

United States Senate

WASHINGTON, DC 20510

March 28, 2025

The Honorable Rodney Hood
Acting Comptroller
Office of the Comptroller of the Currency
400 7th St. SW
Washington, D.C. 20219

The Honorable Michelle Bowman
Chair, Committee on Supervision and Regulation
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551

Dear Acting Comptroller Hood and Governor Bowman:

We write today regarding the announcement that World Liberty Financial (WLF), a cryptocurrency company backed by President Trump and his two sons, will soon launch a stablecoin called USD1.¹ The name of the stablecoin appears to be a reference to both the U.S. dollar and to the Presidency (e.g., Marine One, Air Force One, etc.). President Trump's involvement in this venture, as he strips financial regulators of their independence and Congress simultaneously considers stablecoin legislation, presents an extraordinary conflict of interest that could create unprecedented risks to our financial system and to the integrity of decisions made by the Federal Reserve Board (the Fed) and the Office of the Comptroller of the Currency (OCC). Both agencies would be tasked with regulating, supervising, and enforcing the law for stablecoins, including USD1.² In effect, the President of the United States could sign legislation that would facilitate his own product launch and then retain authority to regulate his own financial company.

WLF, founded in 2024, is a cryptocurrency company. DT Marks DEFI LLC, a holding company linked to President Trump and his family, owns a majority stake in WLF. President Trump's son, Eric Trump, serves as "one of the managers on the board of managers of WLF Holdco LLC"; meanwhile, DT Marks DEFI LLC maintains a significant financial interest in the sale of WLF cryptocurrency tokens.³ In addition to holding "22.5 billion \$WLF tokens," the holding company "is entitled to receive fees from World Liberty Financial, Inc....equal to 75% of

¹ New York Times, "Trump's Crypto Venture Introduces New Digital Currency," David Yaffe-Bellany, March 25, 2025, <https://www.nytimes.com/2025/03/25/technology/trump-crypto-stablecoin.html>.

² The Senate's GENIUS Act also includes a state-licensed pathway, but federal regulators retain some constrained oversight over state-licensed stablecoin issuers. In addition, the Treasury Secretary has the authority to determine whether a state can even offer a pathway for stablecoins in the first place.

³ Fox Business, "A look at the Trump family's business empire," Aislinn Murphy, January 26, 2025, <https://www.foxbusiness.com/politics/look-trump-familys-business-empire>.

\$WLF token sale proceeds.”⁴ WLF has other ties to the President. Steve Witkoff – U.S. Special Envoy to the Middle East – “helped spearhead” the launch of WLF.⁵ Mr. Witkoff’s sons are also co-founders of the company, and his son Zach Witkoff led WLF’s USD1 announcement.⁶ Additionally, the SEC, under Acting Chairman Uyeda, recently filed a motion to pause its case against Justin Sun, who has invested \$75 million in WLF.⁷

On March 25, WLF announced on social media platform X that it would soon launch “USD1—the stablecoin your portfolio’s been waiting for.”⁸ A stablecoin is a cryptocurrency designed to hold a constant value of \$1. The company pitched USD1 as a safe, stable alternative to other cryptocurrencies, perfectly designed for “seamless, secure cross-border transactions.”⁹ WLF emphasized its association with President Trump in this announcement, describing the company as “inspired by President Donald J. Trump.”¹⁰

The launch of a stablecoin directly tied to a sitting President who stands to benefit financially from the stablecoin’s success presents unprecedented risks to our financial system. In its announcement, WLF emphasized USD1’s “stability”: thanks to the coin’s “conservative approach,” WLF claims, “USD1 offers the clarity and security required for broader institutional adoption.”¹¹ At an event in Washington, Donald Trump Jr. touted the stablecoin, stating it is “just as safe as a bank account, but without all that extra nonsense.”¹² It is unclear whether federal deposit insurance, which has prevented consumers from losing a single cent on their insured bank deposits for more than 90 years, is the “extra nonsense” to which the President’s son was referring.

But some cryptocurrency ventures – including those involving stablecoins – have experienced financial distress and intervention from federal regulators. In March 2023, for example, Circle’s USDC stablecoin fell from \$1 to \$0.88 before regulators announced that the company’s

⁴ *Id.*

⁵ New York Times, “Trump Rolls Out His New Cryptocurrency Business,” David Yaffe-Bellany, Sharon LaFraniere, and Matthew Goldstein, September 16, 2024, <https://www.nytimes.com/2024/09/16/technology/trump-crypto-world-liberty-financial.html>.

⁶ World Liberty Financial, “World Liberty Gold Paper,” pp. 10, <https://static.worldlibertyfinancial.com/docs/us/gold-paper.pdf>; Medium, World Liberty Financial, “World Liberty Financial Plans to Launch USD1, the Institutional-Ready Stablecoin,” March 25, 2025, <https://medium.com/@wlf/world-liberty-financial-plans-to-launch-usd1-the-institutional-ready-stablecoin-2606f48d72d0>.

⁷ Reuters, “US SEC, Tron founder Justin Sun explore resolution of civil fraud case,” Jonathan Stempel, February 26, 2025, <https://www.reuters.com/legal/us-sec-tron-founder-justin-sun-explore-resolution-civil-fraud-case-2025-02-26/>.

⁸ X Post by WLF, March 25, 2025, <https://x.com/worldlibertyfi/status/1904516935124988075>.

⁹ Medium, World Liberty Financial, “World Liberty Financial Plans to Launch USD1, the Institutional-Ready Stablecoin,” March 25, 2025, <https://medium.com/@wlf/world-liberty-financial-plans-to-launch-usd1-the-institutional-ready-stablecoin-2606f48d72d0>.

¹⁰ *Id.*

¹¹ *Id.*

¹² CoinDesk, “Trump-Tied World Liberty Financial Pitches Its Stablecoin in Washington With Don Jr.,” Jesse Hamilton, March 26, 2025, <https://www.coindesk.com/policy/2025/03/26/trump-tied-world-liberty-financial-pitches-its-stablecoin-in-washington-with-don-jr>.

uninsured deposits at Silicon Valley Bank would be bailed out by the government.¹³ Signature Bank, which also failed in Spring 2023, was directly impacted by stress in the cryptocurrency asset market and its uninsured depositors were also bailed out by the government.¹⁴ Prior to Silvergate’s 2023 collapse, the bank’s “crypto client deposits represented more than 90% of total deposits,” and “experienced significant depletion of deposits as the steady series of failures deepened the crypto market downturn.”¹⁵

These risks are compounded by President Trump’s recent efforts to curtail the independence of financial regulators. Specifically, on February 18, President Trump signed an Executive Order directing “all executive departments and agencies, including so-called independent agencies,” to “submit for review all proposed and final significant regulatory actions” to the White House for approval, including regulatory actions involving the Fed’s “supervision and regulation of financial institutions.”¹⁶ If the Fed, OCC, and other agencies comply with this Executive Order, efforts to regulate the stablecoin market—efforts that will undoubtedly implicate President Trump’s finances—are purportedly subject to the prior approval of the President himself.

Furthermore, the launch of USD1 comes as Congress considers legislation that would provide the Fed and OCC with responsibilities to oversee the stablecoin market. Under the GENIUS Act that was reported out of the Senate Committee on Banking, Housing, and Urban Affairs on March 13, 2025, the OCC would be the primary regulator for federally licensed stablecoin issuers – approving applications, promulgating rules, supervising issuers, and initiating enforcement actions for law violations.¹⁷ The Fed would have regulatory, supervisory, and enforcement authorities over certain state-licensed stablecoin companies, including large state-chartered depository institutions. This raises serious concerns that President Trump could block Fed or OCC actions that reduce the profitability of his stablecoin project, or direct financial regulators to take actions that are favorable to WLF – or that, even absent direction, they would feel pressure to do so – regardless of the expense or the impact of these interventions on the economy and the financial system.

For example, President Trump may review any actions the OCC takes with regard to USD1’s stablecoin application. He would be positioned to intervene in and deny the OCC from promulgating stablecoin safeguards, or force the agency to refrain from initiating any enforcement actions against WLF. In a period of stress, the President could attempt to direct the Fed to establish an emergency liquidity facility to backstop stablecoins, including USD1. He could also attempt to direct the Fed to establish a master account at the central bank for WLF. He could intervene to deny such assistance to USD1’s competitors. There are no conflicts of interest provisions in the GENIUS Act that would prevent this conduct.

¹³ Reuters, “Circle assures market after stablecoin USDC breaks dollar peg,” Elizabeth Howcroft and Rishabh Jaiswal, March 11, 2023, <https://www.reuters.com/business/crypto-firm-circle-reveals-33-bln-exposure-silicon-valley-bank-2023-03-11/>.

¹⁴ Federal Deposit Insurance Corporation, “FDIC’s Supervision of Signature Bank,” April 28, 2023, pp. 13-16, <https://www.fdic.gov/news/press-releases/2023/pr23033a.pdf>.

¹⁵ Congressional Research Service, “The Role of Cryptocurrency in the Failures of Silvergate, Silicon Valley, and Signature Banks,” April 25, 2023, <https://www.congress.gov/crs-product/IN12148>.

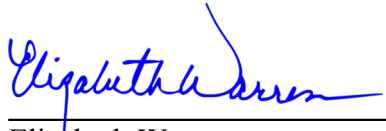
¹⁶ The White House, “Ensuring Accountability for All Agencies,” February 18, 2025, <https://www.whitehouse.gov/presidential-actions/2025/02/ensuring-accountability-for-all-agencies/>.

¹⁷ GENIUS Act of 2025, S. 919, <https://www.congress.gov/bill/119th-congress/senate-bill/919>.

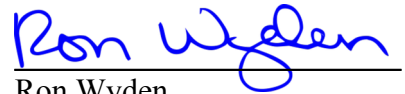
To help us better understand how the Fed and OCC plan to mitigate any future risks posed by USD1, while withstanding political pressure from the President, we request answers to the following questions no later than April 11, 2025:

1. If President Trump directed the OCC to approve USD1's stablecoin application under the GENIUS Act, would the agency execute that directive?
 - a. If President Trump reviewed the conditions of the OCC's stablecoin application process and sought to weaken protections for consumers or the economy and financial system, would the OCC do so?
 - b. If President Trump intervened to prevent the OCC from approving similar applications for WLF competitors, would the agency execute that directive?
2. Pursuant to President Trump's recent executive order, would the OCC and Fed submit any significant rulemakings under the GENIUS Act to the White House for review?
 - a. What actions would the OCC and Fed take if President Trump sought changes to these rules that would benefit WLF, or harm its competitors?
3. If OCC examiners found that WLF was engaging in an unsafe or unsound practice, how would the agency approach supervision and enforcement?
 - a. If President Trump directed the agency to drop any such investigation, would the agency follow that directive?
 - b. If President Trump directed the agency to open an investigation into WLF's competitors, would the agency follow that directive?
4. If President Trump directed the Fed to establish a master account for WLF, would the agency execute that directive?
5. If President Trump directed the Fed to establish an emergency liquidity facility to backstop the stablecoin market, including USD1, would the agency execute that directive?
6. If the President were to intervene and seek to influence OCC or Fed decisions related to WLF or USD1, what impact would this have on OCC or Fed independence – or the perception thereof – and what impact would that have on financial markets and the economy?
7. Prior to February 18, 2025, did the Fed and OCC have any controls in place to avoid undue political influence from the White House on regulatory, supervisory, or enforcement matters? Following the EO on February 18, 2025, have those controls been amended in any way?

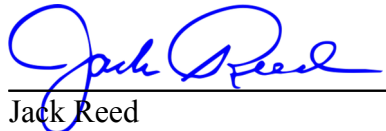
Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance



Jack Reed
United States Senator



Chris Van Hollen
United States Senator



Cory A. Booker
United States Senator