CryptoLink - May 2026

CryptoLink is a compilation of news stories published by outside organizations. Akin aggregates the stories, but the information contained in them does not necessarily represent the beliefs or opinions of the firm. Akin's May CryptoLink update includes developments and events that occurred in May 2026.

Digital asset policy activity continued to accelerate as Senate negotiations over market structure legislation moved from committee action to resolving the remaining issues needed to bring the CLARITY Act to the floor. Lawmakers are still working through ethics and conflict-of-interest restrictions, illicit finance provisions and the allocation of authority between the SEC and CFTC. Supporters are pushing for a July floor vote, though timing remains uncertain as negotiators work to build broader bipartisan support before the August recess.

Crypto tax legislation is advancing on a separate track, led by the House Ways and Means Committee. Current discussions focus on changes that could attract bipartisan support, including the tax treatment of mining and staking rewards and more limited relief for small digital asset transactions. Although Senate Finance Committee members continue to engage on digital asset tax policy, the House package remains the primary legislative vehicle.

May reflected continued scrutiny of digital asset activity across Congress and the federal agencies. Ranking Member Elizabeth Warren pressed Meta CEO Mark Zuckerberg on reported plans to integrate a stablecoin across the company’s platforms and challenged Comptroller of the Currency Jonathan Gould over the OCC’s grant of national trust charters to crypto firms she argues do not qualify under the National Bank Act.

Regulators also continued refining the framework for digital asset markets, stablecoins and crypto-linked derivatives. The FDIC Board approved a proposed rule that would subject FDIC-supervised, permitted payment stablecoin issuers to Bank Secrecy Act, AML/CFT and sanctions-compliance standards aligned with FinCEN requirements. The CFTC also approved KalshiEX, LLC’s BTCPERP bitcoin perpetual futures contract and confirmed the foreign-futures categorization of certain perpetual products. Internationally, the European Commission opened a consultation on the functioning of the Markets in Crypto-Assets Regulation, which remains open through August 31. Together, these developments show the continued movement toward clearer legislative and regulatory pathways while enforcement and oversight remain central to the digital asset landscape.

In This Issue

Key Developments

Senator Warren Raises Concerns Over Meta Stablecoin Plans

On May 6, 2026, Senator Elizabeth Warren, Ranking Member of the Senate Banking Committee, sent a letter to Meta CEO Mark Zuckerberg requesting information regarding reports that the company plans to integrate a stablecoin into its platforms. Warren criticized the lack of transparency surrounding the initiative and warned that, given Meta's global user base of over 3.5 billion users, any integration of stablecoins, even if issued by third parties, could have significant implications for competition, consumer privacy, the integrity of the payments system and financial stability. The letter also referenced Meta's abandoned Libra project, noting that similar initiatives could enable extensive data collection and further entrench the company's market power. Warren requested detailed information to assist Congress in assessing the implications of such activities amid ongoing consideration of crypto market structure legislation.

Senator Warren's letter can be found here.

Senate Banking Committee Advances Landmark Crypto Bill

On May 14, 2026, the latest draft of legislation to regulate cryptocurrency markets, the CLARITY Act, advanced out of the Senate Banking Committee. The Committee approved the bill by a 15–9 vote, with all 13 Republican members joined by Democratic Senators Angela Alsobrooks of Maryland and Ruben Gallego of Arizona. Senator Alsobrooks released a statement after voting to move the CLARITY Act out of the Banking Committee and onto the Senate Floor, stating "my vote today is a vote to keep working in good faith. It does not mean I will be voting for the passage of the CLARITY Act on the floor. We still have work to do."

Further information can be found here and Senator Alsobrooks' press release can be found here.

Lummis Hails Historic Committee Passage of Her Digital Asset Legislation

On May 14, 2026, Senate Banking Subcommittee on Digital Assets Chair Cynthia Lummis released a statement celebrating the bipartisan passage of her bill, the Digital Asset Market Structure Clarity Act of 2025, out of the Banking Committee by a 15 to 9 vote. Lummis stated that this "is a historic step forward for digital asset innovation, and I am grateful to Chairman Scott for his tireless efforts to move this legislation through Committee and my colleagues on both sides of the aisle who chose to put American leadership ahead of politics. […] The United States has long been a beacon of innovation, and with final passage on the Senate floor, we are going to make sure it stays that way. Let's finish what we started and cement America's digital asset space for generations to come."

Senator Lummis' press release can be found here.

SEC Rescinds Policy Regarding Denials of Settlements in Enforcement Actions

On May 18, 2026, the Securities and Exchange Commission (SEC) rescinded a policy, codified in Rule 202.5(e) of its informal rules of procedure, stating that when it chooses to settle an enforcement action in which a sanction is imposed, it will not settle unless the defendant or respondent also agrees not to publicly deny the allegations in the complaint or administrative order. Rescinding Rule 202.5(e) "aligns the Commission with the overwhelming majority of federal agencies that do not have a similar rule and gives the Commission more flexibility in settling enforcement actions, which conserves resources, provides certainty, and potentially expedites the return of money to injured investors." SEC Chairman Paul S. Atkins stated that "for more than 50 years, the Commission has conditioned settlement on a defendant's promise not to publicly deny the Commission's allegations. I am pleased that we are rescinding the no-deny policy today." In light of the rescission of Rule 202.5(e), the SEC will not enforce existing no-deny provisions that have already been entered. In the event of a breach of an existing no-deny provision, the SEC will take no action to ask a district court to vacate a settlement (or to reopen an adjudicatory proceeding) in connection with the terms of the settlement agreement.

The SEC's press release can be found here and Akin's client alert concerning the SEC's submission of the plan to rescind the policy is available here.

Senator Warren Presses OCC on Approval of Special Charters for Crypto Companies Seeking to Act Like Banks While Evading Bank Rules

On May 19, 2026, Senator Warren, Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee, sent a letter to Jonathan Gould, the Comptroller of the Currency, raising concerns over his decision to, as Senator Warren characterized it, improperly grant national trust charters to companies that do not qualify under the National Bank Act. In the letter, Senator Warren argues the Office of the Comptroller of the Currency's (OCC) actions undermine protections designed to shield Americans from financial risk. Senator Warren concluded the letter requesting the full charter application for all nine approved companies, legal analyses supporting the OCC's decisions, and all communications between OCC officials and the White House or Trump family members regarding the charter approvals by June 1, 2026.

The Senate Banking, Housing, and Urban Affairs Committee press release can be found here.

European Commission Seeks Feedback on the Functioning of EU Crypto-Assets Rules

On May 20, 2026, the European Commission launched a consultation to gather feedback from stakeholders and the wider public on the functioning of the EU's regulatory framework on crypto-assets, the Markets in Crypto-Assets Regulation (MiCA). Implemented in 2024, MiCA established a harmonized EU framework for crypto-assets and related services, covering crypto-assets, asset-referenced tokens and e-money tokens (stablecoins), their issuers and crypto-asset service providers. The consultation seeks feedback on the main building blocks of MiCA. It includes both a public consultation for individuals and a targeted consultation covering more technical and legal questions for stakeholders such as digital asset issuers and service providers, financial institutions, technology providers, academia, think tanks, industry bodies, consumer and public interest organizations and EU public authorities. The consultation is open until August 31 and all feedback gathered will be used to inform the Commission's future policy work on digital assets.

The European Commission's press release can be found here.

FDIC Board Approves Proposal to Address Bank Secrecy Act and Sanctions Compliance Standards for FDIC-Supervised Permitted Payment Stablecoin Issuers

On May 22, 2026, the Federal Deposit Insurance Corporation (FDIC) Board of Directors approved a notice of proposed rulemaking that would implement Bank Secrecy Act (BSA) and sanctions compliance standards applicable to FDIC-supervised permitted payment stablecoin issuers (PPSIs) as required by the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act). Specifically, the proposed rule would require FDIC-supervised PPSIs to comply with applicable regulations regarding anti-money laundering/countering the financing of terrorism (AML/CFT) and economic sanctions programs, and reporting requirements, including requirements established by the Department of Treasury's Financial Crimes Enforcement Network (FinCEN) and the Office of Foreign Assets Control. The proposed rule would also establish and align supervision and enforcement provisions for PPSI AML/CFT programs with FinCEN requirements. Comments on the proposed rule will be accepted for 60 days after publication in the Federal Register.

The FDIC's press release can be found here.

CFTC Approves KalshiEX, LLC's BTCPERP Contract

On May 29, 2026, the Commodity Futures Trading Commission (CFTC) announced it had issued an Order for Approval to KalshiEX, LLC, a designated contract market, for the listing of the BTCPERP Contract, a perpetual contract that references the spot price of bitcoin, as a futures contract. Kalshi submitted the BTCPERP Contract pursuant to Commission Regulation 40.3 for Commission review and approval on May 28, 2026. The Order requires that Kalshi list and maintain the BTCPERP Contract in compliance with all applicable provisions of the Commodity Exchange Act and the CFTC's regulations thereunder. In its press release, the CFTC further noted that market participants are encouraged to engage with CFTC staff and submit for their review and approval any perpetual contract on assets that are not contemplated in the Order pursuant to the voluntary product approval process under Commission Regulation 40.3.

The CFTC's press release can be found here.

CFTC Confirms the Categorization of Certain Crypto Asset Perpetuals as Foreign Futures

On May 29, 2026, the Market Participants Division (MPD) of the CFTC announced it has issued an interpretation and a no-action position in response to a request from Coinbase Financial Markets, Inc., (CFM) a registered futures commission merchant. The positions relate to CFM's plan to offer certain digital commodity derivatives products listed on CFM's affiliated foreign board of trade, Deribit FZE. The letter confirms that, consistent with the May 29, 2026, Order Approving the KalshiEX LLC BTCPERP Futures Contract, CFM's perpetual contracts may be categorized as foreign futures, as defined in Commission Regulation 30.1. Additionally, the letter states that, subject to certain specified conditions, MPD will not recommend the CFTC take an enforcement action against CFM for posting customer-owned digital commodities and payment stablecoins with CFM's foreign broker affiliate to margin its foreign futures and foreign options positions on CFM's affiliate foreign board of trade under circumstances where the foreign broker has obtained a right of re-use over the customer-owned assets.

The CFTC's press release can be found here.

Key Enforcement Actions

Attorney General James Secures Over $5 Million from Crypto Platform for Promoting Fraudulent Investment Scheme

On April 29, 2026, New York Attorney General Letitia James announced that she had secured more than $5 million from the cryptocurrency platform Uphold HQ, Inc. (Uphold) for misleading investors and promoting a fraudulent cryptocurrency investment scheme orchestrated by Cred, LLC (Cred) and its Chief Executive Officer, Daniel Schatt. An investigation by the Office of the Attorney General (OAG) found that Uphold misleadingly promoted and offered Cred's investment product, CredEarn, to its customers, in violation of New York law. Uphold advertised CredEarn as a reliable savings product, when in reality, Cred was making risky loans to borrowers in China with no credit histories. When Cred collapsed in 2020, thousands of Uphold's customers across the world who had invested in CredEarn lost millions of dollars. As a result of the settlement, Uphold will pay $5 million to harmed investors – more than five times the amount it earned in fees it collected – and change its policies to better protect users from third-party investment schemes.

Attorney General James' press release can be found here.

'GothFerrari' Sentenced to 78 Months in Prison for Role in Massive Cryptocurrency Heist

On May 6, 2026, the U.S. Attorney's Office for the District of Columbia announced that Marlon Ferro, also known as GothFerrari, was sentenced in U.S. District Court to 78 months in prison in connection with his role in a sprawling social engineering conspiracy that stole well over $250 million in cryptocurrency from victims across the United States. U.S. Attorney Pirro stated that "Marlon Ferro served as the criminal enterprise's instrument of last resort. When his co-conspirators couldn't deceive victims into handing over access to their cryptocurrency or hack their way into digital accounts, they turned to Ferro to break into homes and steal hardware wallets outright [..] This scheme blended sophisticated online fraud with old-fashioned burglary to drain victims of millions of dollars in digital assets. Today's sentence sends a clear message:

cryptocurrency fraud is not a victimless, consequence-free crime carried out safely behind a screen—it is serious criminal conduct that will lead to federal prison." Ferro pleaded guilty on October 17, 2025, before Judge Colleen Kollar-Kotelly to one count of conspiracy to participate in a racketeer influenced and corrupt organization. In addition to the 78-month prison sentence, Judge Kollar-Kotelly ordered Ferro to serve three years of supervised release and to pay $2.5 million in restitution.

The U.S. Attorney's Office press release can be found here.

Three Tennessee Men Indicted on Robbery, Kidnapping and Conspiracy Charges Related to $6 Million Cryptocurrency Robbery Spree Throughout Bay Area and Los Angeles

On May 11, 2026, the U.S. Attorney's Office for the Northern District of California announced that a federal grand jury had indicted Elijah Armstrong, Nino Chindavanh and Jayden Rucker on conspiracy to commit Hobbs Act robbery, conspiracy to commit kidnapping, attempted Hobbs Act robbery and attempted kidnapping relating to a violent robbery spree targeting cryptocurrency owners. Chindavanh was arrested on December 22, 2025 in Sunnyvale, while Armstrong and Rucker were arrested in Los Angeles on December 31, 2025. Chindavanh made his initial appearance on April 14, 2026, and Armstrong and Rucker made their initial appearances on May 11, 2026. According to the indictment filed March 31, 2026, Armstrong, Chindavanh and Rucker are alleged to have conspired to kidnap and rob individuals in San Francisco, San Jose, Sunnyvale and Los Angeles in efforts to steal cryptocurrency from the victims. The defendants traveled from Tennessee to commit the alleged crimes and posed as delivery persons to gain access or attempt to gain access to the victims' residences. They then used firearms, duct tape and zip ties to assault their victims, including by binding and restraining a victim in order to force him to divulge his account information. If convicted, the defendants face a maximum sentence of 20 years in prison and a fine of $250,000 for each count of conspiracy to commit Hobbs Act robbery, attempted Hobbs Act robbery and attempted kidnapping, as well as a maximum sentence of life in prison and a fine of $250,000 for each count of conspiracy to commit kidnapping.

The U.S. Attorney's Office press release can be found here.

Canadian Illegal Alien and Co-Conspirator Charged in $13 Million Cryptocurrency Fraud Scheme

On May 11, 2026, the U.S. Attorney's Office for the Southern District of Florida announced that a federal grand jury returned an indictment charging Trenton Richard David Johnston and his alleged co-conspirator, Brandon Michael Tardibone, for their roles in a cryptocurrency fraud and money laundering scheme that caused more than $13 million in losses. According to court documents, Johnston, who overstayed his visa and remained in the U.S. unlawfully, operated a sophisticated fraud scheme while living in the Miami area. Johnston and other co-conspirators allegedly impersonated support representatives from a popular search engine and cryptocurrency-related companies to gain unauthorized access to victims' digital accounts and cryptocurrency wallets. Once access was obtained, the conspirators allegedly transferred victims' cryptocurrency holdings for their own benefit. Investigators estimate that victims have suffered losses exceeding $13 million, with additional victims continuing to be identified. In addition, Johnston and Tardibone are accused of laundering proceeds of the fraud scheme through a series of financial transactions designed to conceal the nature and source of the funds. Johnston is charged with conspiracy to commit wire fraud and conspiracy to commit money laundering. Tardibone is charged with conspiracy to commit money laundering and harboring an alien in the U.S.

The U.S. Attorney's Office press release can be found here.

Ohio Investment Manager Sentenced to Nine Years for $10M Cryptocurrency Ponzi Scheme

On May 18, 2026, the U.S. Department of Justice (DOJ) announced that Rathnakishore Giri of Ohio was sentenced to nine years in prison and three years of supervised release for orchestrating a cryptocurrency investment fraud scheme that raised over $10 million from investors, many of whom resided in or around Columbus, Ohio. According to court documents, Giri misled investors by fraudulently promoting himself as an expert cryptocurrency trader and falsely promising investors that he would generate lucrative returns with no risk to their principal investment amount. In reality, Giri often used money provided by new investors to repay old investors. In addition, Giri misled investors about reasons for delays when they sought to cash out their investments or otherwise obtain the return of their principal. In October 2024, Giri pleaded guilty to one count of wire fraud.

The DOJ's press release can be found here.

Missouri Attorney General Hanaway Files Suit Against Crypto ATM Network for Enabling Scams

On May 21, 2026, Missouri Attorney General Catherine Hanaway announced that her office has filed suit against GPD Holdings LLC (CoinFlip) for knowingly facilitating fraudulent transactions and profiting from them with convoluted and excessive fees through cryptocurrency kiosks (Bitcoin ATMs). The Attorney General's Office is asking the Court to declare that CoinFlip's practices violate the Missouri Merchandising Practices Act; to enjoin CoinFlip from operating in Missouri; to impose civil penalties of $1,000 per violation over the past five years (up to $1,826,000); and to award restitution to consumers. Attorney General Hanaway stated that "Bitcoin and crypto ATMs are the new getaway cars for fraud, whisking away innocent people's money to scammers, never to return […] As Attorney General, I'll use every tool to flush out the cowardly scammers hiding behind screens and hold them accountable. My office will always prioritize protecting Missourians—especially our seniors and veterans."

The Missouri Attorney General's press release can be found here.

Google Employee Charged with Insider Trading

On May 27, 2026, the U.S. Attorney's Office for the Southern District of New York announced the unsealing of a complaint charging Michele Spagnuolo, also known as "AlphaRaccoon," a software engineer at Google, with commodities fraud, wire fraud and money laundering arising from his scheme to misappropriate confidential information from his employer and use that information to place a series of profitable Google-related trades on a prediction market platform. Spagnuolo had access to Google's internal data systems, created an account on Polymarket known as "AlphaRaccoon" and used the AlphaRaccoon account to place trades in various markets on

Polymarket. In total, from on or about October 15, 2025, through on or about December 4, 2025, Spagnuolo used the AlphaRaccoon account to risk approximately $2,754,092 on markets related to Google's internal information. Spagnuolo is charged with one count of violating the Commodity Exchange Act, which carries a maximum sentence of 10 years in prison; one count of wire fraud, which carries a maximum sentence of 20 years in prison; and one count of money laundering, which carries a maximum sentence of 20 years in prison.

The U.S. Attorney's Office press release can be found here.

SEC Charges Texas Resident in Alleged Multi-Million Dollar Crypto Asset Fraud Scheme

On May 28, 2026, the SEC charged Nathan Fuller in a crypto asset trading scheme in which Fuller allegedly raised approximately $12.3 million from about 150 investors based on various misrepresentations and omissions, including that he would use proprietary AI-based trading bots to engage in high-frequency arbitrage trading in crypto assets. According to the SEC's complaint, from at least October 2022 through mid-2024, Fuller falsely promised some investors that their investments would generate certain returns, falsely claimed that investors stood to make guaranteed profits, and made various misrepresentations to investors that he would use AI-based trading bots to engage in high-frequency arbitrage trading on crypto asset trading platforms, that investor funds were secured by a surety bond, insured by the FDIC, and protected by a professional-liability insurance policy. According to the complaint, Fuller's bots did not function as represented and Fuller misappropriated at least $6.2 million of investor funds for personal expenses, used approximately $5.5 million of investor funds to make Ponzi-like payments, and lulled investors using fake account statements and fabricated correspondence from phony entities. The SEC seeks permanent injunctions, disgorgement of ill-gotten gains with prejudgment interest, and civil penalties against Fuller.

The SEC's press release can be found here.

Akin Thought Leadership

CFTC Proposes New Framework for Regulating Prediction Markets (June 15, 2026)

CFTC Advances Framework for Perpetual Contracts and 24/7 Markets (June 9, 2026)

Akin Attorneys Author Article on SEC and CFTC Collaboration in Digital Asset Oversight (April 8, 2026)

SEC and CFTC Issue Guidance on the Applicability of Federal Securities Laws to Crypto Assets and Blockchain Activities (March 24, 2026)

CFTC Issues Guidance and Advanced Notice of Proposed Rulemaking Relating to Prediction Markets (March 16, 2026)

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