

# Congress of the United States

Washington, DC 20515

October 24, 2022

The Honorable Gary Gensler  
Chair  
U.S. Securities Exchange Commission  
100 F Street NE  
Washington, DC 20549

Dear Chair Gensler:

We write seeking information about the steps your agency is taking to stop the revolving door between our financial regulatory agencies and the cryptocurrency (crypto) industry. The crypto sector has rapidly escalated its lobbying efforts in recent months, spending millions in an attempt to secure favorable regulatory outcomes as Congress and federal agencies work to craft and enforce rules to regulate this multi-trillion dollar industry.<sup>1</sup> As part of this influence campaign, crypto firms have hired hundreds of ex-government officials.<sup>2</sup> We have long been aware of the revolving door in other sectors of the economy – from Big Tech, to the defense industry, to other parts of the financial services sector<sup>3</sup> – and we are concerned that the crypto revolving door risks corrupting the policymaking process and undermining the public’s trust in our financial regulators.

According to the Tech Transparency Project, over 200 government officials have moved between public service and crypto firms, serving as advisers, board members, investors, lobbyists, legal counsel, or in-house executives.<sup>4</sup> These include at least<sup>5</sup>:

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<sup>1</sup> Bloomberg, “Crypto Lobbying Skyrocketed Last Year – Even Facebook and IBM Got Involved,” Brody Ford, March 8, 2022, <https://www.bloomberg.com/news/articles/2022-03-08/crypto-lobbying-skyrocketed-last-year-and-quadrupled-since-2018>; Public Citizen, “Capitol Coin: Number of Cryptocurrency Lobbyists Nearly Tripled Since 2018 and Spending Quadrupled, With Help from Revolving Door Lobbyists and Corporate Allies,” Rick Claypool, March 8, 2022, <https://www.citizen.org/article/capitol-coin-cryptocurrency-lobbying-revolving-door-report/>; Protocol, “Crypto’s aggressive bid for more DC firepower,” Benjamin Pimentel, June 15, 2022, <https://www.protocol.com/fintech/crypto-washington-lobby-revolving-door>.

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<sup>3</sup> Office of Senator Elizabeth Warren, “Warren, Jayapal Question Raimondo on Big Tech Revolving Door at Department of Commerce and Its Impact on Global Digital Trade Rules,” press release, July 21, 2022, <https://www.warren.senate.gov/newsroom/press-releases/warren-jayapal-question-raimondo-on-big-tech-revolving-door-at-department-of-commerce-and-its-impact-on-global-digital-trade-rules>; Office of Senator Elizabeth Warren, “Warren, Jayapal Call on Treasury, Tax Inspectors General to Investigate Unethical Revolving Door Between Treasury and ‘Big Five’ Accounting Firms,” press release, February 22, 2022, <https://www.warren.senate.gov/newsroom/press-releases/warren-jayapal-call-on-treasury-tax-inspectors-general-to-investigate-unethical-revolving-door-between-treasury-and-big-five-accounting-firms>; Office of Senator Elizabeth Warren, “ICYMI: At Senate Armed Services Committee Hearing, Defense Nominee Agrees to Work with Senator Warren to Address Conflicts of Interest and Ethics at the Pentagon,” press release, July 28, 2022, <https://www.warren.senate.gov/newsroom/press-releases/icymi-at-senate-armed-services-committee-hearing-defense-nominee-agrees-to-work-with-senator-warren-to-address-conflicts-of-interest-and-ethics-at-the-pentagon>.

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- 31 Treasury Department officials;
- 28 Securities and Exchange Commission officials;
- 15 Commodity Futures Trading Commission officials;
- Six Federal Reserve officials;
- Five Office of the Comptroller of the Currency officials;
- Three Consumer Financial Protection Bureau officials; and
- Two Federal Deposit Insurance Corporation officials.

These officials join at least eight former members of Congress, 79 former congressional staffers, and 32 former White House officials who are currently advising or lobbying for crypto interests.<sup>6</sup> Amid this hiring spree, crypto firms more than quadrupled their lobbying spending over the last three years.<sup>7</sup> Just as powerful Wall Street interests have long exercised their influence over financial regulation by hiring former officials with knowledge of government's inner workings, crypto firms appear to be pursuing the same strategy in order to secure "a regulatory system to the industry's exact specifications."<sup>8</sup> Indeed, hiring former regulators and government officials provides the crypto industry with a sense of legitimacy that is "a vital currency for an industry that designs many of its products to skirt regulatory scrutiny."<sup>9</sup>

Our financial regulators are tasked with ensuring the safety and fairness of our financial markets. The rapid rise of the crypto market has presented regulators with new questions about how these assets will be regulated. But Americans should be able to trust that financial rules are crafted to reduce risk, improve security, and ensure the fair and efficient functioning of the market – not simply to cater to the crypto industry's desire to "avoid the sort of regulatory crackdown it has faced in China and elsewhere."<sup>10</sup> Moreover, Americans should be confident that regulators are working on behalf of the public, rather than auditioning for a high-paid lobbying job upon leaving government service. The rapidly spinning revolving door out of government and into the crypto sector, however, undermines both imperatives.

Given the increasing number of revolving door hires and the implications they may have for crypto regulation, we request answers to the following questions by November 7, 2022:

1. According to your agency's ethics guidelines:
  - a. For what period of time is an individual barred from seeking employment in an industry with which they interacted while working at your agency?
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2. What other ethics and transparency rules are in place to ensure the integrity of agency officials and the rulemaking process?
3. What challenges has your agency faced in enforcing and strengthening ethics requirements around revolving door hires?
4. What policies are in place at your agency to protect agency policies from being unduly influenced by current or former employees' potential conflicts of interest?

Sincerely,



Elizabeth Warren  
United States Senator



Alexandria Ocasio-Cortez  
Member of Congress



Sheldon Whitehouse  
United States Senator



Jesús G. "Chuy" García  
Member of Congress



Rashida Tlaib  
Member of Congress

# Congress of the United States

Washington, DC 20515

October 24, 2022

The Honorable Rostin Behnam  
Chair  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street NW  
Washington, DC 20581

Dear Chair Behnam:

We write seeking information about the steps your agency is taking to stop the revolving door between our financial regulatory agencies and the cryptocurrency (crypto) industry. The crypto sector has rapidly escalated its lobbying efforts in recent months, spending millions in an attempt to secure favorable regulatory outcomes as Congress and federal agencies work to craft and enforce rules to regulate this multi-trillion dollar industry.<sup>1</sup> As part of this influence campaign, crypto firms have hired hundreds of ex-government officials.<sup>2</sup> We have long been aware of the revolving door in other sectors of the economy – from Big Tech, to the defense industry, to other parts of the financial services sector<sup>3</sup> – and we are concerned that the crypto revolving door risks corrupting the policymaking process and undermining the public’s trust in our financial regulators.

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Our financial regulators are tasked with ensuring the safety and fairness of our financial markets. The rapid rise of the crypto market has presented regulators with new questions about how these assets will be regulated. But Americans should be able to trust that financial rules are crafted to reduce risk, improve security, and ensure the fair and efficient functioning of the market – not simply to cater to the crypto industry's desire to "avoid the sort of regulatory crackdown it has faced in China and elsewhere."<sup>10</sup> Moreover, Americans should be confident that regulators are working on behalf of the public, rather than auditioning for a high-paid lobbying job upon leaving government service. The rapidly spinning revolving door out of government and into the crypto sector, however, undermines both imperatives.

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Sincerely,



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Jesús G. "Chuy" García  
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Rashida Tlaib  
Member of Congress

# Congress of the United States

Washington, DC 20515

October 24, 2022

The Honorable Janet Yellen  
Secretary  
Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Secretary Yellen:

We write seeking information about the steps your agency is taking to stop the revolving door between our financial regulatory agencies and the cryptocurrency (crypto) industry. The crypto sector has rapidly escalated its lobbying efforts in recent months, spending millions in an attempt to secure favorable regulatory outcomes as Congress and federal agencies work to craft and enforce rules to regulate this multi-trillion dollar industry.<sup>1</sup> As part of this influence campaign, crypto firms have hired hundreds of ex-government officials.<sup>2</sup> We have long been aware of the revolving door in other sectors of the economy – from Big Tech, to the defense industry, to other parts of the financial services sector<sup>3</sup> – and we are concerned that the crypto revolving door risks corrupting the policymaking process and undermining the public’s trust in our financial regulators.

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Jesús G. "Chuy" García  
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Rashida Tlaib  
Member of Congress

# Congress of the United States

Washington, DC 20515

October 24, 2022

The Honorable Jerome Powell  
Chair  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Ave NW  
Washington, DC 20551

Dear Chair Powell:

We write seeking information about the steps your agency is taking to stop the revolving door between our financial regulatory agencies and the cryptocurrency (crypto) industry. The crypto sector has rapidly escalated its lobbying efforts in recent months, spending millions in an attempt to secure favorable regulatory outcomes as Congress and federal agencies work to craft and enforce rules to regulate this multi-trillion dollar industry.<sup>1</sup> As part of this influence campaign, crypto firms have hired hundreds of ex-government officials.<sup>2</sup> We have long been aware of the revolving door in other sectors of the economy – from Big Tech, to the defense industry, to other parts of the financial services sector<sup>3</sup> – and we are concerned that the crypto revolving door risks corrupting the policymaking process and undermining the public’s trust in our financial regulators.

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Elizabeth Warren  
United States Senator



Alexandria Ocasio-Cortez  
Member of Congress



Sheldon Whitehouse  
United States Senator



Jesús G. "Chuy" García  
Member of Congress



Rashida Tlaib  
Member of Congress

# Congress of the United States

Washington, DC 20515

October 24, 2022

The Honorable Martin J. Gruenberg  
Acting Chair  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429

Dear Acting Chair Gruenberg:

We write seeking information about the steps your agency is taking to stop the revolving door between our financial regulatory agencies and the cryptocurrency (crypto) industry. The crypto sector has rapidly escalated its lobbying efforts in recent months, spending millions in an attempt to secure favorable regulatory outcomes as Congress and federal agencies work to craft and enforce rules to regulate this multi-trillion dollar industry.<sup>1</sup> As part of this influence campaign, crypto firms have hired hundreds of ex-government officials.<sup>2</sup> We have long been aware of the revolving door in other sectors of the economy – from Big Tech, to the defense industry, to other parts of the financial services sector<sup>3</sup> – and we are concerned that the crypto revolving door risks corrupting the policymaking process and undermining the public’s trust in our financial regulators.

According to the Tech Transparency Project, over 200 government officials have moved between public service and crypto firms, serving as advisers, board members, investors, lobbyists, legal counsel, or in-house executives.<sup>4</sup> These include at least<sup>5</sup>:

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- 31 Treasury Department officials;
- 28 Securities and Exchange Commission officials;
- 15 Commodity Futures Trading Commission officials;
- Six Federal Reserve officials;
- Five Office of the Comptroller of the Currency officials;
- Three Consumer Financial Protection Bureau officials; and
- Two Federal Deposit Insurance Corporation officials.

These officials join at least eight former members of Congress, 79 former congressional staffers, and 32 former White House officials who are currently advising or lobbying for crypto interests.<sup>6</sup> Amid this hiring spree, crypto firms more than quadrupled their lobbying spending over the last three years.<sup>7</sup> Just as powerful Wall Street interests have long exercised their influence over financial regulation by hiring former officials with knowledge of government's inner workings, crypto firms appear to be pursuing the same strategy in order to secure "a regulatory system to the industry's exact specifications."<sup>8</sup> Indeed, hiring former regulators and government officials provides the crypto industry with a sense of legitimacy that is "a vital currency for an industry that designs many of its products to skirt regulatory scrutiny."<sup>9</sup>

Our financial regulators are tasked with ensuring the safety and fairness of our financial markets. The rapid rise of the crypto market has presented regulators with new questions about how these assets will be regulated. But Americans should be able to trust that financial rules are crafted to reduce risk, improve security, and ensure the fair and efficient functioning of the market – not simply to cater to the crypto industry's desire to "avoid the sort of regulatory crackdown it has faced in China and elsewhere."<sup>10</sup> Moreover, Americans should be confident that regulators are working on behalf of the public, rather than auditioning for a high-paid lobbying job upon leaving government service. The rapidly spinning revolving door out of government and into the crypto sector, however, undermines both imperatives.

Given the increasing number of revolving door hires and the implications they may have for crypto regulation, we request answers to the following questions by November 7, 2022:

1. According to your agency's ethics guidelines:
  - a. For what period of time is an individual barred from seeking employment in an industry with which they interacted while working at your agency?
  - b. For what period of time is an individual barred from seeking employment at your agency after leaving an industry that is overseen by your agency?

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2. What other ethics and transparency rules are in place to ensure the integrity of agency officials and the rulemaking process?
3. What challenges has your agency faced in enforcing and strengthening ethics requirements around revolving door hires?
4. What policies are in place at your agency to protect agency policies from being unduly influenced by current or former employees' potential conflicts of interest?

Sincerely,



Elizabeth Warren  
United States Senator



Alexandria Ocasio-Cortez  
Member of Congress



Sheldon Whitehouse  
United States Senator



Jesús G. "Chuy" García  
Member of Congress



Rashida Tlaib  
Member of Congress

# Congress of the United States

Washington, DC 20515

October 24, 2022

The Honorable Michael J. Hsu  
Acting Comptroller of the Currency  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street SW  
Washington, DC 20219

Dear Acting Comptroller Hsu:

We write seeking information about the steps your agency is taking to stop the revolving door between our financial regulatory agencies and the cryptocurrency (crypto) industry. The crypto sector has rapidly escalated its lobbying efforts in recent months, spending millions in an attempt to secure favorable regulatory outcomes as Congress and federal agencies work to craft and enforce rules to regulate this multi-trillion dollar industry.<sup>1</sup> As part of this influence campaign, crypto firms have hired hundreds of ex-government officials.<sup>2</sup> We have long been aware of the revolving door in other sectors of the economy – from Big Tech, to the defense industry, to other parts of the financial services sector<sup>3</sup> – and we are concerned that the crypto revolving door risks corrupting the policymaking process and undermining the public’s trust in our financial regulators.

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Our financial regulators are tasked with ensuring the safety and fairness of our financial markets. The rapid rise of the crypto market has presented regulators with new questions about how these assets will be regulated. But Americans should be able to trust that financial rules are crafted to reduce risk, improve security, and ensure the fair and efficient functioning of the market – not simply to cater to the crypto industry's desire to "avoid the sort of regulatory crackdown it has faced in China and elsewhere."<sup>10</sup> Moreover, Americans should be confident that regulators are working on behalf of the public, rather than auditioning for a high-paid lobbying job upon leaving government service. The rapidly spinning revolving door out of government and into the crypto sector, however, undermines both imperatives.

Given the increasing number of revolving door hires and the implications they may have for crypto regulation, we request answers to the following questions by November 7, 2022:

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2. What other ethics and transparency rules are in place to ensure the integrity of agency officials and the rulemaking process?
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Sincerely,



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Jesús G. "Chuy" García  
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Rashida Tlaib  
Member of Congress

# Congress of the United States

Washington, DC 20515

October 24, 2022

The Honorable Rohit Chopra  
Director  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

Dear Director Chopra:

We write seeking information about the steps your agency is taking to stop the revolving door between our financial regulatory agencies and the cryptocurrency (crypto) industry. The crypto sector has rapidly escalated its lobbying efforts in recent months, spending millions in an attempt to secure favorable regulatory outcomes as Congress and federal agencies work to craft and enforce rules to regulate this multi-trillion dollar industry.<sup>1</sup> As part of this influence campaign, crypto firms have hired hundreds of ex-government officials.<sup>2</sup> We have long been aware of the revolving door in other sectors of the economy – from Big Tech, to the defense industry, to other parts of the financial services sector<sup>3</sup> – and we are concerned that the crypto revolving door risks corrupting the policymaking process and undermining the public’s trust in our financial regulators.

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