

# We'll All Pay the Cost for Crypto Corruption

## Crypto Legislation Impacts You Even If You Do Not Use Crypto

The crypto industry is determined to ram through legislation in Congress that gives the industry carte blanche operating power, without any true oversight, regulation, or accountability. And, adding insult to injury, the industry is trying to block the ability for states to step in and fill federal gaps in oversight.

If the crypto industry gets its way, highly volatile, risky, and unstable digital assets will be embedded in the financial mainstream, including within retirement accounts. This reckless deregulatory agenda, driven by greed, threatens to destabilize our financial system and pummel the health of our economy. The end result could be a financial crisis that wipes out the finances of individuals, families, and communities, regardless of whether they invested in crypto, and costs many billions in government intervention and recovery efforts.

## Crypto is Using Its Money to Influence Politicians and Policy

The crypto industry and venture capital billionaires spent [millions in the 2024 election](#) across the ballot, with [millions more being donated to President Trump's inauguration](#). They are now using their billions to secure special favors, influence legislation to advance their own agenda, and fatten their profits. While the influence of wealthy special interests in Congress is unfortunately not new, the unforgiving grip the crypto industry holds over this Congress raises great alarm. It is critical that elected leaders prioritize the needs of their constituents and the public interest, not corporate special interests.

## Crypto Corruption is Rampant

President Trump and his family are advancing a crypto agenda while openly profiting from their own cryptocurrencies and businesses. [The President and his family have made more than \\$5 billion in crypto ventures this year](#) alone. The President is also using crypto as a way for the ultrarich to buy political access for favors--[wealthy investors earlier this year spent \\$148 million on the First Family's crypto coin just to have dinner with the President](#). One of these buyers, crypto mogul Justin Sun, invested more than [\\$75 million in a Trump crypto company](#). Not long after, Trump's federal regulators [dismissed a fraud case](#) against Sun and his crypto firm. Despite this blatant corruption, the crypto legislation being debated in Congress fails to include any language to prevent this crypto-fueled graft. Passing legislation that fails to clearly and decisively ban corruption by public officials, including our nation's highest elected offices, would enable and legitimize the President and his family's corrupt actions--and be a direct assault on the democratic principles and norms of our nation.

## Crypto is a Vehicle for Money Laundering, Scams, and Fraud

Cryptocurrency is a favorite tool of money launderers, scammers, and fraudsters. Cartels and drug traffickers [are using crypto and digital wallets to skirt anti-money laundering controls and sanctions, including across borders](#). Scammers and fraudsters use crypto-related schemes to ensnare their victims, particularly older adults, which often ends in the victims losing thousands of dollars with the click of a mouse. Last year, people [reported more than nine billion dollars in losses to crypto related fraud](#) to the FBI--a two-thirds increase from the year before.

In 2022, investors lost nearly two trillion dollars due to the failure and fraud of crypto firms like Celsius, Voyager, FTX and many others, but investors outside of the crypto markets were largely unaffected. But now, with the industry's political power, deregulatory wins, and the rush to cash in on crypto once again, the next crash could be much bigger.

Congress has the power to challenge this agenda and stop these harmful practices. To do so, they must stand up to the crypto industry and not approve legislation that would embolden the industry's reckless and predatory actions.