cbsnews.com/news/what-is-a-crypto-strategic-reserve-trump-bitcoin/).

⁸ *Id.*

⁹ *El Salvador Ends Bitcoin as Legal Tender — Here’s Why It didn’t work*, Crypto.News (Feb. 6, 2025) (online at <https://crypto.news/el-salvador-bitcoin-legal-tender-experiment-failure/>).

¹⁰ *A First-Day Trump Order: A Federal Stockpile of Bitcoin?*, The New York Times (Jan. 16, 2025) (online at www.nytimes.com/2025/01/16/technology/trump-bitcoin-stockpile.html).

¹¹ *Banana Auction Billionaire’s \$30 Million Investment in Trump’s Crypto Token Highlights New Ways to Enrich President-Elect*, CNBC (Nov. 25, 2024) (online at www.cnbc.com/2024/11/25/trump-crypto-justin-sun-investment.html).

¹² Eric Trump (@EricTrump), X (Feb. 5, 2025) (online at <https://x.com/EricTrump/status/1887315608381108271>); Donald Trump Jr. (@DonaldJTrumpJr), X (Jan. 19, 2025)

On January 17, 2025, President Trump launched the \$TRUMP memecoin on TruthSocial, cashing in on “a type of joke cryptocurrency that typically has no purpose beyond financial speculation [and] whose value tends to whipsaw dramatically with changes in public sentiment.”¹³ In a set up that one cryptocurrency expert called “completely abnormal,” two LLCs affiliated with the Trump organization own the vast majority of the coins.¹⁴ Entities related to President Trump have reportedly made as much as \$100 million in trading fees alone for this venture, which has been called his “most lucrative get-rich scheme yet.”¹⁵

Several members of the Trump Administration (Administration) and close allies of the President and his family also hold stakes in cryptocurrency ventures. Although the Administration’s artificial intelligence and crypto czar, David Sacks, claims to have sold his cryptocurrency prior to joining the Administration, he remains a partner at Craft Ventures, which invests in a cryptocurrency index fund manager that has holdings in BTC, ETH, XRP, SOL, and ADA.¹⁶ Trump’s largest campaign donor, Elon Musk, reportedly holds significant cryptocurrency assets. Mr. Musk named the Department of Government Efficiency (DOGE) after Dogecoin, a meme cryptocurrency that Mr. Musk has loudly promoted over the years.¹⁷ Notably, the activities of DOGE throughout the federal government give Mr. Musk significant influence over the agencies that regulate the cryptocurrency industry, including the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Financial Crimes Enforcement Network, and the Internal Revenue Service.¹⁸

The creation of a strategic cryptocurrency reserve is poised to enrich the President and his closest allies at the expense of American taxpayers. I urge you to cease all plans to create a strategic cryptocurrency reserve, and request that you provide a briefing to the staff of the

(online at <https://x.com/DonaldJTrumpJr/status/1881076303983681548>); *Donald Trump Jr Says Crypto is the 'Future of American Hegemony'*, CoinDesk (Feb. 6, 2025) (online at www.coindesk.com/markets/2025/02/06/donald-trump-jr-says-crypto-is-the-future-of-american-hegemony).

¹³ *The Trump Memecoin's 'Money-Grab' Economics*, Wired (Jan. 20, 2025) (online at www.wired.com/story/the-trump-memecoins-money-grab-economics/).

¹⁴ *Trump Memecoin Shows Limits of Crypto's Democratization Pitch*, Bloomberg (Feb. 2, 2025) (online at www.bloomberg.com/graphics/2025-trump-token-memecoin-crypto-finance/).

¹⁵ *Exclusive: Trump's Memecoin Made Nearly \$100 Million in Trading Fees, as Small Traders Lost Money*, Reuters (Feb. 3, 2025) (online at www.reuters.com/markets/currencies/trumps-meme-coin-made-nearly-100-million-trading-fees-small-traders-lost-money-2025-02-03/); *Trump's Crypto Meme Coin is His Most Lucrative Get-Rich Scheme Yet*, New York Magazine (Jan. 20, 2025) (online at <https://nymag.com/intelligencer/article/what-just-happened-with-usdtrump-and-usdmelania-meme-coins.html>).

¹⁶ *Scott Bessent, Trump's Billionaire Treasury Pick, Will Shed Assets to Avoid Conflicts*, The New York Times (Jan. 11, 2025) (online at www.nytimes.com/2025/01/11/business/scott-bessent-treasury-divest.html); *David Sacks Responds to U.S. Crypto Reserve Conflict of Interest Allegations*, CoinDesk (Mar. 3, 2025) (online at www.coindesk.com/policy/2025/03/03/david-sacks-investments-complicate-trump-s-crypto-reserve-plans).

¹⁷ *The Motley Fool, Should You Follow Billionaire Elon Musk and Buy Dogecoin?* (Oct. 21, 2024) (online at www.fool.com/investing/2024/10/21/should-you-follow-billionaire-elon-musk-and-buy-do/).

¹⁸ *Elon Musk's Six Major Conflicts of Interest with the Federal Government*, The Guardian (Dec. 13, 2024) (online at www.theguardian.com/us-news/2024/dec/13/elon-musk-conflict-of-interest).

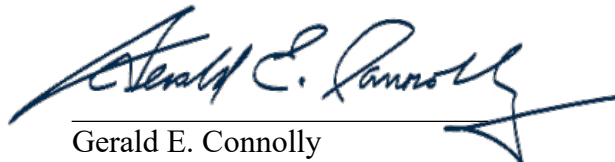
Committee on Oversight and Government Reform, as well as the following documents and information, by March 27, 2025:

1. All documents and communications regarding the creation of a strategic cryptocurrency reserve, including, but not limited to, all emails, meeting notes, memoranda, and calendar entries;
2. A complete and detailed list of all steps that the Administration has taken to address conflicts of interest or apparent conflicts of interest arising from the creation of a strategic cryptocurrency reserve;
 - a. Including all documents and communications concerning the Administration's consideration of those conflicts or apparent conflicts,, including, but not limited to, conflicts or apparent conflicts arising from the business or financial interests of Donald Trump or Elon Musk;
3. A complete and detailed list of any company in which you have professional and/or financial interests that, directly or indirectly, is connected to the cryptocurrency industry or holds cryptocurrency;
4. A complete and detailed list of safeguards that are in place to protect against government officials financially benefitting from the strategic cryptocurrency reserve;
5. All documents and communications related to the criteria and/or methodology used by the Administration and/or the Treasury Department to select specific digital assets for inclusion in the planned strategic cryptocurrency reserve; and
6. Has the Presidential Working Group on Digital Asset Markets on which you serve, which has been tasked with developing a federal regulatory framework to govern the cryptocurrency reserve, reviewed financial disclosures by the Administration officials, including but not limited to Elon Musk?
 - a. If yes, please produce all documents and communications related to such review; and
 - b. If no, please provide a detailed plan for the Presidential Working Group on Digital Asset Markets to review such financial disclosures.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. The Committee also has legislative jurisdiction over federal personnel and federal information systems. If you have any questions regarding this request, please contact Committee Democratic staff at (202) 225-5051. Thank you for your prompt attention to this matter.

The Honorable Scott Bessent
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Sincerely,



Gerald E. Connolly
Ranking Member

cc: The Honorable James Comer, Chairman