

United States Senate

May 27, 2021

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Yellen:

I write today with concern about the risks taken by ordinary investors and the significant potential for scams related to cryptocurrency.

Cryptocurrency values have fallen drastically over the last few weeks, while reports of scams and fraud have skyrocketed. This month alone, the value of several cryptocurrencies have fallen by more than 30 percent¹. At the same time, cryptocurrency scams have risen 1,000 percent in the past year and cost consumers at least \$80 million, according to the Federal Trade Commission (FTC)². The median amount consumers lost in the scams was \$1,900. Earlier this month, the U.S. Securities and Exchange Commission warned investors that bitcoin is a “highly speculative investment,” pointing to “the lack of regulation and potential for fraud or manipulation.”³

This is an unregulated industry, and the alarming amount of criminal activity surrounding cryptocurrency demands action. I support free markets, and protecting American investors must always be a top priority. Today, I write to request your response to the following questions about your plan to address and prevent the threat of widespread fraud in cryptocurrency investments and protect American investors:

- What is the administration’s plan to protect consumers and legitimate investors from widespread cryptocurrency scams?

¹ <https://www.wsj.com/articles/bitcoin-and-dogecoin-prices-tumble-as-investors-sour-on-cryptos-11621435489>

² <https://www.ftc.gov/news-events/press-releases/2021/05/ftc-data-shows-huge-spike-cryptocurrency-investment-scams>


³ https://www.sec.gov/news/public-statement/staff-statement-investing-bitcoin-futures-market?utm_medium=email&utm_source=govdelivery

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- How will the administration work to identify, stop and prevent fraud and scams in initial coin offerings and the purchase and sale of cryptocurrency on U.S. financial markets?
- What is the administration's plan to address any legal or regulatory uncertainties that may be causing the unnecessarily turbulent environment for the development and sale of cryptocurrency? What additional steps should Congress be taking?
- What is the administration doing to protect cryptocurrency markets from foreign interference by our adversaries, including Communist China and Russia?
- Please describe any tools available to the administration that may offer more concrete protection and guidance to investors and innovators on these topics.

We must always put the safety and security of Americans first - including their investments. I look forward to your responses as we address this emerging industry.

Sincerely,



Rick Scott
United States Senator

CC: Gary Gensler, Chair, U.S. Securities and Exchange
Rebecca Kelly Slaughter, Acting Chair, Federal Trade Commission
Michael Hsu, Acting Comptroller, Office of the Comptroller of the Currency