## **Congress of the United States** House of Representatives Washington, D.C. 20515

May 14, 2025

The Honorable Scott Bessent Secretary Department of the Treasury 1500 Pennsylvania Avenue, NW Washington, DC 20220

Dear Secretary Bessent:

We write regarding the potential misuse of certain politically oriented fundraising ventures for fraudulent, corrupt, or other illegal purposes. The fundraising activities of the Republican online fundraising platform WinRed; several political action committees (PACs), including Elon Musk's super PAC, America PAC; and the Trump family's recently launched cryptocurrency (crypto) venture World Liberty Financial (WLF) and Trump-branded meme coins have raised myriad concerns about potential bribery, influence-peddling, threats to national security, market manipulation, and/or predatory and deceptive practices targeting vulnerable Americans.

Chairman James Comer and Chairman Bryan Steil recently wrote to you concerning "potentially fraudulent and illicit financial activity related to contributions to campaigns of candidates for federal offices facilitated by online fundraising platforms[.]"<sup>1</sup> Moreover, on April 2, 2025, Republican Members of the Committee on Oversight and Government Reform, Committee on the Judiciary, and Committee on House Administration released an "Interim Staff Report" focused solely on the fundraising platform ActBlue, in which they claim: "The Committees are deeply committed to protecting the integrity of American elections, and will continue investigating to inform potential legislative reforms to improve and strengthen our democracy."<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Letter from Chairman James Comer, Chairman Bryan Steil and Rep. Nick Langworthy to The Hon. Scott Bessent (Mar. 10, 2025) (online at https://cha.house.gov/\_cache/files/2/d/2d405cd4-3b63-4d53-8438-d5142ec5f29c/81BB95DD02939A1398A24E2B8D9471ECFA320411560B54112D913DFCE67E4E78.2025-03-10-letter-to-treasury-on-actblue.pdf).

<sup>&</sup>lt;sup>2</sup> Committees on the Judiciary, Oversight and Government Reform, and House Administration, *Interim Staff Report: Fraud on ActBlue: How the Democrats' Top Fundraising Platform Opens the Door for Illegal Election Contributions* (Apr. 2, 2025) (online at https://cha.house.gov/\_cache/files/0/2/023114d3-fb47-4fe0-bd97-7b3282228043/40BBB1E56A8019BCAF7A179364DD9EFCEC3977BC83FA29CD5EBF7484BB2A522B.04.02.25 -fraud-on-actblue-how-the-democrats-top-fundraising-platform-opens-the-door-for-illegal-election-contributions-w-appendix.pdf).

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Despite Republicans' professed concern for the integrity of our elections and the protection of our democracy from foreign influence, their partisan report conspicuously makes no reference whatsoever to the rampant fraud perpetrated against senior citizens through WinRed, the pattern of fraud in recent years by right-wing "scam PACs," or the unprecedented and shocking corruption enabled by Trump family crypto ventures. Moreover, the Trump Administration's curtailment of vital programs designed to combat foreign influence and protect election integrity—including the elimination of a Federal Bureau of Investigation task force focused on foreign influence operations and dramatic cuts at the U.S. Cybersecurity and Infrastructure Security Agency—are directly undermining these objectives.<sup>3</sup> Nevertheless, we share Republicans' stated commitment to safeguarding our elections and to good government. In keeping with that commitment, and in order to ensure that the fundraising activities by or on behalf of candidates for federal office and federal officeholders are conducted legally and consistent with U.S. national security, we write to request that Treasury make available to our Committees suspicious activity reports (SARs) as set forth in the requests below.

#### **WinRed**

WinRed, the Republican for-profit digital fundraising platform, has faced several state investigations for potentially predatory and fraudulent conduct—namely, the use of prechecked boxes to automatically enroll donors in recurring contribution programs without their knowledge or consent.<sup>4</sup> WinRed served as a vehicle for a shocking scam involving this practice, along with highly aggressive targeted messaging, which reportedly "victimized hundreds of elderly Americans and misled those battling dementia or other cognitive impairments into giving away millions of dollars—far more than they ever intended."<sup>5</sup> As CNN reported, these victims included donors in their 80s and 90s who were "retired public workers, house cleaners and veterans, widows living alone, nursing home residents and people who donated more money than they paid for their homes[.]"<sup>6</sup> Moreover, the "biggest beneficiary of the small-dollar donations from unwitting donors identified by CNN was Donald Trump."<sup>7</sup> And notably, the number of complaints filed with the Federal Trade Commission concerning predatory and deceptive Republican fundraising tactics since 2022 is nearly seven times greater than that against Democratic fundraisers.<sup>8</sup>

<sup>8</sup> Id.

<sup>&</sup>lt;sup>3</sup> Dismantling of Federal Efforts to Monitor Election Interference Creates Opening for Foreign Meddling, Associated Press (Feb. 16, 2025) (online at https://apnews.com/article/trump-election-security-fbi-cisa-foreign-interference-98f1e17c8a6d5923db945a27f06458e7).

<sup>&</sup>lt;sup>4</sup> Judge Says States Can Investigate WinRed's Fund-Raising Tactics, New York Times (Jan. 26, 2022) (online at www.nytimes.com/2022/01/26/us/politics/winred-investigation-republican-fundraising.html).

<sup>&</sup>lt;sup>5</sup> How Elderly Dementia Patients Are Unwittingly Fueling Political Campaigns, CNN (Oct. 22, 2024) (online at www.cnn.com/interactive/2024/10/politics/political-fundraising-elderly-election-invs-dg/).

<sup>&</sup>lt;sup>6</sup> Id.

<sup>&</sup>lt;sup>7</sup> Id.

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#### America PAC

Elon Musk's super PAC, America PAC, Inc., reportedly spent approximately \$250 million to help elect Donald Trump—an effort that the *Associated Press* noted "set a new standard for how billionaires can influence elections."<sup>9</sup> Earlier this year, America PAC placed a nationwide television ad touting Donald Trump's first few weeks in office and attacking former President Biden, reportedly at a cost of approximately \$1 million.<sup>10</sup> Mr. Musk has also reportedly told Donald Trump's advisers that he intends to channel another \$100 million to entities controlled by the Trump political operation.<sup>11</sup> As the *New York Times* observed, "[i]t is unheard-of for a White House staffer, even one with part-time status, to make such large political contributions to support the agenda of the boss."<sup>12</sup>

Mr. Musk's massive financial support of Donald Trump's campaign appears to have secured President Trump's favor for Mr. Musk's private business activities, culminating on March 11, 2025, when, in the face of worldwide protests against Mr. Musk's electric car company, Tesla, President Trump had five Teslas brought to the White House grounds—"an extraordinary promotion of a company by the most powerful person in the federal government."<sup>13</sup> And recently, President Trump's Commerce Secretary, Howard Lutnick, shockingly and unlawfully promoted Tesla stock on national television, urging *Fox News* viewers to "buy Tesla" despite its declining share price, and claiming, "[i]t's unbelievable that this guy's stock is this cheap."<sup>14</sup> As government ethics experts have concluded, Secretary Lutnick's promotion of Tesla stock violated federal law prohibiting federal officials from using public office for their private gain or for "the endorsement of any product, service, or enterprise[.]"<sup>15</sup>

In addition, on Election Day last year, America PAC was sued for fraud in two separate actions for allegedly deceiving swing-state voters. The PAC claimed that the winners of its daily \$1 million giveaways to individuals who signed a petition in support of the First and Second

<sup>11</sup> Musk Seeks to Put \$100 Million Directly Into Trump Political Operation, New York Times (Mar. 11, 2025) (Mar. 11, 2025) (online at www.nytimes.com/2025/03/11/us/politics/elon-musk-trump-donation.html).

 $^{12}$  Id.

<sup>13</sup> Id.

<sup>15</sup> 5 C.F.R. § 2635.702; see also Legal Experts Say Trump Official Broke Law by Saying "Buy Tesla" Stock But Don't Expect a Crackdown, Associated Press (Mar. 21, 2025) (online at https://apnews.com/article/musk-trump-tesla-stock-lutnick-commerce-secretary-ethics-5a89c2f4a68a9470692630b5c56cffd6).

<sup>&</sup>lt;sup>9</sup> Musk's PAC Launches \$1 Million TV Ad Buy Touting Trump's First 6 Weeks in Office, ABC News (Mar. 5, 2025) (online at https://abcnews.go.com/US/musks-pac-launches-1-million-tv-ad-buy/story?id=119480959); Elon Musk's PAC Spent an Estimated \$200 Million to Help Elect Trump, AP Source Says, Associated Press (Nov. 11, 2024) (online at https://apnews.com/article/elon-musk-america-pac-trump-d248547966bf9c6daf6f5d332bc4be66).

<sup>&</sup>lt;sup>10</sup> *Musk's PAC Launches \$1 Million TV Ad Buy Touting Trump's First 6 Weeks in Office*, ABC News (Mar. 5, 2025) (online at https://abcnews.go.com/US/musks-pac-launches-1-million-tv-ad-buy/story?id=119480959).

<sup>&</sup>lt;sup>14</sup> Lutnick Urges Fox News Viewers to Buy Tesla Stock, Raising Ethics Questions, Washington Post (Mar. 20, 2025) (online at www.washingtonpost.com/politics/2025/03/20/lutnick-urges-fox-news-viewers-buy-tesla-stock-raising-ethical-questions/).

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Amendments were selected randomly, when those giveaways were allegedly predetermined to favor voters supportive of Donald Trump.<sup>16</sup>

#### Scam PACs

There has been a proliferation in recent years of "scam PACs"—political action committees that claim they are raising funds for political candidates but in fact misappropriate donors' funds to conduct further fundraising or to line fraudsters' own pockets. These include two alleged scam PACs—operating under the names "Patriots for American Leadership" and "Campaign for a Conservative Majority"—that raised millions of dollars through robocalls using clips of Donald Trump's voice but diverted the funds raised to the scam PAC operators or towards more fundraising, in some instances to companies owned by the operators.<sup>17</sup> In 2023, three scammers were sentenced to federal prison for orchestrating a scheme in which they raised roughly \$4 million in contributions they falsely told donors would be used to support the presidential nominees of the two major parties, but were in fact used to enrich themselves and fund additional fraudulent solicitations.<sup>18</sup> In another example, the treasurer of several scam PACs was sentenced to federal prison for lying to the Federal Election Commission in connection with scamming donors through PACs called Conservative StrikeForce and Conservative Majority Fund, as well as a scheme to use straw donors to evade limits on individual campaign contributions under federal law.<sup>19</sup>

#### **Trump Family Crypto Ventures**

Although Donald Trump just a few years ago dismissed crypto as a "scam" and a "disaster waiting to happen," in September 2024, then-candidate Trump and his sons launched their own crypto venture, WLF.<sup>20</sup> WLF sells a non-transferable governance token that confers no ownership rights and provides "no mechanism to accrue value."<sup>21</sup> Particularly given that his

<sup>18</sup> Press Release, *Three Individuals Sentenced for Soliciting Millions of Dollars in Contributions to Scam PACs*, U.S. Department of Justice (Apr. 23, 2023) (online at www.justice.gov/archives/opa/pr/three-individuals-sentenced-soliciting-millions-dollars-contributions-scam-pacs).

<sup>19</sup> Press Release, *Treasurer of Multiple Political Action Committees Sentenced for Filing False Reports With the FEC*, U.S. Department of Justice (Feb. 21, 2020) (online at www.justice.gov/archives/opa/pr/treasurer-multiple-political-action-committees-sentenced-filing-false-reports-fec).

<sup>20</sup> The Forces That Flipped Trump From Crypto Critic to "Crypto President," Wall Street Journal (Mar. 7, 2025) (online at www.wsj.com/politics/policy/trump-crypto-president-meme-coin-0ca2c31b).

<sup>21</sup> The Maga Backlash Against Trump's Crypto Grab: "This Is Bad, And Looks Bad," The Guardian (Jan. 31, 2025) (online at www.theguardian.com/us-news/2025/jan/31/trump-cryptocurrency-republicans); Trump's Crypto Business Slashes Fundraise Goal by 90% After Lackluster Sales, CoinDesk (Oct. 31, 2024) (online at https://finance.yahoo.com/news/trumps-crypto-business-slashes-fundraise-161538902.html?guccounter=1).

<sup>&</sup>lt;sup>16</sup> Arizona Voter, Michigan Attorney Accuse Elon Musk's PAC of Fraud Over \$1 Million Giveaways, National Review (Nov. 5, 2024) (online at www.nationalreview.com/news/arizona-voter-michigan-attorney-accuseelon-musks-pac-of-fraud-over-1-million-giveaways/).

<sup>&</sup>lt;sup>17</sup> How to Spot a "Scam PAC," The Hill (Jul. 29, 2024) (online at https://thehill.com/homenews/campaign/4798295-how-to-spot-a-scam-pac/); *CLC Uncovers Two "Scam PACs" Defrauding Donors*, Campaign Legal Center (Apr. 22, 2024) (online at https://campaignlegal.org/update/clc-uncovers-two-scam-pacs-defrauding-donors).

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Administration has adopted a strident agenda of promoting crypto and eliminating regulatory guardrails on the crypto industry, a leading expert on presidential ethics noted that "out of all of Trump's conflicts as a businessman turned president, this 'may be the most profound."<sup>22</sup>

WLF reportedly fell "dramatically short" of its initial fundraising goal but was saved by a \$30 million investment from Justin Sun, a Chinese-born entrepreneur then under investigation by the Securities and Exchange Commission (SEC) for alleged securities fraud related to several of his companies, including an anonymous crypto financial platform used by terrorists.<sup>23</sup> In January, Mr. Sun bought \$45 million of WLF's token, bringing his total investment in the venture to \$75 million.<sup>24</sup> A month later, the SEC asked the court to pause its enforcement action against Mr. Sun, raising troubling questions about whether the Trump Administration's apparent abandonment of its gravely serious charges against Mr. Sun constituted an illegal *quid pro quo* in exchange for his largesse directed at this Trump family venture.<sup>25</sup>

In addition to WLF, on the Friday before his inauguration, then President-elect Trump launched the \$TRUMP meme coin, described as "a type of joke cryptocurrency that typically has no purpose beyond financial speculation [and] whose value tends to whipsaw dramatically."<sup>26</sup> Entities tied to President Trump together own 80% of the entire supply of \$TRUMP coins—1 billion coins in total—and thus stand to reap the lion's share of any profits from the venture. Two days later, First Lady Melania Trump also launched a meme coin, \$MELANIA. President Trump personally promoted the \$TRUMP coin, posting on X: "My NEW Official Trump Meme is HERE! It's time to celebrate everything we stand for: WINNING!"<sup>27</sup> Trump-related entities reportedly have already made as much as \$100 million on trading fees alone.<sup>28</sup> On February 27, 2025, the SEC, signaling its dramatic relaxation of crypto industry regulation under new Trump Administration leadership, announced its determination that meme coins do not constitute

<sup>24</sup> SEC Weighing End to Lawsuit Against Justin Sun, Wall Street Journal (Feb. 26, 2025) (online at www.wsj.com/livecoverage/nvidia-earnings-stock-market-today-02-26-2025/card/sec-weighing-end-to-lawsuit-against-justin-sun-GiFFKcKO6mwjE6bRwWbG).

<sup>25</sup> A Crypto Mogul Who Invested Millions Into Trump Coins Is Getting A Reprieve on Civil Fraud Charges, CNN (Feb. 28, 2025) (online at www.cnn.com/2025/02/28/business/crypto-mogul-trump-coins-civil-fraudcharges/index.html).

<sup>26</sup> The Trump Memecoin's "Money-Grab" Economics, Wired (Jan. 20, 2025) (online at www.wired.com/story/the-trump-memecoins-money-grab-economics/).

<sup>27</sup> What to Know About Trump Cryptocurrency Meme Coins, NPR (Jan. 20, 2025) (online at www.npr.org/2025/01/20/nx-s1-5268759/donald-trump-melania-cryptocurrency-meme-coins).

<sup>&</sup>lt;sup>22</sup> Trump Promotes Meme Coin, Raising Ethics Issues As Value Soars, Washington Post (Jan. 19, 2025) (online at www.washingtonpost.com/politics/2025/01/19/trump-meme-coin-crypto/).

<sup>&</sup>lt;sup>23</sup> Donald Trump-Supported World Liberty Financial Raises Just 4% of Token Sale Target on First Day, CoinDesk (Oct. 16, 2024) (online at www.coindesk.com/markets/2024/10/16/donald-trump-supported-world-libertyfinancial-raises-just-4-of-token-sale-target-on-first-day); *Trump's Crypto Project Was a Bust Until Justin Sun Stepped In*, Bloomberg (Nov. 29, 2024) (online at www.bloomberg.com/news/articles/2024-11-29/trump-s-cryptoproject-was-a-bust-until-justin-sun-stepped-in).

<sup>&</sup>lt;sup>28</sup> Trump's Memo Coin Made Nearly \$100 Million in Trading Fees, As Small Traders Lost Money, Reuters (Feb. 3, 2025) (online at www.reuters.com/markets/currencies/trumps-meme-coin-made-nearly-100-million-trading-fees-small-traders-lost-money-2025-02-03/).

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securities under the federal securities laws, and therefore are not subject to regulation by the SEC.<sup>29</sup>

Because the identities of the coin purchasers need not be publicly disclosed, there is no way to tell who is buying the coin, potentially allowing bad actors, including authoritarian governments and companies they control, to enrich the Trump family, giving rise to concerns that "[f]oreign governments or businesses seeking to influence Washington could be inclined to buy the tokens to curry favor with Trump" in violation of the Foreign Emoluments Clause of the U.S. Constitution—just as they did by spending millions of dollars at Trump properties during the first Trump Administration.<sup>30</sup> Adding to concerns that WLF may be a vehicle for foreign influence-peddling is that the fact that WLF reserved approximately 90% of its offering for sale exclusively to foreign investors, who are generally subject to less stringent regulation than U.S. investors. Moreover, the \$TRUMP coin offering has also raised fears that the tokens may jeopardize national security because "they allow foreign agents to buy large amounts of the token as leverage over Trump's policy decisions."<sup>31</sup>

It further appears that the \$TRUMP coin may have enabled insider trading as well as a "pump-and-dump" manipulation scheme, whereby sophisticated traders buy at an early stage and pump up the price, only to sell their holdings quickly as less experienced investors follow their lead and buy in, and then often suffer significant losses.<sup>32</sup> In this case, early traders—some of whom appear to be based in China—reportedly reaped millions of dollars of profits, while other investors cumulatively suffered more than \$2 billion in losses after the price of the \$TRUMP coin crashed. As the *New York Times* reported: "What makes this situation particularly troubling, to government watchdogs and former regulators, is that the Trump family is profiting from this exploitative pattern at the same time that Mr. Trump is rapidly moving to bring an abrupt end to a regulatory crackdown on crypto by several government agencies."<sup>33</sup>

Moreover, in March, WLF announced that it would launch USD1, a stablecoin. Earlier this month, an Abu Dhabi-backed fund announced that it would use USD1 to close a \$2 billion investment in a crypto exchange that pled guilty in 2023 to violating U.S. anti-money-laundering laws and allowing criminals to transact on its platform.<sup>34</sup> As the *New York Times* reported, the

<sup>32</sup> Early Crypto Traders Had Speedy Profit on Trump Coin as Others Suffered Losses, New York Times (Feb. 9, 2025) (online at www.nytimes.com/2025/02/09/us/politics/trump-crypto-memecoin.html); Insider Trading Allegations Surface As TRUMP Memecoin Floods Solana DEXs, Cointelegraph (Jan. 19, 2025) (online at https://cointelegraph.com/news/insider-trading-allegations-surround-trump-memecoin).

<sup>33</sup> Id.

<sup>34</sup> At a Dubai Conference, Trump's Conflicts Take Center Stage, New York Times (May 1, 2025) (online at www.nytimes.com/2025/05/01/us/politics/trump-cryptocurrency-usd1-dubai-conference-announcement.html).

<sup>&</sup>lt;sup>29</sup> Staff Statement on Meme Coins, SEC Division of Corporation Finance (Feb. 27, 2025) (online at www.sec.gov/newsroom/speeches-statements/staff-statement-meme-coins).

<sup>&</sup>lt;sup>30</sup> *Trump Launches Meme Coins Ahead of White House Return*, Wall Street Journal (Jan. 19, 2025) (online at www.wsj.com/finance/currencies/trump-launches-meme-coin-ahead-of-white-house-return-16b4e99b?mod=Searchresults\_pos1&page=1).

<sup>&</sup>lt;sup>31</sup> Why Trump's Memo Coins Have Alarmed Both Crypto Insiders and Legal Experts, Time (Jan. 22, 2025) (online at https://time.com/7209169/trump-meme-coins-crypto/).

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announcement of this deal in Dubai opened up yet another way to generate potentially tens of millions of dollars of risk-free revenue for WLF and "highlighted how much the Trump family's business interests now blur with United States policy and regulation."<sup>35</sup>

### **Requests for SARs**

The Committees seek to determine whether legislation is necessary to prevent violations of campaign finance, consumer protection, bribery, securities fraud, and other anti-corruption laws in connection with fundraising by candidates for federal office and federal officeholders and to guard against deceptive and predatory campaign fundraising practices, illicit foreign influence over federal officials, and other financial misconduct connected to prospective or current federal officials. Accordingly, we request access to the following information as soon as possible, and in any event no later than May 30, 2025:

- 1. All SARs filed or relating to transactions occurring on or after January 1, 2023, to the present, which relate to foreign influence-seeking with regard to any federal official, bribery, money laundering, fraud, predatory or deceptive practices, insider trading, market manipulation or other violations of the federal securities laws, counterfeit credit/debit card, credit/debit card fraud, false statements, wire transfer fraud, or identify theft, and contain any of the following terms:
  - a. WinRed, America PAC, Elon Musk, "political action committee", PAC, Trump, "World Liberty Financial", WLF, \$TRUMP, \$MELANIA, and Justin Sun.

The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X.<sup>36</sup> The Committee on House Administration is charged with the oversight of United States elections, including the "[e]lection of the President, Vice President, Members, Senators, Delegates, or the Resident Commissioner; corrupt practices; contested elections; credential and qualifications; and Federal elections generally."<sup>37</sup> The Committee on the Judiciary has oversight jurisdiction over the Department of Justice and the FBI under House Rule X.

If you have any questions regarding this letter, please contact Committee Democratic staff at (202) 225-5051 or House Administration staff at (202) 225-2061.

<sup>&</sup>lt;sup>35</sup> Id.

<sup>&</sup>lt;sup>36</sup> House Rule X, clause 4(c)(2).

<sup>&</sup>lt;sup>37</sup> *Id.* at clause 1(k)(12).

Sincerely,

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Gerald E. Connolly Ranking Member Committee on Oversight and Government Reform

Jamie Raskin Ranking Member Committee on the Judiciary

cc: The Honorable James Comer, Chairman Committee on Oversight and Government Reform

> The Honorable Bryan Steil, Chairman Committee on House Administration

The Honorable Jim Jordan, Chairman Committee on the Judiciary

Joseph D. morelle

Joseph D. Morelle Ranking Member Committee on House Administration