United States Senate

WASHINGTON, DC 20510

August 3, 2026

The Honorable Paul Atkins
Chair
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Chair Atkins:

We write to request that your agency conduct an investigation of President Trump's memecoin, $TRUMP. Recent reporting following a crash of the coin's value[1] indicates that nearly a million investors lost over $3.81 billion on the coin from its debut through the end of June, while Trump himself made $636 million.[2] While all cryptocurrency trading involves risk, such a stark asymmetry raises questions about how the President made his cryptocurrency fortune, including through potentially fraudulent enrichment schemes with implications for market integrity and stability—not to mention the financial well-being of nearly a million American investors. Your agency is responsible for promoting integrity, stability, and fairness in our financial markets, and must investigate this matter further to ensure investors and our markets are adequately protected—no matter who, or how powerful, the individuals involved are.

$TRUMP debuted on January 17, 2025, three days before President Trump's inauguration.[3] On January 18, 2025, President Trump posted on X an advertisement for the coin, saying "My NEW Official Trump Meme is HERE! It's time to celebrate everything we stand for: WINNING! Join my very special Trump Community. GET YOUR $TRUMP NOW. Go to gettrumpmemes.com — Have Fun!"[4] President Trump had an active interest in getting his supporters to trade the coin: "Unlike ordinary investors, Donald Trump benefited whether the token appreciated or collapsed" by collecting fees.[5] As the *New York Times* reports, "The odds were always in his favor. Mr. Trump profited whether the price of his memecoin went up or down. He collected returns whenever anyone traded the tokens, as he repeatedly pushed his followers to do, using his Truth Social account to promote the coin."[6]

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[1] Yahoo! Finance, "Trump Memecoin Crash: Investors Lose $3.8 Billion as TRUMP Token Falls 98%," Giuseppe Ciccomascolo, July 7, 2026, https://finance.yahoo.com/markets/crypto/articles/trump-memecoin-crash-investors-lose-150315326.html.
[2] New York Times, "Nearly a Million Investors Lost a Total of $3.8 Billion on Trump Crypto Coin," Eric Lipton and David Yaffe-Bellany, July 4, 2026, https://www.nytimes.com/2026/07/04/us/politics/trump-coin-crypto-investors-loss.html.
[3] *Id*.
[4] Post on X by Donald J. Trump, January 18, 2025, https://x.com/realDonaldTrump/status/1880446012168249386.
[5] Yahoo! Finance, "Trump Memecoin Crash: Investors Lose $3.8 Billion as TRUMP Token Falls 98%," Giuseppe Ciccomascolo, July 7, 2026, https://finance.yahoo.com/markets/crypto/articles/trump-memecoin-crash-investors-lose-150315326.html.
[6] New York Times, "Nearly a Million Investors Lost a Total of $3.8 Billion on Trump Crypto Coin," Eric Lipton and David Yaffe-Bellany, July 4, 2026, https://www.nytimes.com/2026/07/04/us/politics/trump-coin-crypto-investors-loss.html.

Trump reportedly made $636 million from the trades, and other early buyers made a profit.[7] Reports indicate that other traders were able to pounce early and profit from the initial hype as ordinary investors were still reacting to the news of its release. This early trading, which some observers have speculated could have been based on inside information,[8] proved to be extremely lucrative. One early trader, according to an analysis by the *New York Times*, "whose identity is not known, walked away with a two-day profit of as much as $109 million."[9] But nearly a million everyday investors lost a total of $3.81 billion. As one investor who voted for Trump in the 2024 election said, "He is leveraging the power of being president to launch currencies, when he seems trustworthy in the public's eye . . . It is kind of incredible. It is almost a legal scam."[10] All told, the coin's value depreciated by nearly 98 percent of its all-time high.[11]

We are concerned that President Trump's memecoin scheme may constitute an illegal scam, such as a "rug pull." A rug pull "involves a team raising assets from the public by selling a token, only to abruptly shut down the project or disappear, taking the raised assets with them. This leaves the participants, or rather, their victims, with worthless tokens."[12] A token issuer need not completely withdraw from the market to effectuate a rug pull, however: One can occur gradually over time. As one industry analyst describes, "A soft rug pull is harder to spot because the founders, insiders, or early holders gradually extract value while keeping the community hopeful for as long as possible. A meme coin rug pull may follow this pattern. The team launches a funny token, builds a fast-moving community, promises listings or future utility, and then gradually exits."[13] This pattern tracks investor concerns that, once $TRUMP was launched, the coin became "an abandoned project[.]"[14]

In 2025, the SEC initiated at least one enforcement action against perpetrators of an alleged rug pull scheme.[15] Our concerns also track those of state financial regulators in New York, who recently warned consumers about memecoin offerings. Memecoin "creators or their associates artificially inflate the price of the coins and then sell their own coins rapidly at an inflated price, reaping substantial profits while causing the price to crash." The regulators called these maneuvers "pump-and-dump schemes" or "rug pulls," and said they can leave buyers who come

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[7] Id.
[8] New York Times, "Early Crypto Traders Had Speedy Profit on Trump Coin as Others Suffered Losses," Eric Lipton and David Yaffe-Bellany, February 9, 2025, "https://www.nytimes.com/2025/02/09/us/politics/trump-crypto-memecoin.html.
[9] *Id*.
[10] New York Times, "Nearly a Million Investors Lost a Total of $3.8 Billion on Trump Crypto Coin," Eric Lipton and David Yaffe-Bellany, July 4, 2026, https://www.nytimes.com/2026/07/04/us/politics/trump-coin-crypto-investors-loss.html.
[11] Crypto Citizens Network, "Trump Memecoin Crash: Investors Lose $3.8 Billion as TRUMP Token Falls 98%," Giuseppe Ciccomascolo, July 7, 2026, https://www.ccn.com/news/crypto/trump-memecoin-crash-trump-token-investors-lose-3-8-billion/.
[12] Coinbase, "What is a rug pull and how to avoid it?," https://www.coinbase.com/learn/tips-and-tutorials/what-is-a-rug-pull-and-how-to-avoid-it.
[13] The Sumsuber, "Pump-and-Dump vs Rug Pull: Biggest Crypto Exit Scams ," Luke Owain Boult, June 11, 2026, https://sumsub.com/blog/pump-dump-vs-rug-pull/.
[14] U.S. Senate Permanent Subcommittee on Investigations, Minority Staff Report, "Bound To Fail: Stories from Inside the Price Collapse of $TRUMP Coin," July 27, 2026, p. 1, https://www.hsgac.senate.gov/wp-content/uploads/2026_07_27-Trump-Coin-Testimonials.pdf.
[15] Securities and Exchange Commission v. Eric Zhu, No. 3:25-cv-00054 (M.D.L.A. filed Jan. 16, 2025), https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26223.

in late with big losses.[16]

Given sharp depreciation in the coin's value—despite the hype coming directly from the President's own public statements—the SEC must investigate whether a fraudulent scheme may be underway, and prevent further extraction of enormous value from the hundreds of thousands of investors who put their faith in Trump's coin.

Your agency is charged with fighting fraud in the markets for financial instruments, including securities and swaps. The SEC must be willing to enforce the law even when potential wrongdoers include those with powerful political connections. As Congress considers crypto market structure legislation, it is critical that Congress and the SEC both do their parts to protect investors and keep the President and his family from profiting off of cryptocurrency while in office. For this reason, we request that you exercise your authority to investigate the President's memecoin to detect any illegal fraud or unjust enrichment that the coin may have facilitated.

Sincerely,

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

Richard Blumenthal
United States Senator

[16] New York Times, Early Crypto Traders Had Speedy Profit on Trump Coin as Others Suffered Losses," Eric Lipton and David Yaffe-Bellany, February 9, 2025, "https://www.nytimes.com/2025/02/09/us/politics/trump-crypto-memecoin.html; New York State Department of Financial Services, "Consumer Alert: Rapidly Proliferating, Sentiment-Based Virtual Currencies," https://www.dfs.ny.gov/consumers/alerts/rapidly-prolif-sentiment-based-vc.