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# CRYPTO, CONFLICTS & INFLUENCE

## How the Crypto Industry and the Trump Administration Have Forged an Alliance Overshadowed by Conflicts of Interest

The Trump administration's current policymaking approach to cryptocurrency ("crypto") suggests that following the industry's massive political contributions, it is wielding undue influence in crypto regulation and presents various conflicts of interest. In short, it appears that President Trump is rewarding the industry that helped to elect him and his political allies by ending government oversight over it. Meanwhile, President Trump has expanded his personal financial interests in crypto that will benefit from his administration's approach.

Before President Trump took office, the crypto industry recognized its potential opportunity to prosper under a potential Trump administration. Crypto companies and executives made hundreds of millions of dollars in political contributions in 2023 and 2024,<sup>1</sup> an unprecedented amount for a single industry to spend on electing political allies in one election cycle. President Trump was a major beneficiary, accepting millions in political contributions from industry executives.<sup>2</sup>

These contributions seemed to pay off immediately after the election, when President Trump named top crypto figures and allies as the architects of a new, crypto-friendly regulatory approach. He also stopped enforcing securities laws against crypto companies, while minimizing their legal liability by dismantling the regulatory structures that held crypto firms accountable to the law.

This resource provides an overview of how President Trump is helping the crypto industry dismantle federal oversight of crypto following its unprecedented political contributions, and how the president stands to benefit personally.

## THE CRYPTO INDUSTRY CONTRIBUTES MILLIONS TO SUPPORT PRESIDENT TRUMP'S ELECTION AND INAUGURAL COMMITTEE

In the 2024 election, the crypto industry emerged as one of the most powerful special interests spending money in politics. The three largest PACs devoted to advancing the crypto industry's interests – Fairshake, Protect Progress, and Defend

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<sup>1</sup> Eleanor Terrett, *Crypto industry election spending tallies at least \$238M, surpassing traditional giants*, Fox Business (Nov. 4, 2024), <https://www.foxbusiness.com/politics/crypto-industry-election-spending-tallies-least-238m-surpassing-traditional-giants>.

<sup>2</sup> Ty Roush, *These Pro-Crypto Billionaires Have Endorsed Trump Or Harris As Election Day Nears*, Forbes (Oct. 23, 2024), <https://www.forbes.com/sites/tyleroush/2024/10/23/these-pro-crypto-billionaires-have-endorsed-trump-or-harris-as-election-day-nears/>.

American Jobs – alone spent more than \$133 million to help elect its preferred candidates.<sup>3</sup>

Beneficiaries of the industry's largesse included President Trump, who shifted from calling crypto a “scam” and “potentially a disaster waiting to happen” to enthusiastically supporting cryptocurrencies through the launch of his own, lucrative crypto ventures.

Crypto companies and executives gave millions to political committees that spent to help President Trump get reelected. Among the largest individual contributors was Howard Lutnick, a finance CEO heavily involved in crypto who gave over \$9.4 million in cash and stock to pro-Trump committees. President Trump subsequently named Lutnick his Secretary of Commerce.

Crypto executives who gave to support Trump included:

- **Marc Andreessen**, one of the most prominent venture capitalists in the crypto industry, gave \$5.3 million to pro-Trump committees
- **Ben Horowitz**, his business partner, gave \$2.5 million
- **Cameron and Tyler Winklevoss**, the billionaire twins and founders of crypto exchange Gemini – which was accused by the Biden SEC of offering unregistered securities – gave over \$3 million
- **Jesse Powell**, co-founder of crypto exchange Kraken – whose home was raided by the FBI in 2023<sup>4</sup> – gave over \$1 million
- **Bijan Tehrani**, co-founder of an online crypto casino, gave over \$1.1 million

The crypto industry did not stop giving President Trump committees money after he was reelected. Cementing their financial influence in the administration, crypto companies donated millions to President Trump's inaugural committee. Inaugural committees can accept unlimited funds from corporations and the ultra-wealthy. Unlike several of his predecessors, President Trump did not adopt a self-imposed cap on donations to his inaugural committee, giving it the appearance of a way to purchase access and influence.<sup>5</sup> The crypto industry took advantage of this opportunity, giving nearly \$16 million to the loosely regulated inaugural fund just to celebrate President Trump's win. Crypto firms that faced legal action from the Biden administration were especially generous with their donations to the inaugural committee.

<sup>3</sup> Federal Election Commission, Report of Independent Expenditures Made by Fairshake, Protect Progress, and Defend American Jobs in the 2023-2024 Election Cycle, [https://www.fec.gov/data/independent-expenditures/?data\\_type=processed&most\\_recent=true&q\\_spender=C00835959&q\\_spender=C00836221&q\\_spender=C00848440&cycle=2024&is\\_notice=true](https://www.fec.gov/data/independent-expenditures/?data_type=processed&most_recent=true&q_spender=C00835959&q_spender=C00836221&q_spender=C00848440&cycle=2024&is_notice=true) (last accessed Jul. 15, 2025).

<sup>4</sup> David Yaffe-Bellany & Ryan Mac, *F.B.I. Searched the Home of Crypto Exchange Founder*, N.Y. Times (Jul. 6 2023), <https://www.nytimes.com/2023/07/06/technology/jesse-powell-kraken-crypto-fbi.html>.

<sup>5</sup> Saurav Ghosh & Maha Quadri, *The Impact of Big Money and Secret Spending on Trump's Second Inauguration*, Campaign Legal Center (May 22, 2025), <https://campaignlegal.org/update/impact-big-money-and-secret-spending-trumps-second-inauguration>.

| Donor Name                      | Donation Amount        |
|---------------------------------|------------------------|
| Ripple Labs, Inc.               | \$4,889,345.33         |
| Coinbase, Inc.                  | \$1,000,000.00         |
| Paradigm Operations Lp          | \$1,000,000.00         |
| Payward Inc (Kraken)            | \$1,000,000.00         |
| Foris Dax, Inc                  | \$1,000,000.00         |
| Galaxy Digital Services Llc     | \$1,000,000.00         |
| Frederick Ehram (Coinbase)      | \$1,000,000.00         |
| Ondo Finance, Inc.              | \$1,000,000.00         |
| Circle Internet Group, Inc.     | \$1,000,000.00         |
| Solana Labs, Inc.               | \$1,000,000.00         |
| Charles Cascarilla (Paxos)      | \$988,426.85           |
| Pyahm Samani (Multicoi Capital) | \$250,000.00           |
| Input Output Global Inc.        | \$250,000.00           |
| Hayden Adams (Uniswap)          | \$245,727.56           |
| Hash Outliers, Inc              | \$125,000.00           |
| Cypherium Blockchain Inc        | \$125,000.00           |
| Consensus Software Inc.         | \$100,000.00           |
| <b>Grand total</b>              | <b>\$15,973,499.74</b> |

The crypto industry's degree of financial investment in politics was on display at a "crypto inauguration ball" celebrating President Trump's second election victory. Industry figures could pay \$100,000 to meet with David Sacks, President Trump's crypto czar.<sup>6</sup>

## PRESIDENT TRUMP BEGINS BUILDING CRYPTO-FRIENDLY REGULATORY REGIME

On the campaign trail, President Trump said that, with regard to his crypto advisory council, "the rules will be written by people who love your industry."<sup>7</sup> In September 2024, President Trump was "laying out [his] plan to ensure that the United States will be the crypto capital of the planet and the Bitcoin superpower of the world."<sup>8</sup>

<sup>6</sup> Douglas Gillison, Suzanne McGee & Michelle Price, *With cocktails and Snoop Dogg, crypto industry celebrates Trump inauguration*, Reuters (Jan. 19, 2025), <https://www.reuters.com/world/us/with-cocktails-snoop-dogg-crypto-industry-celebrates-trump-inauguration-2025-01-18/>.

<sup>7</sup> MacKenzie Sigalos, *Here's what Trump promised the crypto industry ahead of the election*, CNBC (Nov. 6, 2024), <https://www.cnn.com/2024/11/06/trump-claims-presidential-win-here-is-what-he-promised-the-crypto-industry-ahead-of-the-election.html>.

<sup>8</sup> Maria Aspan, *Trump has a pro-crypto platform — while Harris chases the crypto vote*, NPR (Sept 25, 2024), <https://www.npr.org/2024/09/25/hx-sl-5056183/trump-has-a-pro-crypto-platform-while-harris-chases-the-crypto-vote>.

As an apparent reward for the enormous sums the industry has directed towards President Trump, he has put top crypto figures and allies in charge of rewriting the federal regulations that govern it.

In President Trump's first weeks in office, he rescinded a Biden executive order that promoted "responsible development" of crypto and began a program to propose a new regulatory and legislative framework for digital assets, while calling on agency heads to submit recommendations for crypto regulations that should be changed or scrapped.

Key Trump administration figures reshaping crypto policy include:

- **David Sacks, Special Advisor for A.I. and Crypto**, held \$85 million in crypto before taking the position and was a limited partner at top crypto firms. Despite divesting his cryptocurrencies, Sacks and his firm, Craft Ventures, continue to hold stakes in crypto companies.<sup>9</sup> Sacks was issued a blanket conflict of interest waiver allowing him to participate in particular matters regarding regulation and policy related to cryptocurrencies.<sup>10</sup>
- **Paul Atkins, SEC Chair**, is a former co-chair of crypto advocacy group Token Alliance, and CEO of a consulting firm with crypto clients.
- **Howard Lutnick, Secretary of Commerce**, was previously head of Cantor Fitzgerald, which manages assets of stablecoin operator Tether, as well as a major Trump campaign contributor and fundraiser. The Trump administration has dropped<sup>11</sup> an SEC enforcement case against Cumberland DRW, Tether's largest customer.<sup>12</sup>

## PRESIDENT TRUMP'S CRYPTO CONFLICTS

In addition to the millions the crypto industry spent to elect him, President Trump's personal conflicts of interest in crypto are unprecedented—while he is reshaping the federal government's regulatory infrastructure towards a permissive approach for the crypto industry, he stands to gain millions or even billions of dollars from his own crypto ventures.

President Trump has launched multiple, highly lucrative crypto ventures, including a memecoin (\$TRUMP) and a crypto platform (World Liberty Financial) from which he

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<sup>9</sup> Ben Weiss, *U.S. crypto czar's \$200 million portfolio held Bitcoin, Coinbase, and Robinhood*, Fortune (Mar. 14, 2025), <https://fortune.com/crypto/2025/03/14/david-sacks-bitcoin-coinbase-robinhood-200-million-divestments-crypto-portfolio/>.

<sup>10</sup> The White House, Memorandum for David O. Sacks, Special Advisor For A.I. and Crypto, Limited Waiver Pursuant to 18 U.S.C. § 208(b)(1), (Mar. 5, 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/03/Memo-David-Sacks-3.5.2025-1.pdf>.

<sup>11</sup> Cheyenne Ligon, *SEC Agrees to Drop Enforcement Suit Against Cumberland DRW, Firm Says*, Coindesk (Mar. 4, 2025), <https://www.coindesk.com/policy/2025/03/04/sec-agrees-to-drop-enforcement-suit-against-cumberland-drw-firm-says>.

<sup>12</sup> Steven Stradbroke, *SEC goes after Cumberland, Tether's biggest customer*, Coingeek (Oct. 15, 2024), <https://coingeek.com/sec-goes-after-cumberland-tether-biggest-customer/>.

could personally reap millions. At least one estimate has put the president's crypto earnings at over \$1 billion in just the first few months of his second term.<sup>13</sup>

- **President Trump's Memecoin:** On January 17, President Trump debuted a crypto simply labeled "\$TRUMP." Despite being explicitly launched as a "memecoin" – a type of crypto launched with humorous intent that even Trump's SEC said has "limited or no use"<sup>14</sup> – the coin could earn President Trump millions or even billions in real-world money through his 80% stake in the project. Sales of the coin have generated more than \$324 million in trading fees, which go to \$TRUMP's creators, including Trump himself.<sup>15</sup> Like most memecoins, the coin was extremely volatile; it reached a market value of over \$14.5 billion in its first several days but slumped shortly thereafter. And although it is difficult to predict exactly how much President Trump could make from his memecoin venture, estimates suggest that entities behind \$TRUMP accrued close to \$100 million in trading fees during the first two weeks.<sup>16</sup>

In April of 2025, long after the coin had lost most of its initial value, President Trump announced that the top 220 holders of the coin would be invited to an "intimate private dinner" with him.<sup>17</sup> Purchases of the memecoin dramatically increased after the announcement, making the event an unprecedented move by a sitting U.S. president to use the office to enrich himself directly. One analysis found that most of the top holders entitled to the Presidential dinner used foreign exchanges that barred U.S. customers, adding a risk of foreign influence to the problem of the President's self-enrichment.<sup>18</sup>

- **World Liberty Financial:** World Liberty Financial is a crypto platform for which President Trump and his family receive 75% of net revenue after \$30 million in sales without any liability.<sup>19</sup> World Liberty Financial's stablecoin, USD1, had a market cap of \$2.2 billion in June of 2025.

<sup>13</sup> Dan Alexander, *This Is How Much Trump Has Made From Crypto—So Far*, (June 5, 2025), <https://www.forbes.com/sites/danalexander/2025/06/05/this-is-how-much-trump-has-made-from-crypto-so-far/>.

<sup>14</sup> Securities and Exchange Commission Division of Corporate Finance, Statement on Meme Coins (Feb. 27, 2025), <https://www.sec.gov/newsroom/speeches-statements/staff-statement-meme-coins>.

<sup>15</sup> MacKenzie Sigalos, *58 crypto wallets have made millions on Trump's meme coin. 764,000 have lost money, data shows*, CNBC (May 6, 2025), <https://www.cnbc.com/2025/05/06/trump-meme-coin-crypto.html>.

<sup>16</sup> Derek Saul, *Donald Trump did not get tens of billions of dollars richer from \$TRUMP meme coin – Here's why*, Forbes (Jan. 22, 2025), <https://www.forbes.com.au/news/billionaires/how-much-did-donald-trump-make-from-trump-meme-coin/>; Tom Wilson & Michelle Conlin, *Exclusive: Trump's meme coin made nearly \$100 million in trading fees, as small traders lost money*, Reuters (Feb. 3, 2025), <https://www.reuters.com/markets/currencies/trumps-meme-coin-made-nearly-100-million-trading-fees-small-traders-lost-money-2025-02-03/>.

<sup>17</sup> David Yaffe-Bellany, Matthew Goldstein & Eric Lipton, *Trump Offers Private Dinner to Top 220 Investors in His Memecoin*, N.Y. Times (Apr. 23, 2025), <https://www.nytimes.com/2025/04/23/technology/trump-private-dinner-crypto-memecoin.html>.

<sup>18</sup> Leonardo Nicoletti, Anthony Cormier & David Kocieniewski, *Top Trump Crypto Buyers Vying for Dinner Seats Are Likely Foreign, Data Shows*, Bloomberg (May 7, 2025), <https://www.bloomberg.com/graphics/2025-trump-memecoin-foreign-crypto-traders/>.

<sup>19</sup> MacKenzie Sigalos, *Trump family gets 75% of crypto coin revenue, has no liability, new document reveals*, CNBC (Oct. 17, 2024), <https://www.cnbc.com/2024/10/17/trump-crypto-project-allows-ex-president-family-to-make-75percent-of-revenue.html>.



In July of 2025, it was reported that Binance, a crypto firm that paid billions in penalties, had written the underlying code that powers World Liberty Financial's stablecoin. The founder, convicted felon Changpeng Zhao, applied for a presidential pardon after the firm completed this work.

- **Trump Media & Technology Group Crypto Fintech:** Truth Social, the social network owned by Trump Media & Technology Group and which has fueled billions in value for the President,<sup>20</sup> has launched its own "Truth.Fi" fintech service that offers a Bitcoin fund.<sup>21</sup>

President Trump's vast financial interests in crypto call into question his impartiality when it comes to regulating the crypto industry. He has not distanced himself from financial holdings in an industry that he is actively regulating. Instead, he has encouraged the use of his crypto holdings to buy access and favor and has used the Presidency to amass crypto wealth.

## GOVERNMENT STOPS ENFORCING THE LAW AGAINST CRYPTO FIRMS GIVING TRUMP MILLIONS

After President Trump secured a second term in office with help from the crypto industry, his administration immediately began dropping enforcement cases started by the Biden administration against crypto companies—many of which had given millions either to support President Trump's reelection or directly to his inauguration fund, or who made an "investment" in his crypto ventures.

A slate of companies that donated millions to his inaugural committee, or whose executives contributed to his reelection, have received enforcement reprieves from the U.S. government, calling into question whether the numerous dropped lawsuits amount to a "pay-to-play" scheme in which any adverse government action against crypto firms can be paid off by giving enough cash or crypto to entities associated with the president.

Crypto companies with lawsuits or investigations dropped by the Trump administration include:

- **COINBASE**, a crypto exchange that gave \$1 million to President Trump's inaugural fund. Coinbase was charged by the SEC with violating securities laws. The SEC lawsuit was dropped by the Trump administration.<sup>22</sup>
- **GEMINI**, a crypto exchange whose founders gave \$2 million to support President Trump's reelection campaign. Gemini was accused by the SEC of

<sup>20</sup> Stan Choe & Barbara Ortutay, *Trump will soon be able to sell shares in Truth Social's parent company. What's at stake?*, AP (Sept. 17, 2024), <https://apnews.com/article/donald-trump-media-shares-lockup-truth-social-ffcc25b27b6debe6ed340f915c5d79c>.

<sup>21</sup> Paolo Confino, *Trump Media's fintech platform is taking shape with a Bitcoin ETF and 'America First' investment funds for the 'Patriot Economy'*, Fortune (Feb. 6, 2025), <https://fortune.com/2025/02/06/trump-media-truthfi-fintech-crypto-bitcoin-etf-investing-finance/>.

<sup>22</sup> Securities and Exchange Commission, Press Release: SEC Announces Dismissal of Civil Enforcement Action Against Coinbase, Feb. 27, 2025, <https://www.sec.gov/newsroom/press-releases/2025-47>.

offering and selling securities on an unregistered basis. The SEC investigation was dropped by the Trump administration.<sup>23</sup>

- **JUSTIN SUN**, a crypto entrepreneur who bought \$75 million of tokens in President Trump's crypto venture World Liberty Financial. He was accused by the SEC of falsifying asset trading activity. The SEC lawsuit was stayed on request of the Trump administration.<sup>24</sup>
- **RIPPLE**, which offers blockchain products and gave \$5 million in its XRP currency to the Trump inaugural fund. Ripple was accused by SEC of offering unregistered securities. An SEC lawsuit appeal was dropped by the Trump administration.<sup>25</sup>
- **ROBINHOOD**, a crypto trading platform that gave \$2 million to President Trump's inaugural fund. Robinhood was previously under investigation by SEC for offering unregistered securities. The SEC investigation was dropped by the Trump administration.<sup>26</sup>

## CONCLUSION

The public has a right to know that any crypto policies enacted by the government are intended to benefit them, not the president or wealthy donors. However, President Trump's prioritization of crypto beginning his first weeks in office has raised legitimate questions as to whether he is doing so for the public's best interest or his own personal financial interest, especially considering the president's own expanded crypto ventures. The administration's attitude toward crypto appears to be one of deference, rewarding an industry that spent millions to help elect President Trump and has given millions more to entities he controls. The continued cloud of conflicts of interest over the Trump administration's stance on crypto threatens to further diminish public trust in a government that already faces significant levels of distrust.<sup>27</sup>

<sup>23</sup> MacKenzi Sigalos, *Winklevoss twins' crypto firm Gemini confidentially files for IPO*, CNBC (June 9, 2025), <https://www.cnbc.com/2025/06/06/winklevoss-twins-crypto-firm-gemini-confidentially-files-for-ipo.html>.

<sup>24</sup> Allison Morrow, *A crypto mogul who invested millions into Trump coins is getting a reprieve on civil fraud charges*, CNN (Feb. 28, 2025), <https://www.cnn.com/2025/02/28/business/crypto-mogul-trump-coins-civil-fraud-charges/index.html>.

<sup>25</sup> Tanaya Macheel, *XRP surges after Ripple CEO Brad Garlinghouse says SEC is dropping its lawsuit against the company*, CNBC (Mar. 19, 2025), <https://www.cnbc.com/2025/03/19/xrp-surges-after-ripple-ceo-brad-garlinghouse-says-sec-is-dropping-its-lawsuit-against-the-company.html>.

<sup>26</sup> Michelle Chapman, *Robinhood says SEC has closed its investigation into the company*, AP (Feb. 24, 2025), <https://apnews.com/article/robinhood-sec-coinbase-crypto-biden-trump-d16d788760c6d38e0e4dd3c9e6620a22>.

<sup>27</sup> *The State of Public Trust in Government 2024*, Partnership for Public Service (2024), <https://ourpublicservice.org/publications/state-of-trust-in-government-2024/>.