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Warren Presses Treasury Secretary Bessent and Fed Chair Powell to Rule Out Taxpayer-Funded Bailout for Cryptocurrency Billionaires

"Any government response to Bitcoin's recent crash must be centered around bolstering safeguards for individual crypto holders."

"American taxpayers should not be on the hook for billionaire crypto investors."

Text of Letter (PDF)

Washington, D.C. – Elizabeth Warren (D-Mass.), Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee, sent a letter to Treasury Secretary Scott Bessent and Federal Reserve Chair Jerome Powell, urging them for written confirmation that neither the Department of the Treasury (Treasury) nor the Federal Reserve (Fed) will use taxpayer dollars to bail out cryptocurrency billionaires and other highly compensated cryptocurrency investors.

In the letter, the Senator highlights that Treasury and the Fed have authorities that enable them to provide financial support to banks and non-bank entities during periods of financial distress. Treasury, for example, manages the Exchange Stabilization Fund (ESF), which was used in the 2008 financial crisis to bail out money market mutual funds. The Fed has used its 13(3) emergency lending facilities to provide financial support to a range of financial and nonfinancial institutions

during crises, including the 2008 financial crisis, the 2020 Covid pandemic, and 2023 banking turmoil. The Senator underscored that Treasury and the Fed "must refrain from propping up Bitcoin and transferring wealth from taxpayers to crypto billionaires through direct purchases, guarantees, or liquidity facilities."

"Not only would it would be deeply unpopular to transfer wealth from American taxpayers to cryptocurrency billionaires, it could also directly enrich President Trump and his family's cryptocurrency company, World Liberty Financial (WLFI). The ongoing crypto asset crash underscores why Congress must bolster consumer protections for the cryptocurrency industry so crypto billionaires and other insiders cannot benefit at the expense of small traders and retirees" **wrote the Senator.**

"In recent weeks, Bitcoin, which constitutes nearly 60% of the entire crypto ecosystem by market capitalization, has lost more than $2 trillion, or about 50%, in value since its October 2025 peak," **wrote the Senator.** "It's deeply unclear what, if any, plans the U.S. government currently has to intervene in the current Bitcoin selloff. Ultimately, any government intervention to stabilize Bitcoin would disproportionately benefit crypto billionaires."

The Senator continued: "Federal financial agencies must strengthen protections for retail crypto investors. Last year, a record $17 billion was lost or stolen to cryptocurrency scams and fraud, driven by a massive 1400% year-over-year increase in impersonation scams."

The Senator stressed that any government response to the recent crypto crash must be centered around strengthening safeguards for individual crypto investors, not on issuing an American taxpayer-funded bail out to crypto billionaires.

The Senator asks for written confirmation from Treasury and the Fed that they will not use their authorities, including but not limited to the ESF and 13(3) liquidity facilities, to bail out the Bitcoin market or crypto asset intermediaries no later than February 27, 2026.

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