

United States Senate

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

February 24, 2026

VIA EMAIL

Mr. Richard Teng
Chief Executive Officer
Binance
c/o International Corporation Services, Ltd.
Harbour Place, 2nd Floor North Wing
Grand Cayman KY1-1106
Cayman Islands

Dear Mr. Teng:

I write regarding reports that Binance has facilitated the large-scale violation of American and international sanctions against the government of Iran. Binance appears to have ignored warnings and recommendations to prevent Iranian money laundering schemes on its cryptocurrency exchange, allowing \$1.7 billion in transfers to Iran.¹ These transactions have helped prop up Iranian-linked terrorist organizations and illicit Russian oil sales. I therefore demand that you provide the Permanent Subcommittee on Investigations (“PSI” or “the Subcommittee”) records and information related to Binance’s role in Iranian money laundering and its repeated failure to prevent illicit use by sanctioned entities, terrorist organizations, and other criminal actors.

According to stunning reports from the *Wall Street Journal*, the *New York Times*, and *Fortune*, late last year, Binance compliance staff found that two Binance partners, Hexa Whale and Blessed Trust, acted as intermediaries for laundering money and enabling trade with Iranian government entities.² Additionally, Binance compliance found 2,000 accounts associated with Iranian entities on its cryptocurrency exchange,³ despite restrictions on Iranian banking and Binance’s claim that it bans Iranian users.⁴ According to documents obtained by the *Times* and the *Journal*, Binance was even warned that Hexa Whale was financing terrorist organizations such as the Yemeni Houthis, and internal investigators found cryptocurrency transfers to wallets

¹ David Yaffe-Bellany & Michael Forsythe, *Binance Employees Find \$1.7 Billion in Crypto Was Sent to Iranian Entities*, N.Y. TIMES (Feb. 23, 2026), <https://www.nytimes.com/2026/02/23/technology/binance-employees-iran-firings.html>.

² *Id.*

³ Patricia Kowsmann, Angus Berwick, & Ben Foldy, *Binance Fired Staff Who Flagged \$1 Billion Moving to Sanctioned Iran Entities*, WALL ST. J. (Feb. 23, 2026), <https://www.wsj.com/finance/currencies/binance-iran-sanctions-financing-staff-b1648133>.

⁴ Chagri Poyraz, *Binance Global Head of Sanctions, On Binance, Iran and Why We Need to Do Better as an Industry* (Nov, 4, 2022), <https://www.binance.com/en/blog/leadership/7764694498135290896>.

associated with Iran’s Islamic Revolutionary Guards Corps and payments to crew members of Russia’s sanctions-evading shadow fleet of oil tankers.⁵

Binance appears to have ignored clear warning signs, knowingly allowed illicit accounts to operate, and even provided hands-on support to entities engaged in money laundering. While investigators recommended improvements to ‘know your customer’ practices and to ban sailors on the Russian shadow fleet, you reportedly rejected those attempts to detect and stop evasion of American and international sanctions.⁶ Binance reportedly even provided Hexa Whale with VIP status despite knowing that it was suspected of using false documents and that its staff were directly involved in Blessed Trust’s illicit trading on the platform.⁷ Alarming, the investigators that raised concerns about these prohibited Iran-linked transactions were subsequently suspended or fired,⁸ creating the appearance of retaliation by Binance executives.

Binance is a repeat offender: it has long been aware that the Iranian regime and its terrorist proxies use its cryptocurrency platform as a convenient and reliable means to bypass international sanctions, anti-money laundering controls, and other banking restrictions. In November, 2023, the U.S. Departments of Justice and Treasury announced that Binance and its founder, Changpeng Zhao (“CZ”), had pleaded guilty to federal charges that the exchange had willfully transferred nearly a billion dollars to Iranian entities, as well as to terrorist organizations, narcotics cartels, and cybercrime groups.⁹ As a part of that plea agreement, Binance committed to retaining a compliance monitor to improve its compliance programs, and CZ was sentenced to four months in prison.¹⁰

Instead of actually preventing illicit use, Binance has sought to evade accountability and influence the White House through lobbying and a financial partnership with World Liberty Financial (WLFI), the cryptocurrency firm owned by the sons of President Trump and his special envoy Steve Witkoff.¹¹ After an initial partnership in a deal between WLFI and Emirati Sheikh Tahnoon bin Zayed Al Nahyan,¹² Binance became a “vital engine” and a promotion agent for WLFI.¹³ Currently about 85 percent of WLFI’s stablecoins (USD1) are held in Binance

⁵ Patricia Kowsmann et al., *supra* note 3.

⁶ *Id.*

⁷ *Id.*

⁸ Leo Schwartz & Ben Weiss, *Exclusive: Binance fires top investigators who claim to have uncovered evidence of Iranian sanctions violations*, FORTUNE (Feb. 13, 2026), <https://fortune.com/2026/02/13/binance-investigators-fired-iran-sanctions-potential-violations/>.

⁹ Press Release, U.S. Dept. of Justice, *Binance and CEO Plead Guilty to Federal Charges in \$4B Resolution* (Nov. 21, 2023), <https://www.justice.gov/archives/opa/pr/binance-and-ceo-plead-guilty-federal-charges-4b-resolution>.

¹⁰ *Id.*; MacKenzie Sigalos & Ryan Browne, *Binance founder Changpeng Zhao sentenced to 4 months in prison after plea deal*, CNBC (Apr. 30, 2024), <https://www.cnbc.com/2024/04/30/binance-founder-changpeng-zhao-cz-sentenced-to-four-months-in-prison-.html>.

¹¹ Molly White, *Issue 95 – The pardon was the payoff*, [citation needed] (Oct. 28, 2025), <https://www.citationneeded.news/issue-95/>.

¹² Sam Kessler, Rebecca Ballhaus, Eliot Brown, & Angus Berwick, *Spy Sheikh ‘Bought Secret Stake in Trump Company*, WALL ST. J. (Jan. 31, 2026), <https://www.wsj.com/politics/policy/spy-sheikh-secret-stake-trump-crypto-tahnoon-ea4d97e8>.

¹³ David Yaffe-Bellany, *Binance Gives Trump Family’s Crypto Firm a Leg Up*, N.Y. TIMES (Feb. 7, 2026), <https://www.nytimes.com/2026/02/07/business/binance-trump-crypto.html>.

accounts, making the Trump family cryptocurrency ventures tightly bound to Binance.¹⁴ This influence campaign has worked: in May 2025, the Securities and Exchange Commission announced that it was dismissing a lawsuit against Binance for lying to regulators and mishandling funds,¹⁵ followed in October by the stunning Presidential pardon of founder Changpeng Zhao.¹⁶

Binance and other cryptocurrency exchanges have fostered and fueled a chilling escalation in terrorist money laundering that causes grave harm to American national security. According to TRM Labs, after years of decline, illicit cryptocurrency use skyrocketed in 2025 with a 147 percent increase in transfers to wallets associated with sanction evasion, criminal activities, and terrorist organizations.¹⁷ Tether, the cryptocurrency used in the Binance-facilitated scheme, has become a key money laundering tool for the Islamic Revolutionary Guards Corps,¹⁸ sanctioned Iranian banks,¹⁹ and Iranian weapons manufacturers.²⁰ Binance and other cryptocurrency ventures' failures to prevent money laundering and terrorist financing — backed by pardons and leniency from the White House — have newly enabled and emboldened foreign adversaries and crime.

The scale of the newly-revealed illicit transfers — uncaught until nearly two billion dollars flowed to sanctioned entities — and the unexplained firing of internal investigators call into question Binance's compliance with American sanctions and banking laws, and its 2023 agreement to resolve the previous federal investigation. The Permanent Subcommittee on Investigations is conducting a preliminary inquiry into the illicit use of cryptocurrencies, including by Iranian and Russian entities, to bypass U.S. sanctions. Pursuant to Senate Resolution 94 (119th Cong.) and PSI Rule 1, please provide information and records responsive to the following requests by March 6, 2026.

1. Please produce all records related to the use of Binance by the Iran-connected entities Hexa Whale and Blessed Trust, including the internal report authored by compliance investigators, decisions to provide VIP status or assistance to such accounts, registration information, and any communications related to the entities and investigations.

¹⁴ *Id.*

¹⁵ Matthew Goldstein, *S.E.C. Drops Lawsuit Against Binance, a Crypto Exchange*, N.Y. TIMES (May 29, 2025), <https://www.nytimes.com/2025/05/29/business/sec-binance-lawsuit-dropped.html>.

¹⁶ David Yaffe-Bellany & Kenneth P. Vogel, *Trump Pardons Founder of the Crypto Exchange Binance*, N.Y. TIMES (Oct. 23, 2025), <https://www.nytimes.com/2025/10/23/technology/trump-pardons-cz-binance.html>.

¹⁷ TRM Labs, 2026 Crypto Crime Report, (Jan. 28, 2026), <https://www.trmlabs.com/reports-and-whitepapers/2026-crypto-crime-report>.

¹⁸ Oliver Knight, *Israel Links Wallets That Received \$1.5B in Stablecoins to Iran's Revolutionary Guard*, COINDESK (Sept. 17, 2025), <https://www.coindesk.com/business/2025/09/16/israel-claims-iran-s-revolutionary-guard-holds-usd1-5b-in-stablecoins>.

¹⁹ Tim Robinson, *The Central Bank of Iran has acquired US dollar stablecoins worth at least half a billion dollars*, ELLIPTIC (Jan. 21, 2026), <https://www.elliptic.co/blog/iran-has-acquired-us-dollar-stablecoins-worth-at-least-half-a-billion-dollars>.

²⁰ Jamie Crawley, *Iran accepts cryptocurrency as payment for advanced weapons*, COINDESK (Jan. 2, 2026), <https://www.coindesk.com/policy/2026/01/02/iran-accepts-cryptocurrency-as-payment-for-advanced-weapons>.

2. Please produce all records related to the use of Binance by individuals in Iran or that have engaged in transactions with Iranian entities, whether directly or indirectly, including any internal investigations, recommendations for policy changes, warnings provided about transfers, and communications regarding such users.
3. Please produce all records related to the use of Binance by individuals involved in the Russian shadow fleet and other illicit oil sales, whether directly or indirectly, including any internal investigations, recommendations for policy changes, warnings provided about transfers, and communications regarding such users.
4. Please produce all records related to the use of Tether and USD1 by Binance users in connection to sanction evasion, criminal activities, money laundering, and the provision of support to terrorist organizations.
5. Please produce all records related to the suspension and dismissal of compliance staff and investigators involved in investigations into illicit Iranian and Russian use of Binance services.

Please contact the Subcommittee should you have any questions about responding to these requests. Thank you for your attention to this matter.

Sincerely,



Richard Blumenthal
Ranking Member
Permanent Subcommittee on Investigations

cc: The Honorable Ron Johnson
Chairman
Permanent Subcommittee on Investigations