

Opening Statement
Hearing on “From Wall Street to Web3: Building Tomorrow’s Digital Asset Markets”
Ranking Member Elizabeth Warren
July 9, 2025

“Thank you Mr. Chairman. I have been calling for stronger rules and enforcement in the crypto market for years.

The crypto market has grown 15-fold in the last five years, to \$3 trillion in 2024. While growth in the market may unlock new opportunities for innovation, risks to investors, our financial system, and our national security have also sharply increased.

Consider some recent data:

- According to the FBI, Americans lost more than \$9 billion to cryptocurrency fraud last year, a 66% increase from the year prior.
- According to Chainalysis, North Korean hackers stole a record \$1.3 billion from crypto platforms in 2024, and then another \$1.5 billion in a heist earlier this year.
- According to TRM Labs, “terrorist organizations demonstrated increased sophistication in their use of cryptocurrency, turning to unhosted wallets, mixers, and privacy coins like Monero.”

We need a crypto regulatory framework that reduces these risks. But I’m concerned that what my Republican colleagues are aiming for is another industry handout that gives the crypto lobby exactly its wish list: The blessing of the government’s approval, combined with crypto rules that are weaker than the rules every other financial actor must follow.

The crypto industry may be calling the shots for Republicans, but nobody wants weak crypto rules more than the President of the United States. A majority of President Trump’s wealth, as much as \$7 billion dollars’ worth, is now based in crypto, from

- issuing his own stablecoin,
- issuing his own memecoin,
- owning a bitcoin mining company,
- and controlling a huge portfolio of crypto investments.

According to Chainalysis, the President and his associates pocketed more than \$320 million in fees alone from the \$TRUMP memecoin—while the majority of retail investors who bought that same token lost money. If we’re going to provide rules of the road for crypto, we need to shut down this superhighway for presidential corruption at the same time.

We need crypto legislation that will strengthen our financial system, not make it worse. Here are principles that I think should guide our work:

First, new crypto rules shouldn't open a back door to destroy the securities laws that have served as the bedrock of our capital markets for nearly 100 years. Some recent proposals, including the CLARITY Act that the House will vote on next week, include language that would allow non-crypto companies to tokenize their assets to evade the SEC's regulations. Think for just a minute about what that means. Under the House bill, a publicly-traded company like Meta or Tesla could simply decide to put its stock on the blockchain and POOF! it would escape all SEC regulation.

Second, crypto investors should have the same protections from getting scammed or cheated as investors in any other asset. Doesn't have to be bigger, but it should be the same. For example, there is no reason that the rules prohibiting stock exchanges from simultaneously serving as brokers and giving preferential treatment to their own trades over their customers' can't be applied to the crypto market too.

Third, ensure that turmoil in the crypto market doesn't infect our traditional financial system. That means making sure that taxpayers are not on the hook for backstopping risky crypto bets, and that crypto exchanges, crypto dealers, and other intermediaries face strong capital, liquidity, and risk management safeguards so they can meet their obligations to consumers and counterparties, even in times of market stress.

Fourth, counter the threat of illicit finance with commonsense rules to fight crime and protect our national security. Crypto service providers that act as financial institutions must be required to implement anti-money laundering programs. Republicans refused to strengthen AML rules and close sanctions loopholes in the GENIUS Act and said they'd deal with it in a crypto market structure bill. So this is it. No more kicking the can down the road. Now is the time to solve that problem.

Finally, if Congress is going to ratify a sweeping crypto regulatory regime, it is critical to shut down the president's crypto corruption. This means prohibiting public officials, including the president, from issuing, sponsoring, or profiting from crypto tokens.

I'm looking forward to working with my colleagues to get this done—the right way.”

###