

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

June 4, 2026

VIA EMAIL

Paolo Ardoino
Chief Executive Officer
Tether
Final Av. La Revolucion, Edif, Centro
Corporativo Presidente Plaza, Nivel 12
San Salvador, H3 00000, El Salvador

Dear Mr. Ardoino:

The Permanent Subcommittee on Investigations (“PSI” or “the Subcommittee”) is conducting an ongoing inquiry into cryptocurrency’s role in the Iranian shadow banking network and other illicit financial operations. Through this inquiry, I have become deeply concerned about the recurring role of Tether’s stablecoin in Iranian and Russian money laundering schemes, including recently sanctioned Iranian cryptocurrency exchanges. I therefore demand that you provide the Subcommittee with all records and information related to Tether’s apparent failure to prevent illicit use by sanctioned entities, terrorist organizations, and other money laundering schemes associated with Iran and Russia.

On June 2, 2026, the U.S. Department of Treasury’s Office of Foreign Assets Control (“OFAC”) sanctioned the Iranian cryptocurrency exchanges Nobitex, Wallex, Bitpin, and Ramzinex based on their role in financially supporting the regime, sanctions evasion, and money laundering by the Islamic Revolutionary Guard Corps (“IRGC”). These designations follow a recent warning from the Department of Treasury that cryptocurrencies have become “one leg of Iran’s shadow banking network,” naming stablecoins and “large volume stablecoin issuers,” of which Tether is the largest, as being of particular concern.¹ Additionally, on May 26, 2026 the United Kingdom sanctioned Huobi Global—listed as a partner on Tether’s website—for its ties to the Russian government during the country’s war on Ukraine, including supporting the Russian cryptocurrency services A7 and Garantex (both also sanctioned by OFAC for cybercrime and sanctions evasion).

¹ Financial Crimes Enforcement Network, *Financial Crimes Enforcement Network Alert FIN-2026-Alert002* (May 11, 2026), <https://www.fincen.gov/system/files/2026-05/FinCEN-Alert-IRGC.pdf>.

Through its U.S. dollar-pegged stablecoin, USDT, Tether has provided unparalleled access to a high-liquidity and widely accepted international payment system that is otherwise denied to Iran due to international sanctions and counterterrorism financing measures. For example, according to *The Wall Street Journal* and *Fortune*, hundreds of millions of dollars of USDT were used in two Chinese money laundering schemes that enabled illicit oil sales and financed terrorist organizations such as the Yemeni Houthis. This USDT was also then, in part, transferred to Nobitex, which OFAC alleges “facilitated a significant number of digital asset transactions linked to the IRGC, including transactions for wallets associated with IRGC-affiliated ransomware actors.”²

The Subcommittee’s review of blockchain records, sanctions designations, asset seizure notices, and industry reporting raises significant concerns about USDT’s repeated use by the Islamic Republic and its proxies, such as Hizballah, Hamas, and the Houthis (Ansarallah). Over the course of six years, OFAC and Israel’s National Bureau for Counter Terror Financing (“NBCTF”) have designated hundreds of cryptocurrency wallets for financing and facilitating transfer of funds to Iran, the IRGC, and its proxies. A review by the Subcommittee of these sanctions and seizures has found the wallets designated are predominantly Tron and Ethereum blockchain addresses that have transacted in USDT. Furthermore, according to their websites, Nobitex, Wallex, Bitpin, and Ramzinex still deal substantially in Tether’s stablecoin, including exchanging USDT for Iranian Rial, even in the middle of the ongoing war and after OFAC designations. Further, Nobitex advises their customers how to evade sanctions with USDT.

The Subcommittee’s review raises questions about whether and how Tether complies with American sanctions law and other counterterrorism finance measures, as well as the steps it takes when its customers and wallets transacting Tether cryptocurrencies can be credibly linked with illicit finance. Tether was originally founded in the United States and maintains a deep reliance on American financial infrastructure, including its operational and business relationship to Cantor Fitzgerald and the family of the Secretary of Commerce, Howard Lutnick. However, despite these ties, Tether has stated its compliance with OFAC sanctions is “voluntary” and that it follows “OFAC *guidelines*” (emphasis added).³ The use of Tether’s stablecoin in Iranian shadow banking, and uncertain compliance with American sanctions and banking law, has a significant impact on the United States’ ability to apply economic pressure on the Islamic Republic to negotiate an end to the current war and resolve matters such as its nuclear program and regional destabilization.

² U.S. Department of the Treasury, *Economic Fury Targets Iran’s Largest Digital Asset Exchange for Terror Finance and Sanctions Evasion* (June 2, 2026) <https://home.treasury.gov/news/press-releases/sb0519>.

³ Tether, *Tether Supports Freeze of More Than \$344 Million in USD₴ in Coordination with OFAC and U.S. Law Enforcement* (Apr. 23, 2026) <https://tether.io/news/tether-supports-freeze-of-more-than-344-million-in-usdt-in-coordination-with-ofac-and-u-s-law-enforcement/>; Tether, *Tether Facts* (last acc. June 4, 2026) <https://tetherfacts.com/>.

Accordingly, and pursuant to Rule XXV of the Standing Rules of the Senate, Senate Resolution 94 (119th Cong.), Section 12, and PSI Rule 1, please provide information and records responsive to the following requests by June 12, 2026.

1. What legal jurisdictions does Tether believe it is subject to for USDT, in particular for anti-money laundering rules, reporting obligations, asset seizures, and sanctions compliance? Does Tether believe it is legally required to comply with Department of Treasury sanctions for USDT and issue suspicious activity reports (SARs) to the U.S. government for suspected illicit finance?
2. As the issuer of USDT, Tether has the technical means to freeze and block wallets from withdrawing funds through a 'blacklist' function built into the stablecoin. Has Tether frozen all USDT or other assets held in wallets associated with, or custodied by, the sanctioned entities Nobitex, Wallex, Bitpin, and Ramzinex in compliance with OFAC designations? If not, why not?
3. Will Tether terminate its partnership with Huobi Global and freeze any USDT or other assets associated with Huobi Global? What steps will Tether take with respect to Huobi's cryptocurrency exchange HTX?
4. Has Tether ever failed or declined to blacklist a wallet address or terminate a client where it had reason to believe that the wallet or client was engaged in illicit finance?
5. What operational presence does Tether have in the Middle East (including the U.A.E. and Turkey) and Russia, including but not limited to bank accounts, client support services, sales representatives, or other mechanisms to convert between issued USDT and fiat currencies?

In addition, please provide the following records:

1. All records related to any investigation, requests for information for clients, SARs, reports provided to Tether, or information related to Nobitex, Wallex, Bitpin, Ramzinex, or any other Iranian cryptocurrency exchange.
2. All records related to any investigation, requests for information for clients, SARs, reports provided to Tether, or information related to A7, Garantex, and Huobi Global's involvement with Russian entities.
3. All records related to any investigation, requests for information for clients, SARs, reports provided to Tether, or information related to the use of USDT by the Central Bank of Iran,

and any steps that Tether has taken to further prevent the Central Bank of Iran's use of USDT for money laundering.

4. All records related to any investigation, requests for information, SARs, or provision of information where Tether subsequently declined to blacklist wallets, request information from any partner (such as exchanges), or terminate a client involved in Iranian shadow banking system.

Please contact the Subcommittee if you have any questions about responding to these requests.

Sincerely,



Richard Blumenthal
Ranking Member
Permanent Subcommittee on Investigations

cc: The Honorable Ron Johnson
Chairman
Permanent Subcommittee on Investigations