



January 22, 2026

Don R. Berthiaume  
Acting Inspector General  
U.S. Department of Justice Office of the Inspector General  
950 Pennsylvania Avenue NW  
Washington, DC 20530-0001

*Sent via fax ((202) 353-0472)*

Dear Acting Inspector General Berthiaume:

Campaign Legal Center writes to request that the Department of Justice (“DOJ”) Office of the Inspector General (“OIG”) investigate whether the Deputy Attorney General Todd Blanche participated in particular matters affecting his financial interests in violation of the criminal conflict of interest law, 18 U.S.C. § 208. According to media reports and publicly available financial disclosures, Blanche apparently issued a new DOJ prosecution policy that benefitted the digital asset industry while he owned digital assets.<sup>1</sup> If Blanche participated in a particular matter affecting the digital asset industry while owning digital assets, he may have violated his ethics agreement and the criminal conflict of interest law.

For over 60 years, federal law has banned executive branch employees from participating in government actions that conflict with their financial interests.<sup>2</sup> OIG is responsible for investigating criminal and serious misconduct by DOJ employees.<sup>3</sup> The evidence suggesting that Blanche has blatantly and improperly influenced DOJ’s digital asset prosecution guidelines while standing to financially benefit demands an OIG fact finding. The public has a right to know that decisions are being made in the public’s best interest and not to benefit a government employee’s

<sup>1</sup> Digital assets are also known as “crypto assets” and include cryptocurrencies, stablecoins, and non-fungible tokens.

<sup>2</sup> 18 U.S.C. § 208.

<sup>3</sup> DOJ OIG, About the Office, <https://perma.cc/39SN-72X7> (last visited Jan. 21, 2026).

financial interests. OIG should investigate and determine whether a criminal violation occurred.

## **I. Federal Criminal Law Prohibits a Government Employee's Participation in Particular Matters Affecting their Financial Interests**

Pursuant to the federal criminal conflict of interest law, an officer or employee of the executive branch shall not participate “personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding . . . controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he . . . has a financial interest.”<sup>4</sup>

Courts have established that “[t]here are four elements of the crime set out in 18 U.S.C. § 208(a): (1) ‘an officer or employee of the executive branch of the United States Government’ (2) ‘participates personally and substantially as a Government officer or employee’ (3) ‘in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter’ (4) in which he knows he has a financial interest.”<sup>5</sup> The first element is established simply if the person is any “officer or employee of the executive branch of the United States Government.”<sup>6</sup> The remaining three elements are more detailed.

### **Personally and Substantially Participates**

The executive branch employee must participate personally and substantially in the relevant matter. The executive branch employee is deemed to have participated “personally” in a matter if the employee is directly involved. To participate “substantially” means that “the employee’s involvement is of significance to the matter. Participation may be substantial even though it is not determinative of the outcome of a particular matter.”<sup>7</sup>

The employee must be involved in the matter to have participated. However, participation is not limited to making a final decision. The statute expressly includes participation “through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise.”<sup>8</sup>

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<sup>4</sup> 18 U.S.C. § 208.

<sup>5</sup> *United States v. Stadd*, 636 F.3d 630, 636 (D.C. Cir. 2011) (quoting 18 U.S.C. § 208(a)).

<sup>6</sup> 18 U.S.C. § 208(a).

<sup>7</sup> 5 C.F.R. § 2640.103(a)(2).

<sup>8</sup> 18 U.S.C. § 208(a).

### Particular Matter

For the next element of the offense, the statute requires the participation to be in a particular matter, which includes: “a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter.”<sup>9</sup>

The term “particular matter” means a matter that “involve[s] deliberation, decision, or action” focused on the interests of either: (a) identified parties; or (b) a “discrete and identifiable class of persons, such as a particular industry or profession.”<sup>10</sup> This second category is often referred to as a particular matter of general applicability. Particular matters of general applicability “can include legislation and policymaking, as long as it is narrowly focused on a discrete and identifiable class.”<sup>11</sup> They are not limited to adversarial proceedings or formal legal relationships.<sup>12</sup>

### Financial Interest

Finally, the law applies if the particular matter directly and predictably affects the employee’s financial interests, even if the employee’s own actions do not affect them. The phrase “direct and predictable” does not appear in the statute, but the executive branch has taken the position that an employee has a financial interest in a particular matter only if the particular matter will affect that financial interest directly and predictably.<sup>13</sup> The regulations provide that:

(i) A particular matter will have a “direct” effect on a financial interest if there is a close causal link between any decision or action to be taken in the matter and any expected effect of the matter on the financial interest. An effect may be direct even though it does not occur immediately. A particular matter will not have a direct effect on a financial interest, however, if the chain of causation is attenuated or is contingent upon the occurrence of events that are speculative or that are independent of, and unrelated to, the matter. A particular matter that has an effect on a financial interest only as a consequence of its effects on the general economy does not have a direct effect within the meaning of this part. (ii) A particular matter will have a “predictable” effect if there is a real, as opposed to a speculative, possibility that the matter will affect the financial

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<sup>9</sup> 18 U.S.C. § 208(a).

<sup>10</sup> Memorandum from the Off. of Gov’t Ethics on Particular Matter Involving Specific Parties, DO-06-029 (Oct. 4, 2006); 5 C.F.R. § 2640.103(a)(1).

<sup>11</sup> Memorandum from the Off. of Gov’t Ethics on Particular Matter Involving Specific Parties, DO-06-029 (Oct. 4, 2006), *supra* note 10.

<sup>12</sup> *Id.*

<sup>13</sup> 5 C.F.R. § 2640.103(a)(3).

interest. It is not necessary, however, that the magnitude of the gain or loss be known, and the dollar amount of the gain or loss is immaterial.<sup>14</sup>

The phrase “direct and predictable effect” extends to the effect of any part of the particular matter, even a part in which the employee did not participate. The plain language of the statute makes clear that the prohibition applies when the employee has a financial interest in the particular matter itself.<sup>15</sup>

An employee has a financial interest if there is a realistic, as opposed to speculative, potential for gain or loss. “Gain or loss need not be probable for the prohibition against official action to apply. All that is required is that there be a real, as opposed to a speculative, possibility of benefit or detriment.”<sup>16</sup> A financial interest includes that of “an organization . . . [in] which the employee serves as [an] officer, director, trustee, general partner, or employee.”<sup>17</sup>

In sum, Section 208 broadly covers executive branch employees who are involved in decision-making related to particular matters where the employee’s financial interests could realistically be impacted.

#### Application of Section 208 to Digital Asset Ownership

Given the emergence and growing popularity of the digital asset industry, OGE has promulgated a conflict of interest legal advisory specifically applicable to digital asset ownership. The advisory states:

[A]n employee who owns digital assets will often have a disqualifying financial interest in a particular matter of general applicability that would establish new regulatory requirements for all digital assets, or a subset of digital assets that includes digital assets owned by the employee. That employee would also typically have a disqualifying financial interest in any particular matter that would increase, prohibit, or impair the marketability of all digital assets, or a subset of digital assets that includes digital assets owned by the employee.<sup>18</sup>

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<sup>14</sup> *Id.*

<sup>15</sup> 18 U.S.C. § 208(a) (prohibition applies to a “particular matter” in which an employee has “financial interest”).

<sup>16</sup> *United States v. Gorman*, 807 F.2d 1299, 1303 (6th Cir. 1986) (citing Off. of Gov’t Ethics Op., 83 OGE 1 (Jan. 7, 1983)).

<sup>17</sup> 5 C.F.R. § 2635.402(b)(2)(iv).

<sup>18</sup> Legal Advisory from the U.S. Off. of Gov’t Ethics on Identifying and Preventing Violations of 18 § U.S.C. 208 Arising from Digital Asset Ownership, LA-23-12 (Sep. 27, 2023), [https://www.oge.gov/web/oge/nsf/News+Releases/DECB4A1E3270471785258A3700681B21/\\$FILE/LA-23-12%20-%20Identifying%20and%20Preventing%20Violations%20of%2018%20U.S.C.%20208%20Arising%20from%20Digital%20Asset%20Ownership.pdf](https://www.oge.gov/web/oge/nsf/News+Releases/DECB4A1E3270471785258A3700681B21/$FILE/LA-23-12%20-%20Identifying%20and%20Preventing%20Violations%20of%2018%20U.S.C.%20208%20Arising%20from%20Digital%20Asset%20Ownership.pdf).

## II. Blanche Participated in the Development of Prosecution Standards for the Digital Asset Industry While Owning Digital Assets

Blanche was the signatory of the DOJ Memorandum titled “Ending Regulation by Prosecution” dated April 7, 2025 (the “Memorandum”).<sup>19</sup> The Memorandum includes multiple changes to DOJ enforcement policy related specifically to the digital asset industry. In particular, the Memorandum states that DOJ “will no longer target virtual currency exchanges, mixing and tumbling services, and offline wallets for the acts of their end users.” DOJ will pursue individuals and enterprises who utilize cryptocurrency for criminal activities, “but will not pursue actions against the platforms that these enterprises utilize to conduct their illegal activities.”<sup>20</sup>

In addition, the Memorandum disbands the National Cryptocurrency Enforcement Team, orders DOJ’s Market Integrity and Major Frauds Unit to cease cryptocurrency enforcement, and shuts down investigations into digital asset exchanges that do not comply with the new enforcement priorities.<sup>21</sup> The Memorandum is widely believed to positively impact the digital asset industry.<sup>22</sup>

At the time the Memorandum was signed, federal financial disclosures show that Blanche owned between \$274,013 and \$785,000 in digital assets, including between \$100,001 and \$250,000 in Bitcoin through a Coinbase account.<sup>23</sup> He also owned stock in Coinbase Global Inc., a cryptocurrency exchange. Blanche acknowledged in his letter to the DOJ Designated Agency Ethics Official dated February 10, 2025 (the “Ethics Agreement”) that the digital assets and Coinbase stock could create an actual or apparent conflict of interest. Accordingly, he promised to divest the assets within 90 days of his March 5, 2025 confirmation, and he agreed he would not “participate personally and substantially in any particular

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<sup>19</sup> Memorandum from the U.S. Dep’t of Just., Off. of the Deputy Att’y Gen. on Ending Regulation by Prosecution (Apr. 7, 2025), <https://perma.cc/9YQF-JLCM>.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> See Joel M. Cohen et al., “DOJ Announces Policy Ending “Regulation by Prosecution” of Digital Assets,” White & Case (Apr. 11, 2025), <https://perma.cc/6397-EQHU> (“The policy continues the Trump Administration’s trend of adopting a crypto-friendly regulatory approach.”); Sullivan and Cromwell LLP., “DOJ Limits Crypto Prosecutions and Disbands Prosecution Unit,” (Apr. 9, 2025), <https://perma.cc/42W3-72H7> (“In our view, these developments are likely to ease investigative and enforcement burdens on certain participants in the digital asset space.”)

<sup>23</sup> Nominee Report for Todd Blanche, OGE Form 278e (Aug. 2024), [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/4B1E6A519F015E7D85258C30003200C5/\\$FILE/Blanche%2C%20Todd%20%20final278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/4B1E6A519F015E7D85258C30003200C5/$FILE/Blanche%2C%20Todd%20%20final278.pdf).

matter that to my knowledge has a direct and predictable effect on my financial interest in the virtual currency until I have divested it.”<sup>24</sup>

#### SECTION 4 – DIVESTITURE

As soon as practicable but not later than 90 days after my confirmation, I will divest my interests in the following virtual currency assets (Coinbase account):

- Bitcoin
- Ethereum
- Solana
- Cardano
- Ethereum Classic

- Polygon
- Polkadot
- Basic Attention Token
- Quant
- Decentralized

With regard to this virtual currency, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on my financial interests in the virtual currency until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). I have verified that I will be able to carry out the divestiture within the timeframe described above.

He commented in his financial disclosure that certain “crypto assets were gifted in their entirety to [his] grandchild and adult children” in May and June 2025.<sup>25</sup> He also reported selling digital assets. In total, his digital asset ownership included between \$50,001 and \$100,000 in Bitcoin, and between \$1,001 and \$15,000 in each of the following cryptocurrencies: Basic Attention Token, Cardano Decentralized, Ethereum Classic, Polkadot, Polygon, Solana, and Quant.

Publicly available records do not indicate that Blanche divested of Basic Attention Token or Decentralized. The price of each digital asset he divested

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<sup>24</sup> Ethics Agreement for Todd Blanche (Feb. 10, 2025), [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/0E4C3EB0ACE8404785258C30003217F2/\\$FILE/Blanche%2C%20Todd%20%20finalEA.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/0E4C3EB0ACE8404785258C30003217F2/$FILE/Blanche%2C%20Todd%20%20finalEA.pdf).

<sup>25</sup> Transaction Report for Todd Blanche (June 3, 2025), <https://www.documentcloud.org/documents/25997438-todd-blanche-06032025-278t/>.

appreciated in the time between the promulgation of the Memorandum and the eventual divestment of the stocks in May and June.<sup>26</sup>

### **Rate of Return for Blanche's Digital Assets After the Memorandum**

<b>Digital Asset</b>	<b>Price on Memorandum Date (4/7/25)</b>	<b>Price on Divestment Date</b>	<b>% of Return After Memorandum</b>
Bitcoin	\$79,235.34	\$105,881.53 (6/2/25)	34%
Basic Attention Token	\$0.11	No record of divestment	
Coinbase Common Stock	\$157.26	\$248.84 (5/29/25)	58%
Decentralized	\$6.94	No record of divestment	
Ethereum Classic	\$14.51	\$17.57 (6/2/25)	21%
Polkadot	\$3.59	\$4.08 (5/31/25)	14%
Polygon	\$0.17	\$0.20 (5/30/25)	18%
Solana	\$106.90	\$156.23 (5/30/25)	46%
Quant	\$63.64	\$107.46 (5/31/25)	69%

### **III. Blanche's Participation in the Digital Asset Prosecution Policy While Owning Hundreds of Thousands of Dollars in Digital Assets Appears to Violate Section 208**

The publicly available evidence suggests that Blanche establishes the four elements of a violation of the criminal conflict of interest laws. He satisfies the first element by serving as an executive branch employee, and the remaining three elements are also present.

#### **A. Blanche Personally and Substantially Participated in the Memorandum Changing Prosecution Standards for the Digital Asset Industry**

Blanche was the signatory of the Memorandum and thereby personally participated in its underlying policy changes. In addition, he participated

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<sup>26</sup> Rate of return numbers are based on publicly available historical data on Yahoo!finance. Cardano is not included because it appears to have been gifted in its entirety to Blanche's family, and he therefore did not provide detailed transaction reporting.

substantially because his involvement was of significance to the matter.<sup>27</sup> Where Blanche participates personally in a matter, he is almost always participating substantially because of his position. As the Deputy Attorney General, Blanche “advises and assists the Attorney General in formulating and implementing Departmental policies and programs and in providing overall supervision and direction to all organizational units of the Department. The Deputy Attorney General is authorized to exercise all the power and authority of the Attorney General.”<sup>28</sup> Where a Deputy Attorney General takes the critical step of approving the policies like those outlined in the Memorandum, that is sufficient to demonstrate substantial participation.

#### B. The Memorandum is a Particular Matter

The Memorandum, which recommends prosecutorial policy changes for the digital asset industry, is a particular matter. Particular matters involve “deliberation, decision, or action” focused on the interests a “discrete and identifiable class of persons, such as a particular industry or profession.”<sup>29</sup> Policymaking is a particular matter if it is narrowly focused on a discrete and identifiable class.<sup>30</sup> For example, when deliberation, decision, or action is taken that would increase, prohibit, or impair the marketability of all digital assets, that is a particular matter.

The Memorandum unquestionably involved deliberation, decision, or action (*i.e.*, the decision to change prosecution policy) focused on a discrete and identifiable class, like an industry (*i.e.*, the digital asset industry). The Memorandum is akin to a regulatory change encompassing a particular industry, profession, or economic sector, which are considered particular matters. Section 208 also covers the “crucial step of laying the groundwork for regulatory change focused on an industry, particularly where specific changes have already been discussed within the agency.”<sup>31</sup>

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<sup>27</sup> See 5 C.F.R. § 2635.402(b)(4) (“Participation may be substantial even though it is not determinative of the outcome of a particular matter. However, it requires more than official responsibility, knowledge, perfunctory involvement, or involvement on an administrative or peripheral issue. A finding of substantiality should be based not only on the effort devoted to a matter, but also on the importance of the effort. While a series of peripheral involvements may be insubstantial, the single act of approving or participating in a critical step may be substantial.”).

<sup>28</sup> *Office of the Deputy Attorney General, About the Office*, U.S. DOJ, <https://perma.cc/ZT38-82TH> (last visited Jan. 21, 2026).

<sup>29</sup> Memorandum from the Off. of Gov’t Ethics on Particular Matter Involving Specific Parties, DO-06-029 (Oct. 4, 2006); 5 C.F.R. § 2640.103(a)(1).

<sup>30</sup> U.S. Off. of Gov’t Ethics, DO-06-029, *supra* note 29.

<sup>31</sup> U.S. Off. of Gov’t Ethics Letter to Designated Agency Ethics Official 06x8 (Aug. 23, 2006), [https://oge.gov/Web/oge.nsf/0/1A19064302E29310852585BA005BED0A/\\$FILE/06x8\\_.pdf](https://oge.gov/Web/oge.nsf/0/1A19064302E29310852585BA005BED0A/$FILE/06x8_.pdf).



The regulations are clear that certain actions, like the allocation of additional resources to the investigation and prosecution of white-collar crime, would not constitute a particular matter. The Memorandum is distinguishable from such examples because it is sufficiently focused on the interests of a discrete and identifiable group of persons—the digital asset industry—for Blanche’s participation to constitute participation in a particular matter.<sup>32</sup> The Memorandum also represents substantive policy decisions related to the prosecution of the digital asset industry and stated that specific DOJ enforcement actions would be dropped as a result of this policy.

C. Blanche’s Ownership of Multiple Digital Assets Constitutes a Financial Interest in Digital Assets Directly and Predictably Affected by the Particular Matter

Blanche has a clear financial interest that is directly and predictably affected by the Memorandum. As used in section 208, the term “financial interest” refers to the potential for gain or loss as a result of Government action on a matter.

*First*, Blanche has a financial interest, and he had knowledge of that financial interest at the time the recommendations were being promulgated. Blanche’s Ethics Agreement, signed February 10, 2025, lists numerous digital assets that Blanche owned at the time of his nomination, including Basic Attention Token, Bitcoin, Basic, Cardano Decentralized, Ethereum Classic, Polkadot, Polygon, Solana, and Quant.<sup>33</sup> Blanche promised that, “[w]ith regard to this virtual currency, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on my financial interest in the virtual currency until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).”<sup>34</sup>

At least some of Blanche’s digital currency was not “gifted” to his grandchild and children or sold until May and June 2025. While this was compliant with the 90-day divestiture deadline he agreed to, he still owned the currency when the Memorandum was issued in April and prior, when the underlying discussions and preparations likely occurred. Blanche was aware of his ownership of the digital assets, given his acknowledgement of them in his Ethics Agreement and the lack of divestiture paperwork prior to the June periodic transaction report showing the digital currency sales.

*Second*, his financial interests are directly and predictably affected by the Memorandum. A direct effect on a financial interest occurs when there is a “close

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<sup>32</sup> 5 C.F.R. 2640.103(a)(1), Example 5.

<sup>33</sup> Blanche Ethics Agreement, *supra* note 24.

<sup>34</sup> *Id.*

causal link between any decision or action to be taken in the matter and any expected effect of the matter on the financial interest.”<sup>35</sup> A predictable effect on a financial interest means there must be “a real, as opposed to a speculative, possibility that the matter will affect the financial interest.”<sup>36</sup>

With regard to the Memorandum and its underlying policies, there is a high potential for impact on individual digital assets. The Memorandum itself acknowledges its goal of aligning with President Trump’s vision for “end[ing] the regulatory weaponization against digital assets.”<sup>37</sup> This policy implements a vision where DOJ will not prosecute certain matters involving digital asset companies, which can influence the perceived viability of digital assets, and therefore their marketability.

#### **IV. Conclusion**

OGE has made the application of Section 208 to digital asset ownership clear. If an employee owns digital assets, they “will often have a disqualifying financial interest in a particular matter of general applicability that would establish new regulatory requirements for all digital assets, or a subset of digital assets that includes digital assets owned by the employee.”<sup>38</sup> A particular matter “that would increase, prohibit, or impair the marketability of all digital assets, or a subset of digital assets that includes digital assets owned by the employee” would also pose a conflict of interest under Section 208.<sup>39</sup>

Blanche participated in a particular matter involving digital assets while he knew he owned up to \$785,000 in various digital assets that he was prepared to divest precisely because of the potential that it would pose criminal conflicts of interest concerns. The particular matters directly and predictably affected the digital assets owned by Blanche. These facts establish a possible criminal conflict of interest violation, and an OIG investigation is needed to determine whether the facts constitute a legal violation.

Respectfully submitted,

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Kedric L. Payne

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<sup>35</sup> 5 C.F.R. § 2640.103(a)(3).

<sup>36</sup> 5 C.F.R. § 2640.103(a)(3).

<sup>37</sup> Memorandum, *supra* note 19.

<sup>38</sup> Legal Advisory, LA-23-12, *supra* note 18.

<sup>39</sup> *Id.*

General Counsel, Vice President, and Sr.  
Director, Ethics

\_\_\_\_\_/s/\_\_\_\_\_  
Delaney Marsco  
Director, Ethics