TO: Interested Parties
FROM: Alexandra Thornton, Senior Director, Financial Regulation; and Will Ragland, Vice President of Research, CAP Action
DATE: September 15, 2026
RE: CLARITY Act vote would ratify Trump family's ability to expand its $2.4 billion crypto windfall and allow crypto insiders to make it even more industry friendly

This afternoon, the Senate has an opportunity to block the CLARITY Act, a crypto regulation bill with significant shortcomings and flaws. Members should not buy Leader Thune's argument that the cloture vote is a "free vote" intended to keep the bill moving. Rather, it would enable any further votes on the bill to pass with only 51 votes, instead of 60, and open the door to complete control of the bill's provisions by crypto industry insiders.

The bill still allows President Trump to profit off of his family's crypto ventures. One of the most significant issues with the legislation is a glaring loophole that makes the bill's primary ethics provisions directed at the executive branch essentially unenforceable for the Trump administration. This should come as no surprise since the White House rejected earlier bipartisan bill drafts with stronger language and, in his most recent personal financial disclosure, President Trump revealed he made $1.4 billion in income from crypto in 2025 alone. In its Trump's Take Tracker, our sister organization, the Center for American Progress (CAP) estimates that since the 2024 election, Trump and his sons, who are not subject to the same public disclosure requirements as the president, have amassed more than $2.4 billion. Nearly two thirds (63%) of Americans believe Trump and his family have inappropriately profited from cryptocurrency, and 69% of Americans say Trump's business interests influence the decisions he makes as president.

The final 635-page bill released on Sunday does not fix this by design. As Sen. Warren described yesterday, the CLARITY Act "reads exactly like what you expect… [President Trump] to bless: a weak fig leaf that will do nothing to stop him from making his next $1.4 billion in crypto profits."

Just yesterday the Washington Sun reported that the Trump family may be taking steps that would allow them to offload their World Liberty Financial token stockpile—their largest crypto venture—which could net them billions more in income. Retail investors, for their own part, have lost billions from various Trump backed crypto schemes." This after last month's news that a Trump-appointed banking regulator granted conditional approval for a national trust bank charter that would let World Liberty cut out the middleman and directly issue and redeem its own stablecoin, likely resulting in even larger crypto gains for the family.

President Trump and his family are making these billions of crypto profits in part from:

- Interest off of stablecoin reserves made from an investment deal between an Abu Dhabi state backed investment fund and Binance, a crypto exchange banned from doing business in the U.S. and whose cofounder Changpeng Zhao after pleading guilty to anti-money laundering violations was pardoned by President Trump;

- Governance tokens that have no intrinsic value and were not [initially](#) designed for trading; and
- A memecoin, whose launch and subsequent crash, a Senate investigations subcommittee [said](#) “mirrors a common pattern in the cryptocurrency market known as a ‘pump and dump,’ ‘rug pull,’ or ‘rug.’”

The so-called “ethics” provision that allows states to enforce ethics around crypto is an after-the-fact solution that explicitly requires state attorneys general to prove harm, likely as determined by the Trump administration’s DOJ. There should be complete divestiture from all crypto-related businesses by the president and his family, and by other high-ranking federal officials for this to have any teeth.

Do not take the bait. The final ethics provisions of this bill should be in the draft before there is a cloture vote, not subject to vague promises to amend the bill on the floor.

Beyond its weak ethics guardrails, the broader bill still contains other major flaws.

(1) The bill expressly retains full exemptive authority for the SEC, meaning the current pro-crypto agency could exempt crypto firms from many provisions of the bill.

(2) The bill's solution to concerns about stablecoin rewards causing deposit flight from community banks is to let it happen. A Treasury study 18 months later—and only upon a showing of "substantial detrimental impact to those deposits held by community banks due specifically to the activities regulated under this section" (Section 10404(c)(3)(C))—will leave communities without protection while the damage is done.

(3) The new version retains the "parity" language that effectively authorizes the SEC to provide an exemption from the securities laws for any tokenized security (see Section 10505(d)). Given the pro-crypto stance of the current SEC, this constitutes no guardrails at all and will enable a massive workaround for 90 years of investor protections.

(4) States are vital to policing the market and protecting investors. According to the Multistate Coalition of blue and two red (Kansas and Ohio) state attorneys general, the bill is too ambiguous and still deprives states of their ability to continue combatting scams.

(5) This bill retains the AI sandbox provisions despite recent events involving out-of-control AI bots, which suggest AI may no longer be entirely within human control and thus could be extremely dangerous.

Bottom line: The Senate is being asked to lock in a regulatory framework written for the crypto industry by industry insiders that protects President Trump’s ability to grow his $2.4 billion in crypto profits with little to no checks. Vote no on cloture.