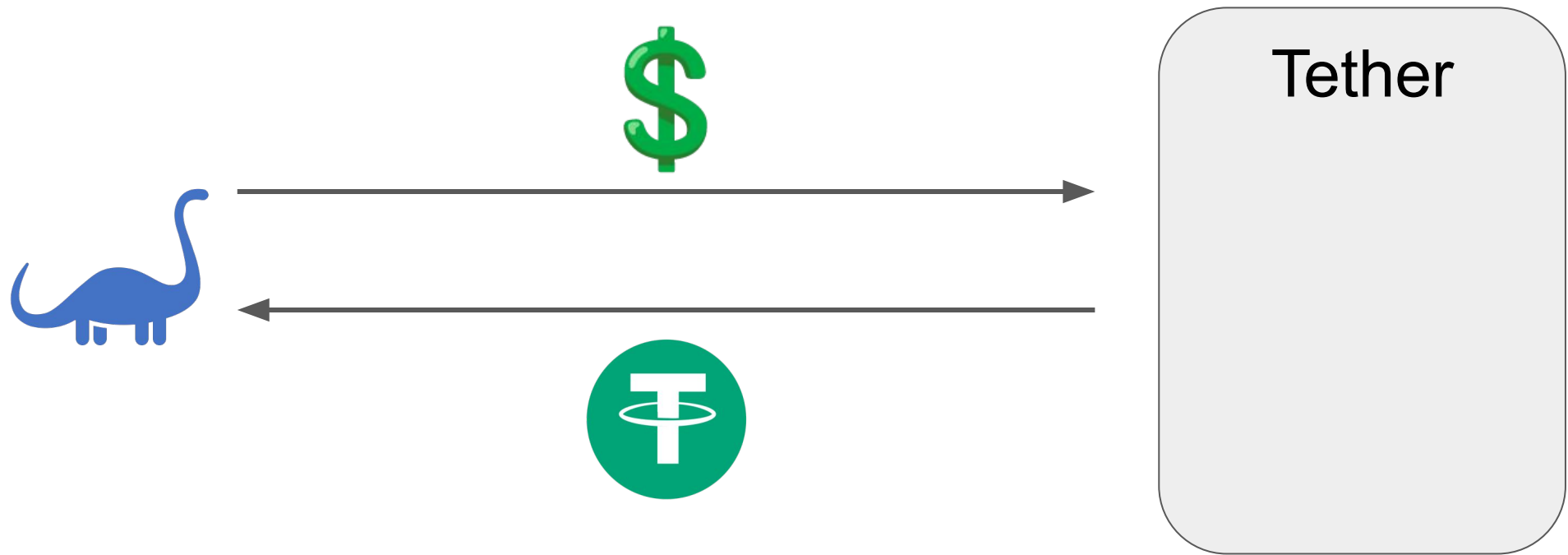


EAS 5830: BLOCKCHAINS

# Tether

Professor Brett Hemenway Falk



In order to cause Tether Tokens to be issued or redeemed directly by Tether, you must be a verified customer of Tether. No exceptions will be made to this provision.

# Fees

Fee per Tether deposit or withdrawal  
**Free**

Minimum fiat withdrawal or deposit  
**100,000 USD\***

Fee per fiat withdrawal  
**The greater of \$1,000 or 0.1%**

Fee per fiat deposit  
**0.1%**

## Verification fee

### 150 USD in Tether Tokens

This amount is non-refundable but can be part of your Redemption. The verification fee is intended to ensure that only those who are serious about establishing an account apply. The fee also helps offset a portion of the incurred costs from the execution of a robust verification process. To comply with applicable laws Tether maintains the sole discretion to approve or not approve accounts. By submitting a verification request you agree that the 150 USD deposit is non-refundable. Read carefully [here](#) before proceeding.

[Create Account](#)

- 2014 - [Tether issued as USD-backed stablecoin on Bitcoin's Omni Layer](#)
- 2017 - [Tether issues ERC-20 token on Ethereum](#)
- Now - [Tether issues tokens on many chains](#)
  - Tron
  - Ethereum
  - Solana
  - Omni
  - Avalanche
  - Tezos
  - etc.



CoinMarketCap

# Founders

Founded by

- o A former plastic surgeon
- o A Mighty Ducks actor



MONEY SUPPLY

# **The murky relationship between the bitcoin price and “tether” tokens is raising suspicions**



“Tether may not be minted independently of Bitcoin price and may be created when Bitcoin is falling...One interpretation of the data suggests that Tether could account for nearly half of Bitcoin’s price rise,”

January 24, 2018

Author - 32E3690D50B3B477DF7841212D4BB938DC9CDB50307618328E7F8B53F37CC1E2

“the coordinated supply of Tether creates an opportunity to manipulate cryptocurrencies. When prices are falling, the Tether creators can convert their large Tether supply into Bitcoin in a way that pushes Bitcoin up and then sell some Bitcoin back into dollars in a venue with less price impact to replenish Tether reserves”

John M. Griffin, University of Texas at Austin - Department of Finance

Amin Shams, Ohio State University, Fisher College of Business

October 28, 2019

“A research study performed by TokenAnalyst in 2019 showed that in 70% of cases, Bitcoin growth coincided with USDT minting.”

“Each tether unit issued into circulation is backed in a one to one ratio (i.e. one Tether USDT is one US dollar) by the corresponding fiat currency unit held in deposit by Hong Kong based Tether Limited.”

- [Tether White Paper 2016](#)

“Tether Limited holds 1:1 reserves for all Tether generated in its contract where each tether is backed by its corresponding currency on deposit.”

2017

“every tether is always backed 1-to-1, by traditional currency held in our reserves.  
So 1 USDT is always equivalent to 1 USD.”

-Tether.to 2018

“Every tether is always 100% backed by our reserves, which include traditional currency and cash equivalents and, from time to time, may include other assets and receivables from loans made by Tether to third parties, which may include affiliated entities (collectively, “reserves”). Every tether is also 1-to-1 pegged to the dollar, so 1 USD₮ is always valued by Tether at 1 USD.”

-Tether.to 2019



michapman2 107 points · 1 year ago



"Don't worry, your money is backed by a loan I made to myself. Even if I run out of cash, I will be able to pay you back by calling in one of the many loans I've made to myself."

People feel safe with this??

Story from **Policy & Regulation** →

# Tether Lawyer Admits Stablecoin Now 74% Backed by Cash and Equivalents

Apr 30, 2019 at 11:47 a.m. EDT ▪ Updated May 1, 2019 at 8:45 a.m. EDT



## **Release Number 8450-21**

### **CFTC Orders Tether and Bitfinex to Pay Fines Totaling \$42.5 Million**

Tether to Pay \$41 million Over Claims that Tether Stablecoin was Fully Backed by US Dollars

Bitfinex to Pay \$1.5 Million for Illegal Transactions While Operating Bitfinex Cryptocurrency Trading Platform and Violation of Prior CFTC Order

**October 15, 2021**

TETHER

# Tether admits it's not totally backed by US dollars; market shrugs

Remember when Tether insisted there was a dollar for every tether out there? Well, actually...

*By Lawrence Lewitinn / March 14, 2019*

# Redemptions

Tether reserves the right to redeem Tether Tokens by in-kind redemptions of securities and other assets held in the Reserves.

Tether has had an association with Bitfinex since 2015, when the exchange integrated the cryptocurrency operation into its exchange. The two companies are operated by parent company iFinex.

Tether's website shows that the two companies share the same leadership, with JL van der Velde listed as the CEO of both companies. Giancarlo Devasini is the chief financial operator of both Tether and Bitfinex.

Story from **Markets** →

# Bitfinex Covered \$850 Million Loss Using Tether Funds, NY Prosecutors Allege

Apr 25, 2019 at 5:45 p.m. EDT ▪ Updated Apr 26, 2019 at 10:43 a.m. EDT

## February 23, 2021



*Bitfinex and Tether Must Submit to Mandatory Reporting on Efforts to Stop New York Trading*

*Bitfinex and Tether Deceived Clients and Market by Overstating Reserves,  
Hiding Approximately \$850 Million in Losses Around the Globe*



# Tether USD (USDT)

TRC20

USDT is the official stablecoin issued by Tether on the TRON network.

Stake USDT to Get Rewards

Trade

## Overview

Reputation: OK

**\$1.000055** -0.01%  
≈ 10.848472 TRX

? Total Supply:	44,822,236,515.549504
? Circulating Supply:	44,822,236,515.549504
? Total Market Cap:	\$44,824,701,755
? Circulating Market Cap:	\$44,824,701,755

## Basic Info

? Contract:	SC <b>TR7NHqjeKQxGTCi8q8ZY4pL8otSzg</b>
? Issuer:	<b>THPvaUhoh2Qn2y9THCZML3H815hhFhn5YC</b>
? Issuing Time :	2019-04-16 20:41:20 (UTC)
? Decimal:	6
? Links:	<a href="#">Official Website</a> <a href="#">White Paper</a>

## More

? Holders:	32,108,804
? Total Transfer Count:	1,355,636,763
? Transfers (24h):	2,051,783 <span>(-2.45%)</span>
? Trading Volume (24h):	\$37.06b <span>(-38.86%)</span>
? Liquidity:	\$80.48m <span>(+0.45%)</span>

# Why Tron?

- o Integrations:
  - [BitGo](#)
  - [Telegram](#)
- o Lower Fees



# Contract

- o USDT is an ERC20
- o Ownable
  - Owner is a 3-out-of-6 multisig
- o Pausable
- o Accounts can be frozen
  - Hundreds have been

Story from **Policy & Regulation** →

# Crypto Traders' Lawsuit Claims Bitfinex, Tether Cost Market Over \$1 Trillion

Oct 7, 2019 at 10:43 a.m. EDT ▪ Updated Oct 7, 2019 at 4:29 p.m. EDT

# **Tether, Bitfinex File Motion to Dismiss Market Manipulation Lawsuit**

Sep 4, 2020 at 6:08 a.m. EDT ▪ Updated Sep 4, 2020 at 10:22 a.m. EDT

# Debevoise Secures Complete Win on Behalf of Tether and Bitfinex

15 August 2023

Story from **Markets** →

# Tether Accidentally Minted \$5 Billion of Its Stablecoins, Then Deleted Them

Jul 16, 2019 at 9:42 a.m. EDT

"RIVETING, HORRIFYING, BUT ALSO ENDLESSLY  
ENTERTAINING." —Matt Levine, *Money Stuff* columnist

# NUMBER GO UP



INSIDE CRYPTO'S  
WILD RISE  
AND STAGGERING FALL

ZEKE FAUX

“if you believe the like attestations that they're putting out there they're sitting on like \$80 billion and now they can invest those in treasury bills interest rates have gone up they can earn 5% a year and that they're just clipping \$4 billion a year in practically pure profit it's a small operation so the way the Tether story ends is that, at least in the book, is that the guys who run it are all presumably billionaires. Tether, again, still just like kind of funny to think about it's one of the most profitable companies in the entire world it's like a more profitable company than Nike”