United States Senate | Permanent Subcommittee on Investigations

BOUND TO FAIL:
Stories from Inside the Price Collapse of $TRUMP Coin

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EXECUTIVE SUMMARY

No project better exemplifies President Trump's foray into cryptocurrency, and indeed his view on his role in government, than the launch of the $TRUMP meme coin. As part of its ongoing inquiry into the crypto industry, the Minority Staff of the Permanent Subcommittee on Investigations ("PSI" or the "Subcommittee") has interviewed three individuals who purchased $TRUMP coin at its launch, each of whom requested anonymity. The following accounts portray their understanding of President Trump's meme coin project, both at the time they purchased the tokens, and afterwards, as they sought to reckon with how they had become part of the one million Americans whose investments in $TRUMP coin were nearly wiped out. Each of these accounts revealed common themes that connect their experiences. They include:

- All three individuals felt that President Trump's endorsement and promotion of $TRUMP coin gave the project legitimacy.
  - This sense of legitimacy led to a feeling of betrayal as they each came to realize that $TRUMP coin became, as one investor phrased it, "an abandoned project," shortly after it was launched.
- The $TRUMP coin and $MELANIA coin partnership with MoonPay, which allowed customers to purchase the tokens with a credit card in a one-click transaction, made onboarding unusually easy for a meme coin project and increased its appeal as an investment to less technical investors.
  - Two of the individuals remarked upon the size of the transaction fees as a part of purchasing the meme coins. The MoonPay partnership charged proportional fees based on the volatility of the token, meaning that President Trump earned greater revenue during times of peak traffic, such as when he posted about it on social media.
  - One individual told the Subcommittee, given the size of the $TRUMP coin debut, they believed $TRUMP coin negotiated a special partnership with MoonPay.
- The blockchain that hosted $TRUMP coin and $MELANIA coin suffered congestion during times of peak volatility and made it difficult to process orders, sometimes leading investors to pay more than they had intended.
  - When purchasing the tokens, larger orders received higher priority, pushing customers to purchase larger orders to ensure completion of their transaction.
  - When selling tokens, customers found their ability to sell delayed by congestion, receiving, at times, a 20% lower price than when they initially hit "sell."

- One individual told the Subcommittee they believed this delay allowed insiders to communicate via Telegram to front-run, or trade ahead, of their customers.

The views expressed in these interviews portray issuers, payment platforms, and liquidity providers combined in sophisticated and novel arrangements that served to disorient $TRUMP coin customers for the benefit of well-connected insiders, none more so than Donald Trump. The President's well-timed social media posts and support for his token spurred enormous wealth generation for himself by exploiting the prestige of his title and the enthusiasm of his supporters. This deceit would be alarming for any business but is unthinkable when implemented by the President of the United States. Such craven and amoral behavior is unacceptable.

BACKGROUND

The decentralized nature of the crypto industry allows President Trump to function as both an industry operator and top policy maker, a position he has exploited by monetizing and profiting directly from his actions as President. Since 2024, President Trump has leveraged his political influence to simultaneously promote and profit from multiple crypto ventures, earning over $1.4 billion from crypto in his first year back in office.[1]

World Liberty Financial

In September 2024, the Trump and Witkoff families announced the founding of World Liberty Financial ("WLF"), a crypto marketplace.[2] President Trump and his family own 40% of WLF through a subsidiary.[3] WLF offers a U.S. Dollar-pegged stablecoin, USD1, which functions as a digital dollar for everyday payments and cross-border transactions.[4] WLF also offers a non-transferable governance token, $WLFI, which can be used to vote on protocol upgrades and ecosystem decisions related to USD1's growth.[5] Its value is

[1] Ben Protess, Andrea Fuller, et al., *Trump Pulled In at Least $2 Billion After Returning to the White House*, New York Times, (June 30, 2026), https://www.nytimes.com/2026/06/30/us/politics/trump-financial-disclosure-crypto-windfall.html.

[2] Mat Di Salvo, *What Is World Liberty Financial? The Trump Family DeFi Project Explained*, Decrypt, (February 6, 2026), https://decrypt.co/resources/what-is-world-liberty-financial-the-trump-family-defi-project-explained.

[3] David Ubreti, *The Trump Family Business Empire Is Growing. We Mapped Out 268 Pieces of It*, The Wall Street Journal, (December 18, 2025), https://www.wsj.com/politics/trump-family-business-visualized-6d132c71.

[4] *World Liberty Financial USD price today, USD1 to USD live price, marketcap and chart*, CoinMarketCap, https://coinmarketcap.com/currencies/usd1/.

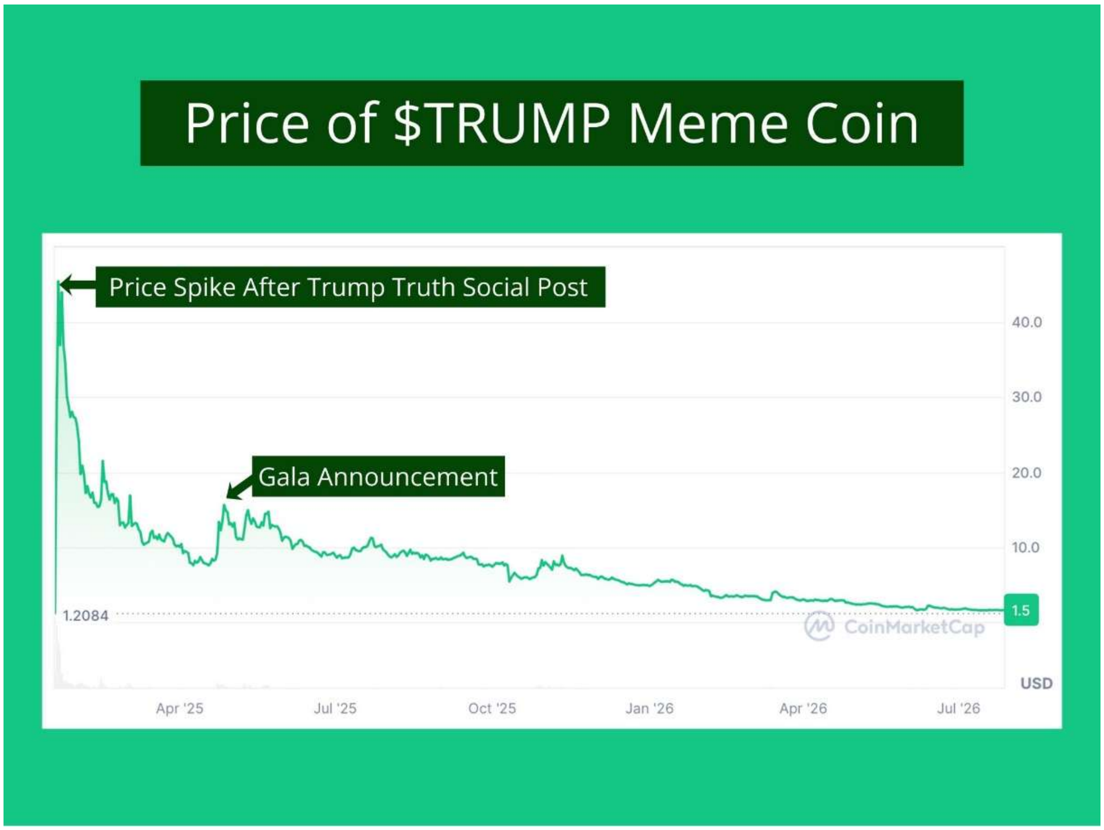
[5] *What Is the WLFI Token Used For? Incentive Mechanisms and Ecosystem Value Explained*, GATE (Mar. 23, 2025), https://www.gate.com/learn/articles/what-is-the-wlfi-token-used-for-incentive-mechanisms-and-ecosystem-value-explained.

subject to market demand rather than asset backing.[6] USD1 became publicly traded in March 2025 and $WLFI became publicly traded on September 1, 2025. Regardless of token price, President Trump earns 75 percent of the proceeds on each sale, making it a highly lucrative business endeavor.[7]

[6] *Id.*
[7] *Supra* note 1.

$TRUMP Coin

On January 17, 2025, three days before his inauguration, President Trump released a meme coin in partnership with Fight Fight Fight LLC.[8] The $TRUMP coin initially skyrocketed in value, buoyed by the President's own endorsements on social media.



Despite that initial success, reporting shows that the $TRUMP meme coin produced $3.8 billion in losses for retail buyers, dropping 97 percent in value since its launch with two out of three buyers of the coin losing money.[9] In total, President Trump generated $636 million in royalties from this meme coin in 2025.[10] Because President Trump made money on each transaction of the coin being bought or sold, he profited regardless of whether the value of the coin rose or fell.[11] Trump-linked entities, and a small group of early investors, also significantly profited from the coin, raising concerns about potential insider collusion at the expense of the retail buyer.[12]

$MELANIA Coin

[8] David Goldman, *How Trump made more than $1B on crypto when most of his coin's investors lost money*, ABC 7, (July 6, 2026, 9:27 AM), https://abc7.com/story/how-trump-made-more-1-billion-crypto-when-most-coins-investors-lost-money/19457452/.

The $MELANIA meme coin was launched on January 19, 2025, two days after the $TRUMP coin, and was heavily promoted through Melania Trump's social media platforms, generating immediate public attention and a surge of speculative investment. Similar to $TRUMP coin, $MELANIA coin peaked and then lost about 90% of its value within weeks, wiping out approximately $1.4 billion in market value for shareholders.[13] Both $TRUMP coin and $MELANIA coin were launched on Meteora, a decentralized exchange that served as the primary trading and liquidity platform for both tokens.[14] Blockchain analysis revealed insiders purchased nearly $2.6 million of $MELANIA coin minutes before its public announcement, earning approximately $100 million selling at its peak.[15]

[9] Eric Lipton & David Yaffe-Bellany, *Nearly a Million Investors Lost a Total of $3.8 Billion on Trump Crypto Coin*, New York Times, (updated July 6, 2026), https://www.nytimes.com/2026/07/04/us/politics/trump-coin-crypto-investors-loss.html.

[10] *Supra* note 1.

[11] David Goldman, *How Trump made more than $1B on crypto when most of his coin's investors lost money*, ABC 7, (July 6, 2026, 9:27 AM), https://abc7ny.com/story/how-trump-made-more-1-billion-crypto-when-most-coins-investors-lost-money/19457452/.

[12] Bubblemaps (@bubblemaps), "suspicious trades on $TRUMP? 🚨," X (Jan. 18, 2026), x.com.

[13] Monique Mulima and Sidhartha Shukla, *Melania, Trump Memecoins Plunge in Value from Peak*, Bloomberg, (February 6, 2025), https://www.bloomberg.com/news/articles/2025-02-06/melania-memecoin-is-down-90-from-peak-as-novelty-value-wanes.

[14] Tom Wilson, *Trump's meme coin made nearly $100 million in trading fees, as small traders lost money*,

REUTERS (Feb. 3, 2026), https://www.reuters.com/markets/currencies/trumps-meme-coin-made-nearly-100-million-trading-fees-small-traders-lost-money-2025-02-03/; Guardian staff, *Melania Trump's meme coin architects accused of pump-and-dump fraud in lawsuit*, THE GUARDIAN (Oct. 23, 2025) https://www.theguardian.com/us-news/2025/oct/23/melania-trump-cryptocurrency-lawsuit.

[15] Marco Quiroz-Gutierrez, *A group of anonymous traders scored a $100 million payday by buying Melania Trump's memecoin just before it launched publicly,* Fortune, (May 7, 2025), https://fortune.com/2025/05/07/melania-trump-memecoin-anonymous-traders-100-million-payday/.

$TRUMP Coin Investor 1 | United States

TCI.1 is a U.S. veteran who lost tens of thousands of dollars investing in the $TRUMP and $MELANIA meme coins. He had prior experience with crypto, having invested in Bitcoin a couple of years before purchasing $TRUMP. TCI.1 noticed Trump's "pro crypto" stance and that he had attended the 2024 annual Bitcoin Conference. TCI.1 said:

> I was just interested in Bitcoin at first, not the meme coins. When I thought there was an opportunity I would put some money into trade here and there, but it was mostly Bitcoin. But when Trump was running again, he was getting involved. He was supposed to be this crypto president; pro crypto. I believed it at the time. He went to the Bitcoin conference, which is a big deal for crypto people. When he launched the $TRUMP coin I thought that it was not real, but then I saw that it was on his official Twitter. So, in January, I invested about $1000. Then he started tweeting about it again, so I thought it was legitimate. This is the president so I thought this was the biggest it could get. And like any other trading, you want to get in early. So, I put more money in.

When President Trump first launched his meme coin on January 17, 2025, TCI.1 didn't believe that the token was real until he saw Trump reposting it on his own Twitter/X account. TCI.1 initially invested $1,000 in $TRUMP coin. Later, Trump tweeted about the coin again, and TCI.1 invested more. Two days later, on January 19, 2025, $MELANIA was introduced. Again, Trump posted the meme coin on Twitter/X. TCI.1 noticed that the $TRUMP coin began going down as $MELANIA coin was going up. TCI.1 then invested $10,000 in the $MELANIA coin, later adding an additional $20,000 of $MELANIA coin to make sure the transaction was prioritized.

Shortly after his investment, TCI.1 saw both the $TRUMP and $MELANIA coins decrease rapidly in value. He said, "It seemed like there were insiders selling. The blockchain is public and you can see people who were selling." At the same time, TCI.1 noticed that President Trump and the First Lady stopped posting about their coins. At first, he said, "I thought this was my fault. I was bad at trading. But then I saw the information about the team behind [the $TRUMP coin]… and I realized things were not copasetic." TCI.1 watched as the coins continued to decrease in value until he lost more than 85 percent of the value of his investment. "I knew that crypto was volatile, but this was the president and his wife. I thought Trump would tweet about it again, but that did not happen."

TCI.1 said that he knew the coin was an abandoned project when "I found out that the $MELANIA and $LIBRA, [a scandal-plagued meme coin associated with the president of Argentina], were working together and $MELANIA was involved with $TRUMP." Reflecting on the release of the coins, he described them "both as absolute scams" and "cash grabs." TCI.1 said that he thinks President Trump's motivation in releasing the coins was to make “some quick cash.” TCI.1 ultimately lost approximately $60,000 of his $70,000 investments across both meme coins.

$TRUMP Coin Investor 2 | Georgia

TCI.2 is a college student who was 20 years old at the time of the launch of the $TRUMP coin on January 17, 2025. He had casually invested in various cryptocurrencies before, including Bitcoin and Ethereum. TCI.2 told PSI staff that when he first saw the launch of the $TRUMP coin on Twitter, he “thought this was going to be big.” He invested $7,000 from his savings. Almost immediately, he watched his $7,000 turn into tens of thousands of dollars. He said, “I can’t imagine any other person having that kind of impact… Anything [Trump] tweets there is market movement.” Then, two days later, the $MELANIA token was launched. TCI.2 watched as both coins rapidly decreased in value. TCI.2 told the Subcommittee, “and in that collapse so many people lost money, the ones that were not the insiders. But the insiders made out on a lot of transaction fees and whatever they made.”

After the $TRUMP and $MELANIA coins were launched, TCI.2 noticed the introduction of numerous copycat coins. TCI.2 invested in a few of these coins as well, but ultimately lost money. He invested in a meme coin named NASA, thinking perhaps government agencies would be issuing tokens now that Trump had. He found out it was a scam, and was not connected to the government agency.

> There was a NASA coin, but that was a total scam and I lost money on that. There was no government agency coin for NASA. It was an unregulated situation and really is the wild west. And there are a lot of regular people hurt on it. When you have the leader of the free country put out a coin in there, people will get hurt.

TCI.2 explained that $TRUMP coin coordinated with a company called MoonPay, which made it easy to buy $TRUMP token with one click. MoonPay’s fees increased proportionally to traffic on the network. TCI.2 told Subcommittee staff that it was his understanding that MoonPay, “profited heavily off of the $TRUMP token, it was a partnership for sure.” TCI.2 recalled seeing a link to buy $TRUMP coin using MoonPay on Trump’s social media profile, complete with an emotional appeal to the July 13, 2024 attempted assassination of then-former President Trump captioned, “Fight, Fight, Fight.” He told the Subcommittee:

> The thing about it, it is a little disturbing, the biggest victims are his own supporters. He is trading on their own excitement. People with not that much money. Most people lost some. Not a great thing. People should know what they are getting into. But it has the veneer of an official government thing because you want to trust your government. Even though it was not official, it seemed like it.

TCI.2's view of the crypto industry has changed since buying $TRUMP coin. When the Subcommittee asked TCI.2 if his experience losing money to the $TRUMP coin changed his view of President Trump, TCI.2 answered that it did, adding: "If anyone would do it, it would be him." TCI.2 speculates that people around President Trump, such as his sons and Secretary of Commerce Howard Lutnick, might be "profiting off of his name." TCI.2 said that he thinks people should know what they are getting into and that a lot of new crypto buyers were buying into the $TRUMP coin because of "the veneer of an official government thing." He said: "You want to trust your government. Even though it was not official, it seemed like it."

$TRUMP Coin Investor 3 | Colorado

TCI.3 had previous experience trading meme coins as part of an online trading community. TCI.3 told Subcommittee staff that, when President Trump posted the announcement of his meme coin on Twitter/X, her trading community was "looking at the volume and some of the other wallets involved, and I jumped in off of pure speculation." TCI.3 noted that $TRUMP was easier to get into than other meme coins, thanks to a partnership with the payment infrastructure company, MoonPay, that allowed customers to buy tokens with just a credit card. This led her to think, "Maybe it was more legitimate than the typical meme coin because they were promoting it to regular people and they were looking to get behind the Trump craze." At first, she said, "it ran up, and I think there were additional posts from Trump that ran it up. With the inauguration, the expectation was that it was going up." TCI.3 invested over $10,000 on the $TRUMP coin but said that "It crashed quickly after the $MELANIA launch. That was a surprise." Once the $MELANIA coin launched a few days later, she said, "it crashed and it felt like a rug pull for everyone who stayed in."

TCI.3 and her trading community identified unique features of the $TRUMP coin, including high volume-based transaction fees and blockchain issues that resulted in high numbers of failed transactions during periods of high volatility. During times of euphoria, this required buyers to increase the amount of tokens they bought to be placed ahead of the queue to have a better chance of getting their trade cleared. If the price was crashing, however, TCI.3 told the Subcommittee that a customer could attempt to sell a token and receive up to 20% lower price than they expected due to the delay. She explained that she believed that this delay allowed front-running by well-connected insiders coordinating on Telegram to sell for a higher price before average investors could pull their money out.

TCI.3 said that her views of the crypto industry have changed since her loss on the purchase of the $TRUMP coin. Since then, she has not invested in any more meme coins and only continues to hold her existing coins. When asked whether the experience changed her perspective of crypto, she said it did, adding:

> What made the crypto market unique at the time, is that many of the rules and investor protections people expect from traditional financial markets either did not exist or were still evolving. It seemed as though project launches were taking advantage of those gaps.
>
> For example, transaction costs were often difficult to understand unless one understood smart contracts - essentially, unless one can read code. Investors did not realize how much they may pay in fees.
>
> Liquidity and "front running" was another challenge. The price displayed was not always the price an investor can actually receive. During periods of heavy buying or selling, especially when many people try to exit at the same time, paper gains can disappear because of failed technology or lack of liquidity. That creates a very different experience from what many average investors expect. Price differential could be 20% or more.
>
> There is also the issue of transparency. With a publicly traded company, investors can identify who's behind the business, where it is incorporated, and what regulatory disclosures it has made. Crypto projects can operate in anonymity providing none of that information, making it difficult to know who is behind a project or who is ultimately accountable.
>
> The launch of the $TRUMP token, which was kicked off by Trump's social media posts, resulted in high volume and price run up. Then it was followed shortly afterward by the $MELANIA token. This raised many questions for me, since the timing appeared to divert attention and capital from one token to the other. Whether that was intentional or simply the result of market dynamics is impossible for me to know. However, the sequence gave the appearance of benefiting certain market participants more than ordinary investors. More broadly, there were periods of price movement that appeared consistent with insiders or early participants having significant advantages. I cannot say who was responsible or what their motivations were, but from an outside perspective, the market did not appear to operate on a level playing field.

TCI.3 told the Subcommittee she felt the $TRUMP and $MELANIA coins were “strategic and manipulated. I do not know by whom, but it was not a mistake.”

TCI.3 told the Subcommittee she had voted for Trump but stated that the $TRUMP coin felt like a betrayal. She noted that the fact the President posted and advertised the coin himself, and that his children were involved in these and similar projects, made them at least partially responsible. TCI.3 told Subcommittee staff that she felt that “people in [the President’s] position need to be held accountable to the people around them. When one is posting personally… they need to be responsible for what they are putting out, and their very clear influence and impact."

CONCLUSION

The personal accounts relayed to the Subcommittee portray the real-life impacts of the conflict of interest demonstrated by the President's endorsement of a crypto token bearing his name. Such a project inevitably suggests legitimacy and stability. When the very same project craters in value within days of its peak, those same retail investors who believed in it are left feeling betrayed, having lost nearly all the money they put into it. They are right to feel betrayed. While nearly a million retail traders lost a cumulative $3.8 billion on the project, President Trump made $636 million.[16]

Each of the individuals who spoke with the Subcommittee portrayed their understanding of the crypto landscape, detailing sophisticated and novel ways the $TRUMP coin project acted to make sure average investors would lose money while insiders profited. These accounts show how President Trump used a new technology, crypto, to more efficiently pursue his own self-interest. More troubling still, while the President made record-breaking profits with his crypto projects, he vigorously silenced and defanged the regulators and investigators that would hold this kind of greed and recklessness in check. President Trump's power and willingness to take advantage of even his own supporters to secure profits are prime examples of why the current status quo of the crypto industry is unacceptable. The only way to prevent losses like those experienced by these individuals, and so many others, is to place real limits on the crypto industry.

[16] Eric Lipton and David Yaffe-Bellany, *Nearly a Million Investors Lost a Total of $3.8 Billion on Trump Crypto Coin* (July 4, 2026) https://www.nytimes.com/2026/07/04/us/politics/trump-coin-crypto-investors-loss.html.