

United States Senate
WASHINGTON, DC 20510

April 10, 2025

The Honorable Todd W. Blanche
Deputy Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, DC 20530

Dear Deputy Attorney General Blanche:

We write in response to your April 7, 2025 memo announcing your decision to give a free pass to cryptocurrency money launderers and to disband the Department of Justice’s (DOJ’s) National Cryptocurrency Enforcement Team (“NCET”).¹ These are grave mistakes that will support sanctions evasion, drug trafficking, scams, and child sexual exploitation.

Your memo announces that pursuant to Executive Order 14178, DOJ will generally “no longer target . . . virtual currency exchanges [and] mixing and tumbling services . . . for the acts of their end users or unwitting violations of regulations.”² As you know, a cryptocurrency mixer (or tumbler) is a service that blends the cryptocurrencies of many users together to obfuscate the origins and owners of the funds.³ “[M]ixers are . . . ‘go-to tools for cybercriminals’ seeking to launder stolen cryptocurrency.”⁴ “Nearly a quarter of the funds sent to mixers in 2022 were tied to money laundering efforts.”⁵ Mixers are a favorite tool of North Korea—which uses them to launder the illicit proceeds of its state-sponsored cybercrime and then uses the proceeds to fund its weapons programs⁶—and of sanctioned Russian oligarchs,⁷ who already benefit from DOJ disbanding Task Force KleptoCapture.⁸ Mixers are also a favorite tool of drug traffickers and those who trade child sexual abuse material.⁹ It makes no sense for DOJ to announce a hands-off approach to tools that are being used to support such terrible crimes.

¹ Memorandum from Todd W. Blanche, Deputy Attorney General, U.S. Dep’t of Justice, to All Department Employees, “Ending Regulation by Prosecution” [hereafter, “Blanche Memo”] (April 7, 2025), <https://www.justice.gov/dag/media/1395781/dl?inline>.

² *Id.* at 1.

³ Chainalysis Team, *Crypto Mixers and AML Compliance*, CHAINALYSIS (Aug. 23, 2022), <https://www.chainalysis.com/blog/crypto-mixers/>.

⁴ *Van Loon v. Dep’t of the Treasury*, 122 F.4th 549, 559 (5th Cir. 2024). Although there might theoretically be innocent reasons for users to desire anonymity, these services fail to comply with the Bank Secrecy Act and related regulations. See Press Release, U.S. Dep’t of the Treasury Office of Strategic Communications, First Bitcoin “Mixer” Penalized by FinCEN for Violating Anti-Money Laundering Laws (Oct. 19, 2020), <https://www.fincen.gov/news/news-releases/first-bitcoin-mixer-penalized-fincen-violating-anti-money-laundering-laws>.

⁵ *Id.* at 559–60.

⁶ U.S. DEP’T OF THE TREASURY, ACTION PLAN TO ADDRESS ILLICIT FINANCING RISKS OF DIGITAL ASSETS 3 (Sept. 20, 2022), <https://home.treasury.gov/system/files/136/Digital-Asset-Action-Plan.pdf>; *Van Loon*, 122 F.4th at 560.

⁷ See Tobias Burns, *IRS Probe Targets Oligarchs to ID Sanctioned Properties*, THE HILL (Mar. 15, 2022), <https://thehill.com/policy/finance/598189-irs-probe-targets-oligarchs-to-id-sanctioned-properties/>.

⁸ Andrew Goudsward, *Trump Admin. Disbands Task Force Targeting Russian Oligarchs*, REUTERS (Feb. 6, 2025), <https://reuters.com/world/us/trump-administration-disbands-task-force-targeting-russian-oligarchs-2025-02-06/>.

⁹ See, e.g., Press Release, Dep’t of Justice Office of Public Affairs, Bitcoin Fog Operator Sentenced for Money Laundering Conspiracy (Nov. 8, 2024), <https://www.justice.gov/archives/opa/pr/bitcoin-fog-operator-sentenced-money-laundering-conspiracy>.

Similarly nonsensical is your announcement that DOJ will no longer prosecute a host of crimes involving digital assets, including violations of the Bank Secrecy Act.¹⁰ Congress imposed anti-money laundering and countering the financing of terrorism (AML/CFT) obligations on a wide range of domestic and foreign entities to combat fraud, drug trafficking, and terrorism, among other crimes.¹¹ By abdicating DOJ’s responsibility to enforce federal criminal law when violations involve digital assets, you are suggesting that virtual currency exchanges, mixers, and other entities dealing in digital assets need not fulfill their AML/CFT obligations, creating a systemic vulnerability in the digital assets sector. Drug traffickers, terrorists, fraudsters, and adversaries will exploit this vulnerability on a large scale.

Cryptocurrency-related fraud has exploded in recent years. The Federal Bureau of Investigation estimated losses associated with cryptocurrency fraud at \$5.6 billion in 2023 alone—an increase of 45 percent from 2022.¹² You claim in your memo that DOJ will continue to prosecute those who use cryptocurrencies to perpetrate crimes. But allowing the entities that enable these crimes—such as cryptocurrency kiosk operators—to operate outside the federal regulatory framework without fear of prosecution will only result in more Americans being exploited.

Further increasing the risks posed by bad actors is your decision to disband NCET, which has coordinated a Department-wide effort to prosecute illicit activity involving cryptocurrency. DOJ formed NCET in 2021 “to tackle complex investigations and prosecutions of criminal misuses of cryptocurrency, particularly crimes committed by virtual currency exchanges, mixing and tumbling services, and money laundering infrastructure actors.”¹³ NCET combined the expertise and resources of the Criminal Division’s Money Laundering and Asset Recovery and Computer Crimes and Intellectual Property Sections with Assistant U.S. Attorneys from around the country.¹⁴ Since its formation, NCET has worked with U.S. Attorneys’ offices to:

- secure the conviction of the operator of a cryptocurrency exchange that laundered over \$9 billion in proceeds from hacking, ransomware attacks, identity theft schemes, and narcotics distribution rings;¹⁵

¹⁰ See Blanche Memo at 2–3.

¹¹ See *California Bankers Ass’n v. Schultz*, 416 U.S. 21, 26–30 (1974) (recounting Congress’s intent in passing Bank Secrecy Act, including “concern[] about a serious and widespread use of foreign financial institutions . . . for the purpose of violating or evading domestic criminal, tax, and regulatory enactments”); International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, Pub. L. No. 107-56, § 302(b), 115 Stat. 272, 297 (2001) (purpose of Act was “to increase the strength of United States measures to prevent, detect, and prosecute international money laundering and the financing of terrorism”); Anti-Money Laundering Act of 2020, Pub. L. No. 116-283, § 6002, 134 Stat. 3388, 4547 (2021) (purpose of Act was “to modernize anti-money laundering and countering the financing of terrorism laws to adapt the government and private sector response to new and emerging threats”).

¹² FEDERAL BUREAU OF INVESTIGATION, CRYPTOCURRENCY FRAUD REPORT 2023 4 n.a (Sept. 9, 2024), https://www.ic3.gov/AnnualReport/Reports/2023_IC3CryptocurrencyReport.pdf.

¹³ Press Release, Dep’t of Justice Office of Public Affairs, Deputy Attorney General Lisa O. Monaco Announces National Cryptocurrency Enforcement Team (Oct. 6, 2021), <https://www.justice.gov/archives/opa/pr/deputy-attorney-general-lisa-o-monaco-announces-national-cryptocurrency-enforcement-team>.

¹⁴ *Id.*

¹⁵ Press Release, Dep’t of Justice Office of Public Affairs, BTC-e Operator Pleads Guilty to Money Laundering Conspiracy (May 3, 2024), <https://www.justice.gov/archives/opa/pr/btc-e-operator-pleads-guilty-money-laundering-conspiracy>.

- obtain a guilty plea from a man who processed more than \$700 million worth of illicit funds in support of online drug trafficking;¹⁶
- secure the conviction of a man who operated a \$110 million manipulative trading scheme on a cryptocurrency exchange;¹⁷
- seize over \$112 million in funds linked to cryptocurrency investment schemes;¹⁸ and
- seize nearly \$9 million in cryptocurrency that resulted from the exploitation of over 70 victims through romance scams and cryptocurrency confidence schemes,¹⁹ among many other cases.

Further, NCET operates as a critical resource for state and local law enforcement who often lack the technical knowledge and skill to investigate cryptocurrency related crimes. Disbanding NCET will make the work of these state and local law enforcement agents that much harder.

Why would you dismantle a team that is such an important player in fighting cryptocurrency-based crime? Your decisions give rise to concerns that President Trump’s interest in selling his cryptocurrency may be the reason for easing law enforcement scrutiny.²⁰

We urge you to reconsider these decisions. In addition, we request a staff-level briefing no later than May 1, 2025, providing detailed information on the rationale behind these decisions and their anticipated impacts on the Department’s ability to enforce the law and protect Americans from cryptocurrency-based crimes.

Sincerely,

Mazie K. Hirono
United States Senator

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

Richard J. Durbin
United States Senator

¹⁶ Press Release, Dep’t of Justice Office of Public Affairs, Founder and Majority Owner of Cryptocurrency Exchange Pleads Guilty to Unlicensed Money Transmitting (Dec. 6, 2023), <https://www.justice.gov/archives/opa/pr/founder-and-majority-owner-cryptocurrency-exchange-pleads-guilty-unlicensed-money>.

¹⁷ Press Release, U.S. Attorney’s Office, S.D.N.Y., Man Convicted for \$110 Million Cryptocurrency Scheme (Apr. 18, 2024), <https://www.justice.gov/usao-sdny/pr/man-convicted-110-million-cryptocurrency-scheme>.

¹⁸ Press Release, Dep’t of Justice Office of Public Affairs, Justice Department Seizes Over \$112M in Funds Linked to Cryptocurrency Investment Schemes (Apr. 3, 2023), <https://www.justice.gov/archives/opa/pr/founder-and-majority-owner-cryptocurrency-exchange-pleads-guilty-unlicensed-money>.

¹⁹ Press Release, Dep’t of Justice Office of Public Affairs, Cyber Scam Organization Disrupted Through Seizure of Nearly \$9M in Crypto (Nov. 21, 2023), <https://www.justice.gov/archives/opa/pr/cyber-scam-organization-disrupted-through-seizure-nearly-9m-crypto>.

²⁰ Peter Stone, ‘Trump’s Grifting Tendencies’: How the President’s Crypto Ties Could Spur Corruption, THE GUARDIAN (Jan. 27, 2025), <https://www.theguardian.com/us-news/2025/jan/27/trump-meme-coin-cryptocurrency>.



Sheldon Whitehouse
United States Senator



Christopher A. Coons
United States Senator



Richard Blumenthal
United States Senator