U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES DEMOCRATS

Press Releases

DAY 27 OF THE TRUMP-REPUBLICAN SHUTDOWN: What is the Trump Administration Doing During the Government Shutdown? Pardoning Convicted Crypto Criminals and Lining His Pockets

Washington, DC, October 27, 2025

Tags: *Budget*

Today, **Congresswoman Maxine Waters (D-CA)**, the top Democrat on the House Financial Services Committee, released information on day 27 of the Trump-Republican shutdown—which Trump and Republicans initiated because of their refusal to negotiate with Democrats to protect health care for millions of Americans. Today's release highlights President Trump's recent pardon of convicted Binance founder Changpeng Zhao (CZ).

On October 23, 2025, President Trump issued a full pardon to Changpeng Zhao, the convicted founder of Binance, who previously pleaded guilty to serious anti-money laundering violations and served four months in a federal prison.

Who Is CZ?

CZ is the founder of Binance, one of the world's largest cryptocurrency exchanges. In November 2023, CZ pleaded guilty to enabling money laundering and facilitating illicit transactions involving child sex abuse, drug traffickers, and terrorist

organizations, and was sentenced to four months in federal prison. Additionally, in June 2023, the Securities and Exchange Commission (SEC) sued CZ and Binance for operating unregistered securities exchanges, misleading investors, engaging in manipulative trading, and commingling billions in customer assets. The bad acts of Binance were so egregious that not only was CZ forced to resign, but Binance agreed to pay a record $4.3 billion in penalties and years of increased compliance oversight. Despite this, just months later and shortly after taking office, Trump's SEC **abruptly** dropped its remaining securities fraud case against CZ and Binance, paving the way for the recent pardon.

What Is this Pardon Really about?

Let's be clear about what this really is:

CZ spent months lobbying Trump and his family while funneling billions into the Trump family's crypto venture, **World Liberty Financial** (WLF). In fact, while CZ was still under federal investigation for money laundering and securities violations, Binance entered into a lucrative partnership with WLF. That deal, which included Binance listing WLF's stablecoin, $USD1, and accepting a $2B investment from an Abu Dhabi-based fund denominated in $USD1, instantly skyrocketed $USD1 to one of the top ten stablecoins in the world and is projected to generate hundreds of millions of dollars annually for Trump and the family of Steve Witkoff, the President's top Middle East adviser and Zach Witkoff, the co-founder of WLF. CZ's support for $USD1 and WLF has further boosted the profits for Trump's network, which has now skyrocketed to **$5.6 billion** since taking office thanks to his growing crypto empire. **CZ's pardon is another glaring example of the pay-to-play corruption that has defined the Trump Administration from day one**.

Why Is this Dangerous for Investors?

Make no mistake—by letting bad actors in crypto like CZ walk free, the Trump Administration is sending a dangerous and reckless message to white-collar

criminals and the entire cryptocurrency industry. **It's telling crypto criminals that they can break the law, defraud investors, and get away with it, as long as they are also Trump's benefactors. Meanwhile, everyday investors are left completely vulnerable**.

However, this should come as no surprise. Since taking office, Trump has made it his priority to excuse crypto criminals while weakening the very regulators responsible for holding these bad actors accountable and protecting American investors. One of his earliest actions was to gut the SEC and **dismantle** the Justice Department's National Cryptocurrency Enforcement Team—the specialized unit responsible for prosecuting crypto-related crimes. In fact, in just the first month of his presidency, the Administration dropped investigations or cases against **at least 89 companies**. According to Decrypt, this includes actions investigating some of the crypto industry's biggest names:

- **Binance and CZ:** lawsuit alleging unregistered securities offerings, material misstatements, and fraud
- **Coinbase:** lawsuit alleging it acted as an unregistered exchange and engaged in unregistered securities offerings
- **Kraken:** lawsuit related to staking-as-a-service products
- **Ripple:** lawsuit regarding its unregistered offer and sale of XRP
- **Robinhood:** investigation into its crypto trading business

All were dismissed. These were not minor cases; they involved billions in alleged fraud and violations.

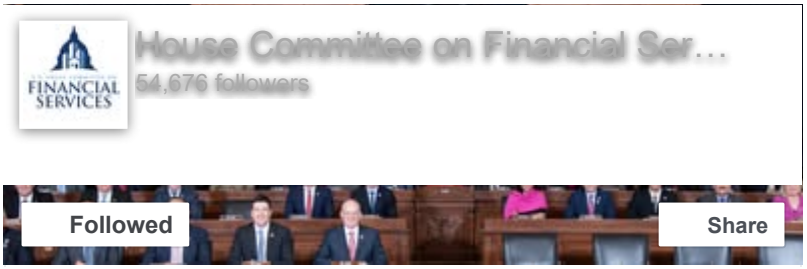
How Does the Trump-Republican Shutdown Leave Investors More at Risk?

To make matters worse, during the Trump–Republican shutdown, the SEC has been gutted, with over 90 percent of its staff furloughed, forcing the agency to halt most enforcement, examination, and investor protection activities. Ongoing investigations into market manipulation and fraud have been suspended, and new cases are no

longer being filed. **With nearly no oversight, bad actors like CZ are free to operate without accountability, putting hardworking Americans at risk as their savings, investments, and retirement security are left unprotected.**

Once again, Trump has made clear that his loyalties lie with crypto criminals and not the hard-working American families who have been–or will be–scammed and defrauded.

###



Tweets by @USHouseFSC

Washington, DC Office

4340 O'Neill House Building Washington, DC 20515

T (202) 225-4247