



Rep. Tom Emmer on Majority Whip Emmer questions SEC Chair Gary Gensler at FSC Hearing

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REP. TOM EMMER:

Thank you. Chair Gensler, leadership comes from the top, correct?

CHAIR GENSLER:

Leadership comes from a lot of things, but the top matters a lot. It's yes. The answer is yes, sir.

REP. TOM EMMER:

But under your leadership at the SEC, it appears that you expect political allegiance not just from the political appointees, but also from the civil servants you hired. Isn't that correct?

CHAIR GENSLER:

That is not correct, sir.

REP. TOM EMMER:

Well, sir, that's yet another deliberate distortion of the truth. The House has obtained emails between you and your now Director of Training and Markets. He interviewed with you and then sent you a follow-up email reassuring you, sir, that he aligned with your political views. So, that to me seems like you expect political allegiance from the people that you hire as civil servants at the SEC. The way you hire and the culture you require encourages your staff to have loyalty to you above the law and above the mission of the SEC. Which brings us to the debt box case in Utah where your attorneys, who no doubt heard your anti-crypto rhetoric, which is not based in law, went out and deliberately lied to a court in order to effectuate the commands from their chair to prosecute crypto companies. Chair Gensler, do you know of any other time in history where the SEC has been sanctioned by a court for material misrepresentation?

CHAIR GENSLER:

First, if I might say, when we hire folks?

REP. TOM EMMER:

No, reclaiming my time, sir. The answer to that question is no, it has never happened. But let me ask you another one. Does the fact that we're talking about this today even slightly embarrass you?

CHAIR GENSLER:

Look, the matters in that case were not well handled and we said that to the court.

REP. TOM EMMER:



Reclaiming my time again. The debt box case should absolutely be embarrassing to you, sir. And just to be clear, the SEC had to pay with taxpayer dollars nearly two million in legal fees for this material misrepresentation, for this lie. You are aware of that, I'm sure. Is the debt box case the reason that why the SEC's head of crypto asset and cyber unit resigned in June, sir?

CHAIR GENSLER:

No, they went to take another job.

REP. TOM EMMER:

Okay, so no one in a senior level position here in Washington, D.C. has been held responsible for this complete abuse of taxpayer dollars. The SEC broke the law, your attorneys lied to the court, and no one in your leadership here in D.C. has been held accountable, at tracks. Seems like business as usual here in Washington. Okay, switching gears very quickly. It's been recently reported that Vice President Harris has finally said she'd craft clear rules of the road for the digital asset space if she becomes president. Is this your approach too, sir? Or do you think she's rebuking you because she doesn't think you've done a good enough job establishing these clear rules over the last three years of her administration?

CHAIR GENSLER:

I think that there's laws in place. If Congress wishes to change them, they'll change them. But we are enforcing the laws and there are many people in this field who are not following the laws.

REP. TOM EMMER:

Reclaiming my time. Well, it's very interesting that you view your performance that way, because we have a litany of court cases, extraordinary confusion in the marketplace, and millions of Americans pining for clarity from you. You've abused the agency's enforcement tools and you've even baited companies eager to comply with you, only to hit them with enforcement actions. You've retaliated against businesses and people who have come before this committee to talk about the next generation of American finance. And perhaps somehow worst of all, you've made up the term crypto asset security. This term is nowhere to be found in statute. You made it up. You never provided any interpretive guidance on how crypto asset security might be defined within the walls of your SEC. Yet, you made the broad proclamation that you believe a majority of tokens are crypto asset securities. You did this and you would deliberately use this made-up term as the basis for your entire enforcement crusade over the past three years, only for your lawyers to retract it in a footnote to a court just last week. Your inconsistencies on this issue, sir, have set this country back. We could not have had a more historically destructive or lawless chairman of the SEC. And I yield back.

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