

STATEMENT FOR THE RECORD

Submitted to:

U.S. Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Submitted via email to:

Evan Griffis, Clerk
evan_griffis@banking.senate.gov

Submitted by:

William Michael Cunningham
Founder and President, Creative Investment Research

Re: Digital Assets, Cryptocurrency, and the Appropriate Federal Regulatory Framework

Chairman Scott, Ranking Member Warren, and Members of the Committee:

Thank you for the opportunity to submit this Statement for the Record regarding pending and proposed cryptocurrency and digital asset legislation. I submit this statement based on nearly a decade of direct, continuous, and publicly documented research and policy analysis on Bitcoin, blockchain technology, digital assets, and their implications for financial stability, consumer protection, market integrity, and inclusion.

My firm, Creative Investment Research (CIR), has published some of the earliest and most sustained analyses of Bitcoin and blockchain technology beginning in 2017—well before these issues became mainstream topics of Congressional or regulatory debate. Our work has consistently distinguished between speculative crypto-assets and the underlying distributed ledger technologies that hold potential public-interest value.

This Statement for the Record is submitted in connection with Senate consideration of proposed digital asset market structure legislation, including the Digital Asset Market Clarity Act and related Senate proposals addressing digital commodities, stablecoins, decentralized finance, and payment systems. It is grounded in nearly a decade of original research by Creative Investment Research (CIR) on Bitcoin, blockchain technology, and the regulatory failures that arise when market-structure questions are separated from Treasury-led financial crime, payments, and systemic-risk oversight.

CIR's longstanding position is clear and unchanged: the U.S. Department of the Treasury must serve as the primary regulator of cryptocurrency and digital assets, followed—in descending order—by the Federal Reserve, the Securities and Exchange Commission (SEC), and the Commodity Futures Trading Commission (CFTC).

This hierarchy reflects functional reality, statutory authority, and systemic risk considerations.

- Treasury oversees financial crimes, sanctions, money laundering, payment systems, and national security risks.
- The Federal Reserve safeguards monetary policy transmission, financial stability, and payment infrastructure.
- The SEC should regulate crypto-assets that meet the definition of securities.
- The CFTC should oversee derivatives and commodities-related crypto instruments.

Attempts to elevate any single market regulator above Treasury risk fragmenting oversight, weakening anti-money laundering enforcement, and exposing the financial system to regulatory arbitrage.

A Long and Unique Track Record on Bitcoin and Blockchain

Between 2017 and 2022, CIR published a comprehensive body of work explaining Bitcoin, blockchain technology, and digital asset risks to policymakers, investors, and the public.

This includes:

- Early technical explanations of Bitcoin and blockchain mechanics (2017)
- Analysis separating blockchain use-cases from speculative crypto-assets
- Warnings about false claims of crypto-driven financial inclusion
- Policy arguments that cryptocurrency regulation belongs primarily with Treasury
- Application of blockchain concepts to non-financial public-interest use cases such as food safety
- A formal Statement for the Record submitted to Congress in 2021

This record demonstrates continuity, consistency, and foresight—not opportunistic engagement.

Crypto Inclusion Myths and Minority Communities

CIR has repeatedly challenged the narrative that cryptocurrency inherently advances financial inclusion. Our research shows that unregulated crypto markets disproportionately expose minority and lower-income communities to volatility, fraud, predatory marketing, and wealth extraction—while offering little durable wealth creation.

Any digital asset legislation must explicitly reject the misuse of inclusion rhetoric to justify regulatory leniency.

Preserving Institutional Independence and Financial Stability

Recent political threats against independent financial regulators underscore why clear statutory roles are essential. Treasury-led crypto oversight provides accountability without politicizing monetary policy or enforcement. Fragmented or adversarial regulatory structures risk undermining confidence in U.S. financial governance at a time of global competition.

Conclusion

Congress has an opportunity to establish a durable, coherent digital asset regulatory framework that prioritizes financial stability, national security, consumer protection, and market integrity. That framework must be anchored at the U.S. Department of the Treasury.

Creative Investment Research stands ready to provide additional analysis, historical documentation, and technical assistance to the Committee.

Respectfully submitted on 1/15/2026

William Michael Cunningham
Founder and President
Creative Investment Research

Appendix A: Prior Publications and Congressional Submissions

Bitcoin and Blockchain Explained (2017–2019)

A series of early educational analyses explaining Bitcoin mechanics, mining, consensus, and distributed ledger technology. These works distinguished speculative crypto-assets from blockchain as an infrastructure layer.

Bitcoin and Blockchain Explained IN 30 MINUTES FOR FREE.

<https://www.udemy.com/course/bitcoin-explained/>

Summary of Bitcoin and Its Underlying Technology – Blockchain (2017)

One of CIR’s earliest technical summaries, explaining how blockchain functions as a distributed database and why regulatory focus should extend beyond price speculation.

<https://www.impactinvesting.online/2017/05/summary-of-bitcoin-and-its-underlying.html>

Blockchain 1.0 (2017)

Outlined first-generation blockchain limitations, scalability issues, governance weaknesses, and energy intensity—warnings later confirmed by market events.

<https://www.impactinvesting.online/2017/05/blockchain-10.html>

Forget Bitcoin, Let’s Talk About Food Safety (2018)

Demonstrated blockchain’s value in non-financial public-interest use cases, including supply chain traceability and food safety. <https://www.impactinvesting.online/2018/02/forget-bitcoin-lets-talk-about-food.html>

Cryptocurrency Regulation Is a Job for Treasury | American Banker (2018)

Argued that Treasury—not market regulators—must lead crypto oversight due to AML, sanctions, payments, and national security risks.

<https://www.impactinvesting.online/2018/02/cryptocurrency-regulation-is-job-for.html>

Introduction to Blockchain and Why It Matters (2019)

Provided a policy-oriented framework for evaluating blockchain innovation separate from crypto trading platforms. <https://www.impactinvesting.online/2019/02/introduction-to-blockchain-and-why-it.html>

<https://www.impactinvesting.online/2019/02/introduction-to-blockchain-and-why-it.html>

The Future of Money (2019)

Explored digital payments, central bank roles, and risks posed by private money substitutes.

<https://youtu.be/n1i4j8df0t0?si=d4hQfuD0086zZdma>

Crypto Inclusion Myths (2022)

Challenged claims that crypto advances financial inclusion, documenting disproportionate harm to minority communities. <https://www.impactinvesting.online/2022/01/crypto-inclusion-myths.html>

Statement for the Record – U.S. House Financial Services Committee (Dec. 8, 2021)

Formal Congressional submission on digital assets and financial innovation, reinforcing Treasury-led oversight.

<https://drive.google.com/file/d/18uFqONLX5aaswj7pIZDThZO93uaxHk5Z/view>

American Banker Letter to the Editor: Threatening Powell with Criminal Prosecution (2026)

Defended institutional independence and warned against politicizing financial regulation.

<https://www.impactinvesting.online/2026/01/american-banker-newspaper-letter-to.html>

Addendum: Legislative Alignment

This Statement is intended to inform Senate consideration of pending digital asset legislation, including proposals addressing market structure, stablecoins, and payment systems. CIR supports legislation that:

- Establishes Treasury as the lead regulator for digital assets
- Preserves Federal Reserve authority over monetary policy and payment systems
- Limits SEC and CFTC jurisdiction to clearly defined asset classes
- Prevents regulatory arbitrage and forum shopping
- Rejects false claims of automatic financial inclusion

Legislation failing to meet these standards risks systemic instability and consumer harm.

Appendix B: Recommended Statutory Edits — Treasury as Lead Regulator

To ensure regulatory coherence, financial stability, and effective enforcement, Creative Investment Research recommends the following statutory clarifications to establish the U.S. Department of the Treasury as the primary regulator of digital assets and digital commodity markets.

1. Treasury Lead Authority Clause (New Section)

“Notwithstanding any other provision of law, the Secretary of the Treasury shall serve as the principal Federal authority for the oversight, coordination, and supervision of digital assets, digital commodities, and distributed ledger-based financial activities, including authority related to financial crime prevention, sanctions compliance, payment systems, and systemic risk.”

2. Coordinating Role of the Federal Reserve

“The Board of Governors of the Federal Reserve System shall retain authority over monetary policy, payment system integrity, settlement finality, liquidity provision, and financial stability risks arising from digital asset activities, in coordination with the Secretary of the Treasury.”

3. Clarification of SEC and CFTC Jurisdiction

“Nothing in this Act shall be construed to limit the authority of the Securities and Exchange Commission or the Commodity Futures Trading Commission to regulate digital assets that fall within their respective statutory definitions; provided, however, that such authorities shall be exercised in a manner consistent with Treasury-led oversight of illicit finance, payments, and systemic risk.”

4. Anti-Arbitrage Provision

“Federal agencies shall not interpret or implement this Act in a manner that permits regulatory arbitrage, forum shopping, or fragmentation of oversight across digital asset markets.”

5. Joint Rulemaking Requirement

“Any final rule implementing this Act with respect to digital asset market structure shall be issued jointly or in consultation with the Secretary of the Treasury, and shall include a written determination addressing financial stability, illicit finance risk, and national security implications.”