

January 9, 2024

Senator Elizabeth Warren  
309 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Warren,

Thank you for your December 18, 2023 letter. I write today, on behalf of Blockchain Association, to respond to your inquiry, provide more information on Blockchain Association and our members, and finally, request to collaborate on the issues you raise.

Blockchain Association is the leading nonprofit membership organization dedicated to promoting a pro-innovation policy environment for the digital asset economy. We represent more than 100 member companies operating in the United States that reflect a wide range of the dynamic blockchain industry. These member companies – and the broader crypto community – are made up of passionate people of diverse backgrounds and experiences. The community is more engaged than ever in Washington, D.C.

While Blockchain Association does not currently employ anyone with the credentials listed in your first question, we are fortunate and proud to count many former military, national security, intelligence officers, and law enforcement professionals among our membership. These individuals served their country admirably while in the public sphere protecting our nation – many as combat veterans to whom we owe an enormous debt of gratitude. After leaving government, these public servants could have chosen from myriad, well-deserved professional opportunities. But they were drawn to work in the emerging digital asset industry because they value freedom and creativity, sovereignty of the individual, and permissionless innovation.

We believe crypto values are American values. Blockchain technology has [demonstrated](#)<sup>1</sup> the [potential](#)<sup>2</sup> to [enhance](#)<sup>3</sup> financial [inclusion](#)<sup>4</sup>, put [control of user data](#)<sup>5</sup> back in the hands of individuals instead of large corporations, and provide new wealth-building [opportunities](#)<sup>6</sup> outside

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<sup>1</sup> Blockchain Association, *Crypto. Here for Good*, <https://theblockchainassociation.org/crypto-here-for-good/>.

<sup>2</sup> Karren Biddle Andres, David Derryck, and Mack Wallace, *10 Real Ways that Blockchain and Crypto Could Drive Financial Inclusion and Help Households Build Wealth*, Aspen Institute, (August 23, 2023), <https://www.aspeninstitute.org/blog-posts/10-real-ways-that-blockchain-and-crypto-could-drive-financial-inclusion-and-help-households-build-wealth/>.

<sup>3</sup> GoodDollar, <https://www.gooddollar.org/>.

<sup>4</sup> Stellar, *Bridging the Financial Services Gap for the Unbanked: How Stellar Ramps Make Finance More Inclusive*, (July 13, 2023), <https://stellar.org/blog/thought-leadership/bridging-the-financial-services-gap-for-the-unbanked-how-stellar-ramps-make-finance-more-inclusive>.

<sup>5</sup> Filecoin Foundation, *New Survey: American Consumers Are Ready to Change Up to Web3*, (November 1, 2022), <https://fil.org/blog/new-survey-american-consumers-are-ready-to-change-up-to-web3/>.

<sup>6</sup> Charisse Jones and Jessica Menton, *Black, Latino, LGBTQ investors see crypto investments like bitcoin as 'a new path' to wealth and equity*, USA Today, (August 13, 2021), <https://www.usatoday.com/story/money/2021/08/13/crypto-seen-path-equity-black-latino-and-lgbtq-investors/5431122001/?gnt-cfr=1>.

of Wall Street through direct ownership of assets. We also believe this technology has the ability to disrupt or otherwise compete with gatekeeper “Too Big To Fail” banks who have proven [time](#)<sup>7</sup> and [again](#)<sup>8</sup> their intention to put [profits over people](#)<sup>9</sup>. At its core, crypto technology reflects and enhances fundamental values integral to our country.

Fighting terrorism and protecting national security are vital priorities that we all share as citizens. The [transparency and traceability](#)<sup>10</sup> of public blockchain networks allow for enhanced [capabilities](#)<sup>11</sup> and [tools](#)<sup>12</sup> used by national security professionals currently serving their country. For this reason, it is far better to build the next generation of financial technology on public blockchains than it is to continue patching [opaque](#)<sup>13</sup> legacy systems that have already [proven](#)<sup>14</sup> wholly [insufficient](#)<sup>15</sup> at combating money laundering and terrorist financing.

We believe the enormous costs of stifling blockchain development in the United States by applying the Bank Secrecy Act to individual participants and users will far outweigh any benefits. Blockchain Association and the individuals that make up its membership intend to continue to exercise our Constitutional rights by petitioning the government and speaking freely on this issue.

We again offer our partnership and remain willing and committed to engage in these important discussions in an open and transparent manner.

Sincerely,

Kristin Smith  
CEO  
Blockchain Association

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<sup>7</sup> Reuters, *EU court upholds Euribor fines for JPMorgan Chase, HSBC, trims C.Agricole fine*, (December 20, 2023), <https://www.reuters.com/markets/europe/eu-court-upholds-euribor-fines-jpmorgan-chase-hsbc-trims-cagricole-fine-2023-12-20/>.

<sup>8</sup> Jessica Dickler, *Federal watchdog cracks down on Bank of America but ‘junk fees’ aren’t going anywhere, expert says — it’s a ‘game of whack-a-mole’*, CNBC, (July 11, 2023), <https://www.cnbc.com/2023/07/11/feds-fine-bank-of-america-150-million-but-junk-fees-wont-go-away.html>.

<sup>9</sup> U.S. Department of Justice Office of Public Affairs, *Wells Fargo Agrees to Pay \$3 Billion to Resolve Criminal and Civil Investigations into Sales Practices Involving the Opening of Millions of Accounts without Customer Authorization*, (February 21, 2020), <https://www.justice.gov/opa/pr/wells-fargo-agrees-pay-3-billion-resolve-criminal-and-civil-investigations-sales-practices>.

<sup>10</sup> TJ Jung, *How transparency through blockchain helps the cybersecurity community*, IBM, (April 15, 2019), <https://www.ibm.com/blog/how-transparency-through-blockchain-helps-the-cybersecurity-community/>.

<sup>11</sup> Reuters, *Israel freezes crypto accounts seeking Hamas donations, police say*, (October 10, 2023), <https://www.reuters.com/technology/israel-freezes-crypto-accounts-seeking-hamas-donations-police-say-2023-10-10/>.

<sup>12</sup> Chainalysis, *Leverage Chainalysis to detect and investigate crypto crime*, <https://www.chainalysis.com/solutions/investigations/>.

<sup>13</sup> Office of the Comptroller of the Currency, *OCC Assesses \$250 Million Civil Money Penalty Against JPMorgan Chase Bank, N.A.*, (November 24, 2020), <https://www.occ.gov/news-issuances/news-releases/2020/nr-occ-2020-159.html>.

<sup>14</sup> Financial Crimes Enforcement Network, *JPMorgan Admits Violation of the Bank Secrecy Act for Failed Madoff Oversight; Fined \$461 Million by FinCEN*, (January 7, 2014), <https://www.fincen.gov/news/news-releases/jpmorgan-admits-violation-bank-secrecy-act-failed-madoff-oversight-fined-461>.

<sup>15</sup> Financial Crimes Enforcement Network, *FinCEN Announces \$140 Million Civil Money Penalty against USAA Federal Savings Bank for Violations of the Bank Secrecy Act*, (March 17, 2022), <https://www.fincen.gov/news/news-releases/fincen-announces-140-million-civil-money-penalty-against-usaa-federal-savings>.