07.27.2026

VideoBlumenthal Delivers Opening Statement at Public Forum on Trump's Crypto Corruption

[WASHINGTON, D.C.] – Today, U.S. Senator Richard Blumenthal (D-CT), Ranking Member of the Senate Permanent Subcommittee on Investigations (PSI), delivered an opening statement at a public forum on Donald Trump's self-enrichment crypto schemes, as well as risks the Clarity Act presents without clear ethics standards and any meaningful measures to protect consumers and our national security.

Blumenthal convened the forum, "Trump's Crypto Corruption," alongside U.S. Senator Chris Van Hollen (D-MD), a senior member of the Banking, Housing, and Urban Affairs Committee. The forum included testimony from author and filmmaker, Ben McKenzie; crypto scam victim, Lori Flowers; former Chief of the SEC Office of Internet Enforcement, John Reed Stark; Chief Counsel for Ethics and Anticorruption at Democracy Defenders Action, Virginia Canter; and Deputy Executive Director of Transparency International U.S., Scott Greytak.

"When most presidents are going through personnel decisions and their vision for the future and helping to lead the country into a new administration, Donald Trump had a different priority, namely cashing in. Trump launched and promoted what he called the 'official Trump cryptocurrency,' a meme coin. It had no inherent value. It was his face and identity. $TRUMP coin was effectively a pump-and-dump scheme," Blumenthal said at the forum.

At the forum, Blumenthal released the testimonies of three Americans who lost tens of thousands of dollars after investing in $TRUMP and $MELANIA coins: "**In fact, we've spoken to three investors who bought the $TRUMP coin believing it was a worthwhile investment because it had the endorsement of the President of the United States… They told us about how his approval earned their trust, and they also told us about how quickly they lost almost everything they had invested."**

In a recorded video, a U.S. veteran who invested in $TRUMP and $MELANIA coins and who requested to remain anonymous said: **"[T]he reality was that there were scams. Within a few days, I had lost about $10,000 under $TRUMP coin and $60,000 on the $MELANIA coin. I couldn't believe it. I trusted Trump that these were legitimate, and they weren't. I can't believe something like this would happen."**

Blumenthal continued, **"President Trump, who famously once called Bitcoin a scam, has not only used it to enrich himself, but he's also sold out the American people. He's enriched his family, his sons, his insider friends, his campaign donors, and some of them, for example, Steve Witkoff, are also in the national news and in positions of responsibility."**

Blumenthal continued, pointing to the President's efforts to advance the Clarity Act without clear ethics standards: **"As a result of all this personal success, the President is now fiercely committed to protecting the crypto industry. This kind of exploitation took advantage of weaknesses in the current law. The President is taking a strong stand against reforms that would eliminate the weaknesses and loopholes that he exploited—and others are doing right now—to perpetrate the same kind of fraud on the same kind of innocent victims across the United States."**

Blumenthal concluded by calling for reforms to the Clarity Act to protect consumers, citing written testimony received by PSI Minority staff: **"Earlier today, we received written testimony from New York Attorney General Letitia James, and she writes, 'Clarity seeks to interfere with and preempt states' investor protection laws, as well as dilute our ability to prosecute fraud. This is a mistake.'"**

A video of Blumenthal's opening statement is available here. Written testimony from Attorney General James is available here. A copy of testimonials from Americans who lost big after investing in $TRUMP and $MELANIA coins is available here. The full transcript of Blumenthal's opening statement is available below.

U.S. Senator Richard Blumenthal (D-CT): Senator Richard Blumenthl (D-CT): Thank you all for being here. I'm Richard Blumenthal, Ranking Member of the Permanent Subcommittee on Investigations. I'm really proud to be partnering this spotlight forum with Senator Chris Van Hollen, who has been a leader in the fight to expose and constrain the abuses surrounding cryptocurrency. And I want to thank him for his immense contribution to the public understanding. And we have a lot of understanding that needs to be expanded. I apologize for being a little bit late; I just flew in from Connecticut. So, we're beginning this forum, and I'm going to try to lay out what the reasons are we're here today, and it begins with Donald Trump in the days before he was inaugurated.

When most presidents are going through personnel decisions and their vision for the future and helping to lead the country into a new administration, Donald Trump had a different priority, namely cashing in. Trump launched and promoted what he called the "official Trump cryptocurrency," a meme coin. It had no inherent value. It was his face and identity. $TRUMP coin was effectively a pump-and-dump scheme. Those kinds of schemes used to pertain to securities transactions or stocks. He was using it to inflate the price of the coin, and then intending that it be dumped. He repeatedly hawked it and hyped it on social media. He used it to sell access to the presidency, offering private meetings to top investors. But the $TRUMP coin was always doomed to fail.

In fact, we've spoken to three investors who bought the $TRUMP coin believing it was a worthwhile investment because it had the endorsement of the president of the United States. Not outlandish to believe the President of the United States is acting honorably and honestly. They told us about how his approval earned their trust, and they also told us about how quickly they lost almost everything they had invested. And I'm going to play for you now one of their stories, if we can do it.

Anonymous Witness: I'm a proud American and U.S. Veteran. I support the President despite any political party. President Trump was going to be the first crypto president, and that was something that I wanted to support. When he announced on Twitter that he released his own crypto project, I wanted to be a part of it. So, I bought some. Within a few days, he announced that Melania was releasing her own projects, and I/we should buy that too. So, I bought that as well. Now I trusted Trump that both of these were legitimate projects. However, the reality was that there were scams. Within a few days, I had lost about $10,000 under $TRUMP coin and $60,000 on the $MELANIA coin. I couldn't believe it. I trusted Trump that these were legitimate, and they weren't. I can't believe something like this would happen.

Sen. Blumenthal: Now, if there is one picture you take away from this forum. This should be it. This is the history of the Trump meme coin. You could make it a case history in business schools. Pump-and-dump, front running, bait and switch. Classic fraud. That's when it began at the beginning of the Trump Administration, when it was hyped by the President of the United States, and then dropped precipitously. The President had a gala to try to hype it back. It worked a little bit, for a little while, and then the slide continued to today, when it's worth a pitiful, pathetic fraction of its initial amount.

Trump's profits had victims. Corruption has costs, and the consequences to these individuals were lost retirement accounts, sacrificed savings, houses in foreclosure, losses that changed their lives. $3.8 billion. That's right, $3.8 billion, so that he could profit. From the meme coin alone, $636 million. These numbers are so gargantuan that they're almost meaningless to the average American. $1.4 billion is what his total profits were from crypto, and $636 million of it, as a result of the pump-and-dump scheme on his meme coin, his total income last year, $2 billion. It's beyond words for most Americans, beyond comprehension. But it was no accident, and it certainly was no great vision of economic contribution. It was simply self-enrichment. It had victims. It had costs for everyday Americans.

President Trump, who famously once called Bitcoin a scam, has not only used it to enrich himself, he's sold out the American people. He's enriched his family, his sons, his insider friends, his campaign donors, and some of them, for example, Steve Witkoff, are also in the national news and in positions of responsibility. Days before his second inauguration, one UAE company paid $500 million for a 49% stake in his other firm, World Liberty Financial, and soon after, another UAE company, all of them linked to the ruling family and the major wealth fund, purchased $2 billion of its so-called stablecoin.

As a result of all this personal success, the President is now fiercely committed to protecting the crypto industry. This kind of exploitation took advantage of weaknesses in the current law. The President is taking a strong stand against reforms that would eliminate the weaknesses and loopholes that he exploited—and others are doing right now—to perpetrate the same kind of fraud on the same kind of innocent victims across the United States. Many of his friends and family, high-level officials in his administration and others he is protecting are profiting while the rest of America is less stable and less secure than we were before. The President has shaped his administration in his own image.

Bo Hines, who is a former official in the White House, went to work for an organization called Tether linked to Howard Lutnick, Secretary of Commerce, and involved in these crypto ventures. Just two examples that illustrate and prove the point that we are making here: that there needs to be fundamental, far-reaching, penetrating reform, not the Clarity Act.

President Trump's personal grift is resonating across the world. Scams and frauds are growing, driven in large part by the ease of laundering stolen funds through cryptocurrency. We need to make sure that any regulations can be vigorously enforced. The Clarity Act, for example, takes away the authority of State Attorneys General, having been one I know personally, and we're seeing right now how Attorneys General are filling the breach that's left by a Department of Justice that has become Trump's personal law firm. The Clarity Act would depend on the Department of Justice to do enforcement, which would make protections essentially a dead letter.

It would expose the financial future of millions of Americans to unacceptable volatility and risk, while giving crypto billionaires a free pass to the basic consumer protections that banks and other financial institutions are required to follow. There's a model here: banks, security companies, they're required by law to follow certain safeguards and guardrails. Right now, the effort by the crypto industry is to get a free pass.

Earlier today, we received written testimony from New York Attorney General Letitia James, and she writes, “Clarity seeks to interfere with and preempt states’ investor protection laws, as well as dilute our ability to prosecute fraud. This is a mistake.” Preemption, no enforcement, smokescreen, guardrails, and I’m unable to enter this testimony into the Congressional record at this time, but I’m going to post it on our website. I want to thank Attorney General James for her submission, and I want to thank all the witnesses who are here today, my colleagues, who are going to be joining us later today. Senator Durbin is here now, and I want to turn it over now to my partner in this effort, Senator Van Hollen.

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