



15 December, 2023

Tether Operations Limited
c/o SHRM Trustees (BVI) Limited
Trinity Chambers, PO Box 4301
VG1110, Road Town, Tortola
British Virgin Islands

The Honorable Cynthia M. Lummis
United States Senate
Washington, DC 20510

The Honorable J. French Hill
United States House of Representatives
Washington, DC 20515

Dear Senator Lummis and Representative Hill:

I am writing to provide a follow-up to our previous letter dated November 16, which addressed the concerns you raised in your letter to Attorney General Merrick Garland. In light of those concerns, it is imperative that we keep you informed of our continuous progress and proactive initiatives in furtherance of our unwavering commitment to the highest standards of security within the cryptocurrency ecosystem. To that end, we recently marked a historic milestone for Tether and the broader cryptocurrency industry. On December 1, 2023, we launched a wallet-freezing policy designed to significantly enhance the tools available for law enforcement agencies seeking to combat illicit use of stablecoins. This proactive measure is a testament to Tether's leadership and our continued dedication to safeguarding the cryptocurrency ecosystem.

Our alignment with the Office of Foreign Assets Control (OFAC) Specially Designated Nationals (SDN) List is a proactive stance in security, not merely a compliance measure. By expanding our sanctions controls to the secondary market, we are setting a precedent in the industry, leading with foresight and vigilance.

This policy is straightforward yet impactful: we are freezing wallets associated with the SDN List. This strategic decision is a definitive move designed to protect our users and the integrity of the stablecoin ecosystem. By raising the standards of global compliance, we are working to help make Tether tokens an even safer and more reliable, industry-leading medium of exchange.

In addition to these measures, Tether continues to play a critical role in assisting law enforcement. As recently highlighted by the U.S. Department of Justice, our work has helped thwart bad actors and aid victims' recovery. Tether recently onboarded the United States Secret Service into our platform and is in the process of doing the same with the Federal Bureau of Investigation (FBI). These strategic relationships reinforce our commitment to supporting law enforcement in combating nefarious activities and contributing to the recovery of victims' funds.

Our assistance to the U.S. Department of Justice is a tangible example of the enduring relationship between Tether and law enforcement agencies. These ongoing efforts are a testament to Tether's proactive approach and unwavering dedication to contributing positively to the global financial ecosystem. We have assisted in freezing, as of the date of this letter, approximately 326 wallets totaling approximately USDT 435 Million for the Department of Justice, US Secret Service, and FBI.



Tether has established a new standard in its commitment to security and close working relationships with law enforcement that we hope will be a model for the rest of the industry. Our commitment to user security, regulatory cooperation, and law enforcement support should be the norm, not the exception.

As Tether continues to lead and innovate in the cryptocurrency market, we want to assure you of our unwavering commitment to security, and our proactive support for law enforcement. We look forward to maintaining a close working relationship with law enforcement, policymakers, and regulators in shaping a secure, compliant, and resilient future for digital currencies.

Thank you for your continued attention to these crucial matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paolo Ardoino', written in a cursive style.

Paolo Ardoino
CEO
Tether

cc: Chairman Brown, U.S. Senate Committee on Banking, Housing, and Urban Affairs
Ranking Member Scott, U.S. Senate Committee on Banking, Housing, and Urban Affairs
Chairman McHenry, U.S. House Financial Services Committee
Ranking Member Waters, U.S. House Financial Services Committee