

November 2, 2025

VIA EMAIL

Teresa Goody Guillén
BakerHostetler

Re: Your Letter to Senator Elizabeth Warren dated October 28, 2025

Dear Ms. Guillén:

We are counsel to Senator Elizabeth Warren. We are in receipt of your letter dated October 28, 2025, regarding your client, Changpeng Zhao. Please refer all future correspondence to our attention. We have had the opportunity to review your letter and provide the following response:

Your client asserts that Senator Warren has published a “defamatory” statement about him in an October 23, 2025, post on X. Specifically, we understand your client to maintain that it is objectively false that he “pleaded guilty to a criminal money laundering charge.” In relevant part, Senator Warren’s post stated that “CZ pleaded guilty to a criminal money laundering charge and was sentenced to prison.”¹ Senator Warren’s post is true in all respects and therefore cannot be defamatory. Senator Warren accurately represented publicly available and widely reported facts. The “charge” referenced in Senator Warren’s X post refers to the “charge” to which Mr. Zhao pled guilty and as to which President Trump had just pardoned him. The law Mr. Zhao pled guilty to violating is an anti-money laundering law. All of this is public record, and is plainly what Senator Warren’s X post concerned. Simply put, any threatened defamation claim would be without merit. We provide further context below, which we trust resolves any misunderstanding as to what Senator Warren’s statement means.

As your client knows, on November 21, 2023, he entered into a plea agreement filed in the U.S. District Court for the Western District of Washington, No. CR23-179RAJ.² As set out in the plea agreement, Mr. Zhou pled guilty to “[f]ailure to maintain an effective anti-money laundering (‘AML’) program, as charged in Count 1, in violation of Title 31, United States Code, Sections 5318(h), 5322(b), 5322(c), and 5322(e); Title 18, United States Code, Section 2; and Title 31, Code of Federal Regulations, Section 1022.210.”³ Your client thus pled guilty to a crime with the following elements, as summarized in the plea agreement itself:

¹ See Elizabeth Warren (@SenWarren), X (Oct. 23, 2025), <https://x.com/SenWarren/status/1981401323280224349>.

² Plea Agreement, *United States v. Changpeng Zhao*, No. CR23-179 (W.D. Wash. Nov. 21, 2023), available at <https://www.justice.gov/criminal/media/1327936/dl?inline>.

³ *Id.*

- a. A covered financial institution, to wit, a money services business (“MSB”), failed to develop, implement, and maintain an effective AML program;
- b. The defendant aided and abetted and caused the MSB to fail to develop, implement, and maintain an effective AML program; and
- c. The defendant acted willfully.⁴

To summarize, your client admitted, under oath, that he willfully aided and abetted and caused Binance to fail to develop, implement, and maintain an effective AML program, and that this constituted the identified crime. Mr. Zhao’s plea agreement also explicated his acknowledgment of various supporting facts, including the following:

Starting at least as early as August 2017 and continuing to at least October 2022, Defendant Changpeng Zhao violated the Bank Secrecy Act (BSA) by willfully causing Binance Holdings Limited (“Binance” or “the Company”) to fail to implement an effective AML program. Defendant prioritized Binance’s growth, market share, and profits over compliance with the BSA. Binance facilitated billions of dollars of cryptocurrency transactions on behalf of its customers without implementing appropriate “know your customer” (“KYC”) procedures or conducting adequate transaction monitoring. As a result of Defendant’s willful failure to implement an effective AML program, Binance processed transactions involving proceedings of illegal activity and caused transactions between U.S. persons and persons in jurisdictions subject to comprehensive U.S. sanctions.

Binance, which Mr. Zhao founded and as to which he then served as CEO, entered into its own plea agreement on the same day.⁵ For its part, Binance pled guilty to three related charges:

- a. Conspiracy to conduct an unlicensed money transmitting business (“MTB”), in violation of Title 18, United States Code, Sections 1960(a), 1960(b)(1)(B), and to fail to maintain an effective anti-money laundering (“AML”) program, in violation of Title 31, United States Code, Sections 5318(h), 5322, as charged in Count 1, in violation of Title 18, United States Code, Section 371;
- b. Conducting an unlicensed MTB, as charged in Count 2, in violation of Title 18, United States Code, Sections 1960(a), 1960(b)(1)(B), and 2; and
- c. Violation of the International Emergency Economic Powers Act (“IEEPA”), as charged in Count 3, in violation of Title 50, United States Code, Section 1705, and Title 31, Code of Federal Regulations, Part 560 *et seq.*

Upon Binance’s and Mr. Zhao’s pleading guilty, the Department of Justice issued a press release, in which it noted that “Binance Admits It Engaged in Anti-Money Laundering, Unlicensed

⁴ *Id.*

⁵ Plea Agreement, *United States v. Binance Holdings Limited*, No. CR23-178 (W.D. Wash. Nov. 21, 2023), available at <https://www.justice.gov/archives/opa/media/1326901/dl?inline>.

Money Transmitting, and Sanctions Violations in Largest Corporate Resolution to Include Criminal Charges for an Executive.”⁶ The Department of Justice repeatedly emphasized that Mr. Zhao had pled guilty to a violation of the Bank Secrecy Act, the nation’s primary anti-money laundering law.⁷ For example, the press release explained that “Binance’s founder and chief executive officer (CEO), Changpeng Zhao, a Canadian national, also pleaded guilty to failing to maintain an effective anti-money laundering (AML) program, in violation of the BSA and has resigned as CEO of Binance.”⁸ The press release described Mr. Zhao’s role as follows:

“Changpeng Zhao made Binance, the company he founded and ran as CEO, into the largest cryptocurrency exchange in the world by targeting U.S. customers, but refused to comply with U.S. law,” said Acting Assistant Attorney General Nicole M. Argentieri of the Justice Department’s Criminal Division. “Binance’s and Zhao’s willful violations of anti-money laundering and sanctions laws threatened the U.S. financial system and our national security, and each of them has now pleaded guilty. Make no mistake: when you place profits over compliance with the law, you will answer for your crimes in the United States.”⁹

And the press release further explained relevant officials’ assessment of the consequences of Mr. Zhao’s and Binance’s actions. As to Mr. Zhao, the press release explained:

“From the beginning of its existence, Binance and founder Changpeng Zhao chose growth and personal wealth over following financial regulations aimed at stopping the laundering of criminal cash,” said Acting U.S. Attorney Tessa M. Gorman for the Western District of Washington. “Because Changpeng Zhao knowingly operated a financial platform without basic anti-money laundering safeguards, the company caused illegal transactions between U.S. users and users in sanctioned jurisdictions such as Iran, Cuba, Syria, and Russian-occupied regions of Ukraine – transactions for which Binance profited with significant fees.”¹⁰

As to Binance itself, the press release stated:

⁶ Department of Justice, Office of Public Affairs, *Binance and CEO Plead Guilty to Federal Charges in \$4B Resolution* (Nov. 21, 2023), available at <https://www.justice.gov/archives/opa/pr/binance-and-ceo-plead-guilty-federal-charges-4b-resolution>.

⁷ As the DOJ did in its press release, the Bank Secrecy Act is widely referred to as an anti-money laundering law, including by federal agencies and courts. *See, e.g., What is the BSA Data?* Financial Crimes Enforcement Network, <https://www.fincen.gov/what-bsa-data> (“The Financial Crimes Enforcement Network (FinCEN) administers the Bank Secrecy Act (BSA), our nation’s first and most comprehensive anti-money laundering statute.”); *Matter of Search of Multiple Email Accts. Pursuant to 18 U.S.C. § 2703 for Investigation of Violation of 18 U.S.C. § 1956*, 585 F. Supp. 3d 1, 10–11 (D.D.C. 2022) (describing the BSA as an anti-money laundering statute); *Agostino v. Ameriprise Fin. Servs., Inc.*, No. 1:16-CV-00725, 2016 WL 6403883, at *1 (M.D. Pa. Oct. 24, 2016) (explaining that “The Bank Secrecy Act is a set of federal statutes and regulations designed to deter and improve detection and investigation of money laundering and other criminal activities”).

⁸ *See supra* note 6.

⁹ *See supra* note 6.

¹⁰ *See supra* note 6.

Binance turned a blind eye to its legal obligations in the pursuit of profit. Its willful failures allowed money to flow to terrorists, cybercriminals, and child abusers through its platform,” said Secretary of the Treasury Janet L. Yellen. “Today’s historic penalties and monitorship to ensure compliance with U.S. law and regulations mark a milestone for the virtual currency industry. Any institution, wherever located, that wants to reap the benefits of the U.S. financial system must also play by the rules that keep us all safe from terrorists, foreign adversaries, and crime or face the consequences.”¹¹

Two years later, on October 22, 2025, President Trump pardoned Mr. Zhao. As contemporaneous press reports noted, the pardon came after Binance “spent nearly a year pursuing a pardon for Zhao,” and noted that “[s]ince Trump’s election, Binance has also been a key supporter of his family’s World Liberty Financial crypto venture, a business that has driven a huge leap in the president’s personal wealth.”¹² Notably, press accounts regarding the pardon, consistent with Mr. Zhou’s plea agreement and DOJ press statements regarding it, have repeatedly explained that Mr. Zhou had pled guilty to a “money-laundering charge.”¹³

Among her responsibilities as a United States Senator, Elizabeth Warren is tasked with oversight of the executive branch and considering and adopting legislation to protect the public, including oversight of financial institutions and actors in the financial system. Concerned about the reported facts and circumstances around Mr. Zhao’s pardon, in light of the sworn plea agreements that he and Binance had entered into, Senator Warren, in her capacity as United States Senator, posted the X post in question to inform and educate the public of her concerns as a precursor to taking legislative action. That same day, she introduced a resolution, which was supported by 14 additional Senators, condemning President Trump’s pardoning of Mr. Zhao for violating United States anti-money laundering laws and calling on Congress to use its authority to take action.¹⁴ The resolution specifically noted that Mr. Zhao had been pardoned after he had “pleaded guilty to willfully failing to maintain an effective anti-money laundering program while CEO of Binance.”¹⁵

¹¹ See *supra* note 6.

¹² See, e.g., Rebecca Ballhaus, Josh Dawsey, Patricia Kowsmann, Angus Berwick, *Trump Pardons Convicted Binance Founder*, [Wall Street Journal](#), Oct. 23, 2025. The facts and circumstances of Mr. Zhao’s pardon and Binance’s business relationship with President Trump’s financial concerns continues to be subject to considerable public attention. See, e.g., Angus Berwick, Patricia Kowsmann, Rebecca Ballhaus, *How a Billionaire Felon Boosted Trump’s Crypto Company en Route to a Pardon*, [Wall Street Journal](#), Oct. 29, 2025.

¹³ See, e.g., Isabella Murray, *Trump pardons billionaire Binance founder Changpeng Zhao, says he did so at request of others*, [ABC News](#), 10/23/2025 (“Zhao pleaded guilty in 2023 to a money laundering charge.”); Alayna Treene, Allison Morrow, *Trump pardons Binance founder Changpeng Zhao*, [CNN](#), 10/23/2025 (“President Donald Trump has pardoned Binance founder Changpeng Zhao, who pleaded guilty to a money laundering charge in 2023, the White House said Thursday.”); Nicole Acosta, *Trump Pardons Convicted Crypto Founder Who Helped President’s Family Make Billions on Crypto Empire*, [People](#), 10/23/2025 (“Changpeng Zhao, who led the world’s largest cryptocurrency exchange, pleaded guilty to a federal money laundering charge in 2023.”); Andrew C. McCarthy, *The Trump Family Crypto Venture*, [National Review](#), 5/10/2025 (“In 2023, Binance’s founder and now Trump business partner, Changpeng Zhao, a Chinese-born Canadian billionaire, pled guilty to a felony money-laundering charge that landed him in prison for four months.”).

¹⁴ S.R. 466, 119th Cong. (2025), available at <https://www.congress.gov/119/bills/sres/466/BILLS-119sres466is.pdf>.

¹⁵ *Id.*

Your letter incorrectly suggests that the social media post defamed Mr. Zhou. As an initial matter, we note that Senator Warren is a sitting United States Senator, and Mr. Zhou is positing a defamation claim premised on a public statement Senator Warren made in the course of her employment as a United States Senator that preceded her introduction of a Resolution on the same subject. Even presuming that absolute immunity would not bar such a defamation claim, Mr. Zhao would need to establish the necessary elements. A public figure such as Mr. Zhao cannot prevail on a defamation claim without presenting evidence that the defendant published a false statement of fact with actual malice. *Masson v. New Yorker Mag., Inc.*, 501 U.S. 496, 510 (1991). Here, as explained below, Senator Warren’s statement is completely accurate. In any event, the standard is speech-protective: Among other things, “minor inaccuracies do not amount to falsity so long as “the substance, the gist, the sting, of the libelous charge [is] justified.” *Id.* at 517 (internal quotation marks omitted). Moreover, even outright falsities regarding public figures are not actionable unless made with actual malice; with knowledge of falsity or reckless disregard for the truth or falsity of a statement. *See, e.g., New York Times Co. v. Sullivan*, 376 U.S. 254, 280 (1964).

Your letter states that it is “objectively false” that “Mr. Zhao pleaded guilty to a criminal offense that he did not, which falsely imputes criminal conduct, corruption, and moral turpitude to Mr. Zhao.” In this regard, you state that “Mr. Zhao pleaded guilty to a single regulatory count—failure to implement an effective anti-money laundering program under the Bank Secrecy Act.” If your letter suggests that Mr. Zhao did not plead guilty to “criminal conduct,” because he instead “pleaded guilty” to what you deem to be a mere “regulatory count,” we are confused by the assertion. Mr. Zhao’s public plea agreement sets out the provisions to which he pled guilty, including 31 U.S.C. § 5322, which is titled “Criminal penalties.” Mr. Zhao pled guilty to a criminal charge, presented through an information by the Department of Justice, and resulting in a prison sentence.¹⁶ By contrast, civil penalties for Bank Secrecy Act violations are set out in 31 U.S.C. § 5321, and “regulatory penalties” do not exist. Mr. Zhou, then, did plead guilty to a criminal violation of the Bank Secrecy Act – described by its enforcing agency as “our nation’s first and most comprehensive anti-money laundering statute.”¹⁷

In sum, this letter confirms that Senator Warren’s X Post simply references the fact that Mr. Zhao pled guilty to a violation of U.S. anti-money laundering law, as set out in his plea agreement; specifically, his failure to maintain an effective anti-money laundering program in violation of Title 31, United States Code, Sections 5318(h), 5322(b), 5322(c), and 5322(e); Title 18, United States Code, Section 2; and Title 31, Code of Federal Regulations, Section 1022.210. Her X Post does not state—and should not be construed to state—that he pled guilty to any *other* money laundering charge. Moreover, when the Resolution references Mr. Zhao pleading guilty to a charge of failure to maintain an effective anti-money laundering program, the Resolution is referencing specifically Mr. Zhou pleading guilty to failure to maintain an effective anti-money laundering program in violation of Title 31, United States Code, Sections 5318(h), 5322(b), 5322(c) and 5322(e); Title 18, United States Code, Section 2; and Title 31, Code of Federal Regulations, Section 1022.210.

¹⁶ Information, *United States v. Changpeng Zhao*, No. CR23-179 (W.D. Wash. Nov. 14, 2023), available at <https://www.justice.gov/archives/opa/media/1326916/dl?inline>.

¹⁷ *See supra* note 7.

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Any party interested in further understanding Senator Warren's statements should read Mr. Zhou's plea agreement and the other materials referenced in this letter, and we would invite them to do so.

Regards,

A handwritten signature in black ink, appearing to read "Ben Stafford". The signature is fluid and cursive, with the first name "Ben" clearly legible and the last name "Stafford" written in a more stylized, connected script.

BEN STAFFORD