

Congress of the United States

Washington, DC 20515

January 22, 2025

David Huitema
Director
U.S. Office of Government Ethics
250 E Street SW
Suite 750
Washington, DC 20024

Mark Uyeda
Acting Chair
U.S. Securities and Exchange Commission
100 F St NE
Washington, DC 20549

David Lebryk
Acting Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

Caroline Pham
Acting Chair
Commodity Futures Trading Commission
1155 21st St NW
Washington, DC 20581

Dear Director Huitema, Acting Chair Uyeda, Acting Secretary Lebryk, and Acting Chair Pham:

We write with deep concern about the decision by President Trump and First Lady Melania Trump to launch two meme coins, \$TRUMP and \$MELANIA, that allow them to earn extraordinary profits off his Presidency. The Trump family-controlled Trump Organization and its affiliates hold 80 percent of the \$TRUMP coin, leaving the remaining 20 percent of investors to bear the cost of coin's price volatility.¹ The launch "has massively enriched Trump personally, enabled a mechanism for the crypto industry to funnel cash to him, and created a volatile financial asset that allows anyone in the world to financially speculate on Trump's political fortunes."² Nearly overnight, President Trump and his wife's net worth skyrocketed to \$58 billion.³ Anyone, including the leaders of hostile nations, can covertly buy these coins, raising the specter of uninhibited and untraceable foreign influence over the President of the United States, all while President Trump's supporters are left to shoulder the risk of investing in \$TRUMP and \$MELANIA.

Meme coins are cryptocurrencies that are inspired by internet memes or other viral trends that are popularized on social media.⁴ Meme coins are known for their high volatility; their worth is

¹ Wired, "The Trump Memecoin's 'Money-Grab' Economics," Joel Khalili, January 20, 2025, <https://www.wired.com/story/the-trump-memecoins-money-grab-economics/>; Business Insider, "The Trump Organization: Everything to know about the Trump family business," Alice Tecotzky, December 13, 2024, <https://www.businessinsider.com/trump-organization>.

² Axios, "Donald Trump, crypto billionaire," Felix Salmon, January 19, 2025, <https://www.axios.com/2025/01/19/donald-trump-crypto-billionaire>.

³ Rolling Stone, "Trump Became a Crypto Billionaire Overnight Thanks to 'Trump Meme' Coin," Peter Wade, January 19, 2025, <https://www.rollingstone.com/politics/politics-news/trump-crypto-billionaire-meme-coin-1235241198/>.

⁴ Forbes, "\$TRUMP: What You Need To Know About Meme Coins And The Trump Token," Sandy Carter, January 20, 2025, <https://www.forbes.com/sites/digital-assets/2025/01/20/trump-what-you-need-to-know-about-meme->

entirely speculative, undergoing rapid increases and decreases based on internet trends.⁵ Notable meme coins include: Hawk Tuah, Dogecoin, Pikamoon, Bonk, and Dogelon Mars. On Friday, January 17th, President Trump launched a meme coin, \$TRUMP, for less than \$10 per coin.⁶ By Sunday, the price of \$TRUMP reached approximately \$75 per coin—but fell to \$33.88 on Monday.⁷ Also on Sunday, First Lady Melania Trump launched her own meme coin, \$MELANIA, which was initially priced at \$7, increased in value overnight to \$13, and has since dropped to approximately \$4.⁸

Concerns about Consumer Protection

This meme coin could hurt the very people President Trump says he is working to help. Meme coins are known for “rug pulls,” where a coin is “launched and quickly abandoned, leaving investors with steep losses.”⁹ President Trump and his associated business entities that own 80 percent of \$TRUMP could dump their coins after a three-year period, generating huge sums for themselves while crashing the price of the coin for his supporters left holding the bag.¹⁰ \$TRUMP provides a disclaimer that: “Trump Memes are intended to function as an expression of support for, and engagement with, the ideals and beliefs embodied by the symbol ‘\$TRUMP’ and the associated artwork, and are not intended to be, or to be the subject of, an investment opportunity, investment contract, or security of any type.”¹¹ However, the coin has “no tangible utility,” and buying meme coins “is about as risky as playing a casino slot machine.”¹² Meme coins that were launched by supporters of President Trump during his campaign, like \$MAGA and \$MAGA HAT, have tumbled in value after the launch of \$TRUMP and \$MELANIA.¹³ These coins do not create new faster, cheaper, and safer payments rails. These coins do not help people borrow more affordably. They do not improve the financial system in any way for consumers.

Mere days before President Trump launched his coin, the New York State Department of Financial Services (NYDFS) published an alert about meme coins, which present “exceptional

[coins-and-the-trump-token/](#).

⁵ Bankrate, “What are Memecoins and how do they work?,” Marcos Cabello, June 28, 2024, <https://www.bankrate.com/investing/what-are-memecoins-in-crypto/>.

⁶ Reuters, “Trump’s new meme coin soars on his first day in office, lifts other tokens,” Elizabeth Howcroft, Rae Wee, and Michelle Conlin, January 20, 2025, <https://www.reuters.com/technology/trumps-new-crypto-token-jumps-ahead-his-inauguration-2025-01-20/>.

⁷ *Id.*

⁸ CoinMarketCap, “Official Melania Meme,” <https://coinmarketcap.com/currencies/melania-meme/>; USA Today, “Coin of the Trump realm is crypto: Melania Trump mints her own billion-dollar meme coin,” Mike Snider, January 20, 2025, <https://www.usatoday.com/story/money/2025/01/20/melania-meme-coin-trump-crypto/77834706007/>; BBC, “Melania Trump launches her own cryptocurrency,” Peter Hoskins and Joe Tidy, January 20, 2025, <https://www.bbc.com/news/articles/c98y47vrv2jo>.

⁹ The Wall Street Journal, “Crypto Thought Trump Would Bring It Legitimacy. Then He Launched a Meme Coin.,” Vicky Ge Huan and Caitlin Ostroff, January 21, 2025, <https://www.wsj.com/finance/currencies/trump-meme-coin-cryptocurrency-eda5d5d9>.

¹⁰ *Id.*

¹¹ GetTrumpMemes.com, “Allocation,” <https://gettrumpmemes.com/#how-to>.

¹² CNN, “Trump’s meme coin is a reminder of crypto’s dumbest use case,” Allison Morrow, January 21, 2025, <https://www.cnn.com/2025/01/21/investing/meme-coin-trump-crypto-nightcap/index.html>.

¹³ Wired, “The Trump Memecoin’s ‘Money-Grab’ Economics,” Joel Khalili, January 20, 2025, <https://www.wired.com/story/the-trump-memecoins-money-grab-economics/>.

risk of fraud and loss of funds.”¹⁴ And to make matters worse, the terms and conditions of both \$STRUMP and \$MELANIA purport to indemnify the coins from any fraud-related claims and prevent purchasers from joining class action lawsuits against the coin or its issuers.¹⁵ The \$STRUMP and \$MELANIA coins are ripe for market manipulation, as one expert explains:

[T]he setup seems to bear some of the hallmarks of a ‘classic memecoin pump-and-dump’ –a maneuver whereby an issuer keeps hold of large amounts of their coin, promotes the project, then cashes in their holdings, devaluing the coin and dealing huge losses to other investors. When you have an insider distribution of 80 percent, the risk that it is going to be dumped on the public or that there will be some kind of major sell-off is just massive. It’s a huge red flag...Unfortunately, some poor saps are going to get soaked.¹⁶

Even the crypto industry is raising concerns about the President’s decision to launch meme coins.¹⁷ The former chief executive of Messari, a crypto research firm, tweeted: “[p]lease fire whoever recommended going forward with the Melania launch today.”¹⁸ Another industry analyst indicated that “this puts into question some of Trump’s credibility when we have a president-elect enrich himself just before inauguration and make a mockery of an entire ecosystem.”¹⁹ A third called it “very grifty and cheap.”²⁰ And another noted that: “The memecoins cost the US, the presidency and his family a lot of credibility and the consequences haven’t even started.”²¹

Concerns about Conflicts of Interest

We are concerned about the Trump family’s majority ownership of the tokens, as well as the inherent conflicts of interest. To start, “[eighty percent] of the \$STRUMP coin’s supply is held by

¹⁴ New York State Department of Financial Services, “Consumer Alert,” <https://www.dfs.ny.gov/consumers/alerts/rapidly-prolif-sentiment-based-vc>; New York State Department of Financial Services, “Consumer Alerts,” <https://www.dfs.ny.gov/consumers/alerts/main>.

¹⁵ The Wall Street Journal, “Crypto Thought Trump Would Bring It Legitimacy. Then He Launched a Meme Coin.,” Vicky Ge Huan and Caitlin Ostroff, January 21, 2025, <https://www.wsj.com/finance/currencies/trump-meme-coin-cryptocurrency-eda5d5d9>.

¹⁶ Wired, “The Trump Memecoin’s ‘Money-Grab’ Economics,” Joel Khalili, January 20, 2025, <https://www.wired.com/story/the-trump-memecoins-money-grab-economics/>.

¹⁷ The Wall Street Journal, “Crypto Thought Trump Would Bring It Legitimacy. Then He Launched a Meme Coin.,” Vicky Ge Huan and Caitlin Ostroff, January 21, 2025, <https://www.wsj.com/finance/currencies/trump-meme-coin-cryptocurrency-eda5d5d9>.

¹⁸ Post on X by Ryan Selkis, January 19, 2025, <https://x.com/twobitidiot/status/1881106291445449215>; Fortune, “Crypto CEO Ryan Selkis resigns after tweeting it’s ‘literal war’ with those who don’t vote for Trump,” Leo Schwartz, July 19, 2024, <https://fortune.com/crypto/2024/07/19/ryan-selkis-messari-trump-steps-down-ceo-politically-charged-war/>.

¹⁹ The Wall Street Journal, “Crypto Thought Trump Would Bring It Legitimacy. Then He Launched a Meme Coin.,” Vicky Ge Huan and Caitlin Ostroff, January 21, 2025, <https://www.wsj.com/finance/currencies/trump-meme-coin-cryptocurrency-eda5d5d9>.

²⁰ AP, “Trump’s embrace of meme coin sours mood in crypto industry,” Alan Suderman, January 21, 2025, <https://apnews.com/article/trump-crypto-meme-coin-regulation-c624272aead106ff7ca04419e68949d7>.

²¹ PYMNTS, “Crypto Execs Unamused by Trump Meme Coins,” January 20, 2025, <https://www.pymnts.com/cryptocurrency/2025/crypto-executives-unamused-trump-meme-coins/>.

Trump Organization affiliates CIC Digital and Fight Fight Fight LLC.”²² This coin has already been highly profitable for President Trump. The Trump organization made an estimated \$58 million in trading fees alone by Monday, without selling a single coin.²³ Recent reporting indicates that the Trump meme coin now accounts for a whopping 89 percent of Trump’s net worth.²⁴ By President Trump’s inauguration, \$TRUMP and \$MELANIA were worth a combined \$9.5 billion.²⁵

President Trump can monetize the value of his 80 percent stake in the coin during the course of his Presidency: it “will be able to be sold at various points over the next three years, starting in April. On average, Trump’s companies will be able to sell some 24 million coins per month into the market, which at current prices (which keep moving), would amount to an income of \$1.73 billion per month, or \$20.7 billion per year.”²⁶

As President, Mr. Trump is responsible for nominating the leaders that will enforce our laws against crypto companies, including the Chairs of the Commodity Futures Trading Commission, (CFTC) and Securities and Exchange Commission (SEC), the Directors of the Financial Crimes Enforcement Network (FinCEN) and Consumer Financial Protection Bureau (CFPB), and the Secretary of the Treasury. This creates an unavoidable conflict of interest, as he will be in a position to both benefit directly from the sale of the tokens while also setting the policy on how these markets are regulated.²⁷ He will be in a position to seek commitments from agency heads, to not only decide how the market is valued, but to implement lax policies to crack down on crypto scams like pump-and-dump schemes that are regularly conducted through meme coins.

Norm Eisen, former White House ethics adviser under the Obama administration, described the inherent conflict:

He's launching a major, new multibillion-dollar venture in the burgeoning crypto industry, where he has the most profound conflict of interest between [what] he's seeking to gain and his duties to regulate that industry—which now includes himself. This may represent the single worst conflict of interest in the modern history of the presidency.²⁸

Concerns about Foreign Influence and Corruption

²² CNN, “Trump’s meme coin is a reminder of crypto’s dumbest use case,” Allison Morrow, January 21, 2025, <https://www.cnn.com/2025/01/21/investing/meme-coin-trump-crypto-nightcap/index.html>.

²³ *Id.*

²⁴ Axios, “Donald Trump, crypto billionaire,” Felix Salmon, January 19, 2025, <https://www.axios.com/2025/01/19/donald-trump-crypto-billionaire>.

²⁵ CBS News, “Donald and Melania Trump debuted meme coins, \$Trump and \$Melania. Here’s what to know.,” Aimee Picchi, January 20, 2025, <https://www.cbsnews.com/news/donald-trump-melania-meme-coin-cryptocurrency-what-to-know/>.

²⁶ Axios, “Donald Trump, crypto billionaire,” Felix Salmon, January 19, 2025, <https://www.axios.com/2025/01/19/donald-trump-crypto-billionaire>.

²⁷ The Wall Street Journal, “Crypto Thought Trump Would Bring It Legitimacy. Then He Launched a Meme Coin.,” Vicky Ge Huan and Caitlin Ostroff, January 21, 2025, <https://www.wsj.com/finance/currencies/trump-meme-coin-cryptocurrency-eda5d5d9>.

²⁸ The Washington Post, “Trump promotes meme coin, raising ethics issues as value soars,” Tony Romm, January 19, 2025, <https://www.washingtonpost.com/politics/2025/01/19/trump-meme-coin-crypto/>.

Creating a meme coin opens the door to secretive foreign buyers seeking to curry influence with the administration—and the possibility of foreign emoluments clause violations. The emoluments clause of the Constitution outlines that: “[N]o Person holding any Office of Profit or Trust under [the United States], shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.”²⁹ But nearly anyone in the world can buy these coins, raising concerns about the coins’ use by foreign individuals and governments to buy influence over President Trump and his family. Indeed, the coins “represent a ... direct way of funneling money to Trump.”³⁰ Because the Trump family makes money off the buying and selling of \$TRUMP and \$MELANIA, “[n]ow anyone in [the] world can essentially deposit money into [the] bank account of [the] President...with a couple clicks.”³¹

As one columnist explained:

For the next four years, there may be one reliable source of ongoing \$TRUMP buyers: individuals, companies and foreign governments that want to curry favor with the president. This memecoin has now become the easiest, most convenient way to do that. The Saudis no longer need to stay at one of Trump’s hotels — or merely pretend to — to line the president’s pockets; they can flash their digital wallet to show how much they’ve boosted his net worth. After all, every dollar they put into propping up the value of Trump’s memecoin will effectively add cash to Trump’s bank account, emoluments clause be damned.³²

Conclusion

\$TRUMP and \$MELANIA present grave risks to President Trump’s ability to impartially govern our nation—and to investors in these coins, who may be made victims of a rug pull scheme orchestrated by the Trump family. Given the ethics, foreign influence, and consumer concerns raised by President Trump’s action, we request answers to the following questions by February 4, 2025.

Questions for Office of Government Ethics:

1. Are you aware of any previous instance in which a President-elect launched a business venture hours before taking office?
2. What ethics rules are the President and First Lady subject to with regard to their holdings in \$TRUMP and \$MELANIA?

²⁹ Congressional Research Service, “The Emoluments Clauses of the U.S. Constitution,” January 27, 2021, <https://crsreports.congress.gov/product/pdf/IF/IF11086>.

³⁰ Axios, “Donald Trump, crypto billionaire,” Felix Salmon, January 19, 2025 <https://www.axios.com/2025/01/19/donald-trump-crypto-billionaire>.

³¹ AP, “Trump promotes new meme coin before taking office on pro-crypto agenda,” Alan Suderman, January 19, 2025, <https://apnews.com/article/trump-crypto-meme-coin-token-75bf67ef9e6e54bf455f2f9f03470be3>.

³² The Washington Post, “Trump finds a new way for foreign governments to pay him off: Crypto,” Catherine Rampell, January 21, 2025, <https://www.washingtonpost.com/opinions/2025/01/21/trump-crypto-ponzi-scheme/>.

3. What enforcement mechanisms exist with regard to any potential violations of ethics rules by President Trump or the First Lady?

Questions for Treasury:

1. Is there any way to track and identify purchasers of these coins on either the primary or secondary trading markets?
2. Do our current foreign corruption laws prevent a foreign actor, such as a Russian oligarch, or any foreign government or sovereign wealth fund, from purchasing these meme coins?
3. Will FinCEN report to Congress annual on trading activity in the coins for \$TRUMP, \$MELANIA, and any other future coin that the Trump family launches?
4. Does FinCEN have policies and procedures in place to monitor trading activities and advise the White House counsel when certain activities may conflict with the nation's interest?

Questions for SEC:

1. What authority does the SEC have to address the threats posed by meme coins to retail investors?
2. Do you agree with the NYDFS warning on meme coins?
3. If staff in the SEC's Division of Enforcement recommended an action suggesting that the Trump meme coin is an unregistered offer or sale of a security, would you bring such recommendation up for a vote?
4. The following disclaimer is viewable on the coin's website: "Trump Memes are intended to function as an expression of support for, and engagement with, the ideals and beliefs embodied by the symbol "\$TRUMP" and the associated artwork, and are not intended to be, or to be the subject of, an investment opportunity, investment contract, or security of any type."³³ Can a market participant disclaim away being an offer or sale of a security? Does saying "not intended to be, or to be the subject of, an investment opportunity, investment contract, or security of any type" make it so? If so, please cite relevant law, regulation or opinion.
5. Does an investment product being meme-based necessarily remove such product from the remit of federal securities law?
6. If you receive complaints from investors in \$TRUMP or \$MELANIA, will you commit to investigating those complaints?

³³ GetTrumpMemes.com, "Allocation," <https://gettrumpmemes.com/#how-to>.

Questions for CFTC:

1. What authority does the CFTC have to address the consumer threats posed by meme coins?
2. If staff in the CFTC's Division of Enforcement recommended an action suggesting that the Trump meme coin is in violation of CFTC rules relating to spot market trading, would you bring such recommendation up for a vote?
3. Does an investment product being meme-based necessarily remove such product from the remit of federal commodities law?
4. If you receive complaints from investors in \$TRUMP or \$MELANIA, will you commit to investigating those complaints?

Sincerely,



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



Jake Auchincloss
Member of Congress