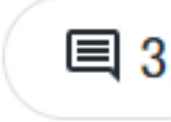




Crypto Industry Leaders Claim U.S. Government Behind 'Operation Chokepoint 2.0' Effort To Cut Banking Ties With Blockchain Firms

Decentralized Dog

Fri, November 29, 2024 at 10:34 AM GMT+2 • 2 min read



Key Questions

What is 'Operation Chokepoint 2.0' and how does it relate to the crypto industry?

'Operation Chokepoint 2.0' refers to an alleged government-backed effort to pressure financial institutions to sever ties with certain businesses, particularly those in the crypto industry. This is compared to the Obama-era 'Operation Chokepoint,' which aimed to cut off financial access to high-risk industries. According to Marc Andreessen, co-founder of Andreessen Horowitz, over 30 tech founders have been 'debanked' for political reasons, with a focus on politically disfavored tech startups, particularly in crypto. (Source: Marc Andreessen on The Joe Rogan Experience podcast)

Was this helpful? Yes No

Who are some of the notable figures that have spoken out against 'Operation Chokepoint 2.0'?

What are some examples of crypto founders being denied banking services?

What triggered the intensification of 'Operation Chokepoint 2.0' in 2023?

What are the demands of the crypto leaders in response to 'Operation Chokepoint 2.0'?

Generated by Yahoo Finance AI



Crypto Industry Leaders Claim U.S. Government Behind 'Operation Chokepoint 2.0' Effort To Cut Banking Ties With Blockchain Firms

More than 30 tech and cryptocurrency founders in the U.S. have [claimed](#) they were denied banking services in what is being described as "Operation Chokepoint 2.0." The term refers to an alleged government-backed effort to pressure financial institutions to sever ties with certain businesses, particularly those in the crypto industry.

The accusations gained traction after Marc Andreessen, co-founder of Andreessen Horowitz, discussed the issue on The Joe Rogan Experience podcast. He claimed that over the past four years, more than 30 tech founders had been "debanked" for political reasons. Andreessen compared the situation to the Obama-era "Operation Chokepoint," which aimed to cut off financial access to high-risk industries like payday lenders and gun dealers. He argued that the new iteration of the program, under the Biden administration, is focused on politically disfavored tech startups, particularly in crypto.

Tesla CEO Elon Musk shared Andreessen's comments on X, adding his voice to the criticism. Musk questioned whether the public was aware that so many founders had been targeted by financial exclusion. Coinbase CEO Brian Armstrong also spoke out, calling the actions "un-American" and accusing the Biden administration of pushing for such restrictions. He suggested that figures like Senator Elizabeth Warren and SEC Chair Gary Gensler were involved in these efforts and criticized them for trying to undermine the crypto industry.

One crypto founder, Sam Kazemian of Frax Finance, shared his own experience with debanking, recounting a conversation with JPMorgan Chase in December 2022. Kazemian claimed that bank officials told him they were instructed to close accounts of clients whose primary source of wealth came from crypto. This, Kazemian alleged, was part of a broader effort led by JPMorgan's CEO, Jamie Dimon.

The issues began to intensify in 2023 following the collapse of several crypto-friendly banks, including Silicon Valley Bank, Silvergate Bank and Signature Bank. These closures further fueled claims of a coordinated effort to isolate the crypto industry. Critics, including venture capitalist Nic Carter, labeled this as "Operation Chokepoint 2.0," arguing that it was a deliberate attempt to disrupt the sector.

Other figures in the industry, like Andrew Torba, founder of the social platform Gab, have also spoken about being targeted. Torba described how multiple banks closed his accounts, saying that the federal government had pressured banks with threats of audits and regulatory action.

Caitlin Long, CEO of Custodia Bank, also confirmed her company's struggles with debanking, noting that they were forced to fight back with a lawsuit against the Federal Reserve. As the controversy grows, crypto leaders are demanding greater transparency and accountability from both the government and the banking sector, calling for an end to what they see as politically-motivated financial exclusion.

[View Comments \(3\)](#)