LIED TO DEATH

The Global Corporate Mafia

by Arn Menconi

For Maya and Teo.

I don't have hope. I have kids.

Magic is real.

“The context of our discussion is that I'm saying this is fucking life. Not that it's acceptable. It's horrible. It's why the human species is drifting toward extinction.”

— Daniel Ellsberg, in conversation with Arn Menconi, 2015

PREFACE

I was four years old when they killed Kennedy. It was my first memory. My mother was playing Chopin in a living room on the south side of Chicago with a Picasso print on the wall. I didn't understand what happened. I understood that my mother was crying and the music kept playing.

My grandfather — an Italian immigrant who worked at a steel mill near Gary, Indiana and took me to Sox games on weekends — sat with me through the Watergate hearings nine years later and taught me the first lesson of American politics: the people in charge lie. The second lesson came from my father, who knew politicians, union bosses, and gangsters in Chicago and never confused the three. Everybody knew the Daily Machine ran the politics and the Italian mob ran the unions. It was a fact of life. People didn't pretend otherwise. They dealt with it.

Sixty-three years after Kennedy, I'm sitting outside the United States watching the same country bomb Iran. I cried again. I knew this was going to be World War III. I thought it was for oil. I thought it was for Israel. I thought it was to bury the Epstein files that showed the Commander in Chief raped little girls. The Commander in Sick.

I was wrong. It's all of those things. But underneath them is something no one was talking about — a financial architecture that turns the war into money. Automatically. By law. And I can prove it.

There's a law called the GENIUS Act. Signed July 2025. It forces every stablecoin — digital dollars, 550 million users worldwide — to buy a U.S. Treasury bill. The person who bought the stablecoin earns zero interest. By law. The company that issues it keeps everything. $10 billion last year. The man who wrote this law at the White House left in 22 days. Tether hired him in 10. He's 30 years old. His firm donated $1 million to Trump's super PAC a week before the election. The firm's website has been scrubbed.

War drives oil above $100. Gas goes up. Food goes up. Rent goes up. Everything you buy costs more. The Fed can't cut rates. Your mortgage stays at 7%. Your credit card stays at 24%. But Treasury yields rise — and the company holding $141 billion in Treasury bills makes hundreds of millions more. Automatically. While you pay more for eggs.

The people being bombed in Iran flee to crypto to protect their savings. Every stablecoin they buy purchases a Treasury bill that generates yield for the company whose custodian is the U.S. Commerce Secretary, whose name appears in 250 Epstein documents, and who admitted under oath to visiting the island after the conviction. The people under the bombs are financing the

bombs through their own savings. Palestinians in Gaza, Lebanese, Yemenis — they pay with their lives. Americans pay at the pump, the grocery store, and the mortgage desk. The board keeps everything.

I mapped the whole thing. 125 sources. Bloomberg. ProPublica. Reuters. CNBC. The Financial Times. The Federal Reserve. Federal court filings. Not one conspiracy blog. Every claim in this book is tied to a public record. I'm not asking you to trust me. I'm asking you to read the law. Section 4(a)(11) of the GENIUS Act. Twenty-two words. That's the engine.

Since the day they killed Kennedy, the United States has killed between 12 and 20 million people in wars it started, funded, or enabled. Not one declared by Congress. The bill: $28 trillion. For the first time in American history, the interest on that debt exceeds the entire defense budget. Your grandchildren will be paying interest on the interest. And now they've built a system where the war funds itself.

Every person outside America already knows this country has blood on its hands. From the Native Americans we colonized to the Iraqis we sanctioned to the children being killed in Gaza right now. This book is an American finally saying it out loud. With receipts. With names. With the law itself printed in black and white.

My father died on his knees praying in Palm Beach Gardens. I was twenty-eight. I gave him mouth to mouth on his bedroom floor. He said, “If you're on this planet you be honest and responsible for others and don't fuck it up.” My mother raised me to be arrogant so I wouldn't take shit from anyone. She died alone in hospice during COVID while I watched on FaceTime. Daniel Ellsberg told me the human species was drifting toward extinction and changed me from my soul up. I've been arrested seven times. I lost the nonprofit I built over twenty years — 100,000 kids served — because I posted about Palestinian children being killed. I ran for United States Senate. I survived two recall attempts. I'm still paying monthly on a legal case my own lawyers called a political hit job.

I'm still here. Still naming names. My kids — Maya and Matteo — are tattooed on my arm. This book is for them. It's for every kid who deserves to know the truth before the truth is tokenized, privatized, and sold back to them at a markup.

This is the bitter pill. I'm not your yoga instructor. I'm not here to make you comfortable. I'm here to make you powerful.

Because you are powerful. Together we stand on the shoulders of every person who ever got arrested, fired, recalled, investigated, or silenced for telling the truth. They paid the price so the rest of us could hear it.

Justice is what justice does.

Be just. And just know when you're being lied to.

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HOW TO READ THIS BOOK

The Grandfather

From Drifting Towards Extinction (2017)

“Arn wake up. Wake up Arn,” my mother stood at the door of my bedroom on May 5, 1981. “Your Grandfather had a heart attack yesterday and is in Joliet Hospital. I’m heading over their now with Grandma. Come over when you can.” The day I had dreaded most of my life had come. I worshiped my Grandfather. I can’t explain why. He was what I believed to be a true gentleman, dedicated husband, father and a rock for the family. He walked softy and carried few desires that Americans are now all consumed with.

I was 22 years old about to graduate college. The first of their grandchildren and on my father’s side too. I decided my Senior year of college I would commute into Chicago to DePaul University. I had most of my credits and had spent most of my Junior year traveling and studying aboard in the Soviet Union, Austria and backpacking through Europe.

My grandfather’s story brought me strength in times of uncertainty. He was born in Chicago in 1906 but for some reason his parents returned to Italy shortly after he was born, stayed five years and came back to Chicago. They were peasants. It was the turn of the Century. They did not speak English. Imagine… trains, ships, luggage, food, money, crossing the Atlantic twice, how the hell did they do it? And, my Greatgrandparents had a daughter during all of it.

My Greatgrandfather died when my grandfather was 14 years old without a high school education and at only 14 my grandfather had to provide for his mom and sister. I could not fathom what that was like without close family, friends and money.

I don’t really know much about that time other than my grandfather somehow grew into a middle management job at a steel mill near Gary, Indiana and raised two kids. I was the oldest grandson and my grandfather had a lot to do in raising me and my brother after my parents got divorced when I was 13. So in 1971, when the Godfather débuted, my brother, mother and I moved in with my grandparents on the East Side of Chicago where all the factories where in the city.

It wasn’t much then, but it sounded better than what my grandparents and parents had growing up with so I tried to understand Catholic School, being the only divorced kid I knew beside my brother and the messed up sixties, racial tensions, Vietnam War, Mayor Dailey’s machine politics, Kennedys, King and Malcom X getting killed.

My grandmother’s food was what seemed to bring a lot of pleasure and why would Catholics need happiness. We had work and faith. I would pray myself to sleep hoping I could dedicate my life to the bleeding heart of Jesus.

I wouldn't call it a happy childhood. It seemed that everyone was working to put food on the table and a roof over their heads. I went to an integrated grade school where we had recess in the parking lot of the church. It wasn't all dreary. We had baseball, football and the Watergate Trials.

In the summer of 1973, I was 14 and I walked into what American's call back then the "TV room" The one bedroom not used. My brother and I shared the king bed with my mom for a while until I started sleeping on the couch. Remember Italians and other neurotic people which was 80% of America had the plastic over the couches back then.

My grandfather was sitting in the TV room watching the Watergate Trails which had just started. I asked him what is was about and he said, "sit down, watch and learn about history." I did and there went my summer of 73.

It wasn't too weird for me because I knew all the President's name in order by kindergarten and most of Nixon's and McGoven's platforms in 8th grade. I loved history and I loved my grandfather's stories of the Great Depression and FDR. In school I liked math, science and not pissing off God, my Guardian Angel & the nuns.

My dad was transitioning from owning a Real Estate office to becoming a Developer and moved into the city. My old neighborhood on the South Side of Chicago experienced the "white flight" to the suburbs and beyond. My next store neighborhood and boyhood friend was killed in a hit and run. I was one of his Pallbearers and we all wore our baseball uniforms. I overheard my parents wondering if I should see someone and I thought who is "someone." I never did meet whoever someone was.

I think my biggest memory of my childhood before I go back to my Grandpa was all the shit I was seeing on the news. The Chicago Democratic Convention was one that really scared me and so was Kent State. "Why would our politicians want to kill and hurt our own students?" I thought in 6th grade. The same grade my oldest is in now.

My grandmother would tell me I was going to be a lawyer because I like to argue so much. I assumed I would be to. I didn't want to become a Priest because I didn't think I was holy enough, but I knew I wanted to help people. And I figured if I knew the law I could help people just like the lawyers on TV who defended poor people. So that summer I learned about law so to speak and my father would like to talk about it too. He had lawyers he'd say.

I loved to delve deep into the socioeconomics of the South and East Side of Chicago back then but Studs Terkel does a much better job. As I got dressed and drove in my 1973 Chevy Impala to the hospital as I thought about all this. I thought about how much my grandfather taught me

and how quiet of a man he was. He wouldn't say much but what he said was an elixir. He was as close to saintly as I knew. He had character and everyone loved him.

When I got to the hospital and walked into the room he was in I saw that he was hooked up to an EKG. He had tubes in his nose and IV in his arm. He was 75 bald glasses and handsome. My uncle and aunt had arrived too.

I asked my mom what had happened and she said he went out to mow the lawn and when he pulled the cord on the mower he started to have a heart attack. My mind went to the fact that I had stayed in Chicago the day before and that it was my job to cut the grass, but he didn't want to wait for me to get back. They always cut the grass on the same day. Goddamn anal Italians.

I walked up to his bed and looked at him and held his hand and started crying. I started crying so hard I thought I was going to scare him. I couldn't talk so I walked out of the room to pull myself together and go back in.

Suddenly something started happening. A lot of nurses where running in and out of his room and calls on the PA for his doctor. My mom, grandma, aunt and uncle looked panicked. I slide back into the room and hid off into the corner as I watched him and the medical team. He appeared to have had another heart attack. He looked unconscious. I thought I must have scared him. I started to pray hard and fast. Please god no. Please not now. Please not like this.

A nurse saw me and told me I had to leave. I walked into the hall. Moments later the doctor came out and told us that my grandfather had a second heart attacked and pasted away. My mother's sister-in-law was a nurse and took charge while the rest of us seemed to have left our bodies with only blank stares. I don't know what happened other than my mother said that they were all going back to the house and if I would be OK? I said, "yeah yeah."

I sat there for a while then asked a nurse if I could have a room alone to myself. I went in turned off the lights and began to pray. I said, "God I have dedicated my life to you. I did everything I thought I was suppose to do. My grandfather died cutting the grass I was to cut." I remember to this day finishing with, "I'm folding my cards. I'm out" and cried.

I don't really remember much more. I graduated the next month and my grandmother kissed me outside of the church at DePaul and said, "I wish your grandfather was here to see you graduate. He'd be so proud of you. He's watching down on you." I had to be stronger than her, all my fellow students around so happy with all their family, but I was dying inside.

I stayed dead for four years.

The South Side

From Drifting Towards Extinction (2017)

My first memory as a child was the assassination of John F. Kennedy. I would grow up in the myth of Camelot, hope and a country's lost innocence. My Generation would be the first "TV Baby" generation. I would watch Walker Cronkite tell us about a war in a far away place called Vietnam. All I remember was watching bodies on stretchers being carried out in the jungle to the helicopter then sitting down to eat dinner.

My parents didn't seem to have much of a political opinion except when my mom wanted to buy us "bell bottom" jeans and my dad told her over his dead body would his kids wear hippy cloths.

My mom was a stay at home mom. She played classical piano and taught me to love the arts with little effort. Chopin's Nocturnes would be known to fill the house. We had a replica of a Paublo Piscasso's 'The Tragedy' from his Blue Period of a husband, wife and young son in a supernatural grace of poverty hanging in the living room of our small home as far south as Chicago ran. The only other art I remember was the painting in my brother and my room of a sad clown.

The Sixties are sentimentalized as well as WWII's Greatest Generation is. Many think it was revolutionary and free, but for me it was racists, war and polluted. I watched the Marlboro man riding his horse in Colorado and an Indian canoeing on the polluted rivers like where I grew up in TV commercials like it was a foreboding of the dualism to come for me. At St. Catherine of Genoa School, my Black, Mexican, Asian and White friends were all one big family from First through Eight grade. We went to communion a lot. My mom and father didn't seem religious, as we would think now. I just somehow grew attached to the story of loving others as you would yourselves and dedication to a higher purpose in life.

On the other hand in our neighborhood the whites hated the blacks and vice a versa. The kids were all right but the parents were angry and it was confusing. By the time my father moved out my mother told me the neighbor was changing and we had to move. Everyone said it on our block. I didn't understand. What does it mean for a neighborhood to change?

I watched my mom peer through the drapes as the first Black family moved in on the block as they took rifles off the moving truck first. My mother was both angry and scared. I was told I was the man of the house when my father left and I felt helpless too, but had to learn to fake it. I was 13.

I consider myself lucky now that I witnessed all this as a child. It was more real. It was a contradiction between what we learned in church, was taught in school and lived in real life. My grandmother once found me crying watching the news of a Black man pleading for civil rights after being beaten in the streets by the police. I said, “why do people hate blacks? Aren’t they people too? Am I suppose to hate my friends at school just because they aren’t white. Didn’t this happen to you when you where a young Italian new in America?”

Meanwhile the Vietnam War and Civil Rights Movement raged on. No one could explain it to me. My parents and grandparents didn’t go to college. They didn’t analyze the world around the dinner table. They worried about weather, their kids future and money. Chicagoans were a city of worker bees in many many ways. I dreamed about playing football for Notre Dame and becoming a lawyer. The Vietnam War ran from 1955 – 1975. Neighbors sons where drafted or enlisted went off to war, hung stars in their window for every son they had in the war. One neighbor had two. I still remember driving in the car with my mom and brother and hearing on the AM station that the troops were being pulled out of Vietnam in 1973. It was the first war America did not win. The Domino Effect didn't happen.

I don’t remember much about Lyndon B. Johnson. I remember Richard Nixon because he lied better than George McGovern and I could like everything he was promising. Then July of 1974 after the Supreme Court ruled unanimously that Nixon must release the White House tapes. The next week the House Judiciary Committee released 3 articles of impeachment. On August 8, 1974 Nixon gave addressed to the Nation on TV and told us he was resigning the next day.

Our neighborhood had changed, our country and our President.

I was a Sophomore in high school. We moved out past the suburbs to what my mom called the “Boonies” and my brother and I went to all white schools and we lived in a small apartment off of Lincoln Highway because he traveled it I guessed. Illinois was the Land of Lincoln. We went to the State Capitol and visited Lincoln’s home for our Eighth Grade trip. We were taught and taught and taught about Honest Abe freeing the salves and ending the Civil War. I even went to Lincoln Way High School. It’s trippy if you think about it.

Here is this kid from Chicago now at an all white high school with 650 students and one black kid. I just couldn’t believe the coaches. I sometimes wondered if any of them changed into KKK outfits on weekends. I was in student government and loved my history teachers for all four years. We would study all sorts of things from the past, but not the reality of the times.

In my senior year, I became the area’s campaign representative for Jim Thompson running for Governor and President Gerald Ford. Yes two Republicans even though my Grandfather never voted for a Republican. I have no idea why. Maybe because there didn’t seem to be a whole lot differences as I could see. I bought Gerald Ford's story about the country needing to move on

from its pain. Sometime shortly before his death, I met Ford in Beaver Creek, Colorado where he had his second home and talked to him about being on his campaign staff. He apologized for not winning and thanked me for helping him. He was the first President I was to meet.

My mom was unable to understand where I was coming from. The adults on the campaign thought I was funny because of how serious I was. I was lucky to have two next-door neighbors who taught Political Science at the State Prison in Joliet. They were my first radicals of sorts that I met and would invite me over to watch debates and argue politics. I thought I was cool. They thought I was brainwashed.

My grandparents moved into the apartment building next to us and I helped my Grandfather get his G.E.D. He was so cute studying for his High School diploma at 70. My grandfather was forced into retirement at 65 and kind of went into a depression. He only knew about working and providing. He had been working and supporting for 51 years. I told him it was time to get his education which was an inside joke since he was the wisest man I knew.

The U.S. had an energy and financial crisis during the mid 70s that I could learn about and my dad wanted to teach me about the economy, which seemed a rather abstract thing to explain. Things felt pretty good to me. We lived in the county, sort of…there were cows…, and everyone I knew seemed happy except the one black student. I worked at a private golf course and listened to guys talk about their businesses, gamble and give each other shit. They called my Arnie like Palmer and I golfed a lot. My mother would say, “to keep me out of trouble.”

I figured I would go into politics by then. It just seemed natural. I would go to college then law school, then run for State Rep. and work my way up to Governor. I knew Jim Thompson’s platform inside and out. I would help people. Simple.

I took my friend James, the black student, to teach him golf on the day the course was closed and employees could play for free. We got off the front 9 and my boss the Pro took me aside and said a member who lived on the course wanted the black boy off the course. I had to go back and tell him we had to go because my mom called and said she needed me home.

I LIED. It wasn’t something I ever did.

The funny part was how naïve I was with all the experiences I had about how messed up the world seemed was. I once polled the student body at the school to see who knew whom their President, Vice President, U.S. Senators and Governor were. I walked away from the assignment depressed. No one knew most expect the President. How could they? They ran our country!

I learn what altruistic and apathy meant. I learned that high school students weren't interested in stopping nuclear proliferation, which was a big topic at the time. They cared about Rock and Roll and our football team. We were the "Dazed and Confused" era. There were the jocks, stoners and sort of a small clique of class clowns, nerds soon to be gays.

I learned there were a lot of politicians starting to go to jail. I started to learn the more you learn the more you don't know. I felt I should go to the best school I could get in but my test scores were terrible even though I was a good student.

My father told me he would get me into Northwestern north of Chicago my making a $20,000 donation, which seem insanely expensive since my mom had sold our home in Chicago for $23,000 dollars. I told him I'm either getting in on my own or not at all. I interviewed with a Professor at the Political Science Department. He said he was really impressed and wished he could let me in but my test scores were way too low. I felt if I was going to study politics it had to be either Chicago where everyone was crooked or Washington D.C. I ended up in Chicago at DePaul and declared my major as Pol Sci/Economics.

DePaul is in Lincoln Park. Lincoln was everywhere. It was pre regentrification. It was home of play writers David Mamet, Sam Shepard, Second City, the Blues and we were a truly integrated college. High School seemed fun. College seemed better. I was on my own in a big city to discover. I had Professors!

You have to remember this was before Internet so the thought of asking questions to them like they were Siri was exciting until the girl in World History asked why the numbers got lower in B.C. and higher in A.D. My expectation of college students waned instead of waxed. I joined the Student Government, became Treasurer and went to National Conventions. I was on my path.

My Political Science Professor Larry Bennet was that guy, the guy who changed my understanding of politics and government. He was young, cool, long hair, loved the Cramps and made sense of Socialism to me. I made the Dean's list my first semester. I wasn't as dumb as my entrance exams!

Jimmy Carter, a born again Christian, peanut farmer from Georgia, became President. We were being told this country called Iran was becoming a problem and it was inhumane of the Soviet Union to invade this other place Afghanistan or so we were all told.

THE YEARS BETWEEN

Jimmy Carter was still president when I graduated DePaul. The hostages were in Tehran and I still believed the country I'd been taught to believe in could get them back through patience and diplomacy and the basic decency of nations working it out. I was twenty-two years old. I had just buried my grandfather. And I had a political science degree from a city school in Lincoln Park that had taught me to think but not yet what to think about.

I told you I stayed dead for four years. I meant it literally. I checked out. Not in a way that anyone would have noticed from outside — I was functional, working, moving around. But the part of me that had prayed at my grandfather's bedside and told God I was folding my cards had, in fact, folded them. The country kept moving. I went through the motions of moving with it.

And then my father died.

October 8, 1986. Palm Beach Gardens, Florida. I found him kneeling next to his bed, his hands still folded, still in the posture of prayer. He was fifty-two years old. I was twenty-seven. I dropped down next to him and gave him mouth to mouth until the paramedics arrived. He was already gone.

Arnold Menconi was a South Side Chicago guy who knew politicians and union bosses and the men who blurred the line between machine politics and organized crime and understood why it didn't matter to the people on either side of it. He was not a philosophical man. He was a practical man. He told me: if you're on this planet, you be honest and responsible for others and don't fuck it up. That was the whole speech. That was everything.

He grew up poor. His parents divorced in the 1940s, which was a different kind of scandal then. His mother had a hard life that was whispered about and never discussed at the dinner table. He worked his way out of the South Side into real estate, into development, into the class of men who make things happen without being the name on the letterhead. He was funny. He was tough. He wanted to make money and the money brought the emptiness he didn't see coming.

He died with his hands folded, praying on his knees.

That year, my wife and I also lost a child. Full term. The kind of loss that doesn't have a word for it in English, the kind where the grief has nowhere to go because there's no ceremony large enough and no explanation that touches the reality of it. I'm telling you this because I'm going to spend a lot of pages in this book writing about people who lost children in wars, and I want you to understand that I'm not writing from a safe distance. I know what it is to count a child

among the dead. The baby would be close to forty now. There's a column for that in me that doesn't appear in any mortality survey.

So that was 1986. My grandfather was gone. My father was gone. My father's grandchild was gone. I was twenty-seven years old and I had been dead for four years and now I had more reason than ever to stay that way.

I chose not to.

About a year after my father died, I walked into the wreckage of the savings and loan industry and learned what institutions do when nobody's watching.

The Resolution Trust Corporation was the federal agency created to clean up the S&L crisis — 747 thrift institutions collapsed, $132 billion in taxpayer money to cover the losses, a generation of mountain-town real estate levered to the ceiling, defaulted, and dropped into federal receivership. I was a project manager for the RTC in Colorado, working out resort properties in Vail and Steamboat and Beaver Creek. Bank-owned condos. Failed developments. The bones of a boom that somebody had already looted before it hit the ground.

I watched the mechanism work. Deregulate the deposits. Keep the insurance. Let the operators take every risk because they faced no downside. When the bets went bad — and the bets always go bad when the house money isn't yours — the federal government covered the deposits and I was dispatched to manage the wreckage. The people who ran the scheme were mostly gone. The lawyers had been paid. The politicians who'd passed the deregulation had moved on to other issues. The taxpayers paid.

I didn't have the language for this yet. I was twenty-eight. I was driving through towns I loved, watching them hollow out, and something in the back of my head said: this happened before. This will happen again. The same people. The same structure. Different materials.

I stayed in banking for a while. Long enough to learn that the financial system has a grammar — an internal logic that produces the same outcome regardless of the moral character of the individuals running it, as long as the incentive structure is identical. I was not ready to write about this. I needed thirty more years of evidence.

But I was watching.

In 1994, I enrolled in the MBA program at the University of Denver. I was thirty-five. The cohort was full of people who were already in their careers, already certain about what they were doing, already speaking the language of markets and management with the fluency of people who'd never questioned whether the premises were correct.

In my second year, I took a class from a man named Buie Seawell. Boo, everyone called him. He had been Gary Hart's Chief of Staff. He was a lawyer and an academic and a man who had seen the inside of presidential-level politics without becoming the cynical kind of person that experience usually produces. He later baptized both my kids. He was the kind of person who could hold the wreckage of American politics in one hand and the possibility of something better in the other and not drop either one.

The first question I asked Boo Seawell: “Why did Gary tell the press to follow him?”

Hart had told reporters — dared them, really — to follow him if they thought he was hiding something. They followed him. They found him with Donna Rice on the Monkey Business. He was done. The 1988 presidential campaign he would have won was over.

Boo laughed. He had heard the question before. He said something like: Gary thought he was smarter than the trap. Most brilliant people do, until they're not.

I filed that away.

I graduated. I had an MBA and a clear-eyed understanding of financial mechanisms and a father's ghost telling me not to fuck it up. What I needed next was a way to try to change something.

Eagle County, Colorado, 1998. I ran for County Commissioner.

I won.

I managed a $100 million government budget and a national nonprofit that worked across eight states. I sat in meetings with developers and environmentalists and ski resort executives and federal land managers and people who were going to lose their farms or their workforce housing or their kids' school to the economics of a tourism economy that served visitors better than it served the people who lived there year-round. I got two recall attempts. Both failed. The first one was 2001 — Afghanistan, the AUMF, the moment the country decided that the rules of war were whatever the president said they were, and I was one of the people on a local school board saying, wait, has anyone read the Constitution? The second was early childhood funding, which turned out to be even more radioactive than opposing an undeclared war. People will forgive you a lot before they'll forgive you spending money on poor kids.

I lost races too. More than I won. I ran seven times for various offices. I lost seven times to various things — the machine, my own mouth, the donor class, timing. I kept running because the alternative was silence, and silence was what they were counting on.

Between campaigns, I built something that wasn't political. I called it SOS Outreach.

I grew up in the steel mills and the factory neighborhoods of Chicago's South Side. I found the mountains late — came to Colorado for college, stayed because the mountains gave me something the city couldn't, which was perspective. You can't run and hide in the backcountry tree runs in Vail. The mountain doesn't care who you are. It requires your full attention. I thought: what if you took the kids from the streets — the gang-affiliated teenagers from Chicago's South Side, from Denver's Five Points, from the neighborhoods that the people buying second homes in Vail had never visited — and you brought them here? What if you gave them the mountain?

We tried it in the early 1990s. It was awkward at first. Gang kids from Chicago in rented ski boots on a beginner slope in Vail is a peculiar image, and I'm not going to pretend the first few years didn't include some moments that would be difficult to describe to a grant committee. There was a kid — I called him Jesus Presley, because he showed up to our hip hop events in a Chicago White Sox hat and grabbed the mic like he'd been waiting his whole life for someone to hand him a microphone — who became one of our first real success stories. He came back as a counselor. He brought others. That was the model.

Over twenty years, SOS Outreach served more than 100,000 young people. Not because I was particularly gifted at nonprofit administration — I was, at best, adequate — but because the idea was right. The mountain was right. The kids who'd been written off by a system that couldn't imagine them owning their own story turned out to be perfectly capable of owning it when someone handed them a rope tow ticket and said: you get to fall down and get back up here. There's no shame in falling down here.

I ran SOS until the board decided it needed a different kind of leader. This is how it goes with nonprofits. The founder's fire becomes the board's liability. The visions founder and board disagree on. I left. The organization continued. I won't pretend the exit didn't leave marks.

Standing Rock was November 2016.

I drove to North Dakota with a camera and a leather jacket and goggles because the water protectors were being hit with rubber bullets and fire hoses and the national media had decided it wasn't quite a television story yet. I stood in the water. I interviewed Jordan Chariton from The Young Turks. Peace signs up.

A viewer watched the video and wrote: “This interview is more news in fifteen minutes than our media has shared in a year.”

The Dakota Access Pipeline was financed by Citibank, Wells Fargo, and JPMorgan. It was going to go under the Missouri River, through treaty land, and nobody with a television camera had

spent enough time there to tell you the names of the people who were going to lose their water.

I knew, standing in that river, that this was not about oil. This was about who decides. Who has the legal mechanism to override a Native nation's treaty rights in the service of a pipeline financed by the same institutions that had financed the S&L developments I'd cleaned up twenty years earlier. Same institutions. Same mechanism. Different instrument.

They built the pipeline.

They always build the pipeline.

December 2016, I ran for Senate as a Green Party candidate in Colorado. I got the votes I deserved — not many — but I got the conversation I wanted. A lot of the conversation was about Standing Rock. Some of it was about what had just happened in November, when the country elected a man I understood in a way that made me deeply uncomfortable, because I recognized the machine behind him. I'd seen the machine up close for thirty years. I just hadn't seen it move this fast.

In September 2017, I was in Washington, D.C. to protest the AUMF. The Authorization for Use of Military Force — the 60-word blank check that had been used to justify wars in 22 countries and counting. I called my mother before I went out to the protest.

She was eighty-four. Italian Catholic. She had raised me to be, as she put it, arrogant enough that I won't take shit from anyone. She did not always enjoy what she'd made.

“You're not protesting in D.C. are you?” she said.

“No no don't worry about me mom please.”

“I raised you to be a class act Arn. Don't get in trouble please.”

“You succeeded beyond your wildest imagination, mom. Don't worry.”

I lied. I got arrested.

She called back: “You're fucking ruining your life. You have kids. Why are you doing this?”

And something came out of my mouth that I hadn't planned. I said: “Mom, I'm a fighter and a fighter fights.”

She hung up. I stood on the sidewalk in D.C. and thought: what the fuck made me say that?

I still don't entirely know. But I meant it. And every time I've asked myself, in the years since, whether the arrest record was worth it — seven arrests, seven times standing in front of something I thought needed to be stood in front of — I come back to that moment on the sidewalk. A fighter fights. That's the whole answer.

In 2020, I was arrested at Governor Polis's State of the State address. I stood up and shouted “Ban fracking now!” and three officers dragged me out. Bernie Sanders said, afterward, that people like me “deserve to be applauded.” It was the nicest thing a United States Senator had ever said about me being removed from a building.

My mother thought I was ruining my life.

She died February 20, 2022. She was eighty-nine. Lung cancer, pulmonary fibrosis, pneumonia. COVID. She was in hospice when she tested positive, and the protocol meant no visitors. I had a flight booked. I couldn't use it. The last time I saw her face was on FaceTime, with my kids, in a screen small enough that I could pretend I could see her eyes clearly. She had told my brother the day before that she was ready to die. It was time to let go.

With my father, I was there. I gave him mouth to mouth on his bedroom floor. With my mother, COVID locked the door.

Both times, the system failed the moment of dignity. That's not a political observation. That's just what happened. I carry both of them.

May 2015. Kensington, California. I knocked on Daniel Ellsberg's door with a recorder and eleven years of questions.

Ellsberg had released the Pentagon Papers in 1971. He had a PhD from Harvard. Henry Kissinger called him the most dangerous man in America. He'd been arrested eighty-five times. He spent fifty years warning about the next catastrophe while the world was still processing the last one. And I had written him a letter explaining that I'd been a county commissioner in Colorado, had run several losing campaigns, had built a nonprofit, had been arrested a few times, had stood in rivers and legislative chambers and jail processing rooms, and was trying to understand the system I kept running into.

He said come.

I spent ten days at his home. We sat at his dining room table, covered in papers, and I recorded forty hours of conversation. He was eighty-four. He was sharp and funny and kind and relentless. He had the specific quality of people who have decided that the cost of silence is too high — an ease about the consequences, not because the consequences didn't matter, but because the alternative mattered more.

He changed me from my soul up.

He told me that the danger isn't the lie. The danger is when people know they're being lied to and believe nothing can be done about it. Learned helplessness. The lie doesn't need to be believed — it just needs to make resistance feel futile.

He died June 16, 2023. He was right about everything.

The title of this book — Lied to Death — was born in those conversations. We talked about Vietnam, about the Pentagon Papers, about what it means when a government lies not to deceive its enemies but to manage its own people. He said: they lied us into wars. They lied us into the economic structures that benefited the few. At some point, the lies don't just mislead — they kill. People die from the policies the lies protect.

Lied to Death.

I went home from Berkeley and got arrested a few more times and wrote Substacks and ran more losing campaigns and drove through the Eagle County mountains I loved and watched the machine keep running. I interviewed him. I got his receipts. I started my own collection.

And then the bombs fell.

February 28, 2026. I was outside the United States. I had a laptop, a Substack account, and thirty-five years of watching the same people run the same playbook. The same machine I'd been running into since I stood in the S&L rubble in Colorado watching the RTC work out resort condos for the federal government. The same machine I'd seen at the Aspen Institute board tables I wasn't quite inside, watching the Crown family and the Pritzker family and Larry Fink move the ideas that moved the policy. The same machine the AUMF was part of and Standing Rock was part of and every losing campaign I'd run was, in its own small way, directed against.

The bombs fell. I cried. Then I went to my desk.

The first thing I did was check Tether's market cap.

That's where this book begins.

The Opening chapter follows.

PROLOGUE: The Muhammad Ali of Whistleblowers

Daniel Ellsberg's home, May 2015. 10 days, 40 hours. Speaker identification note: In all transcribed conversations from Lied to Death, Speaker_0 is Arn Menconi and Speaker_1 is Daniel Ellsberg. The primer is organized as a briefing document, not a polemic. It is for people who want to understand — fully, rigorously, without being managed — what is happening to their country and their world.

PART I: THE PATTERN — How America Goes to War The Ellsberg Framework: Covert Foreign Policy vs. Stated Foreign Policy The most important insight Daniel Ellsberg communicated in our 2015 conversations — the one that most surprised even him, after decades inside the national security apparatus — was not about a specific lie or a specific war. It was about the structural nature of American foreign policy itself. "What I would now say," Ellsberg told me, "is something different from what I would have understood ten years ago. Our government is not a government with a covert operations agency named the CIA. It's a government within which has a covert foreign policy — which is different from what it says." This is a precise and devastating distinction. Everybody knows, Ellsberg said, that the CIA does covert things. The standard narrative allows for that — dangerous world, necessary secrets, unfortunate but unavoidable. What that standard narrative conceals is something more fundamental: the policy itself is covert. The aims, the alliances, the actual objectives of American foreign policy are systematically different from what is communicated to the public, to Congress, and often to the soldiers asked to fight. "I've spent a lot of time defining what I mean by covert," Ellsberg continued, "but what I mean is deceptive, lying, false. In two major dimensions. The policy is false, is deceptive, is covert. What its aims are, what it's aiming at. And the means are covert. It's not just the means. The policy as a whole is covert — meaning we're doing something, with different purposes, different allies, different from what we claim to the public. We have a different nature. The government is different from what we think." This framework — covert foreign policy as the operating system, publicly stated policy as the interface — explains the otherwise inexplicable consistency of the pattern. Why do the stated reasons for every war turn out to be false? Not because of isolated intelligence failures, not because of individual bad actors. Because the stated reasons were never the real reasons. The real reasons, Ellsberg argued, are a consistent function of what he called "the imperial system" — an apparatus for maintaining American economic and military hegemony over the global south, which cannot survive in daylight because it is incompatible with the democracy it claims to represent. "Are we then in favor of freedom and democracy and independence? No. We're against that. Regimes that favor the public of those countries would be unfavorable to U.S. corporate interests. On the other hand, those that favor our interests couldn't stay in power in elections. Regimes that kill community organizers, peasant organizers, union leaders — priests, nuns —

they’re not popular. They couldn’t stay in power in a free election, to pursue those policies which our corporations want.”

The Military-Industrial Complex — And Why Oil Is the Better Approximation Ellsberg offered an important corrective to the standard Eisenhower framing. Most people, when trying to explain American foreign policy, reach for “the military-industrial complex” — the phrase Eisenhower coined in his January 1961 farewell address (originally drafted as the “military-industrial-congressional complex” before the “congressional” was removed for reasons never fully explained). Ellsberg had been told one of the key contributors to that speech was Eisenhower’s brother Milton, a university president. His assessment of what drove Eisenhower to give it: “I think a major disillusion that he’d had was the opposition he got from the military, and the nuclear weapons labs — Livermore and Los Alamos — and the military industry, to the idea of a comprehensive test ban. Eisenhower really had wanted to achieve a comprehensive test ban. He found himself blocked from it by Edward Teller at the Livermore Labs and their allies in Congress.”

But the military-industrial complex, Ellsberg warned, is too narrow a frame for explaining U.S. foreign policy: “If you talk aerospace or tank companies or strictly military — to say that they control our foreign policy would be overstating it. They’re a very important influence. To think that they’re the only interest would be misleading.” The more accurate formulation, he argued, is oil: “Is oil itself, energy in general, part of the military-industrial complex? It’s obviously much more general than military. It’s certainly industrial. But oil — if you were to say that our foreign policy, to a first approximation, was the policy of the oil majors, that would be a pretty good approximation, actually. Better than the military-industrial complex per se.” And beyond oil, the correct accounting includes corporate interests across sectors: in Central America, it was United Fruit, International Telephone and Telegraph, sugar companies, and railroad operators. In Chile, it was copper companies. In the Middle East, it is oil, arms sales, and the financial architecture of the petrodollar. The military-industrial complex is real. But it is one instrument of a broader imperial apparatus serving a broader set of interests. “It’s specific corporations, not necessarily military-industrial,” Ellsberg said. “In Central America, United Fruit, later called Standard Brands, was probably a critical influence on our policy in the banana republics of Honduras, Nicaragua, El Salvador. Not only for bananas, of course. Other corporations ran the railroads. How about International Telegraph and IT and T? They ran the telegraph systems.” Such policies, he concluded, “cannot be implemented in democratic elections. So we are against democracy in those countries. If there is democracy, it is of a very facade-like charade, basically accompanied by a lot of killing of people who propose different policies.” Applied to Iran: the question is not simply “who profits from the bombs?” but “whose economic position does Iran threaten?” The answer is multi-dimensional: oil companies threatened by Iran’s independent pricing; financial institutions threatened by Iran’s SWIFT exclusion workarounds and yuan-oil

deals; defense contractors who profit from the munitions; and the petrodollar architecture itself, which requires that global oil remain dollar-denominated to sustain American deficit financing. Ellsberg's formulation: "Why risk with such an approximation? Add to oil the military-industrial complex. And then, frankly, here's where the congressional part comes in. The campaign contributions and the media influence of these major corporations have a very great influence on Congress."

OPENING: February 28, 2026

On the morning of February 28, 2026, the United States began bombing Iran.

I was sitting outside the United States when the bombs started falling. No office, no staff, no budget. A laptop, a Substack account, and thirty-five years of watching the same people run the same playbook.

The first thing I did was check Tether's market cap.

That's not what most people did. Most people turned on the news. They watched the explosions over Tehran rendered in green night-vision, the same green as every other war I've watched since 1991. The anchors spoke with that practiced gravity — the solemnity of people who know the cameras are on them. Social media filled with takes, with hot arguments, with everyone immediately knowing who was right and who was wrong, with every flag available as a profile frame.

I watched the money.

By the time the second wave of strikes hit, Tether's USDT — the largest stablecoin in the world, a digital dollar used by somewhere north of 530 million people who can't reliably access regular banking — had already started moving. Within seventy-two hours, $10.3 million had left Iranian exchanges in a single burst. The Nobitex exchange, Iran's largest crypto platform, recorded a 700% surge in withdrawal volume in the first minutes after the bombs fell.

People were running for digital dollars. The only dollars they could reach.

And here's the part that nobody on television mentioned — not once, in thirty-three days of coverage I monitored — every single one of those dollars, every digital dollar that a frightened Iranian family converted their rials into, became a mandatory purchase of United States Treasury bills.

That's not my interpretation. That's the law.

The GENIUS Act — the Guiding and Establishing National Innovation for U.S. Stablecoins Act — was signed on July 18, 2025. Senate vote: 68–30. House vote: 308–122. Bipartisan. Celebrated. The White House fact sheet said it would “generate increased demand for U.S. debt.” They weren't hiding it. They announced it.

Section 4(a)(3) of that law requires every licensed stablecoin issuer to hold dollar-for-dollar reserves in short-term U.S. Treasury bills or equivalent instruments.

Section 4(a)(11) says this, verbatim: “No permitted payment stablecoin issuer shall pay the holder of any payment stablecoin any form of interest or yield.”

Twenty-two words. That's the engine.

You give Tether your dollar. Tether buys a T-bill with your dollar. The T-bill pays interest — currently around 3.7% annually. Tether keeps the interest. You get nothing. The law forbids them from giving you anything.

In 2025, Tether earned $10 billion doing this. Operating margin approaching 99%. For a company that holds other people's money and buys government debt with it.

Now multiply that by a war.

Tether's market cap was $141 billion when the bombs started falling. Thirty-three days later, it was $187.3 billion. That's $46.3 billion in growth — in thirty-three days — because frightened people across Iran, Lebanon, Yemen, Iraq, and every economy in the region's blast radius needed dollars and couldn't walk into a bank to get them.

Every one of those dollars became a Treasury bill.

The three-month T-bill yield went from 3.24% to 3.71% during those same thirty-three days. That's 47 basis points. On $122 billion in existing T-bill holdings, 47 basis points is $573 million per year in additional profit — just from the yield move, not counting new growth.

The war made Tether richer in two directions simultaneously. More customers, panicking into digital dollars. Higher yields on every dollar they already held. Both levers moving the same direction at the same time. No tradeoff. No equilibrium. Just compounding.

I've seen this before.

Not the stablecoin part. The structure. The S&L crisis of the 1980s was the first time I watched a financial architecture get built specifically to channel public money into private hands through a mechanism that looked like banking but wasn't. The thrifts were deregulated. The deposits were insured. The risk was socialized. The profits were privatized. When the whole thing collapsed, the taxpayer paid $132 billion to clean it up.

I was in my twenties then, managing budgets in Colorado, watching the mountain towns I loved get hollowed out by the same forces I couldn't yet name. I named them eventually. That took thirty years.

This one didn't take thirty years to name. The statute is public. The financial disclosures are public. The revolving door left a paper trail so obvious that it reads like someone wanted you to find it — or didn't care whether you did.

The person who shepherded the GENIUS Act through the White House was a man named Bo Hines. He was appointed Executive Director of the Presidential Council on Digital Assets in December 2024, after his organization — NXUM Capital — donated $1 million to a Trump super PAC one week before the election. He told a conference in May 2025 that the bill would be on the President's desk before August recess. It was signed July 18.

Twenty-two days later, Hines left the White House. He received more than fifty job offers from the crypto industry. He took the one from Tether. By September 12, he was named CEO of Tether's U.S. operation. By February 11, 2026 — two weeks before the bombs fell — he was publicly calling Tether “a top 10 T-bill purchaser in the United States.”

Seventeen days after that, Tether's T-bill portfolio started its fastest expansion in history.

The NXUM website was scrubbed after I started writing about this. An independent investigator named Cory Swan caught it.

The person who holds those T-bills is a man named Howard Lutnick. He ran Cantor Fitzgerald — one of only 26 primary dealers authorized to trade directly with the Federal Reserve. According to Tether's own CEO, 99% of USDT's U.S. Treasury holdings sit at Cantor Fitzgerald. That's $122 billion to $141 billion in T-bills, custodied by Lutnick's firm.

Cantor holds approximately 5% equity in Tether — a stake worth somewhere between $600 million and $25 billion depending on how you value it.

In March 2025, Lutnick was confirmed as U.S. Commerce Secretary. His son Brandon, twenty-eight years old, became chairman and CEO of Cantor Fitzgerald. The transition was funded, in part, by a loan from Tether to Lutnick's children. Bloomberg reported it. An SDNY court filing alleged Lutnick was “working full time for Tether” before taking office.

The Commerce Secretary's family company custodies the reserves. Holds equity in the issuer. Borrowed from the issuer to acquire the custodian. And now operates under the regulatory authority of a cabinet department led by the same family's patriarch.

I spent seven years in the rooms where they plan this. The Aspen Institute, the Crown family, the Pritzker family — the philanthropic-industrial complex that runs the ideas layer for the financial architecture underneath it. I was there as the youth sports nonprofit director bringing at-risk kids to the table, not as a principal. I was close enough to see the mechanism. I didn't have the language for it yet.

Dan Ellsberg helped me find the language.

I interviewed Daniel Ellsberg for forty hours before he died. He told me something I've carried since: the danger isn't the lie. The danger is that people know they're being lied to and don't believe anything can be done about it. Learned helplessness. The lie doesn't need to be believed — it just needs to make resistance feel futile.

What I found in those thirty-three days after February 28 is not a hidden conspiracy. It's the opposite. It's documented in statute, in attested financial disclosures, in Bloomberg stories, in Senate testimony transcripts, in Federal Reserve staff reports. Every piece of it is public. Nobody connected it all — or nobody who could get heard connected it all — because the architecture is designed to be legible only if you're looking at all of it at the same time.

I had time. I had a laptop. I was angry.

The oil market moved the same morning the bombs fell. Crude broke through $100 per barrel. Brent climbed toward $116. Goldman Sachs raised its U.S. recession probability to 30%. The S&P 500 shed $2 trillion in market cap. The Kobeissi Letter documented it. Mohamed El-Erian called it “maximum risk off.”

But the S&P falling and oil rising was the visible part. The invisible part — the part that was happening simultaneously in the T-bill market, in the stablecoin ledgers, in the Cantor Fitzgerald custody accounts — that was the extraction.

Someone knew it was coming.

In the five minutes before a Trump announcement about the Iran situation, $1.5 billion in S&P 500 futures positions were placed. Sixteen minutes before a March 23 Truth Social post about Iran, $580 million in oil futures moved. The average trading volume on the day of the announcement ran 9x normal. Senator Chris Murphy called it “mindblowing corruption.” Paul Krugman, the Nobel laureate, used the word treason. Axios called it “an epidemic of suspicious trading.”

The White House called the allegations “unfounded.”

Thirty-eight Polymarket accounts each profited over $2 million on pre-war bets. An Israeli military reservist was charged with using classified information to make $2.14 million on war prediction markets. He left a digital trail the New York Post described as “easy to follow.” The Polymarket surveillance infrastructure — the system that monitors the trades — was built by Palantir. Peter Thiel's company. The same company whose stock rises when wars escalate.

The same company whose AI selects the bombing targets.

This book is about a machine. Not a metaphorical machine — a statutory, documented, financially disclosed machine that converts war into yield, panic into profit, and the desperation of 530 million people who can't access a regular bank into Treasury bills that fund the Pentagon that buys the AI that selects the next set of targets.

I'm not asking you to believe me. I'm asking you to read the law, read the Bloomberg story, read the Senate testimony transcript, read the Federal Reserve staff report, read the BDO attestation. It's all there. Every number I cite in this book has a source attached to it. Every name is documented. The receipts are public.

The only thing that isn't public is why nobody connected it all until now.

I have a theory about that, too. But it comes later in the book.

What I can tell you now is this: thirty-three days into the first major U.S. war in twenty years, a private company headquartered in the British Virgin Islands earned over a billion dollars from the fear of people it will never meet, in countries most Americans can't find on a map, through a mechanism written into American law by a man who left the White House three weeks after he got it passed and immediately went to work for the beneficiary.

The community banker in Iowa whose deposits are draining has no idea.

The Iranian family converting their savings into digital dollars to survive has no idea they're funding the Treasury that's paying for the bombs falling on their neighborhood.

The retiree whose pension holds U.S. Treasuries has no idea the yield curve is being distorted by a mandatory-reserve mechanism that was sold to Congress as a fintech innovation bill.

The homeowner refinancing a mortgage has no idea the entire pipeline — origination software, title registry, servicing platform, tokenization infrastructure — is controlled by one man who happens to be married to a former United States Senator who sat on the committee that regulates the exchange he runs.

I know. Because I followed the money.

This book is the receipt.

ACT I

THE WARS NOBODY SEES

Chapter 1: Operation Epic Fury

At 2:14 in the morning on February 28, 2026, a Tomahawk cruise missile launched from the USS Carl Vinson entered the airspace above the Fordow Fuel Enrichment Plant at Mach 0.7 and did what it was built to do. The cost of that single missile: $2.1 million. The cost of the Iranian response, measured in the three-month Treasury-bill yield spike that followed in the next twenty-seven days: $573 million in additional annual income for Tether. Pete Hegseth went on C-SPAN four weeks later and said, with a smile you could see from the back row, “I think that number could move. Obviously, it takes money to kill bad guys.” He was talking about $200 billion. He said it like he was quoting a bar tab.

Here is what $891 million a day buys. Each GBU-57 Massive Ordnance Penetrator costs $3.5 million and takes roughly two minutes to drop from a B-2 Spirit — which runs $2.1 billion a copy, plus $135,000 per flight hour. A Tomahawk goes for $2.1 million. A Standard Missile-3 interceptor, the kind we burn to knock down Iranian drones that cost $20,000 each, runs between $9.9 million and $29.4 million per shot. That's the 200-to-1 cost asymmetry the Pentagon never advertises: we spend $200 to defeat $1 of enemy hardware. We call it air superiority. The defense contractors call it recurring revenue.

What nobody said on any cable channel during thirty-three days of night-vision coverage — and I watched all of it — is that the bombing was the visible layer of a financial architecture that was making a private company in the British Virgin Islands richer with every sortie. Not metaphorically. By law. The GENIUS Act — signed July 18, 2025, championed by Bo Hines, rubber-stamped by a bipartisan Congress that did not bother to read Section 4(a)(11) — requires every panic-purchased stablecoin to become a mandatory Treasury-bill purchase. Iranians running for digital dollars to survive the bombs were, without knowing it, funding the Treasury that was paying for the bombs. The chain is that ugly. The statute makes it legal.

The war that paid for itself — just not for you. That's where this book begins.

You On March 7, I wrote in this paper that the United States was walking into an escalation trap in Iran — the same trap we’ve walked into in every war since Vietnam. I cited Professor Robert Pape at the University of Chicago, who predicted the war would move through three stages: precision strikes, strategic failure, and ground operations. We are now entering Stage 3. The 82nd Airborne has deployed to the Middle East. Marines are arriving. The Pentagon is preparing for weeks of ground operations. The April 6 deadline Trump set for bombing Iran’s power grid is days away. I also wrote that nobody in Washington would say the quiet part out loud about why this war is really happening. I spent the last month finding the answer. What I uncovered is the financial architecture behind the war — and it explains why no one can stop it.

Here is the short version, and every fact I'm about to share is sourced to Bloomberg, Reuters, the Bank for International Settlements, the Federal Reserve, CNN, or federal court filings. Last July, Congress passed the GENIUS Act with overwhelming bipartisan support — 68-30 in the Senate, 308-122 in the House. It requires every regulated stablecoin — a digital dollar used by hundreds of millions of people worldwide — to hold one-to-one reserves in U.S. Treasury bills. It also prohibits paying any interest to the people who hold those digital dollars. The White House fact sheet stated the law "will generate increased demand for U.S. debt." Think about what that means. A law was written that forces private companies to buy government bonds, indefinitely, at scale — and lets those companies keep 100 percent of the interest. The holders who fund the system earn zero. Now follow the people.

Bo Hines was the White House official who shaped the GENIUS Act. The bill was signed July 18, 2025. Hines left the White House on August 9 — 22 days later. Tether, the world's largest stablecoin company, hired him on August 19 — ten days after that. By September, he was running Tether's U.S. operation. The man who wrote the rule that says holders get zero is now running the company that keeps everything. Tether holds $141 billion in U.S. Treasury securities. It holds $23 billion in gold — making it one of the top 30 gold holders on earth, above Australia and Qatar. It earned $10 billion in profit last year. Its global CEO publicly warns of imminent economic collapse — while building the gold and Treasury position to profit from it. And 550 million people use Tether worldwide, every one of them earning nothing on their money.

Who custodies Tether's $141 billion in Treasuries? Cantor Fitzgerald — the Wall Street firm whose former CEO, Howard Lutnick, is now the U.S. Commerce Secretary. Cantor holds a 5 percent equity stake in Tether worth potentially $25 billion. Bloomberg reported in March that Tether loaned Lutnick's children's trust the money to buy Cantor after Lutnick transferred ownership to comply with ethics rules. The Commerce Secretary regulates the industry his family profits from, and the company he regulates funded the purchase. Now connect it to the war. When the first bombs fell on Iran on February 28, Tether reported a 700 percent withdrawal surge on Iran's largest crypto exchange within hours. People in the Middle East panicking about their savings bought digital dollars — which, by law, forced the purchase of U.S. Treasury bills. The war drives the demand. The GENIUS Act converts the demand into government debt.

Tether keeps the yield. In the first 27 days of the war, the 3-month Treasury rate climbed 47 basis points. On $122 billion in short-term holdings, that adds roughly $573 million per year in additional profit. For Tether. The war makes the architecture more profitable on both sides simultaneously: more people panicking into digital dollars, and higher interest rates on the Treasuries those dollars are required to hold. Oil tells the same story from the other direction.

WTI crude just closed above $100 for the first time since 2022. Brent spiked above $116. That means higher gas, higher food prices, higher costs on everything from plastics to fertilizer. Goldman Sachs projects a 25 percent chance of recession. The S&P 500 has erased $2 trillion in market cap. A retired Army Lt.

Colonel, Daniel Davis, wrote this week that the likely outcome is “a crisis for the global economy like nothing we have seen since 1929.” Meanwhile, $580 million in oil futures were placed 16 minutes before Trump posted on Truth Social that he was pausing strikes on Iran’s energy infrastructure. The New Yorker reported the trading volume was nine times the average for that time of day. Someone knew the answer before the public did — and traded on it. Nobel laureate Paul Krugman called it treason if national security information was involved. I managed a $100 million county government budget in Eagle County. I ran a national nonprofit budget covering eight states. I started my career in banking during the Savings and Loan crisis of the late 1980s, watching captured regulators and self-dealing insiders loot the system while ordinary people held the bag. The architecture changes. The playbook doesn’t.

The difference this time is scale. The S&L crisis cost taxpayers $130 billion. This one is measured in trillions. The U.S. Treasury Department estimates that stablecoins could displace up to $6.6 trillion in bank deposits — roughly one-third of all commercial bank deposits in America. The American Bankers Association warned in a joint letter signed by more than 3,200 bankers: “Policies that undermine bank and credit union deposits destroy local lending. Every deposit represents a home loan, a small business loan, or an agricultural loan.” That is what this architecture does to your community.

The deposits that fund your neighbor’s mortgage, the small business downtown, the rancher’s operating loan — they flow out of local banks into a pipeline that earns $10 billion a year for a company incorporated in El Salvador, custodied by the Commerce Secretary’s family firm, and built by the man who wrote the law at the White House before walking through the revolving door. The chairmen of both the House and Senate Armed Services Committees — both Republicans — attended classified briefings and came out saying the Pentagon cannot explain the purpose of this war. Mike Rogers said, “We want to know more about what’s going on and we just aren’t getting answers.” Roger Wicker said, “Let me put it this way. I can see why he said that.” I can explain the war.

The purpose is in the yield spread, the reserve mandate, and the revolving door between the White House and the companies that profit from every layer. In 2001, I cast the lone vote on the Eagle County Board of Commissioners against giving George W. Bush unchecked war powers. Bush’s approval rating was 80 percent. The local VFW launched a recall attempt. It failed, but it was front-page news in this valley for three months. Twenty-four years and $8 trillion later, I looked like a prophet. In 2015, I spent 10 days at the home of Daniel Ellsberg —

the former Pentagon analyst who leaked the Pentagon Papers in 1971, proving four presidents had lied about Vietnam, and whom Kissinger called “the most dangerous man in America” — and interviewed him for 40 hours. He told me the danger isn’t the lie — it’s the system that makes the lie unnecessary.

We have reached that system. The full investigation, with every source, is at arnmenconi.substack.com.

All of this is visible in Operation Epic Fury: the oil interests, the defense contractors meeting with the Pentagon the day after strikes began about the $50 billion supplemental, the AIPAC-financed congressional bloc that voted against the War Powers resolution, and the petrodollar infrastructure that Iran’s BRICS membership and mBridge participation directly threaten. This is Ellsberg speaking from inside the belly of the beast — from the Rand Corporation, from the Pentagon, from the highest echelons of the national security state — telling us that the gap between stated and actual policy is not an aberration. It is the design.

Empire as “The Human Condition”: Sargon to Sumer to America Ellsberg situated this analysis in the deepest possible historical context. During our conversations, he noted that he had been reading about the origins of empire:

“The detail you’re looking at, and the phenomena we’re talking about in the Middle East — in Iraq — may be said to have originated in Iraq about close to over 4,000 years ago, in every detail, with an empire. Sargon of Akkad, 24th century BC. Mesopotamia — Iraq. He was noted for his conquest of the Sumerian city-states. He’s ruling kings. He’s an emperor because he is a ruler of kings. It’s ethnically diverse, a kingdom of kingdoms. Now, what I read about that empire then sounds exactly like imperial operations ever since — in every part of the world, in every century, in every millennium since. The imperial operations involve rival groups using violence, murder, coups, intrigue, bribery, and shifting alliances.” This is the long view that almost no policy analyst takes, and it matters immensely. The American empire is not a historical anomaly produced by unique American character — for better or worse. It is the latest instantiation of a pattern as old as organized human civilization. Empire is not a policy option. It is, as the Chapter 1 intro of Lied to Death put it, “the human condition.” Ellsberg’s Texas motorcycle gang analogy illuminates the same dynamic at human scale: “There was always the potential for an outbreak of gunfire between them. The issue is what it has been for many years: who controlled the turf? Texas belonged to the Bandidos, basically. And one of the credos of both of these gangs was: you do not back down. You cannot lose territory. You cannot lose face. You cannot lose prestige. And I am saying, not just metaphorically, I’m saying this is, in the small, what’s going on in the large. This battle for turf by gun — mainly male humans — whose identity is: we control this part of the world.” The Bandidos and the Cossacks fighting

over territory in Waco, Texas, are operating by the same logic as the United States and Iran contesting the Persian Gulf. The scale differs. The psychological architecture does not.

The Lies That Launched Wars The falsification of the justification for the Iran war in 2026 follows a pattern documented with precision across the last eighty years of American military history. Understanding each prior case is essential to understanding the present one. The Gulf of Tonkin, August 1964 President Lyndon Johnson told Congress and the American public that U.S. destroyers had been attacked twice by North Vietnamese torpedo boats in the Gulf of Tonkin. The first incident, August 2, was real. The second, August 4, never happened. NSA historian Robert J. Hanyok's declassified 2005 study, withheld for forty years, concluded the attack "did not occur despite claims to the contrary by the Johnson administration." NSA personnel had "deliberately skewed" signals intelligence to support the false claim. Johnson himself said privately: "Hell, those damn stupid sailors were just shooting at flying fish." Former North Vietnamese General Võ Nguyên Giáp confirmed in 1995: "Absolutely nothing happened" on August 4. The result: the Gulf of Tonkin Resolution passed the Senate 88-2, giving Johnson essentially unlimited war authority. Fifty-eight thousand, two hundred twenty Americans died. Between 1.5 million and 3.5 million Vietnamese died. Iraq WMDs, 2003 "Every statement I make today is backed up by sources, solid sources," Colin Powell told the UN Security Council on February 5, 2003. "These are not assertions. What we're giving you are facts and conclusions based on solid intelligence." None of it was true. No WMDs existed. The mobile biological labs were hydrogen production facilities. The al-Qaeda collaboration was fabricated. Powell later called his speech "a great intelligence failure"

And "a blot" on his record. The congressional vote was based entirely on the fabricated WMD rationale. Result: 4,500 American deaths, an estimated 100,000–600,000 Iraqi civilian deaths, $2 trillion in costs, and a political vacuum that created ISIS. Libya 2011 "The task that I assigned our forces is to protect the Libyan people from immediate danger," President Obama said on March 28, 2011. "Broadening our military mission to include regime change would be a mistake." On March 20, the first day of intervention, Tomahawk missiles struck Gaddafi's personal compound. Former Defense Secretary Robert Gates later admitted: "The fiction was maintained" that the goal was limited. The UK Parliament's subsequent inquiry found the threat to civilians was "overstated" and the rebels "included a significant Islamist element." Gaddafi had surrendered his nuclear program in 2003 in exchange for normalization with the West. He was nevertheless overthrown and killed. Libya has been a failed state since 2011. Iran 2026: The Pattern Repeats Senator Elizabeth Warren, after a classified briefing with Trump administration officials, delivered a statement on March 3, 2026 that deserves to stand as a historical document: "We are facing a dark moment in our country's history. On Saturday, Donald Trump decided to drag the American people into a reckless, illegal war with Iran. A war based on lies. A war launched with no imminent threat to our nation. Donald Trump said that

Iran has restarted its nuclear program, but Donald Trump's own officials have said that is not true. Donald Trump claimed that Iran is developing long-range missiles that will soon be capable of hitting the United States. That directly goes against what his own government has claimed." The Arms Control Association confirmed on March 3, 2026 that there was "no evidence to suggest that Iran is resuming proliferation-sensitive nuclear activities, such as uranium enrichment, that would be necessary to produce nuclear material for a bomb." The same assessment found Iran's conventional missile program did not constitute an "imminent threat" by the definition required by international law. An unnamed U.S. official acknowledged: "The threat from Iran is ultimately their ambition to acquire nuclear weapons, but in the short term, it is the conventional weapon… that pose a threat." This was the administration's own officials, in classified briefings, stating there was no imminent nuclear threat. Secretary Rubio's own public explanation destroyed the legal case for "self-defense." He stated: "We knew that there was going to be an Israeli action. We knew that that would precipitate an attack against American forces." In other words: Iran had not attacked anyone. The U.S. struck because it knew that Israel was going to act in a way that might cause Iran to retaliate. The Arms Control Association conclusion: "The absence of an imminent military threat and failure to follow through on diplomatic efforts to address concerns about Iran's sensitive nuclear activities demonstrates that this is a war of choice, waged in violation of international law and without the necessary approval from Congress." War

Stated Justification

The Reality

Vietnam

Second Gulf of Tonkin Fabricated; NSA confirmed attack

Iraq 2003

WMDs; Saddam-al-

Result 58,220 U.S. deaths; 2M+ Vietnamese deaths

No WMDs; no operational link 4,500 U.S. deaths; ISIS created

War

Stated Justification

The Reality

Result

Failed state; slave trade; decade of civil war

Qaeda link Libya 2011

Protect civilians; no regime change

Regime change from day one; threat overstated

Iran 2026

Imminent nuclear/missile threat

Own officials denied imminent Ongoing; 6 U.S. deaths through threat; diplomacy ongoing March 6; 1,230+ Iranian casualties

How the AUMF Enabled 22 Countries Across 4 Administrations One week after September 11, 2001, Congress passed the Authorization for Use of Military Force. The vote: 98-0 in the Senate, 420-1 in the House. The sole dissenting vote was Rep. Barbara Lee, who called it "a blank check" and explicitly compared it to the Gulf of Tonkin Resolution. She was right. The 2001 AUMF authorized the president to use force against those who "planned, authorized, committed, or aided the terrorist attacks that occurred on September 11, 2001." Iran did not. Iraq did not. Libya did not. Yemen's Houthis did not. Somalia's al-Shabaab did not. None of the 22+ countries in which force has been used under this authorization had anything to do with the September 11 attacks. The mechanism was executive self-invention: presidents coined the phrase "al-Qaeda and associated forces" — language that appears nowhere in the AUMF text — to extend the authorization to any group they chose to designate as associated. By 2016, the Congressional Research Service found the AUMF had been cited 37 times in 14 countries. By 2026, it was 22+ countries. General Mark Milley, as Chairman of the Joint Chiefs, testified in June 2021: "The 2001 AUMF is the one we need to hang on to. It is the critical one for us to continue operations." The DOJ cited the same AUMF for warrantless electronic surveillance in ACLU v. NSA — entirely disconnected from its original authorization to target 9/11 perpetrators. Once written, war authorizations do not expire. They metastasize. As Representative Gregory Meeks said when introducing legislation to repeal the 2001 AUMF in April 2023: "For too long, Congress has abdicated its constitutional prerogative over issues of war and peace to the Executive Branch, allowing administration after administration to engage the United States in forever wars."

PART II: THE HISTORY IRAN REMEMBERS — 73 Years of American Intervention To understand why Iran does not accept American assurances of good faith — why Iranian leaders and Iranian people hear U.S. justifications for military action with a different set of ears than American audiences — one must understand the history that Iran remembers. Ellsberg's framework of

covert foreign policy is not an abstraction to Iranians. It is lived experience: a CIA-backed coup that destroyed their democracy, a war in which the United States armed both sides and provided intelligence for chemical weapons attacks, a secret arms-for-hostages scheme conducted while Americans publicly called Iran a terrorist state, and an alleged campaign to steal an election by prolonging the captivity of American citizens. This history is not ancient. The oldest of these events occurred 73 years ago. The most recent ended 35 years ago. Every Iranian over 50 grew up in the shadow of Operation Ajax. Every Iranian military planner has studied what American intelligence assistance meant during the Iran-Iraq War. Understanding this history is not an apology for the Islamic Republic — it is the minimum requirement for understanding why the current conflict exists and where it is headed.

Operation Ajax (1953): The CIA/MI6 Coup Against Mossadegh On August 19, 1953, the streets of Tehran erupted in violence that changed the course of the Middle East for generations. What appeared to ordinary observers as a popular uprising was in fact a covert operation planned in Washington and London — the first regime-change operation ever carried out by the Central Intelligence Agency. Its code name was Operation Ajax (officially TP-AJAX in CIA documents; the British called their component Operation Boot). Its target: Mohammad Mossadegh, the democratically elected Prime Minister of Iran. Its purpose: to protect British oil profits and secure Cold War strategic dominance. Its legacy: the chain of cause and effect that produced the Iranian Revolution, the hostage crisis, and decades of US-Iran enmity. The Nationalization That Triggered the Coup Mossadegh, elected Prime Minister in April 1951, had risen to power on a wave of popular nationalism centered on a single galvanizing demand: Iranian oil for Iranians. The Anglo-Iranian Oil Company (AIOC) — later renamed British Petroleum — had operated in Iran since 1913 under terms widely regarded as exploitative. The AIOC refused to even open its books for an independent audit, and Iran received only a fraction of oil revenues that would have been standard under a 50-50 arrangement already common elsewhere, such as in Venezuela. When the Iranian Majles (parliament) voted to nationalize the oil industry, Mossadegh implemented the law. The AIOC ceased operations and Britain organized an international blockade of Iranian oil exports, creating an economic stranglehold intended to break Mossadegh's government. (Operation Ajax, Latin Library) Cold War Framing and American Involvement Britain initially sought U.S. support during the Truman administration, which refused, viewing the coup idea as a violation of Iranian sovereignty. When Dwight Eisenhower took office in January 1953, the calculus changed. The CIA and British intelligence repackaged Mossadegh — who was a secular nationalist democrat, a graduate of Swiss universities, and a constitutionalist — as a Communist fellowtraveler who might open Iran to Soviet influence. The evidence for this was thin. Scholars later found that the communist Tudeh Party "lacked the intention or the ability to gain control of the government" and that the U.S. decision to oust Mossadegh "was not made on the basis of strong evidence that a Communist takeover might otherwise soon occur." (Texas National Security Review, 2019) Iran's border

with the Soviet Union, however, gave hawkish policymakers the Cold War rationale they needed. A declassified CIA document later confirmed: “Available documents do not indicate who authorized CIA to begin planning the operation, but it almost certainly was President Eisenhower himself. Eisenhower biographer Stephen Ambrose has written that the absence of documentation reflected the President’s style.” (National Security Archive CIA documents) Kermit Roosevelt Jr. and the Mechanics of the Coup The man CIA Director Allen Dulles sent to Tehran was Kermit Roosevelt Jr., a grandson of President Theodore Roosevelt. He entered Iran secretly and established himself in a basement office. What followed was a masterclass in manufactured reality: Roosevelt’s team bribed newspaper editors to print anti-Mossadegh propaganda, hired mobs to pose as Tudeh communists (the better to stoke fear of communism), paid protestors to cause mayhem in Mossadegh’s name, and ultimately organized paid street crowds and pro-Shah military units to converge on key government buildings. According to the Zinn Education Project, “that ‘backing’ involved Kermit Roosevelt, CIA agent and grandson of Theodore, arriving in Tehran with suitcases full of cash to manufacture an opposition movement by hiring people to protest, bribing newspaper editors to print misinformation, and creating a sham communist party to act as a straw man.” (Zinn Education Project) Roosevelt also worked personally to convince the hesitant young Shah to sign royal decrees (firmans) dismissing Mossadegh and appointing the CIAapproved General Fazlollah Zahedi as Prime Minister.

The first coup attempt, on August 15-16, 1953, failed. Mossadegh had been tipped off; loyal officers arrested the coup’s military emissary. The Shah fled to Rome. Roosevelt received orders from Washington to abort. He ignored them. Working with Zahedi (hidden under a blanket in the back seat of a car) and Iranian agents, Roosevelt orchestrated a second attempt on August 19. Pro-Shah forces and paid crowds seized radio stations and government buildings. After two hours of gunfire around Mossadegh’s residence, he escaped over a garden wall and was arrested the next day. An estimated 200-300 people were killed in the fighting. Roosevelt cabled Washington: the Shah “will be returned to Tehran in triumph shortly. Love and kisses from all the team.” (Los Angeles Times obituary of Kermit Roosevelt Jr., 2000) The CIA’s 2013 Formal Admission For six decades, CIA documents on Operation Ajax were classified or heavily redacted. Then, on August 19, 2013 — the 60th anniversary of the coup — the National Security Archive published newly declassified CIA materials that constituted, as Archive Deputy Director Malcolm Byrne described it, “the CIA’s first formal acknowledgement that the agency helped to plan and execute the coup.” The internal history, titled The Battle for Iran, stated the operation was carried out “under CIA direction” and “as an act of U.S. foreign policy, conceived and approved at the highest levels of government.” (National Security Archive, August 19, 2013) The CIA’s own declassified PDF from the operation is available directly from the agency’s reading room: the agency acknowledged that Norman Schwarzkopf Sr. was sent to train the security forces that would become SAVAK, and that U.S. funds went to pro-Shah mob organizers known

derisively as “Behbahani dollars.” (CIA Reading Room document) The Consequences: 26 Years of Authoritarian Rule, SAVAK, and Blowback The Shah spent the next 26 years in power — increasingly autocratic, increasingly dependent on his American patron, and increasingly brutal. SAVAK (Sazeman-e Ettelaat va Amniyat-e Keshvar, or Organization for Intelligence and National Security) was established in 1957 with direct CIA and Mossad assistance. CIA officers trained SAVAK interrogators in techniques Amnesty International later described as including “electric shocks to sensitive areas, prolonged sleep deprivation, hanging from ceilings, sexual violence, threats against family members” and the infamous “Apollo” technique — strapping a prisoner to a heated metal bed. A senior CIA officer was “involved in instructing officials in the Savak on torture techniques… based on German torture techniques from World War II,” according to recovered embassy documents. (Encyclopedia.com: Human Rights Abuses in Shahist Iran) Amnesty International’s 1976 report declared Iran one of the worst human rights violators in the world. When the Shah was asked directly about torture by Le Monde in October 1976, he replied: “Why should we not employ the same methods as you Europeans? We have learned sophisticated methods of torture from you.” The 1979 Iranian Revolution was not simply an Islamist takeover — it was the accumulated rage of a people who had been robbed of their democracy by foreign powers, lived for a generation under CIAassisted torture, and watched Western governments continue to support their oppressor. “The coup lit the fuse for the 1979 Islamic Revolution,” as PBS NewsHour reported on the 70th anniversary of the event. One Tehran resident put it plainly: “The U.S. planted hatred in the hearts of Iranians” through the coup. The students who seized the U.S. Embassy in November 1979 and held 52 Americans for 444 days cited the coup, and the CIA’s role in creating SAVAK, as justification. Mossadegh, imprisoned for three years and then kept under house arrest until his death in 1967, remains one of the most popular figures in Iranian history. Secretary of State Madeleine Albright acknowledged in March 2000 that the coup “clearly was a setback for Iran’s political development and it is easy to see now why many Iranians continue to resent this intervention by America.” The blowback from 1953 continues to shape U.S.-Iran relations today.

The Iran-Iraq War (1980–1988): US Support for Both Sides The Iran-Iraq War, which began with Saddam Hussein’s invasion of Iran on September 22, 1980 and ended in a ceasefire in August 1988, was one of the bloodiest conflicts of the twentieth century. Conservative estimates place the dead at one million; some estimates go higher. It was also, uniquely, a war in which the United States provided meaningful assistance to both sides — selling arms to Iran

(secretly) while publicly tilting toward Iraq, providing Saddam with satellite intelligence as he used chemical weapons against Iranian forces, and ultimately shooting down a civilian Iranian airliner with 290 people aboard. The underlying U.S. goal, as one former official later acknowledged, was to ensure that neither side won — to bleed both revolutionary Iran and secular Iraq simultaneously, maintaining a strategic stalemate in the Gulf. The Reagan Tilt

Toward Iraq When the Iran-Iraq War began, the Carter administration was still consumed by the hostage crisis and maintained formal hostility toward Iran. The Reagan administration, entering office in January 1981, pursued a more calculated strategy. Iraq had been on the State Department's list of state sponsors of terrorism since the list's creation; in February 1982, the Reagan administration removed Iraq from that list specifically to enable broader trade and military cooperation. (Wikipedia: US Support for Iraq During the Iran-Iraq War; Democracy Now, June 9, 2004) Reagan then signed National Security Decision Directive 99, and in June 1982 signed another directive determining that "The United States could not afford to allow Iraq to lose the war to Iran." By mid-1982, Iran's military had driven Iraqi forces back across the border and was threatening to push into Iraq itself. The Reagan administration accelerated its pro-Iraq posture. More than 60 officers of the Defense Intelligence Agency (DIA) were secretly providing detailed satellite imagery and mapping information on Iranian troop deployments to Iraqi commanders. As Colonel Rick Francona, a military attaché in Baghdad during the 1988 strikes, told Foreign Policy: "The Iraqis never told us that they intended to use nerve gas. They didn't have to. We already knew." (Foreign Policy: CIA Files Prove America Helped Saddam as He Gassed Iran, August 26, 2013) The Rumsfeld Handshake and Chemical Weapons In late November 1983, Reagan selected Donald Rumsfeld — later Secretary of Defense under George W. Bush — as his personal envoy to the Middle East. On December 20, 1983, Rumsfeld met with Saddam Hussein in Baghdad. Photographs of the handshake became iconic. According to National Security Archive documents, Rumsfeld "emphasized his close relationship with President Reagan" and the two discussed "shared enmity toward Iran and Syria." (National Security Archive: Shaking Hands with Saddam Hussein, Briefing Book No. 82; thirdworldtraveler.com document from NSA) Critically, by November 1983, the State Department had been briefed on Iraq's "almost daily use" of chemical weapons. Rumsfeld made no reference to chemical weapons during his December meeting with Saddam. CIA documents declassified and reported by Foreign Policy in 2013 reveal the full depth of U.S. complicity. Top CIA officials, including Director William Casey, were told about Iraqi chemical weapons assembly plants, that Iraq was producing mustard gas, and that U.S. satellite intelligence would be used for offensives in which nerve agents would be deployed. "As Iraqi attacks continue and intensify the chances increase that Iranian forces will acquire a shell containing mustard gas with Iraqi markings," the CIA reported in a November 1983 Top Secret document. "Tehran would take such evidence to the U.N. and charge U.S. complicity in violating international law." The CIA's response was not to stop the intelligence sharing — it was to worry about the public relations fallout. (Foreign Policy, 2013) A former U.S. intelligence official put it plainly: "It was all done with a wink and a nod. We knew exactly where this stuff was going, although we bent over backwards to look the other way." (Los Angeles Times/Montclair State University archive) In early 1988, in the final months of the war, the United States provided satellite imagery and detailed maps of Iranian troop movements prior to four major

Iraqi offensives — offensives in which Iraq used mustard gas and sarin nerve agent. “These attacks helped to tilt the war in Iraq’s favor and bring Iran to the negotiating table, and they ensured that the Reagan administration’s long-standing policy of securing an Iraqi victory would succeed,” Foreign Policy reported. The CIA estimated that thousands of Iranian soldiers were killed or wounded in each of four chemical weapons attacks conducted with U.S. intelligence assistance. Two-thirds of all chemical weapons Iraq used during the entire war were fired in the last 18 months — the period of most intensive U.S. intelligence cooperation.

The United States also facilitated the export of more than $1.5 billion in “dual-use” technology to Iraq between 1985 and 1990. According to an investigation by House Banking Committee Chairman Henry Gonzalez, “about two of every seven licenses for the export of ‘dual use’ technology items approved between 1985 and 1990 by the U.S. Department of Commerce ‘went either directly to the Iraqi armed forces, to Iraqi end-users engaged in weapons production, or to Iraqi enterprises suspected of diverting technology’ to weapons of mass destruction.” (Los Angeles Times, February 13, 1991) Bell 214ST helicopters sold to Iraq as “civilian” craft were later used to drop poison gas on Kurdish civilians at Halabja in March 1988. “U.S. intelligence sources say they believe that the American-built helicopters were among those dropping the deadly bombs.” The Senate unanimously passed sanctions against Iraq in response; the Reagan White House killed the legislation. The Shooting Down of Iran Air Flight 655 On July 3, 1988, as the war was entering its final weeks, the USS Vincennes — a U.S. Navy guidedmissile cruiser operating in the Persian Gulf — shot down Iran Air Flight 655 with two surface-to-air missiles. The aircraft, an Airbus A300 on a scheduled commercial flight from Bandar Abbas to Dubai, was flying within its authorized commercial air corridor in Iranian territorial waters. All 290 people aboard were killed. Among the dead were 65 children. (Wikipedia: Iran Air Flight 655; EBSCO Military History) The Vincennes had entered Iranian territorial waters while engaged in combat with Iranian gunboats. The ship’s captain, William C. Rogers III, misidentified the ascending civilian airliner as an Iranian F-14 on a descending attack run. The Aegis Combat System aboard the Vincennes actually recorded the plane climbing — not descending — at the time of the incident. The Department of Defense initially reported the ship had shot down an Iranian F-14; it retracted this within hours. The U.S. government never formally apologized for the shootdown. In 1996, the United States paid Iran $61.8 million in compensation to families of the 248 Iranian victims — without acknowledging legal liability. Captain Rogers received the Legion of Merit upon his return home. (CNN, January 10, 2020) To Iranians, the incident remains a central grievance — President Rouhani referenced the 290 victims in a January 2020 tweet responding to Trump’s threat to strike 52 Iranian sites: “Those who mention the number 52 should also keep in mind number 655.” The totality of U.S. conduct during the Iran-Iraq War — supporting both sides, providing intelligence for chemical weapons attacks, and shooting down a civilian airliner — represents one of the most cynical episodes in American foreign policy. The professed goal of neutrality masked a strategic

calculation: keep the war going, keep both sides too weakened to dominate the Gulf, and protect American access to oil. Both countries paid in blood. The United States paid in the corrosion of its moral authority.

The Iran-Contra Affair The Iran-Contra affair, which became public in November 1986, was not simply a political scandal — it was a window into the operational reality of American foreign policy: a White House that secretly sold arms to Iran (the country it publicly called a terrorist state) while illegally funding right-wing death squads in Nicaragua, and then lied to Congress about all of it. The affair demonstrated with extraordinary clarity that the Reagan administration treated Iran simultaneously as an enemy in its public rhetoric and as an arms customer in its covert operations — a contradiction that could only exist in a system where covert power operated entirely outside democratic accountability. The Two-Sided Scheme The Iran-Contra operation had two interlocking components. The first involved selling weapons to Iran — a country under U.S. arms embargo — via Israeli intermediaries. The official justification, developed after the fact, was that the sales were intended to secure the release of American hostages being held in Lebanon by Hezbollah, an Iranian-backed group. The second involved taking the profits from those arms sales and funneling them illegally to the Nicaraguan Contra rebels — right-wing paramilitary fighters attempting to overthrow the Sandinista government — in explicit violation of the Boland Amendment, which Congress had passed precisely to prohibit such funding. The Boland Amendment — actually a series of three legislative amendments passed between 1982 and 1984 — prohibited the CIA, the Department of Defense, and "any other agency or entity of the United States involved in intelligence activities" from using appropriated funds to support the Contras. Reagan had signed it into law. He then told National Security Adviser Robert McFarlane to "keep the Contras together 'body and soul,' no matter what Congress voted for." (Wikipedia: Iran-Contra Affair) The Reagan administration argued that the NSC was not covered by the Boland Amendment — a position most constitutional scholars rejected. Oliver North, John Poindexter, and "the Enterprise" The operational hub of the scheme was Lieutenant Colonel Oliver North, a military aide at the National Security Council. North, working with NSC head Admiral John Poindexter, used a network they called "the Enterprise" — involving retired Air Force Major General Richard Secord, Israeli arms dealer Manucher Ghorbanifar, and Saudi billionaire Adnan Khashoggi — to move weapons to Iran and cash to the Contras across two continents. The dealings required "a long chain of secret deals with shady arms dealers, mercenaries, money changers, drug runners, and terrorists," as American Heritage magazine summarized. (American Heritage: Reagan and the Iran-Contra Scandal) Between November 1985 and November 1986, the U.S. shipped anti-tank TOW missiles and HAWK anti-aircraft missiles to Iran. A portion of the $48 million Iran paid was diverted by North to the Contras. When Attorney General Edwin Meese discovered the diversion in November 1986, North was fired and Poindexter resigned. Poindexter was later convicted of five counts including conspiracy and obstruction of justice;

North was convicted of three counts including aiding and abetting in the obstruction of Congress. Both convictions were overturned on appeal because the witnesses at their trials had been tainted by their immunized congressional testimony. (Encyclopedia Britannica: Iran-Contra Affair) The Tower Commission and Congressional Investigation Reagan created the Tower Commission — named for former Senator John Tower, with Edmund Muskie and Brent Scowcroft — to investigate. The 200-page Tower Commission Report, released February 26, 1987, confirmed the arms-for-hostages policy and rebuked Reagan's "management style." It found that Reagan had largely delegated the operation to subordinates and maintained "plausible deniability." (PBS: The Iran-Contra Affair) A parallel Congressional investigation produced a majority report, signed by all Democrats and three Republican senators, that found the NSC had "covertly raised money for the contras, established an organization for supplying them with arms, attempted to ransom hostages, transferred arms to Iran, and diverted to the contras money from the sales of those arms — all without presidential authorization." The report also found that "senior officials within the Reagan administration had knowingly misled Congress." Reagan's public testimony was a masterwork of selective amnesia. He told the Tower Commission that he had not been aware of the diversion and could not recall key meetings. His diary entries, which he sought to keep from investigators, showed he was far more informed than he admitted. Like many of his closest advisers, Reagan "lied to Congress and the American people when he falsely claimed he was unaware of nearly everything," as American Heritage concluded. The Bush Pardons On Christmas Eve, 1992 — twelve days before former Secretary of Defense Caspar Weinberger was to go to trial, and after Independent Counsel Lawrence Walsh had revealed notes from a 1986 meeting showing then-Vice President Bush had supported the arms deals — President George H.W. Bush pardoned Weinberger and five other Iran-Contra defendants: former National Security Adviser Robert McFarlane, former Assistant Secretary of State Elliott Abrams, and three former CIA officials. (Walsh Iran-Contra Report, Chapter 28: George Bush; Brown University: The Pardons) Walsh's response was withering: "The pardon of Caspar Weinberger and other Iran-contra defendants undermines the principle that no man is above the law. It demonstrates that powerful people with powerful allies can commit serious crimes in high office — deliberately abusing the public trust without consequence… The Irancontra cover-up, which has continued for more than six years, has now been completed." Bush had told the public he was "out of the loop" on Iran-Contra. His own diary — which he concealed from investigators for years — showed otherwise. Weinberger's notes from the critical January 7, 1986 meeting of Reagan's senior advisors read: "VP favored" — referring to Bush's support for the Iranian arms deal. The pardons, Walsh noted, meant that "powerful people with powerful allies can commit serious crimes in high office — deliberately abusing the public trust without consequence." It was a lesson that would be applied in subsequent administrations. The Iran-Contra affair matters not merely as history but as a template. It showed that U.S. policy toward Iran was never simply about ideology or security —

it was about maintaining leverage, selling weapons to both sides of a conflict, and using proceeds to fund illegal covert wars. The “enemy” was also, simultaneously, a valued arms customer.

The October Surprise: Reagan’s Alleged Deal to Delay Hostage Release The October Surprise refers to the allegation — supported by substantial circumstantial evidence, confirmed by at least one former Iranian president, and re-energized by a 2023 New York Times report — that agents of the 1980 Reagan-Bush presidential campaign secretly negotiated with Iranian officials to delay the release of 52 American hostages until after the November election, in exchange for future arms deliveries. If true, it constitutes one of the most serious acts of political treason in American history: a presidential campaign deliberately prolonging the captivity of American citizens to win an election, and depriving a sitting president of an October Surprise that might have saved his presidency. The Suspicious Timing The basic facts are not in dispute. On January 20, 1981, 52 American hostages who had been held for 444 days were released by Iran — literally within minutes of Ronald Reagan taking the oath of office. Jimmy Carter, who had been up all night awaiting news, was informed of the release only after Reagan had been inaugurated. Carter had negotiated the release through back-channels in Algiers; the final agreement was ready for signature for days before the inauguration. Why did the Iranians wait? (1980 October Surprise theory, Wikipedia) The theory holds that Iran had a better offer waiting — and was honoring a deal made with the Reagan campaign. Gary Sick and the NSC Evidence The allegations gained mainstream credibility when Gary Sick — a naval officer who had served as President Carter’s principal aide for Iranian affairs on the National Security Council — published an editorial in the New York Times on April 15, 1991, stating: “I have been told repeatedly that individuals associated with the Reagan-Bush campaign of 1980 met secretly with Iranian officials to delay the release of the American hostages until after the presidential election.” Sick subsequently published a book, October Surprise, laying out his evidence. (1980 October Surprise theory, Wikipedia; Robert Parry, FAIR.org) Sick alleged that future CIA Director William Casey, who was Reagan’s campaign manager, made a secret deal with Iran, with Israel serving as the arms conduit. The precise timeline Sick outlined: meetings in Madrid, Washington, and Paris between Casey’s emissaries and Iranian representatives; on October 21-23, Israel secretly shipped F-4 aircraft tires to Iran in violation of the U.S. embargo; the hostages were dispersed to different locations; and on January 20, 1981, they were released minutes after Reagan’s inauguration. Abolhassan Bani-Sadr’s Confirmation Former Iranian President Abolhassan Bani-Sadr, who was deposed in a coup in June 1981, has consistently maintained that a deal was struck. In an interview cited in multiple sources, Bani-Sadr stated: “It is now very clear that there were two separate agreements, one the official agreement with Carter in

Algeria, the other, a secret agreement with another party, which, it is now apparent, was Reagan. They made a deal with Reagan that the hostages should not be released until after

Reagan became president. So, then in return, Reagan would give them arms. We have published documents which show that US arms were shipped, via Israel, in March, about 2 months after Reagan became president." (WRMEA: Did Iran Delay Hostages Release?, October 1987) Bani-Sadr also stated: "Ayatollah Khomeini and Ronald Reagan had organized a clandestine negotiation, later known as the 'October Surprise,' which prevented the attempts by myself and then-US President Jimmy Carter to free the hostages before the 1980 US presidential election." The 1993 Congressional Investigation Congress established the House October Surprise Task Force in 1992, which reported its findings in January 1993. The Task Force found "no credible evidence" of a deal — but it was a deeply limited investigation, criticized for relying heavily on documents and witnesses that were incomplete or had been previously vetted by the CIA. Independent Counsel Lawrence Walsh and investigative journalist Robert Parry both expressed frustration with the investigation's limitations. Parry, who had produced the original Frontline documentary on the subject in April 1991, argued that the Task Force's dismissals were based on flawed evidence and that key documentation — including Secret Service records that had been redacted — had never been fully examined. (FAIR.org: October Reprisals) Craig Unger, writing in December 2024, concluded more bluntly: "The October surprise really happened." (Verdict/Justia, December 30, 2024) Ben Barnes and the 2023 New York Times Report In March 2023, investigative reporter Peter Baker published a bombshell report in the New York Times. Ben Barnes — a former Texas Lieutenant Governor, a lifelong Democrat, and at 85 one of the last surviving witnesses — came forward to describe what he had seen 43 years earlier. Barnes told the Times that his mentor, former Texas Governor John Connally (who had switched to the Republican Party and sought the 1980 GOP nomination before losing to Reagan), took him on a secret trip through the Middle East in the summer of 1980 — visiting Jordan, Syria, Lebanon, Saudi Arabia, Egypt, and Israel. According to Barnes, at each stop, Connally delivered a message: tell Iran that "Ronald Reagan's going to be elected president and you need to get the word to Iran that they're going to make a better deal with Reagan than they are Carter." (New York Times, March 18, 2023) After returning to the U.S., Barnes recounted, Connally briefed William Casey in an airport lounge. Casey specifically asked whether the Iranians "were going to hold the hostages." Barnes told the Times: "I'll go to my grave believing that it was the purpose of the trip. It wasn't freelancing because Casey was so interested in hearing as soon as we got back to the United States." Historical documents confirmed the trip occurred and that Connally was in contact with Reagan associates during and after it. Both Connally (died 1993) and Casey (died 1987) are no longer alive to contest or confirm Barnes's account. (Business Insider, March 18, 2023) The Iran-Contra arms deliveries — which began within months of Reagan's inauguration — are consistent with the theory that arms were the promised quid pro quo. Iran-Contra Independent Counsel Walsh himself noted that "the U.S. arms sales to Iran dated back to 1981, well before the hostage siege in Lebanon" that was later used as the official justification. (National Archives blog on Iran-Contra) Whether

or not the October Surprise occurred exactly as described, what is certain is that the Reagan administration began secretly arming Iran almost immediately upon taking office — consistent with a prior commitment.

PART III: OPERATION EPIC FURY — What Happened and Why Shabbat Zachor: The War Begins on a Jewish Holy Day February 28, 2026 was the Shabbat before Purim — specifically, Shabbat Zachor, the "Sabbath of Remembrance," which according to Jewish law is the Shabbat immediately preceding the Purim holiday. Purim itself was observed beginning at sundown on Monday, March 2, continuing through Tuesday, March 3 — the 14th day of the Hebrew month of Adar, 5786. (Ynet News: Everything you need to know about Purim 2026; CalendarDate.com: Purim 2026) Shushan Purim — observed in Jerusalem and other ancient walled cities — was celebrated March 3-4. Purim is the holiday commemorating the events described in the Book of Esther: a Jewish woman who became queen to the Persian King Ahasuerus (identified with the historical Xerxes I), and who, with her uncle Mordechai, saved the Jewish people from Haman, the king's advisor who had issued a royal decree for the annihilation of all Jews in the Persian Empire. The reversal of fate — venahafoch hu in Hebrew — is central to the holiday's meaning. Haman was hanged on the very gallows he had built for Mordechai. The holiday is celebrated with reading the Book of Esther, costumes, sending food gifts, giving to the poor, and a festive meal. Biblical scholars note that the story is set in ancient Persia — the historical name for the territory that is today the Islamic Republic of Iran. (Jewish Telegraphic Agency: Death of Iranian Leader Just Before Purim, March 2, 2026) The Timing of the Attack Early on February 28, 2026 — Shabbat Zachor — U.S. and Israeli forces launched a massive joint military campaign against Iran, named "Operation Epic Fury" by the Pentagon. President Trump announced the beginning of "major combat operations" against Iran in a video posted to social media, declaring the operation was "to defend the American people by eliminating imminent threats from the Iranian regime." (RFE/RL: Middle East on Edge as Trump Launches Major Combat Operation, February 28, 2026) Israeli airstrikes killed Supreme Leader Ali Khamenei and several senior Iranian military and intelligence officials. Both Trump and Netanyahu publicly stated that the objective extended to regime change. The strikes targeted Tehran, Qom, Karaj, Kermanshah, Tabriz, and Isfahan, where a major nuclear facility is located. (TIME: How the World Is Reacting to the Attack on Iran, February 28, 2026) How Jewish Leaders and Communities Responded The timing — an attack on the land of ancient Persia on the eve of Purim — immediately generated religious and political commentary across the Jewish world. Israeli Prime Minister Netanyahu made the Purim parallel explicit in his first statement after the beginning of the war: "Twenty-five hundred years ago, in ancient Persia, a tyrant rose against us with the very same goal, to utterly destroy our people. Today as well, on Purim, the lot has fallen, and in the end this evil regime will fall too." (Jewish Telegraphic Agency) The Orthodox Union issued a statement titled "Purim in Our Time: Standing Up to Iranian Tyranny," declaring: "We will read the Bible story of Esther and Mordecai overcoming the genocidal plans of Haman, who sought to destroy the

Jewish people. Today, in coordination with Prime Minister Netanyahu and the IDF, President Trump and the U.S. armed forces took defensive action to silence a modern threat from the same ancestral land of Haman." (The Jewish Star, March 4, 2026) The Agudath Israel of America, the Zionist Organization of America, Religious Zionists of America, and B'nai B'rith International all issued similarly supportive statements, most making explicit Purim comparisons. In Beit Shemesh, an Iranian missile killed nine people sheltering in a bomb shelter that doubled as a synagogue. A widely circulated image showed shrapnel from the missile penetrating a Torah scroll at exactly the passage read on Shabbat Zachor — the commandment to "blot out the memory of Amalek." For many Orthodox commentators, this was not coincidence but providential significance. (JTA, March 2,

2026) Some commentators were more triumphant than reverential. Digital creator Evan Pickus wrote: "The evil Persian Prime Minister [sic], who issued a promise to kill all the Jews, destroyed on the same day as his ancestor… I honestly believe our leaders planned it this way, and I love that." Rabbi Simon Jacobson of the Chabad-Lubavitch movement said: "The goal, of course, is to eradicate the enemy in every possible way, exactly as it happened in Persia, 2400 years ago in the story of Purim." Ron Halber, CEO of the Jewish Community Relations Council of Greater Washington, was more measured: "This holiday, we celebrate how the Jews were able to throw off the yoke of oppression. The irony is that Purim focuses on what was happening to the Jewish community in Persia, which is today modern-day Iran." (WJLA News, March 3, 2026) The Jewish Peace Community's Response The progressive Jewish community responded with alarm and grief. J Street CEO Jeremy Ben-Ami stated: "We are appalled by President Trump's reckless decision to launch a war of choice against Iran explicitly seeking regime change." While acknowledging Iran's nuclear program and regional proxy activities as real security concerns, Ben-Ami said Iran didn't present an immediate threat justifying preventive war. Jewish Voice for Peace (JVP) published a statement on February 28 titled "No War with Iran": "Jewish Voice for Peace denounces the immoral and illegal war on Iran launched by the United States and Israel last night. These attacks expand the endless wars that could destroy the lives of tens of millions of people. We stand in solidarity with the people of Iran and against the U.S. and Israeli government's imperial warmongering… Democracy cannot be claimed, nor the freedom of people won, through the continuation of imperial wars, military assaults and foreign interventions." (Jewish Voice for Peace, February 28, 2026) IfNotNow posted: "The people of Iran are experiencing a brutal US-Israeli bombing campaign. US-made bombs have already struck schools in Iran, killing children and other civilians." (The Jewish Star, March 4, 2026) Jewish Voice for Liberation in the UK condemned "the coordinated US-Israeli bombing campaign against Iran and the UK government's decision to allow its territory to be used in the attack." (Jewish Voice for Liberation, March 5, 2026) Rabbi Michelle Dardashti of Kane Street Synagogue in Brooklyn, whose father had left Iran as a young man, offered perhaps the most theologically nuanced response: "Purim pushes us to contend with the gray — to recognize how

quickly roles can flip; how, on a dime, individuals and nations can shift from victim to aggressor, from righteous to morally compromised, or into categories that resist easy labels altogether… Anyone who tells you with certainty that this war with Iran will unquestionably be good for the Jews and good for the world, that it will surely end well or end quickly — I would be wary of heeding that voice." (JTA, March 2, 2026) Muslim World and International Reaction Russia called the attack "a pre-planned and unprovoked act of armed aggression against a sovereign and independent U.N. member state," warning of potential "humanitarian, economic and possibly radiological catastrophe." Oman's Foreign Minister, a key mediator in U.S.-Iran nuclear talks, said he was "dismayed": "Active and serious negotiations have yet again been undermined. Neither the interests of the United States nor the cause of global peace are well served by this." Spain's Prime Minister called for "immediate de-escalation," rejecting "the unilateral military action by the United States and Israel." Pakistan condemned the attacks. France, Germany, and the UK — in a joint statement — urged Iran to resume negotiations. (TIME: World Reactions, February 28, 2026) The Troubling Irony

The profound and troubling irony of the timing deserves direct statement: on the Jewish holiday celebrating Jewish survival in ancient Persia — the very land that is now Iran — the United States and Israel launched a military campaign against modern Iran that has already killed thousands of Iranian civilians, including 175 children at a girls' elementary school near a military base, according to early reports. The holiday that commemorates a queen who saved her people through courage and moral clarity was invoked by political and military leaders to justify a campaign of aerial bombardment that is, by any objective standard, killing the descendants of the very Persians among whom the Purim story is set. There is something deeply instructive in the contrast between the triumphalist invocations of Purim by political leaders and the warnings of progressive rabbis and Jewish peace organizations. The Book of Esther, as careful readers note, ends not with simple liberation but with mass killing — the Jews, once under threat, are granted the right to kill their enemies, and thousands die. The holiday has always contained within it this darker possibility: that the victim, given power, becomes the aggressor. Rabbi Dardashti's warning — "how quickly roles can flip; how, on a dime, individuals and nations can shift from victim to aggressor" — is not a condemnation but a reading of the very text being celebrated. The ancient Persians were not Haman. The Iranian people — who have risen in protest against their own government for decades, who have been killed by the thousands by their own regime, and who are now being bombed by the country that destroyed their democracy in 1953 — deserve better than to be cast as villains in someone else's religious narrative.

Timeline of Events, February 28–March 6, 2026 The origins of the war predate its official start by months — and the critical thread is the lobbying campaign by Israeli Prime Minister Benjamin Netanyahu. December 2025: Netanyahu visits Trump at Mar-a-Lago and first raises

the prospect of striking Iran's missile sites. February 11, 2026: Netanyahu enters the Oval Office for a three-hour session. Goal: keep Trump committed to military action even as the U.S. had just begun nuclear negotiations in Geneva. The two discussed possible attack dates and the "slim prospects for a diplomatic solution." Tucker Carlson had met with Trump three times to argue against military action, warning Trump he "should not be boxed in by Israel." These voices were overruled. February 22–27: Three rounds of nuclear negotiations in Geneva concluded with Oman reporting "significant progress." Iran reportedly proposed a "years-long pause on enrichment" with "broad verification measures." February 23: Netanyahu called Trump to inform him of Supreme Leader Khamenei's upcoming meeting location. February 27: Two days after negotiations ended, Trump's envoys Steve Witkoff and Jared Kushner told Trump a deal was "out of reach." February 27, 3:38 PM EST: Trump issued the final go order: "Operation Epic Fury is approved. No aborts. Good luck." February 28, 2026 (Saturday, when Congress was not in session): Operation Epic Fury commenced. U.S. and Israeli forces struck Iran's missile infrastructure, air defense systems, naval facilities, and nuclear sites. More than 1,000 targets were struck in the first 48 hours. Supreme Leader Ali Khamenei was killed in the opening hours. Forty-nine senior Iranian military and political leaders were killed. On the same day — the first day of strikes — the Shajareh Tayyebeh Girls' Elementary School in Minab, Hormozgan Province, was struck three times during the school day (Saturday is a school day in Iran). Between 150 and 186 people were killed, predominantly girls aged 7 to 12. Satellite imagery verified the school had been physically separated from a nearby IRGC naval compound since at least

2016. March 1, 2026: Six U.S. service members were killed in a single Iranian drone strike on a makeshift operations center at Shuaiba port, Kuwait. All four identified victims were members of the 103rd Sustainment Command, based in Des Moines, Iowa. Eighteen more were seriously wounded. Iran launched Operation True Promise IV, striking U.S. military assets across six Gulf states. March 2: Gas prices jumped 11 cents overnight — the largest single-night increase since Russia's invasion of Ukraine. The S&P 500 fell into negative territory for the year. March 3: The CIA was reported to be arming Kurdish forces with the aim of fomenting a popular uprising in Iran. Trump personally called KDPI president Mustafa Hijri. IRGC Navy Commander Mohammad Akzade declared: "At this moment, the Strait of Hormuz is entirely under the control of the Navy of the Islamic Republic." March 4, 2026: Senate voted 47-53 to block the Kaine-Paul War Powers resolution (S.J.Res.104) directing removal of U.S. forces from hostilities with Iran. Only Republican in favor: Rand Paul. Only Democrat opposed: John Fetterman. After the vote, Sen. Kaine said he would refile. March 5, 2026: Deputy Defense Secretary Steve Feinberg finalized a supplemental budget request of approximately $50 billion to replenish consumed munitions. Meetings were convened with Raytheon, Lockheed Martin, and other defense contractors. March 6, 2026 (the date of this document): Total U.S. cost through Day 4: more than $5 billion. Iran has launched 798 ballistic/naval missiles and 1,628 drones. The Penn Wharton Budget

Model projects total economic impact up to $210 billion. Two additional schools near Tehran were struck.

Chapter 2: 15 Fronts, Zero Votes

On September 18, 2001, Barbara Lee of California stood alone on the floor of the House of Representatives — the only member of Congress to vote no — and said this: “As we act, let us not become the evil that we deplore.” The final vote was 420–1. The Authorization for Use of Military Force passed in forty-five minutes of debate. The text was sixty words. It gave the President of the United States the permanent, transferable authority to use military force against anyone connected, even tangentially, to the September 11 attacks. That was 24 years ago. That sixty-word authorization has now been used to justify military action in at least 22 countries across four administrations. It has never been repealed. It has never been meaningfully debated. Barbara Lee tried to sunset it eighteen times. She was treated like a crank.

Seven votes — seven congressional authorizations — have formally governed when the United States goes to war since 1941. Seven. In those same eighty-five years, the United States has conducted military operations in more than eighty countries. The math does not add up, and the Constitution does not bend to cover the gap. In the twelve months before I finished this book, the United States conducted airstrikes, special operations raids, or naval warfare in Iran, Venezuela, Yemen, Somalia, Nigeria, Syria, and Iraq. None of those were declared wars. None of them had explicit congressional authorization. The War Powers Resolution — the 1973 law passed specifically to stop a president from doing exactly what every president has done since — was invoked for Iran in March 2026. It passed the Senate 53–47. It died. Trump vetoed it. The override failed. The bombing continued.

So here is what American democracy looks like on the question of war: a president launches strikes, Congress gets a classified briefing it cannot share, the public sees the night-vision footage, and the authorization mechanism that is supposed to function as a brake has the structural integrity of a parking ticket. Mike Rogers, Republican chairman of the House Armed Services Committee, walked out of a classified briefing on the Iran war and told reporters he still couldn't explain what we were doing. Roger Wicker, his Senate counterpart, was asked about Rogers's comment. He said: “Let me put it this way. I can see why he said that.” The men who fund the military cannot explain the war. The men who vote on the war cannot stop it. That is not a bug. That is fifteen fronts and zero votes. That is the system functioning as designed.

The Constitution has an off switch for what I just described. Congress never flips it. This chapter is about why.

The Human Cost: Death Toll and Destruction (as of March 6, 2026) The numbers are preliminary. They will grow. But they must be stated. According to Al Jazeera’s live tracker, as of

Thursday March 6: Deaths: - Iran: 1,230 killed (Iran's semiofficial Tasnim news agency). The deadliest single incident: approximately 180 young girls killed in an Israeli strike on an elementary school in Minab, southeastern Iran. - Lebanon: 77 killed in Israeli attacks since Monday (Lebanese Health Ministry) - Israel: 11 killed (9 in Iranian ballistic missile strike on Beit Shemesh) - United States: 6 soldiers killed, 18 wounded (Pentagon confirmed) - Kuwait: 4 killed, including a child from shrapnel injuries - UAE: 3 killed (nationals of Pakistan, Nepal, Bangladesh) - Iraq: 2 killed (fighters at Jurf al-Sakher base) - Bahrain: 1 killed (worker from intercepted missile debris) - Oman: 1 killed (worker at Duqm port) Injuries: Hundreds in Iran, hundreds in Israel; 527 in Lebanon; 78 in UAE; 35 in Kuwait; 16 in Qatar; others across the Gulf. Scale of Destruction: The U.S. military has struck nearly 2,000 targets inside Iran in six days (CENTCOM). Iran has fired on 27 U.S. bases across nine countries and struck Israeli facilities in Tel Aviv. Iranian drones have reached Bahrain's international airport, Qatari energy facilities at Ras Laffan and Mesaieed, Saudi oil infrastructure, and a British base runway in Cyprus. Economic Fallout — Qatar's Warning: Qatar's Energy Minister Saad al-Kaabi told the Financial Times that the war "will bring down the economies of the world." He warned of a "shutdown of all Gulf energy exporters" and predicted oil prices could hit $150 per barrel within two to three weeks if the Strait of Hormuz remains blocked — up from $87.60 at time of his statement. Gas prices are projected to double to $40 per million BTU. Both Saudi Arabia and Qatar have halted production at major oil and gas facilities. QatarEnergy has suspended operations. A fifth of the world's oil and gas passes through the Strait of Hormuz. Most Gulf entities are expected to declare force majeure within days. (Middle East Eye,

March 6, 2026) This war is one week old. The dead are already counted in the thousands. The economic damage is already measured in the hundreds of billions. And the people making the decisions that produced this outcome — in Washington and Jerusalem — are not among the dead.

The Stated Reasons vs. the Real Reasons To understand why this war happened, one framework comes from a Chinese-American geopolitical analyst known publicly as Professor Jiang of Predictive History, who had publicly predicted before the conflict that Trump would start a war with Iran. He offered three interlocking explanations: Hubris: Early tactical successes — what Jiang compared to Hitler's early victories in Poland — create an adrenaline effect and overconfidence in American military supremacy. The tactical precision of Operation Epic Fury fed the delusion that precision would translate into strategic outcome. Internal Political Calculus: The war benefits Trump personally through political support from Israel and Gulf states, and potentially provides mechanism to consolidate executive power. Emergency war powers have historically been used to expand presidential authority. Follow the power, not the patriotism. The Script: There is a systemic institutional momentum — a predetermined trajectory — that persists independent of strategic sense for the nation. The machine runs

itself. Advisers, military planners, defense contractors, intelligence agencies, allied governments — all have pre-existing plans for Iran that were waiting for political authorization. Once authorized, the machine executed the script. Ellsberg identified the same dynamic in the Vietnam era: “I didn’t know that Nixon actually expected to achieve this by the end of ’69. And so he actually set November 3rd as his tentative internal date for carrying out an ultimatum.” Plans that existed, waiting for implementation. The difference between 1969 and 2026 is primarily the delivery mechanism.

Netanyahu’s Lobbying Campaign The New York Times, drawing on interviews with U.S. and Israeli officials, diplomats, and intelligence figures, documented what amounts to a multi-month lobbying campaign by Netanyahu to drag Trump into a war Netanyahu had long wanted but Israel could not execute alone. The critical moment was the February 11 Oval Office meeting — three hours, during which Netanyahu argued against the Geneva negotiations that were already underway. The talks showed genuine signs of progress: Iran had reportedly proposed a years-long enrichment pause. Two days after the final negotiating round ended, Witkoff and Kushner told Trump the deal was unreachable. The Arms Control Association concluded: “The Trump administration did not engage in good-faith negotiations” and “did not exhaust diplomatic options” before striking. The structural dynamic: Israel wanted Iran’s missile program degraded. The U.S. provided the heavy airpower (B-2 bombers, carrier strike groups, Tomahawk missiles) that Israel lacks. Netanyahu provided political will and intelligence — including Khamenei’s meeting location. The transaction was asymmetric in capability; the political debt ran the other way.

The March 5 War Powers Vote: 53–47 The War Powers Resolution of 1973 — enacted over Nixon’s veto after Vietnam — requires the president to notify Congress within 48 hours of committing forces to hostilities and to withdraw forces within 60 days absent congressional authorization. The Trump administration briefed only the “Gang of Eight” congressional leaders before the strikes commenced — a briefing, not consultation — and disputed whether the 60-day clock was even triggered.

When Senators Kaine and Paul sponsored S.J.Res.104 to direct withdrawal from hostilities with Iran, the vote failed 47-53. The 53-vote majority blocking the resolution consisted almost entirely of Republicans arguing the strikes were “lawful and time-limited.” Only Rand Paul crossed the aisle. Only John Fetterman crossed from the other direction. Senator Jim Risch, chair of the Senate Foreign Relations Committee: “This is not a forever war. This is going to end very quickly.” Senator Kaine’s assessment of the legal landscape: the 60-day clock began February 28. Without authorization, forces must be withdrawn by late April 2026 under the War Powers Resolution — unless Congress acts.

The $50 Billion Supplemental and Who Profits The supplemental request's primary purpose was munitions replenishment: Tomahawk cruise missiles at $2.2 million each; THAAD interceptors at $12.7 million each; Patriot PAC-3 missiles at $3.7 million each; SM-3 missiles. The key contractors: • • • •

Raytheon (now RTX): manufactures Tomahawks, Patriots, SM-3s Lockheed Martin: manufactures THAAD Boeing: manufactures JDAM kits and certain munitions Northrop Grumman: involved in B-2 bomber operations

The stock prices of defense contractors rose as commercial markets fell. The $50 billion supplemental would be appropriated from the same federal budget from which domestic programs were simultaneously being cut. The Penn Wharton Budget Model projects the total economic impact of the war — including macroeconomic losses — at up to $210 billion. The direct military cost alone is projected at $65 billion. The Center for American Progress put the proportionality in human terms: the first four days of Operation Epic Fury, at $5 billion, cost more than it would take to feed 2 million Americans through SNAP for an entire year. A single Tomahawk missile, at $2.2 million, represents the annual Medicaid coverage for 775 children, or 3,600 school lunches.

The Shah's Son: Reza Pahlavi and the 1953 Playbook As U.S. and Israeli bombs fell on Iran on February 28, 2026, one face appeared repeatedly on Western media as the alternative to the Islamic Republic: Reza Pahlavi, the 65-year-old son of the Shah who was deposed in the 1979 revolution. For supporters, he represents a secular democratic future for Iran. For critics — including many Iranians who oppose the Islamic Republic but distrust Pahlavi — his emergence as the West's chosen face of regime change recalls nothing so much as 1953: another Western-backed figure positioned to assume power in Tehran after foreign military intervention dismantled whatever government the Iranians had. The parallel is almost too neat — and it has not escaped the notice of Iranians who lived through, or who study, that history. Who Is Reza Pahlavi? Reza Pahlavi was born in Tehran in 1960 and was formally named Crown Prince at age 7 during his father's coronation ceremony. At 17, he became one of the youngest licensed military pilots in Iran and left for the U.S. to pursue advanced flight training. The 1979 revolution, which erupted while he was abroad, transformed what was supposed to be a temporary study trip into a 47-year exile. He has not returned to Iran since. He now lives in Maryland with his wife and three daughters. (The Forward, February 28, 2026) Over the decades, Pahlavi has consistently positioned himself as a pro-democracy, secular opposition leader who does not seek to restore the monarchy — he says — but to serve as a transitional leader who would hand power to a democratically elected parliament after the Islamic Republic's collapse. His main organizational vehicle is the National Union for Democracy in Iran (NUFDI), a Washington-based organization that has advocated regime change in Iran with

Pahlavi's backing. Under NUFDI, Pahlavi developed the "Iran Prosperity Project," a governance blueprint for post-Islamic Republic transition. US Officials and the Neoconservative Network Pahlavi's meetings with senior U.S. officials represent a significant escalation. In January 2026, as massive anti-regime protests swept through Iran and thousands of protesters were killed by regime forces, White House envoy Steve Witkoff — Trump's top Middle East adviser — held a secret meeting with Pahlavi. This represented, according to Axios, "the first high-level meeting between the Trump administration and the Iranian opposition" since the protests began. (Fox News, January 13, 2026) Trump had told Iranian protesters on Truth Social: "HELP IS ON ITS WAY." In February 2026, Pahlavi addressed the Munich Security Conference — attended by Secretary of State Marco Rubio, Senator Lindsey Graham, and other senior Western officials — and outlined his five-pillar plan for democratic transition: maximum pressure, maximum support (from international allies), maximum defections, maximum mobilization, and a post-regime vision. He declared February 14 a "Global Day of Action," and claimed that over a million Iranians participated in diaspora rallies. (ABC Australia, February 26, 2026) Pahlavi is openly pro-Israel. He has traveled to Israel, prayed at the Western Wall, met with Prime Minister Netanyahu, and advocates for what he calls "Cyrus Accords" between Israel and a future Iran — a formal alliance modeled on the Abraham Accords. He describes Israel and Iran as "the only two countries on this planet that can claim to have a biblical relationship." (The Forward, February 28, 2026) On February 28, 2026 — the day U.S. and Israeli forces began bombing Iran — Pahlavi appeared on Fox News' Sunday Morning Futures, calling the strikes "the beginning of the very end of the regime" and "the game changer we've been waiting for all this time." He declared: "This is like full decapitation of the regime, and ultimately what will expedite its total collapse." (Fox News, March 1, 2026) He also posted a video on X encouraging Iranian security forces to defect and telling the Iranian people he would "announce to you precisely" when they "can return to the streets for the final action." The Historical Parallel to 1953 The parallel to 1953 is explicit and has been widely noted. In 1953, the CIA overthrew Mossadegh and restored the Shah — Pahlavi's father — to power using manufactured crowds, bribed officials, and a military coup. Today, the U.S. and Israel are attempting to destroy the Islamic Republic through aerial bombardment, hoping that regime collapse will create a power vacuum that Pahlavi can fill. USC professor and former CIA analyst Gregory Treverton noted directly on March 3, 2026: "A covert U.S. campaign in the mid-20th century helped steer Iran toward the intense anti-American sentiment that has distinguished its government policy for decades… As journalist Fareed Zakaria put it, 'Bomb and hope' is not a strategy." (USC Dornsife, March 3, 2026) Skepticism About His Support Inside Iran Despite widespread diaspora support and his name being chanted in protest videos, serious analysts are deeply skeptical about Pahlavi's actual political base inside Iran. A Politico analysis published four days before the bombing — on February 24, 2026 — was headlined "Why Iranians Are Increasingly Willing to Settle for Reza Pahlavi," and it led with the observation that U.S. officials themselves told the

author that Pahlavi's lack of a "ground game inside Iran" was a "fair suspicion." (Politico, February 24, 2026) Suzanne Maloney of the Brookings Institution commented: "The way he runs his organization says something about the way he might run a country." Arash Azizi, a research associate at Yale, told Newsweek that Pahlavi "lacks any substantial organization, both outside Iran and especially within the country" and that his strategy appeared to hinge entirely on U.S. and Israeli military action to create a vacuum he could occupy. "Even then, I see very little chance he can find a pathway to power in Iran." (Newsweek, March 2, 2026) Alireza Nader, who had previously supported Pahlavi, said: "His political agenda has shifted significantly since I initially backed him. I'm concerned that the movement surrounding him is becoming increasingly radical and appealing to a limited segment of Iranian society." Critics within the Iranian opposition have noted that Pahlavi's aides have reportedly used aggressive online tactics to silence dissent, that he publicly criticizes Democrats while endorsing Trump and the Republican Party, and that his proposed transition plan would concentrate significant power in his own hands for an undefined period before elections. The question asked about Khomeini in 1979 — will the transitional leader actually transition, or will he consolidate? — is being asked again about Pahlavi in 2026. History counsels caution: the last person to promise a temporary caretaker role in revolutionary Iran never stepped down.

PART IV: THE SMART BOMB TRAP AND THE MILITARY REALITY Robert Pape's Full Thesis and the Century of Evidence Robert Pape is a Professor of Political Science at the University of Chicago and the author of Bombing to Win: Air Power and Coercion in War (1996). He has advised every White House from 2001 to 2024 on national security, counseled Air Force leaders on concluding the Bosnian War, and briefed Congress on Afghanistan. He launched his Substack, The Escalation Trap, on February 25, 2026, explicitly in response to the building confrontation with Iran. His first essay, "The Illusion of Control," published on February 28 — the same morning Operation Epic Fury commenced. His core thesis, stated in a Time Magazine interview published March 4, 2026: "For over a century, states — including the United States, European states, Russia, and Israel — have tried to topple regimes with air power alone. It has never — and I'm choosing my words carefully — it has never worked." His essay "The Air Power Illusion" (March 3, 2026) documents the mechanism: "In war after war, cities have burned, infrastructure has collapsed, leaders have been targeted from the sky. Yet no regime in modern history has fallen solely because it was bombed from the air. In international politics, 100 percent patterns are rare. But here the record is uniform." Why air power alone fails — Pape's three mechanisms: 1. The three-player dynamic: Before airstrikes, it is a two-player game: regime versus an oftendivided society. External bombing creates a third actor, injecting nationalism that was previously absent. Moderates lose oxygen. Security institutions consolidate authority. "Iran first" replaces factional competition. The bombing fuses regime and people. 2. Elite survival calculus: Under foreign air attack, insiders who collaborate with the invader — who hand over the country's assets — "face a bullet in the head." Shared external threat binds elites together.

This is the opposite of the intended effect. 3. Regimes fall from ground defeat, not aerial punishment: The Tsarist regime collapsed in WWI because its army disintegrated from catastrophic battlefield losses, not because cities were bombed. “Soldiers turned against the regime that had led them into disaster.”

The Smart Bomb Trap — Defined From Pape’s February 27 Substack post: “The trap does not lie in technology. The bombs work. GPS is accurate. The targets are destroyed. The trap lies in the false assumption that precision at the tactical level automatically produces control at the strategic level.” The Kosovo parallel is instructive. On March 24, 1999, NATO launched 51 carefully selected strikes around Belgrade, expecting rapid compliance from Milošević. Within days, Serbian ground forces accelerated operations in Kosovo. By late spring, 800,000 to one million Kosovar Albanians — nearly half the population — had been driven from their homes. The bombing accelerated the humanitarian catastrophe it was designed to prevent. It took 78 days of bombing, expanded target lists, an accidental Chinese embassy strike, and the credible preparation of a NATO ground invasion — with tens of thousands of troops massing in Albania and Macedonia — before Milošević accepted terms. Pape’s conclusion: “This was the worst-case scenario the air campaign had been designed to prevent.” Applied to Iran: the scale of the problem is incomparably greater. Iran has 92 million people (vs. Yugoslavia’s 10 million). It has an underground missile network with proven three-level delegation of command authority. It has 408 kg of enriched uranium in unknown locations. It has proxy networks across seven countries. It has a Shia theological framework that transforms martyrdom into resistance. As Pape wrote in New York Magazine: “Enter the Escalation Trap: Doubling down becomes the substitute for reassessment. Target lists expand. Strike tempo increases. Thresholds against costly options like ground forces subtly shift. Each incremental step is justified as the final push required to produce the collapse that was expected at the outset. But the underlying mechanism has not changed.”

Iran’s Military Capabilities Iran fields approximately 610,000 active-duty personnel — among the world’s top 20 militaries by size and capability. The relevant forces for this conflict: Branch

Personnel

Regular Army

350,000–420,000

IRGC

190,000

IRGC Navy

18,000

Air Force

37,000

Basij (active; mobilizable: 600,000) 90,000 Total Active

~610,000

Reserves

~350,000

The Islamic Revolutionary Guard Corps (IRGC) is not simply a military branch — it is a political-military-economic empire that answers directly to the Supreme Leader, controls Iran's missile and drone arsenals, and manages the regional "Axis of Resistance" proxy network across Lebanon (Hezbollah),

Gaza, Yemen (Houthis), Iraq (PMF militias), and Syria. Critically, the IRGC's response to Operation Epic Fury has been to decentralize, not collapse. Reuters reported on March 4, 2026 that the IRGC has delegated command authority three ranks deep — a doctrine drawn explicitly from lessons learned watching Iraq's military collapse in 2003. Deputy Defense Minister Reza Talaeinik stated on television: "The structure of each unit and section has been arranged so that if a commander is killed, a successor is ready to step in immediately." Iran's Foreign Minister Abbas Araghchi confirmed after Khamenei's killing: "These units are acting based on general directives provided to them in advance, rather than through direct, real-time control from the current political leadership." The missile arsenal: Prior to the June 2025 strikes, Iran's ballistic missile inventory was estimated at 2,500–3,000 missiles. The current inventory, after replenishment from Chinese sodium perchlorate purchases, is estimated at 1,000–1,500 missiles. As of March 5, Iran had already launched 798 ballistic/naval missiles and 1,628 drones — depleting perhaps half the degraded missile arsenal in one week. Yet Iran's industrial capacity for drone production is the real strategic variable. Underground "missile cities": Iran has built an extensive network of underground facilities beneath the Zagros and Alborz mountains — some estimated at 500 meters deep, beyond the penetration depth of most U.S. bunker-busters (the GBU-57 Massive Ordnance Penetrator reaches approximately 60 meters). These facilities include rail-mounted missile systems, fiber optic communications (no electronic signatures), self-sustaining garrisons, and underground drone bases. Western intelligence agencies have no precise maps of these networks.

The Fatal Cost Asymmetry The single most decisive strategic fact of the 2026 Iran conflict is economic: Weapon Shahed-136 drone (Iran)

Unit Cost $20,000–$50,000

Patriot PAC-3 interceptor (U.S.) ~$4,000,000 THAAD interceptor (U.S.)

~$12,700,000

Cost asymmetry ratio

80:1 to 360:1

Iran launched over 2,000 drones in the first week. If each was intercepted by Patriot missiles: $8 billion in U.S. interceptors expended. Iran's cost: roughly $70 million. Iran can manufacture hundreds more drones per week. U.S. and allied interceptor stockpiles are finite, their replenishment slow. CSIS defense analyst Patrycja Bazylczyk: "The Shahed-136, along with other UAVs, provides nations like Russia and Iran an economical means to impose disproportionate costs, compelling adversaries to expend costly interceptors on low-cost targets." The tactical doctrine is deliberate: deploy drones first to exhaust air defense interceptor stockpiles and psychological endurance, reserving ballistic missiles for later phases.

Leadership Decapitation: Why Killing Khamenei Made Things Worse History provides a consistent lesson: the assassination of national leaders rarely produces the political outcomes intended. Gaddafi's death in 2011 produced a failed state and a slave trade. Saddam's execution in 2006 galvanized Sunni resistance and intensified sectarian civil war. Qasem Soleimani's assassination in January 2020 accelerated Iran's nuclear program, injured 109 U.S. service members in retaliatory strikes, killed 176 people on a Ukrainian airliner, and drove Iraq to demand the expulsion of U.S. troops. The killing of Supreme Leader Khamenei on February 28, 2026 is categorically different from all prior cases because of its intersection with Shia theology. The theological roots of Shia Islam's reverence for martyrdom trace to the Battle of Karbala (680 AD), when Hussain ibn Ali — grandson of the Prophet Muhammad — was slain refusing to swear allegiance to an unjust ruler. Every year on Ashura, Shia Muslims worldwide commemorate Hussain's death. The parallels between Karbala and Khamenei's killing are immediate and visceral: a Supreme Leader — the successor to Khomeini, the embodiment of the Islamic Republic's spiritual authority — killed by external enemies during the holy month of Ramadan. Florida International University professor Eric Lob writes: "Martyrdom has held a central place among Shiites. In Iran and other parts of the Muslim world, contemporary politics is often framed in this seventhcentury language of moral resistance." The formal religious response was swift. Within 24 hours, two Grand Ayatollahs issued fatwas: • Grand Ayatollah Hossein Nouri Hamedani: declared all Muslims are "religiously obliged to avenge Khamenei's death" • Grand Ayatollah Naser Makarem Shirazi: described retaliation as "a religious duty for Muslims worldwide 'until the evil of these criminals is eradicated from the world'" Among the approximately 200 million Shia Muslims worldwide, Khamenei's killing as Supreme Leader

during Ramadan, at the hands of an external power, triggers the deepest theological framework of righteous resistance — regardless of their opinions of his governance. This is a geopolitical effect that no precision strike can calculate in advance.

CIA Arming Kurds: The Next Vietnam? On March 3, 2026, CNN reported that the CIA was working to arm Kurdish forces with the aim of fomenting a popular uprising in Iran. Trump personally called KDPI president Mustafa Hijri the same day. Iranian Kurdish forces — comprising thousands of personnel across factions including the KDPI — operate along the Iraq-Iran border within Iraqi Kurdistan. The strategy: Kurdish forces enter western Iran, pin down IRGC security forces, creating zones where unarmed Iranians in urban centers could mobilize without facing mass crackdowns. Former senior Pentagon official Ben Plitsas characterized it as “a U.S. plan for a protracted sense of civil war ultimately in Iran.” The fundamental problems acknowledged by U.S. officials: - Iranian Kurds constitute approximately 10% of Iran’s population — insufficient for a decisive uprising - U.S. intelligence assessments “persistently suggested that Iranian Kurdish groups lack the influence or resources necessary to support a successful uprising” - Kurdish groups are divided by competing ideologies and histories of internal conflict - Iraq’s national security adviser stated: “Iraq will not permit groups to infiltrate or cross the Iranian border to conduct terrorist activities from Iraqi territory” The Ahmad Chalabi comparison is unavoidable. The 2003 Iraq invasion was built partly on the premise that Iraqi exiles — Chalabi’s Iraqi National Congress — would provide political legitimacy for a postSaddam government. They had no domestic constituency. The parallel with Iranian Kurdish exile groups is precise.

PART V: FOLLOW THE MONEY The Petrodollar System and Why Iran Is a Target To understand why Iran is a persistent target of American hostility — through four administrations, across three decades — one must understand the architecture of dollar hegemony. In 1971, President Nixon ended dollar convertibility to gold, collapsing the Bretton Woods system. The dollar plummeted. The 1973 OPEC embargo quadrupled oil prices. The solution was engineered by Treasury Secretary William Simon in a secret May 1974 mission to Riyadh: “In exchange for American military assistance and continued oil purchases, the Saudis would funnel their oil money into U.S. Treasury bonds, which they would be permitted to buy in secret outside the normal auctions. Simon had secured a commitment by a foreign country to finance American deficits — and the petrodollar was born.” — Politico The mechanism works through a simple but powerful structure: Mechanism

Effect

Global oil priced in USD Every nation must hold dollar reserves to buy energy Petrodollar recycling

Oil exporters reinvest surpluses in U.S. Treasuries, funding American deficits

“Exorbitant Privilege”

U.S. can run structural trade/budget deficits without hyperinflationary penalty

Dollar as reserve currency ~89% of global FX transactions denominated in USD (BIS data, 2025) Iran has been among the most persistent actors in undermining this architecture. Since at least 2010, Iran has sold oil for yuan to Chinese “teapot” refineries in Shandong province. By 2024, it joined BRICS — which now includes UAE, Saudi Arabia, and Russia. Iran participates in mBridge, a multi-CBDC crossborder payment system that by early 2026 had surpassed $55 billion in transaction volume, enabling nearinstant settlement entirely bypassing SWIFT. The Petrodollar War Thesis holds that the pattern of U.S. military action against dollar-defecting states is too consistent to be coincidental: Country

Dollar Defection

U.S. Response

Iraq (2000)

Saddam switches oil-for-food to euros

2003 invasion; oil reverts to USD

Libya (2011)

Gaddafi proposes pan-African gold dinar

NATO intervention; Gaddafi killed

Venezuela

Promotes oil trade outside dollar

Intensifying sanctions; Maduro captured January 2026

Iran

Oil-for-yuan trade, BRICS, mBridge

SWIFT exclusion; escalating sanctions; 2025–2026 military strikes

Quiver Quantitative and mainstream economists offer counter-arguments: correlation is not causation; dollar dominance has multiple pillars beyond oil pricing; Saudi Arabia itself joined

mBridge while remaining a U.S. ally. These are legitimate objections. The most honest assessment: the petrodollar motivation is real but likely one factor among several — not a monocausal explanation but a structural incentive that consistently converges with other motivations. What cannot be disputed: every U.S. adversary that has attempted to price oil outside the dollar has faced severe U.S. pressure or military action. The pattern is too consistent to dismiss.

The Cost of War: From $5 Billion to $210 Billion Operation Epic Fury costs through March 6, 2026: Metric

Figure

Source

First 24 hours

$779 million

Anadolu Agency/NDTV

Through Day 4

>$5 billion

Center for American Progress

Pentagon estimate

~$1 billion/day

Iran-Cost-Ticker.com / WSJ

Missile defense (Day 1-2)

>$10 billion

Defense Priorities estimate

Direct budgetary cost (range)

$40–$95 billion Penn Wharton Budget Model

Total economic impact (range)

$40–$210 billion Penn Wharton Budget Model

$50 billion supplemental request ~$50 billion

Reuters, Bloomberg Government

The $50 billion supplemental request — for munitions replenishment alone — arrives in a moment when the Trump administration was simultaneously cutting domestic programs. The juxtaposition: Program

Annual Cost

War Comparison

Universal free college

$58 billion/year

Less than projected direct war cost

Medicare for All (savings)

Saves $438–$450 billion/year

Net savings, per Yale/Lancet (Galvani, 2020)

Lives saved (Medicare for All)

68,000 deaths/year prevented

Conservative estimate

SNAP for 2M Americans

~$5 billion/year

First 4 days of Epic Fury

For historical context: the Brown University Costs of War Project calculated post-9/11 wars cost $8 trillion through 2022 — including $2.2 trillion reserved for veterans' care through 2050. Afghanistan alone: $2.3 trillion. Iraq: $1.9–$3 trillion by some estimates. These wars were entirely debt-financed. No American paid higher taxes for them. The debt compounds. The veterans' disability costs peak around 2030–2040.

How the War Hits American Families Gas prices: Jumped 11 cents overnight on March 2 — the largest single-night increase since Russia's Ukraine invasion. By March 4, the national average

reached $3.20/gallon, up ~20 cents in two days. At $100/barrel oil, analysts project U.S. gasoline at ~$3.50/gallon or higher.

Stock markets: The S&P 500 fell 1.6% on March 3, dropping into negative territory for the year. Nearly 90% of S&P 500 stocks fell. Asian markets: South Korea's Kospi plunged 7.2%. Germany's DAX fell 3.6%. Treasury yields: Rose to 4.107% — above the key 4% threshold — indicating inflation fears overpowered flight-to-safety demand. A counter-intuitive move that signals stagflationary risk: the Fed cannot fight inflation and recession simultaneously. Groceries: Shipping cost escalation and rising natural gas prices (used in fertilizer and food processing) create dual shocks to food supply chains. Retirement accounts: Sustained market declines create permanent losses for retirees taking required minimum distributions — unable to defer withdrawals during market downturns. Mortgages: With 10-year Treasury yields rising, fixed mortgage rates follow. Every basis point of increased yield adds costs to American homebuyers and refinancers. The Strait of Hormuz — 21 miles wide at its narrowest — carries roughly 15–17 million barrels of crude oil per day, approximately 20% of global oil and 30% of seaborne crude. It also carries approximately 20% of global LNG exports. On March 2–4, only 5–15% of normal tanker traffic was navigating the Strait. The economic consequences of sustained closure would be catastrophic: A 30-day full closure would mean approximately 200 million barrels of lost Middle Eastern crude production in March alone, pushing Brent crude to $100–$120 per barrel (J.P. Morgan projection), adding 0.6–0.7 percentage points to global inflation, and exhausting U.S. Strategic Petroleum Reserve capacity within 27 days.

What $300+ Billion in Israel Aid Could Have Built Instead Since 1951, the United States has provided Israel cumulative aid of: • $305.4 billion (inflation-adjusted): OpenTheBooks.com, June 2025 • **330billion * *(constant2024): Council on Foreign Relations, October 2025 • **352billion * *(constant2025): Polygraph/Semler, January 2026 — the most comprehensive estimate For context: one year of this cumulative funding could have provided universal healthcare to all Americans for two years (Medicare for All would save $450 billion annually, net), or funded free fouryear college for every American for five years, or rebuilt every public school in the United States. The $6 billion the U.S. spent defending Israeli territory against Iranian counterattacks in April 2024, October 2024, and June 2025 is not included in the aid figure — it was direct U.S. military expenditure.

Techno-Feudalism: The Cloudalists and the War Machine Yanis Varoufakis — former Greek Finance Minister and author of Technofeudalism: What Killed Capitalism (2023) — offers the framework that connects surveillance capitalism to military power: "Markets, the medium of capitalism, have been replaced by cloud fiefs — digital trading platforms like amazon.com or Alibaba which look like, but are not, markets. And profit — the fuel of capitalism — has been replaced by its feudal predecessor: rent." The numbers: - Apple App Store charges 30% of all in-

app revenue from developers — “a 30 percent ground rent paid to Apple on all their revenues” - Amazon Marketplace takes more than 50% of seller revenue (up from ~35% in 2016) - Amazon Web Services + Microsoft Azure + Google Cloud = 67% of global cloud computing market

The connection to war: cloudalists require military protection for their global operations. The military requires cloudalist surveillance infrastructure, data processing, and communications systems. Defense contractors sit on tech company boards. The result is what could be termed a military-surveillance-energy complex in which: - Cloud platforms provide targeting intelligence and logistics optimization Energy markets (controlled by petrodollar architecture) fund both sectors - State power enforces intellectual property regimes that prevent competitive infrastructure Elon Musk’s trajectory is the paradigmatic case: Tesla, SpaceX, Twitter (now X), Starlink, Neuralink, and DOGE access to federal computing systems. As Varoufakis observed: “He’s even melded his wires within the federal government’s computing systems, and his quasi, maybe fully-fledged fascist ideology goes hand in hand with that.” Peter Thiel — co-founder of Palantir Technologies, whose core business is providing data and surveillance support to military and intelligence agencies — explicitly argued that “capitalism is incompatible with democracy.” Palantir holds contracts with the U.S. Army, Air Force, CIA, NSA, and allied intelligence agencies. Varoufakis’s most provocative geopolitical claim: the U.S.-China rivalry is fundamentally a contest between cloudalist blocs. Applied to Iran: Iran’s embrace of BRICS, mBridge, and yuan-oil settlements represents an attempt to escape Western cloudalist financial infrastructure — threatening not just the petrodollar but the entire architecture of Western digital-financial dominance.

PART VI: THE LEGAL CASE — THIS WAR IS ILLEGAL Constitutional Analysis: Article I and the War Powers Resolution The United States Constitution is unambiguous. Article I, Section 8, Clause 11 vests in Congress — and Congress alone — the power to declare war. The President’s authority under Article II, Section 2 designates him Commander-in-Chief — a power of direction, not initiation, of military force. The last formal declaration of war by Congress was in 1942. The War Powers Resolution of 1973 — enacted over Nixon’s veto — was designed to restore congressional war-making authority after Vietnam. Its key provisions: Section 2(c): Presidential use of force authorized only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories, or its armed forces. Iran had not attacked the United States. Section 3: The President “in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities.” Briefing eight congressional leaders before the strikes is not consultation. Section 4(a): The President shall submit a written report to Congress within 48 hours of committing forces to hostilities. Section 5(b): The President shall terminate use of forces within 60 calendar days unless Congress has declared war, specifically authorized the action, or extended the period. The 60-day clock began February 28, 2026. The Trump

administration's legal argument: the strikes constituted "military actions, not an act of war," and Trump was acting within commander-in-chief authority. Secretary Rubio's justification: "We knew that there was going to be an Israeli action. We knew that that would precipitate an attack against American forces. And we knew that if we didn't preemptively go after them before they launched those attacks, we would suffer higher casualties." This is a legal theory that would allow any president to wage war against any country whose ally is about to do something that might cause that country to retaliate against U.S. forces. It is, in the assessment of multiple constitutional scholars, unlimited executive war-making authority.

International Law: UN Charter, Geneva Conventions, and War Crimes UN Charter Article 2(4) — the foundational prohibition on the use of force between states — prohibits military action except in two cases: self-defense under Article 51 (requiring an actual armed attack), or UN Security Council authorization. Article 51 permits military force only after an armed attack occurs. Iran had not attacked the United States. Secretary Rubio's own words confirmed there had been no attack: the U.S. struck preemptively because it anticipated a chain reaction. UN Secretary-General António Guterres stated at an emergency Security Council meeting on February 28 that the U.S.-Israeli airstrikes violated international law. The Arms Control Association stated: "The ongoing attacks cannot, as Trump claims, 'ensure' that Iran does not develop nuclear weapons. Iran still possesses a nuclear weapons capability — it has since 2007 according to the U.S. intelligence community — and it will at the end of this current conflict." The Minab School Bombing The most legally devastating single incident of the war to date occurred on its first day. According to independent investigations by the New York Times, CBC, and NPR, the U.S. was likely responsible for striking the Shajareh Tayyebeh Girls' Elementary School in Minab, Hormozgan Province — three times, during the school day. The facts, as documented by the New Lines Institute: - 165–186 people were killed, predominantly girls aged 7 to 12 - The school had been physically separated from a nearby IRGC naval compound since at least 2016 - Al Jazeera's Digital Investigations Unit confirmed the school "had been separated from the military complex and had become a clearly defined civilian institution for more than 10 years" - A newly opened medical clinic on the same block was bypassed — demonstrating precision targeting capability was available The New Lines Institute's legal conclusion: "Either U.S. and Israeli forces relied on a very old, outdated intelligence target bank — which would constitute grave negligence and reckless disregard for civilian lives — or the strike was carried out deliberately." Under the Geneva Conventions (Additional Protocol I, Article 52), schools are explicitly protected civilian objects. Three tests for war crimes are met: (1) distinction between civilians and combatants failed; (2) proportionality violated — killing 150+ children cannot be "proportionate" to any military advantage; (3) precaution absent — publicly available satellite imagery from 2016 clearly showed the school's civilian character. UNESCO called it "a grave violation of humanitarian law." The UN Secretary-General condemned the strike. Nobel laureate Malala Yousafzai condemned the strike. Two additional schools near Tehran were

struck on March 5. The Nuremberg Principles The Nuremberg tribunal stated that waging a war of aggression constitutes “the supreme international crime.” Nuremberg Principle VI(a) defines: “Planning, preparation, initiation or waging of a war of aggression or a war in violation of international treaties, agreements or assurances” as a crime against peace.

Nuremberg Principle III: “The fact that a person who committed an act which constitutes a crime under international law, acted as Head of State or responsible government official, does not relieve him from responsibility under international law.” ICC Jurisdiction The U.S. is not a party to the Rome Statute. Iran is not a party. However, Article 12(3) allows any state to file a declaration with the ICC Registrar accepting jurisdiction over crimes committed on its territory. Palestine and Ukraine both used this mechanism. The human rights organization DAWN (Democracy for the Arab World Now) has called on Iran to file such a declaration to grant ICC jurisdiction over the Minab school strike. The Trump administration further complicated accountability by issuing an Executive Order on February 6, 2025 imposing sanctions on ICC officials — declaring any ICC effort to investigate U.S. or allied personnel “an unusual and extraordinary threat to the national security and foreign policy of the United States.”

Elizabeth Warren’s Statement and Its Implications Warren’s March 3–4 Senate floor statements deserve full quotation because they constitute the most direct official indictment of the war’s legal foundation: “We are facing a dark moment in our country’s history. On Saturday, Donald Trump decided to drag the American people into a reckless, illegal war with Iran. A war based on lies. A war launched with no imminent threat to our nation.” “The Trump administration has no plan in Iran. This illegal war is based on lies, and it was launched without any imminent threat to our nation. Donald Trump still hasn’t given a single clear reason for this war, and he seems to have no plan for how to end it.” Warren also called for investigation of the Minab school bombing and for accountability of every Trump official who “lied to the American people about this unconstitutional war.” She noted the central contradiction: Trump announced in June 2025 that Iran’s nuclear facilities had been “completely and totally obliterated” — yet was now claiming Iran’s nuclear capabilities constituted an imminent threat. “Both of those things cannot be true.”

The Nuclear Proliferation Paradox The journalist and commentator Mehdi Hasan had been making this argument for years before February 28, 2026. After the Iran strikes, it went viral: “Ukraine gave up nukes and got invaded. Saddam Hussein gave up [WMD programs] and got invaded. Gaddafi gave up his nuclear program and got invaded and killed. North Korea kept its nukes — and hasn’t been invaded. What lesson does Iran learn from this?” Country

Nuclear Status

U.S./Coalition Action

Iraq

Gave up WMD programs; no nuclear weapons

Invaded 2003

Libya

Surrendered nuclear program 2003

Regime change/killed 2011

Ukraine

Gave up Soviet nuclear arsenal (Budapest Memorandum, 1994)

Invaded by Russia 2022

North Korea Maintained and expanded nuclear arsenal

NOT invaded

Country

Iran

Nuclear Status

No nuclear weapons; was negotiating

U.S./Coalition Action

Attacked 2025, 2026

In September 2025, more than 70 members of Iran's parliament called for development of nuclear weapons, arguing it is "the only means to preserve Iran's territorial integrity and avoid the fate of Iraq and Libya." The ISIS Institute for Science and International Security confirmed this calculus. The central paradox: by attacking Iran because it was near-nuclear, the United States has demonstrated to every other country that (1) diplomatic concessions do not provide security, (2) conventional military weakness invites attack, and (3) the only reliable deterrent against U.S. military action is a nuclear arsenal. This creates powerful incentives for nuclear proliferation — precisely the opposite of the stated U.S. goal.

PART VII: THE MACHINERY OF CONSENT The Surveillance State: From Snowden to AI Prompts On June 5, 2013, Edward Snowden's disclosures revealed the architecture of the American

surveillance state: PRISM, a warrantless wiretapping program vacuuming up emails, messages, chats, and calls from at least nine major internet companies — not targeted, but systematic bulk collection, pooled into NSA, FBI, and CIA databases searchable for years afterward. In 2020 — seven years after the original exposure — a federal appeals court ruled the NSA's telephone dragnet was illegal, and that intelligence leaders who publicly defended it "were not truthful." Snowden: "I never imagined that I would live to see our courts condemn the NSA's activities as unlawful and in the same ruling credit me for exposing them." The architecture was built in layers: the PATRIOT Act (2001), enacted 45 days after 9/11 by margins of 357–66 and 98–1; FISA Section 702 (2008); Executive Order 12333. Between 2020 and early 2022, the FBI conducted more than 278,000 searches of surveillance databases that did not meet legal standards. FBI queries on U.S. persons reached 2,964,643 in 2021.

The Galloway/Whittaker Warning About AI Surveillance A new surveillance frontier emerged in early 2026. Scott Galloway, professor and investor, published a conversation with Meredith Whittaker, president of Signal Messenger, under the headline: "Why your prompts could be subpoenaed." Whittaker's warning: "If you're using ChatGPT, that data is being sent to servers controlled by OpenAI and Microsoft. They retain that data. They could leak that data. We know that when presented with a valid subpoena, they will turn that data over. In a world in which norms and laws and definitions of criminality shift from one year to the next, it's good to be cognizant of where that data could go and what it could do in terms of marking you as one or another type of person." The data from AI prompts represents a category of intimate disclosure that users generate unconsciously — questions about health, relationships, finances, legal worries, political beliefs, sexual orientation. Unlike search queries, AI prompts are conversational, contextual, and often confessional. The infrastructure capturing this data (OpenAI servers running on Microsoft Azure) is identical to the infrastructure already subject to NSA PRISM collection and standard federal subpoena authority. The implication for anti-war activists in 2026: anyone asking an AI assistant about the legality of the Iran war, about draft evasion, about how to organize a protest, about classified documents — is generating a record that is potentially subject to government subpoena.

Media Failure: The Iraq Precedent and the 2026 Repetition The canonical case of media failure enabling a war of lies is Judith Miller's reporting for the New York Times in 2002–2003. Miller wrote or co-wrote 10 of the 28 stories cited in the Times' own May 2004 internal mea culpa on Iraq coverage. The template: anonymous Bush administration officials provided WMD claims; Miller published them on the front page; officials cited the Times stories on television the same morning — a feedback loop between official propaganda and "independent" journalism. The Times' own editors acknowledged: "In some cases, information that was controversial then, and seems questionable now, was insufficiently qualified or allowed to stand unchallenged." In 2026, CNN's staff revolted against commentator Scott Jennings, a Republican operative, who

posted to nearly 1 million followers that “senior Trump administration officials” told him Iran had “credible intelligence” of planned strikes against U.S. targets — directly contradicting CNN’s own reporting the same day, which stated that Trump’s claim about Iran building long-range missiles “had never been backed up by U.S. intelligence.” CNN chief Mark Thompson defended Jennings, saying the network does not “police contributors to the same extent” as journalists. The contrast with Vietnam-era journalism is stark. Walter Cronkite went to Vietnam himself. After the Tet Offensive, he broadcast: “To say that we are closer to victory today is to believe, in the face of the evidence, the optimists who have been wrong in the past… It is increasingly clear to this reporter that the only rational way out then will be to negotiate, not as victors, but as an honorable people who lived up to their pledge to defend democracy, and did the best they could.” President Johnson reportedly said: “If I’ve lost Cronkite, I’ve lost Middle America.” Seymour Hersh drove hundreds of miles to find Lieutenant Calley after getting a tip about My Lai, sat with him through the night as he talked, interviewed 50 witnesses over three months, and broke the story through a small antiwar news service after major magazines rejected it. Today, the question is whether any mainstream journalist will do the equivalent — go find the intelligence analyst who knows the Iran war justification is fabricated and print their account.

The Epstein Files and Elite Impunity The partial release of Epstein files — through the Epstein Files Transparency Act, signed by Trump after passing 427–1 in the House — has confirmed the existence of elite networks operating with near-total impunity. The documents revealed: meetings between Epstein and Peter Thiel, Elon Musk, and Steve Bannon; 18,000 personal emails; a 2011 exchange in which Epstein referred to Trump as “the dog that hasn’t barked”; photos implicating presidents, tech billionaires, and intelligence operatives; and Epstein’s role as point of contact for visa applicants from Eastern Europe and China. The central unanswered question remains: why were the files suppressed? Former U.S. Attorney Alexander Acosta reportedly told Trump transition officials in 2016 that he had “been told” Epstein “belonged to intelligence” and to “leave it alone.” Representative Thomas Massie stated publicly that Epstein “almost certainly had close ties to U.S. intelligence agencies and Israel’s intelligence agencies.” DOJ surveillance of reviewing lawmakers: Rep. Jamie Raskin accused the Justice Department of spying on members of Congress who were reviewing Epstein files — with images emerging of AG Bondi holding a binder open to a page labeled “Jayapal Pramila Search History.” Representative Ro Khanna, who helped force the release: “We must question how we have cultivated an elite that is so immature, reckless, and arrogant.” The Epstein files matter in the Iran war context because they document the same phenomenon that Ellsberg described: a network of powerful people operating above the law, making decisions with life-and-death consequences, with no accountability mechanism. The same immunity that protected Epstein’s network for decades protects the architects of illegal wars.

The Evangelical End-Times Caucus Just days before Operation Epic Fury launched, former Representative Michele Bachmann appeared on the “Hearts of Oak” program: “They’re blatant about it because they’re so filled with demonic rage. They’re filled with satanic rage, these ayatollahs. You could only hate someone if Satan was living inside of you. It’s the only way it could be. And so that’s why they need to be defeated. They need to go. This literally goes back to the Garden of Eden with Satan and Satan’s hatred for God.” After the strikes began, Bachmann declared: “I truly believe that God ordained these two men — Donald Trump and Benjamin Netanyahu — to be the leaders of those nations at this exact time for this exact purpose.”

Chapter 3: The Human Cost

Merve Pourkaz was thirty-two years old and ran a hair salon in Golestan. She had an apartment, a cat named Kourosh, a sister in Tehran she called every Sunday. On the morning of February 28, 2026, she was asleep when the first Tomahawk hit. By noon, the Golestan fuel depot three blocks from her building was on fire. By evening, the government told 14 million Tehran-area residents not to go outside — the smoke was black and oily, the kind that coats the back of your throat. She locked the cat in the bathroom with the window cracked, put what she could carry in a bag, and started walking. She walked nearly a thousand miles to the Turkish border. “If the war doesn't end,” she told Fortune magazine, still walking, still alive, still furious, “maybe I'll go back and die.”

She is one name. There are 72,000 others in Gaza alone. The Lancet's comprehensive mortality survey, published in early 2025, counted 75,000 Palestinians killed since October 2023 — thirty-four percent higher than official figures, because official figures don't count the people who starved, the people who died when the hospitals stopped running, the people who fell into gaps in the record. The International Court of Justice ruled there is a plausible case for genocide. The ICC issued arrest warrants for Benjamin Netanyahu and former Defense Minister Yoav Gallant for war crimes and crimes against humanity. Senator Bernie Sanders said the word genocide on the Senate floor. The United States continued to ship the munitions. In Lebanon, 1,029 people were killed and 1.2 million displaced — one in every five Lebanese citizens — since March 2. In Iran, by the time I finished writing this, 1,937 were dead and three million displaced. Across all theaters of the expanding war: more than 1,100 children killed or wounded. In Ukraine, the war that the rest of Washington forgot while Tehran burned was still producing body counts of its own.

None of these numbers are the story. They are the cost of the story. There's a difference. The story is who decided, and who profited, and who never had to answer for any of it. But I will not let the financial architecture bury the dead. Merve Pourkaz walked a thousand miles. The school in Minab — Shajareh Tayyebeh Elementary, painted pink and green, two stories, children between seven and twelve years old — was on a Palantir-generated target list. The Pentagon said the intelligence was outdated. Nobody has been charged. The investigation is “ongoing.” That answer, in Washington, means the investigation is over.

Before we talk about the money, we talk about the people the money killed. You will not forget Merve Pourkaz by the end of this chapter. I haven't.

This is not a fringe position. It reflects Dispensationalist theology — a 19th-century system developed by John Nelson Darby that identifies Iran (ancient “Persia”) in Ezekiel 38–39 as a key enemy in the endtimes war. In this framework, war against Iran is prophetically scheduled, and

peace with Israel's enemies is "resisting God's plan." White House Deputy Chief of Staff Dan Scavino posted video footage of pastors laying hands on President Trump in a prayer circle in the Oval Office. The ceremony was interpreted globally as administration efforts to rationalize military action in spiritual terms. The institutional apparatus: • John Hagee and CUFI (Christians United for Israel): tens of millions of members; Hagee delivered the benediction at the U.S. Embassy opening in Jerusalem; after Iran's April 2024 attack, declared "we don't need to de-escalate" • Pete Hegseth, Secretary of Defense: stated in 2018 that rebuilding the Temple on the Temple Mount is possible; toured the site with the Temple Institute's Rabbi Chaim Richman • Mike Johnson, Speaker of the House: invited to Israel by Third Temple supporters; first act as Speaker was a resolution of unconditional support for Israel Oxford Academic's Diplomatic History journal: "The influence of Christian Zionism is a very serious issue for the practice of American diplomacy in the Middle East." Christian Zionist leaders lobby against negotiation and compromise; their theology makes diplomatic solutions to the conflict not merely inadvisable but anti-God.

The Milgram Experiment: Why People Obey In 1961–1962, Yale psychologist Stanley Milgram conducted experiments designed to understand how the Holocaust had been possible — how ordinary people became agents of mass murder.

The setup: Participants were told to administer increasingly intense electric shocks — from 15 volts to 450 volts — to an "learner" who gave wrong answers. The learner was an actor; the shocks were fake. But the participant did not know that. The results: - 65% of participants administered the maximum 450-volt shock - Every single participant went to at least 300 volts - Participants showed extreme visible distress — sweating, trembling, stuttering — yet continued - When the experimenter was physically absent and gave instructions by phone, compliance dropped to 21% - When participants witnessed others refusing, compliance dropped to 10% Milgram: "The most fundamental lesson of our study is that ordinary people, simply doing their jobs and without any particular hostility on their part, can become agents in a terrible destructive process." In our conversations, Ellsberg expanded on Milgram's findings with insight that I don't believe anyone else has articulated as precisely: "What I draw from the various levels and types of experiments — contract, conformity, obedience — is that people are not as inhibited against inflicting pain as we like to think. Humans don't mind doing this very much. They mind a little. They'd prefer to do something else. But it's not as hard to get people to hurt other people as you would think. What you mean by thinking is, one likes to think there has to be a very strong reason to do that." Ellsberg connected this directly to the group dynamics that sustain wars: "People will do almost anything to stay in a group that they wanna be in. No matter how criminal, disastrous, reckless, foolish, deceptive. People's willingness to go along — in other words, not going along and being expelled from a group that you value and respect is, this is my proposition, almost unattainable. It's not an alternative for people. They're almost

unable to do it. They can't do it. They won't do it." My Lai, March 16, 1968: approximately 100 U.S. soldiers entered a Vietnamese village and murdered between 347 and 504 unarmed civilians — women, children, elderly men. Ellsberg's assessment: "I would've said, even from my infantry experience, they would not have done it without an order. They don't do this type of thing without an order from a superior. But an order from Calley, who was an obvious nerd, an obvious nothing, you know, nebbish. Everybody recognized this guy is a kind of a fool. But it was an order. He got the order from his captain, who was not a fool. Captain Medina got his orders from Colonel Henderson. Henderson from the division. It went all the way up: 'Destroy that village.'" Lieutenant Calley testified: "There is not a day that goes by that I do not feel remorse for what happened that day in My Lai. If you are asking why I did not stand up to them when I was given the orders, I will have to say that I was a 2nd lieutenant getting orders from my commander and I followed them — foolishly, I guess." Abu Ghraib, 2004: Seymour Hersh's reporting revealed American soldiers mistreating prisoners while following directives from intelligence officers. The soldiers' defense — that they were following orders and protocols — echoed Milgram's participants almost exactly, forty years later. The implication for 2026: The American soldiers executing Operation Epic Fury are not monsters. The drone operators striking Iranian cities are not fundamentally different from the rest of us. They are inside the agentic state that Milgram described. They have been told this is legal, necessary, and right. They are following orders from an authority they have been trained to trust. The Milgram experiment predicts, with precision, what they will do.

Hannah Arendt and the Banality of Empire The Milgram experiment tells us that ordinary people enable atrocity. Hannah Arendt tells us why — and what that enabling looks like from the inside, at the level of institutions, bureaucracies, and the manufacture of moral permission. Hannah Arendt (1906–1975) was a German-Jewish political philosopher who fled Nazi Germany, was interned in a French detention camp, and arrived in the United States in 1941 as a stateless refugee. Her biography gave her an unusual vantage point: she had lived inside the machinery of totalitarianism, experienced what it meant to have your citizenship revoked by decree, and spent the rest of her life trying to understand how ordinary modern societies slide into systematic atrocity. Her two masterworks — The Origins of Totalitarianism (1951) and Eichmann in Jerusalem: A Report on the Banality of Evil (1963) — remain among the most important political texts of the twentieth century, and their relevance to the present moment — surveillance states, manufactured consent for war, normalized empire — grows with each passing year. The Origins of Totalitarianism (1951) In her 500-page debut, Arendt traced the emergence of totalitarianism not to some uniquely German or Russian pathology but to structural forces within modernity itself: the rise of antisemitism as a political tool, the logic of European imperialism (which normalized racial hierarchy and unlimited expansion), and the social atomization of mass industrial society. Arendt argued that totalitarian movements do not simply seize power through force — they manufacture consent through a unique

epistemological environment in which propaganda destroys the very capacity to distinguish fact from fiction. (Hannah Arendt's The Origins of Totalitarianism, Not Even Past, 2015) Her analysis of propaganda is especially chilling in the current moment. In a related 1967 essay, Truth and Politics, she wrote: "The result of a consistent and total substitution of lies for factual truth is not that the lie will now be accepted as truth and truth be defamed as a lie, but that the sense by which we take our bearings in the real world — and the category of truth versus falsehood is among the mental means to this end — is being destroyed." (Philosophy Break: Hannah Arendt 5 Insights into Totalitarianism) She also wrote, in Origins: "The totalitarian mass leaders based their propaganda on the correct psychological assumption that, under such conditions, one could make people believe the most fantastic statements one day, and trust that if the next day they were given irrefutable proof of their falsehood, they would take refuge in cynicism; instead of deserting the leaders who had lied to them, they would protest that they had known all along that the statement was a lie and would admire the leaders for their superior tactical cleverness." Arendt identified loneliness and social atomization as the psychological preconditions for totalitarianism. "Totalitarianism is never content to rule by external means, namely, through the state and a machinery of violence; thanks to its peculiar ideology and the role assigned to it in this apparatus of coercion, totalitarianism has discovered a means of dominating and terrorizing human beings from within." Her central argument was that totalitarian systems "rely on mass movements fueled by loneliness, social atomization, and an eagerness to embrace simplistic narratives that explain complex realities." (Texas Public Radio, September 9, 2025) Eichmann in Jerusalem: The Banality of Evil (1963) In 1961, Arendt persuaded The New Yorker to send her to Jerusalem to cover the trial of Adolf Eichmann — the SS Lieutenant Colonel who had organized the deportation of millions of Jews to Nazi death camps. She expected to encounter a monster. What she found, and what disturbed her more deeply than any monster would have, was a bureaucrat: a vain, shallow, cliché-spouting middle manager who had organized mass murder not out of sadistic pleasure or ideological conviction, but out of careerism, obedience, and an almost total inability to think from the perspective of another person. "The longer one listened to him," Arendt wrote, "the more obvious it became that his inability to speak was closely connected with an inability to think, namely, to think from the standpoint of someone else."

(Philosophy Now: Hannah Arendt and the Banality of Evil) Eichmann's evil was "banal" not in the sense that it was trivial — the consequences were catastrophic — but in the sense that it arose from the most ordinary human failing: thoughtlessness. Eichmann "did not think" — by which Arendt did not mean he was stupid, but that he refused to exercise the moral imagination required to understand what he was actually doing to other human beings. He had substituted bureaucratic obedience for conscience, and the Nazi system had made this substitution not just possible but obligatory and rewarded. Arendt's central insight was that "from the viewpoint of our legal institutions and of our moral standards of judgment, this

normality was much more terrifying than all the atrocities put together, for it implied… that this new type of criminal, who is in actual fact hostis generis humani, commits his crimes under circumstances that make it well-nigh impossible for him to know or to feel that he is doing wrong." (WIST Quotations: Hannah Arendt) She concluded: "It was sheer thoughtlessness — something by no means identical with stupidity — that predisposed him to become one of the greatest criminals of that period." The Bureaucratic Dehumanization of Evil Arendt argued that modernity — specifically bureaucratic, industrialized culture — supplied the conditions necessary to make Eichmann possible. "The essence of totalitarian government, and perhaps the nature of every bureaucracy, is to make functionaries and mere cogs in the administrative machinery out of men, and thus to dehumanize them." (WIST Quotations: Hannah Arendt) When individuals cease to act as moral agents and instead identify themselves entirely with a role, a system, or a movement, they become capable of participating in atrocities while maintaining a clean conscience — not because they are evil, but because they have stopped thinking. This framework explains not only the Holocaust but the mechanics of imperial warfare, drone operators who kill wedding parties from air-conditioned rooms in Nevada, defense contractors who profit from munitions used on Yemeni children, policy analysts who develop starvation sanctions that kill civilians, and media figures who normalize each new escalation as reasonable and necessary. The banality is not in the small scale of the evil — it is in the ordinary, unremarkable character of those who enable it. As Arendt wrote: "The sad truth is that most evil is done by people who never make up their minds to be good or evil." (Reddit: Hannah Arendt on the Banality of Evil) Arendt's Framework Applied to the Present Arendt's analysis applies with uncomfortable precision to the current American-Israeli military campaign against Iran — begun February 28, 2026. The manufacture of threat narratives to justify preemptive war (weapons of mass destruction, imminent danger) mirrors exactly the "consistent and total substitution of lies for factual truth" she identified as the hallmark of totalitarian propaganda. The bureaucrats who approve each airstrike, the military officials who brief Congress with classified information that can never be publicly contested, the media figures who repeat administration talking points about "defending American lives" — all participate in what Arendt would recognize as the banality: ordinary people, doing their jobs, enabling atrocity through thoughtlessness and careerism. The normalization of empire — the assumption that the United States has the right to bomb any country that it designates as a threat, without congressional authorization, without UN sanction, without evidence of imminent attack — is the manufactured consent Arendt warned about. The sense by which we take our bearings — the category of justified versus unjustified war — is being destroyed, not by any single lie but by the cumulative weight of decades of unchallenged imperial practice. Each new war comes wrapped in the language of liberation and defense. Each new bombing campaign is presented as defensive. Each murdered wedding party is a "tragic mistake." Each

downed civilian airliner is a “regrettable accident.” The machinery grinds on. The functionaries follow orders. And the evil remains, as Arendt said, terrifyingly banal.

PART VIII: THE DOOMSDAY CLOCK AND THE NUCLEAR DIMENSION 85 Seconds to Midnight On January 27, 2026, the Bulletin of the Atomic Scientists moved the Doomsday Clock to 85 seconds to midnight — the closest to catastrophe in the clock’s 79-year history. Professor Daniel Holz, chair of the Science and Security Board: “For the first time in over half a century, there will be nothing preventing a runaway nuclear arms race.” The New START Treaty — the last remaining arms control agreement between the U.S. and Russia — expired in February 2026 without renewal. The numbers: - 9 nuclear-armed states - ~12,300 nuclear warheads globally - ~2,000 warheads on hair-trigger alert (ready to launch within minutes) - U.S.: ~5,500 warheads total, ~1,700 deployed Russia: ~6,200 warheads total, ~1,600 deployed - Combined U.S. and Russian deployed arsenal: sufficient to end human civilization multiple times Ellsberg’s warning in our 2015 conversations, delivered with characteristic precision: “What probability of all-out nuclear war, which could happen any minute as we speak? We’re poised for it. Weapons are there. They’re on hair-trigger alert. A false alarm could set it off at any time. It’s not a matter of capabilities that don’t yet exist. They exist, and they’re unstable right now. A nuclear weapon going off or real fighting between with Russia breaking out in a big way will bring the subject up.” And the existential assessment: “I regard it as an urgent problem now, although it is not generally so regarded. It’s not on our agenda. The likelihood of an all-out war has not grown. If anything, it’s probably diminished somewhat, but not anywhere near zero. What probability of that is tolerable? Almost anything higher than zero is intolerable when we’re talking about all-out nuclear war.” Ellsberg was blunt about the stakes: “While the U.S. retains its current imperial mindset, either the imperial mindset changes, as it has changed in various countries, or we go down. It’s an intolerable risk to live with… This is fucking life. Not that it’s acceptable. It’s horrible. It’s why the human species is drifting toward extinction.”

Iran’s Nuclear Program and the JCPOA Collapse The history of Iran’s nuclear program cannot be understood outside the history of U.S. policy toward it. The JCPOA (July 2015): The Joint Comprehensive Plan of Action committed Iran to limiting enrichment to 3.67%, reducing its centrifuge count from ~19,000 to 5,060 operational, shipping out 25,000 pounds of enriched uranium, and allowing unprecedented IAEA inspections. Iran’s “breakout time” — time to produce enough material for one bomb — was extended from 2–3 months to 12+ months. The IAEA confirmed Iran’s compliance repeatedly. May 8, 2018: Trump unilaterally withdrew the U.S. from the JCPOA, reimposing sanctions. The leaders of France, Germany, and the UK urged the U.S. to stay. The Stockholm International Peace Research Institute’s analysis: “The US decision to withdraw from the JCPOA was a political measure aimed against Iran” — not an evidence-based technical objection. Iran’s predictable response (starting May 2019): - July

2019: enrichment above 3.67% - January 2020: no limits on centrifuge numbers - April 2021: began enriching to 60% (weapons-grade is 90%) - February

2021: removed IAEA monitoring devices By February 2025, Iran had enriched 182 kg of uranium to 60% purity — enough material for 5–6 nuclear weapons' worth, with further enrichment, achievable in less than two weeks. June 2025 — Operation Midnight Hammer: The U.S. and Israel struck Iran's nuclear facilities at Natanz and Fordow. The Pentagon assessed the program had been "delayed by one to two years." February 26, 2026 — two days before Epic Fury: Iran proposed a "years-long pause on enrichment" with "broad verification measures." The U.S. struck two days later. Warren's assessment: "If Donald Trump believes that Iran's nuclear ambitions are a threat, he had the chance to curb them. In fact, the United States had a deal that would have prevented Iran from getting a nuclear weapon. That was President Obama's nuclear deal with Iran. And Trump ripped up that deal and got nothing in return." The Arms Control Association concluded: "The ongoing attacks cannot, as Trump claims, 'ensure' that Iran does not develop nuclear weapons. Iran still possesses a nuclear weapons capability — it has since 2007 according to the U.S. intelligence community — and it will at the end of this current conflict."

The Proliferation Incentive The Hasan/Ellsberg logic applied to nuclear weapons: the 2026 Iran war has not solved the nuclear problem. It has amplified every incentive for nuclear proliferation among states that feel threatened by U.S. military power. Every nation with regional security concerns — in East Asia, South Asia, the Middle East, Eastern Europe — is now processing the same lesson: Iran negotiated, complied with a nuclear agreement, and was bombed anyway. Iraq and Libya gave up WMDs and were destroyed. North Korea did not give up its nuclear program and has not been invaded. The rational conclusion from these data points, for any state seeking to deter U.S. military action, is unambiguous.

PART IX: WHAT CAN BE DONE The Anti-War Movement's Hidden Success: The 1969 Moratorium The most important thing Ellsberg told me — the one most crucial for anyone contemplating anti-war activism in 2026 — was also the least known: the anti-war movement of the 1960s worked. Not in the way it thought. Not by ending the war. But by preventing something far worse. In 1969, Nixon planned to escalate the Vietnam War to a decisive conclusion by November 3 of that year. The plan included nuclear threats to North Vietnam, massive conventional escalation, possible invasion of North Vietnam, and the mining and flooding of the Red River dikes — which would have potentially caused one to two million deaths from famine. The Joint Chiefs supported the plan. Nixon believed it would force a settlement. What stopped it: "Because there were two million people in the streets on October 15th, 1969, all over the country, simultaneously, different time zones, simultaneously taking off from work and school and protesting the war — what was called the Moratorium, which was a

euphemism for general strike since it was a work day. And the prospect of that continuing and expanding — two days in November, three days in

December — made Nixon understand that carrying out his ultimatum was impossible." This is Ellsberg's central empirical finding about the anti-war movement, which he says is "almost never made": "Without knowing that there was the imminent prospect of an escalation war, including the possibility of nuclear war — the anti-war people in general, and even the anti-war movement, don't know what it was they succeeded in achieving. As far as you could see from the anti-war movement, it had almost no perceptible effect. The war went on. It escalated. People didn't understand that the Joint Chiefs were pressing throughout this period for a bigger war, and Nixon was threatening a bigger war and planning a bigger war. They didn't know that. So they don't understand where the anti-war movement did have its real success." Sam Brown, one of the four organizers of the Moratorium — and himself, initially, among those who thought the movement had failed — told Ellsberg decades later that he had publicly stated the movement had had no effect. Ellsberg told him: "You're wrong." The mechanism was not congressional: Nixon didn't care about polls. The mechanism was political feasibility: Nixon understood that an escalation order, with millions of Americans already in the streets, would produce a breakdown of social order he could not survive. The movement didn't need to persuade Nixon. It needed to make the nuclear escalation option politically impossible. This is the template for 2026.

Civil Disobedience and Mass Resistance as Historically Effective Ellsberg's final words in our conversation — understanding that no one person acts alone: "The whole point of civil disobedience or mass resistance, civil nonviolent resistance, is that dictators depend on a lot of cooperation, and it is possible, at risk, to withdraw that cooperation and remove their power and change events." He was precise about the 1969 lesson's applicability: "Without the moratorium, the nuclear threat almost surely would have been executed. The war would have been much larger. The anti-war movement definitely was critical under Nixon." What is needed is not optimism. What is needed is the Moratorium model: mass, visible, sustained withdrawal of consent — sufficiently large that the political cost of continuing the war exceeds the political cost of stopping it.

Specific Actions Call your representatives. Not email. Call. Congressional offices count phone calls. • • • •

Senate Foreign Relations Committee: (202) 224-4651 U.S. Capitol Switchboard: (202) 224-3121 Find your senators Find your representatives

The specific demands: 1. Vote against the $50 billion supplemental military request 2. Support a refiled War Powers resolution (Senator Kaine announced he would refile) 3. Demand classified

briefings and hold public hearings on the stated vs. actual legal justification 4. Demand investigation of the Minab school bombing Track the war's cost in real time at iran-cost-ticker.com.

Media accountability: The Iraq WMD media failure is repeating. Contact every major news organization demanding adversarial coverage of administration war justifications. Progressive media platforms with large audiences should deploy camera crews to Congress to demand yes-or-no answers on the war. Organize locally: The 1969 Moratorium worked because it wasn't just in New York and San Francisco — it was "ten thousand here, fifteen thousand there, twenty-five in various little towns here and there that had never demonstrated before." Local organizing that produces constituent pressure is the mechanism that changes votes. Electoral accountability: Midterm elections are November 2026. Every Senate vote on the War Powers resolution, every House vote on the supplemental, is a voting record. Make the war the issue.

The Case for Whistleblowing in 2026 Somewhere inside the U.S. government right now, there are analysts, officials, and military officers who know: • That the intelligence justification for the Iran strikes was fabricated or grossly exaggerated • That Pentagon officials told congressional staff Iran had "no plans to launch an unprovoked attack on U.S. forces or bases in the Middle East" • That Secretary Rubio's public justification constitutes, in the assessment of multiple international law scholars, a war of aggression with no legal foundation These people are at Step 1 or Step 2 of Ellsberg's three-step framework. They know. They know that they know. They are watching others not act. The obstacles to Step 3 are real and should not be minimized. Ellsberg's final advice to potential whistleblowers, given in a 2023 Politico interview while dying of pancreatic cancer: "Don't do it under any delusion that you'll have a high chance of ending up like Daniel Ellsberg. My biggest advice is: don't do this unless you're ready to accept the high risk of having your career destroyed and actually going to prison. Don't go through channels. Don't go to the inspector general. That only serves to identify you as a troublemaker. And if you possibly can avoid exposing yourself, do that." The surveillance environment of 2026 makes Step 3 categorically more dangerous than 1971. In Ellsberg's day, the government had to physically break into his psychiatrist's office to find material to destroy him with. Today, the government has years of AI prompt data, metadata, and the Espionage Act — deployed eight times under Obama, more than any previous president — calibrated as a weapon against leakers. And yet the Ellsberg example stands. He was wrong that no one would act. Manning acted. Snowden acted. A federal appeals court vindicated Snowden in 2020. The question is not whether it is safe. It is not. The question is Ellsberg's Step 3 question: "Somebody ought to do this. Nobody else is doing it. Is it up to me?"

"Somebody Ought to Do This" — Ellsberg's Final Message The last exchange in Chapter 12 of Lied to Death, in what was among the final conversations before Ellsberg's death, captures the

essence of his life's work: "I know this is exactly what Manning and Snowden both said," Ellsberg told me. "Namely: 'Somebody ought to reveal this. Somebody ought to blow the whistle. Somebody ought to tell about this. I wish somebody, I hope somebody will do it.' Second: 'Apparently, nobody's willing to do that. I'm the one who has access to it.' Third: 'So I guess it's up to me. I'll do it.'"

He paused. "To the person involved, the whistleblower, it just seems very natural. 'Well, nobody else will do it. I guess I have to do it.' That's the way you think about it." Then: "I don't know why it isn't obvious to other people. It seems obvious to me. Nobody else is doing it. I better do it." And his closing meditation on what one person can and cannot do: "No person can construct an act of enormous evil by himself, like Hitler. Takes a lot of cooperation. And the whole point of civil disobedience or mass resistance is that dictators depend on a lot of cooperation, and it is possible, at risk, to withdraw that cooperation and remove their power and change events." "I was one link in a chain of events and actions — a number of which were out of the ordinary actions by a number of people that made it possible for the war to be ended." He did not end the Vietnam War alone. The Moratorium organizers did not end the Vietnam War alone. The whole point is that no one ever does. The whole point is that each person who acts becomes one more link in a chain — and that chains of people, acting together, have changed the course of history before. They can again.

APPENDIX: MEHDI HASAN'S KEY ARGUMENTS

The Escalation Trap: How America Lost Control of the Iran War in 17 Days By Arn Menconi On the first day of the war, an American Tomahawk missile hit a school in the southern Iranian city of Minab. Iranian officials say 165 people died — mostly schoolgirls and their parents. By day eleven, at least 1,262 civilians were dead, including 200 children. Thirteen hospitals struck. Black rain fell on Tehran — soot and toxic chemicals from fuel depots bombed the night before — and the government told 14 million residents not to go outside. 3.2 million Iranians displaced. A hairdresser named Merve Pourkaz, 32, walked nearly a thousand miles from Golestan to the Turkish border. "If the war doesn't end," she told Fortune, "maybe I'll go back and die."

This is what a 75 percent probability of catastrophe looks like from the ground.

The Trap Three days before the first bomb, Iran's Foreign Minister announced a historic nuclear deal was "within reach." An Omani mediator flew to DC twelve hours before the strikes to tell Vice President Vance the agreement was real: permanent end to enrichment stockpiling, full IAEA verification, the strongest framework since the JCPOA. Trita Parsi, Executive Vice President of the Quincy Institute, documented the betrayal. "Iran had offered major nuclear concessions and Trump could have claimed a diplomatic victory," Parsi told Al Jazeera. "Instead, he chose

war.” Trump’s National Security Advisor was echoing Netanyahu’s demand for total dismantlement — a non-starter designed to kill the negotiation. The United States bombed anyway. Professor Robert Pape, the University of Chicago political scientist who has advised every White House since 9/11, calls what is unfolding the “escalation trap” — and gives a 75 percent probability that the United States is entering its worst stage. Stage one: tactical success. Palantir’s Maven AI generated 1,000 targets in 24 hours — twice Iraq’s “Shock and Awe.” Pape’s response: “We’re stuck in a trap of our own making.” Stage two: political blowback. The Supreme Leader we assassinated — Khamenei — had issued fatwas against nuclear weapons. He was a guardrail. His son Mojtaba has vowed to keep the Strait of Hormuz closed. Iran had enriched uranium for 16 nuclear weapons. That material has been dispersed to unknown locations across a country six times the size of Iraq. We killed the man who opposed the bomb. We cannot find the material. Stage three: regime change. Boots on the ground in 400,000 square miles of mountainous terrain. Every simulation ends the same way. Rula Jebreal has been covering this war with the clarity she brought to Israel’s destruction of Gaza. “This war will make Iraq look like a walk in the park,” she told Zeteo. Kushner’s justification — that a 60-yearold facility was enriching uranium — was contradicted by nuclear experts. “Trump’s justification for the war with Iran was based on a lie,” Jebreal wrote, “perpetuated by Jared Kushner.” On March 17, the administration’s own Director of the National Counterterrorism Center confirmed it. Joe Kent — a veteran deployed 11 times, a Gold Star husband who lost his wife Shannon in a 2019 suicide bombing in Syria — resigned and posted his letter on X. “Iran posed no imminent threat to our nation,” he wrote, “and it is clear that we started this war due to pressure from Israel and its powerful American lobby.” He called the intelligence justification “a lie” and compared it to the tactics that drew the United States into Iraq. Within hours, members of Congress called him antisemitic. The man who ran America’s counterterrorism center says the war is a fraud. The people who fund it call him a bigot for saying so.

Who Pays for Silence Not one of the 15 active U.S. and Israeli military operations — from Iran to Gaza to Lebanon to Somalia to Yemen — has received a congressional vote. The Senate rejected a war powers resolution 53-47. The House rejected it 219-212. AIPAC spent over $15 million on four Illinois congressional races in the same week. Sixty percent of Americans opposed this war before the first bomb dropped — the most unpopular military launch in modern American history. And the institution designed to authorize war will not stop one. Consider Colorado’s two Democratic senators — both former presidential candidates, both considered party moderates. Senator Michael Bennet has not once called this war illegal. In seventeen days of bombing that has killed over 1,200 civilians including 200 children, Bennet’s public statements have addressed Paralympics medals, housing legislation, and labor unions. His strongest response to the war was a letter asking the Pentagon to “investigate” the school strike in Minab — procedural language designed to signal concern while committing to nothing. Senator John Hickenlooper voted for the war powers resolution and called it “Trump’s illegal,

directionless war.” The resolution failed. He has said nothing since. Now look at who funds them — and what they own. According to Federal Election Commission data compiled by OpenSecrets and Track AIPAC, Bennet has received $3.1 million from pro-Israel lobby groups over his career. AIPAC is his top organizational contributor. Blackstone Group — one of the world’s largest asset managers — is number two. The securities and investment industry has given him over $2 million. Hickenlooper has taken $2.5 million from pro-Israel groups and $2.4 million from securities and investment firms. Between them: $5.6 million from the pro-Israel lobby, $4.5 million from the securities and investment industry. But the donor money is only half the story. Hickenlooper’s 2024 financial disclosure, filed with the Senate, shows he personally holds $100,000 to $250,000 in RTX stock — formerly Raytheon Technologies, the company manufacturing the missiles being fired at Iran. RTX hit all-time highs when the bombing started. His household also holds Palantir Technologies — the company whose Maven AI system selected 1,000 bombing targets in the first 24 hours. And he holds $250,000 to $500,000 in JPMorgan Chase, one of 40 commercial banks piloting the tokenized financial system through the Bank for International Settlements’ Project Agora. The senator who called the war “illegal” and then went silent owns stock in the company making the missiles and the company running the kill chain. His portfolio went up when the bombs he claims to oppose started falling. These are not outliers. They are the template. Most Senate Democrats are funded by the same industries — and most are just as silent.

Follow the Money The Iran war costs $891 million per day. In 17 days: over $12 billion. The Penn Wharton Budget Model projects $40 to $95 billion over two months. Parsi’s estimate: a trillion dollars to reopen the Strait of Hormuz alone. This is happening while the United States pays $1.04 trillion per year in interest on its national debt — more than the entire defense budget. The country is borrowing to bomb. But the war is not just draining the treasury. It is creating the conditions for something else. Oil has surged 40 percent. Brent crude topped $104. The International Energy Agency calls it the most significant disruption to global energy supplies ever recorded.

The GENIUS Act, signed by Trump in July 2025, requires stablecoin issuers to back every token with U.S. Treasuries — turning the crypto industry into a captive buyer of $38 trillion in sovereign debt. The White House says it explicitly: the law will “generate increased demand for U.S. debt and cement the dollar’s status as the global reserve currency.” BlackRock’s Larry Fink declared “the tokenization of all assets era” has arrived. David Sacks, Trump’s AI and Crypto Czar: “Banks are going to get fully into crypto. It’s going to be one digital assets industry.” Today, the House Financial Services Committee holds a hearing titled “Tokenization and the Future of Securities.” The architects are testifying under oath. Here is the chain: war destabilizes energy markets. Energy destabilization threatens the dollar. Dollar instability creates the pretext for emergency financial legislation. That legislation routes sovereign debt

through tokenized assets controlled by private firms. Democratic oversight is replaced by automated ledger systems that governments do not control and citizens cannot audit. The war is not just about oil. It is not just about what Israel and AIPAC have demanded for thirty years. It is about the transition from a debt-based dollar to what some analysts are calling the “Asset-Dollar” — a tokenized system that automates debt servicing, collateralizes national sovereignty, and transfers the architecture of global finance from democratic institutions to the same private asset managers funding Senate campaigns and filling Senate portfolios. The bombs are the cover. The digital enclosure is the objective. There are only 100 senators in the United States. Two hundred children are dead. 3.2 million people are displaced. The war is illegal, the economy is on a collision course, and the people with the constitutional authority to stop it are cashing checks and watching their portfolios rise. A trillion here and a trillion there. Now we are talking about real money.

What You Can Do Call Senator Michael Bennet: (202) 224-5852. Call Senator John Hickenlooper: (202) 224-5941. Call your own senators. Ask them one question: why are you silent? Show up at their district offices. Occupy their waiting rooms. Bring the names of the 200 children killed in seventeen days and read them out loud. Email every reporter covering this war and ask them why they haven’t followed the money — from AIPAC to the securities industry to the stock portfolios of the senators who refuse to say the word “illegal.” Share this article. Tag @SenatorBennet. Tag @SenatorHick. Tag @jeremyscahill, @rulajebreal, @tparsi, @aaronjmate. Make them answer. The war is funded by your taxes. The silence is funded by their donors. The only people not being paid are the ones with the power to stop it — you.

Chapter 4: The $200 Billion Receipt

The $200 Billion Receipt: What the Pentagon’s War Budget Tells You That the Pentagon Won’t On the 23rd Anniversary of the Iraq War, America Is Repeating the Same Fraud at Triple the Price

“As far as $200 billion. I think that number could move. Obviously, it takes money to kill bad guys.” That was Defense Secretary Pete Hegseth on C-SPAN, March 19, 2026. Bright lights, pressed suit, the casual shrug of a man spending someone else’s money. Now hold that quote next to this one: On February 28, 2026 — Day One of the U.S.-Israeli war on Iran — a missile tore through Shajareh Tayyebeh Elementary School in Minab, a two-story building painted with pink flowers and green leaves. The roof collapsed. Parents who had rushed to pick up their children were buried alongside them. 175 people were killed, most of them children between the ages of 7 and 12 — schoolgirls, teachers, and the mothers who were still running toward the building when it fell. The Pentagon was asked about Minab. Trump blamed Iran. The White House said the investigation was “ongoing.” A preliminary military investigation found that U.S. Central Command used outdated intelligence data when it put the school on its target list.

Nobody has been held accountable. Nobody will be. But the Pentagon did find $200 billion it needed in a hurry.

The Number That Should Stop You Cold The math here is not complicated, which is exactly why the political press refuses to do it. The Pentagon has formally requested White House endorsement for a supplemental war funding package exceeding $200 billion, on top of the $839 billion it already received for FY2026. That's $200 billion — not for the whole year, not for a global counter-terror enterprise, not for two wars simultaneously. That's a supplemental emergency ask for Week Three of a single conflict. Let me put that in terms that mean something. The federal government's total projected outlays for FY2026 are $7.4 trillion, against revenues of $5.6 trillion and a deficit already running at $1.9 trillion. The enacted defense budget is $839 billion. This $200 billion supplemental is roughly 24% of that defense budget — nearly a quarter of what America already spends on the most expensive military on earth — requested in a single emergency ask for Week Three of a single conflict. Stack it against the rest of the ledger: the federal government will spend approximately $1 trillion on net interest alone in FY2026, more than the base defense budget. They are now asking to borrow another $200 billion on top of that, before most Americans have figured out what country we're actually at war with.

Now compare it to the Iraq War. On March 25, 2003 — five days after boots crossed the Iraqi border — George W. Bush went to Congress with his first wartime emergency supplemental. That request was $74.7 billion, and it covered Iraq, Afghanistan, the global war on terror, domestic homeland security, and reconstruction combined. Congress approved $78.49 billion. The Bush administration's pre-war cost projection for Iraq alone was $50 to $60 billion total. "If anything, that estimate was too low," wrote Nobel laureate Joseph Stiglitz and Harvard's Linda Bilmes in 2010. The real number, they calculated, was $3 trillion. Brown University's Costs of War Project puts total U.S. expenditures in Iraq and Syria — including projected veterans' care through 2050 — at $2.89 trillion, with direct costs to date at $1.79 trillion, and a human toll of 550,000 to 580,000 killed. The $200 billion being requested right now, in Week Three of Iran, is nearly three times what Bush asked for in Week One of Iraq plus Afghanistan combined. Still with me? Good. Now compare it to Ukraine. Trump and the Republican Party spent three years treating every Ukraine appropriation as an act of treason against American workers. They were not entirely wrong to ask questions. But the total U.S. spending on Ukraine through the end of 2025 was $188 billion — accumulated over four years, across five separate pieces of legislation, with 42% still not even disbursed as of December 31, 2025. The screaming about Ukraine from the right was endless. They are asking for more than that in Week Three of Iran. No hearings. No debate. No competing plans. Just: "It takes money to kill bad guys."

March 20 — The Anniversary Nobody Wants to Commemorate Today is March 20, 2026. Twenty-three years ago, American bombs started falling on Baghdad. I want you to remember the story you were told in 2003 and compare it to the story being told right now, because I've been watching the government do this for two decades and the script barely changes. In 2003 the threat was imminent. WMDs. Mushroom clouds over American cities. Rumsfeld said the war would pay for itself through Iraqi oil revenues. The cost was projected at $50 billion, maybe $60 billion. Congress was told the CIA had proof. Colin Powell went to the United Nations with a PowerPoint and his personal credibility and spent both. The actual cost to the United States runs between $1.9 trillion and $3 trillion, depending on how many zeroes you want to count, and 550,000 to 580,000 people are dead. In 2026 the threat was imminent. Iran's nuclear program. An assassination that hadn't happened yet. Trump said the U.S. was "very nearly under threat." Marco Rubio backed the story. The cost projections were — well, nobody gave cost projections, because they'd learned not to bother with projections that will embarrass you later. Then Joe Kent opened his mouth. Kent was the Director of the National Counterterrorism Center — Trump's principal counterterrorism adviser, confirmed by the Senate in a party-line vote. He resigned this week. He didn't go quietly. In a nearly two-hour interview with Tucker Carlson, Kent said the following: "The Israelis drove the decision to take this action, which we knew would set off a series of events, meaning the Iranians would retaliate." He said "there was no intelligence that said, hey, on whatever day it was, the Iranians are going to launch this big sneak attack — they're going to do some kind of 9/11, Pearl Harbor — there was none of that intelligence." He said a significant number of key decision-makers were not allowed to present their views to the president. In his resignation letter, Kent accused Israel of mounting a "misinformation" campaign to "deceive" Trump into launching the war, and blamed the decision on "pressure from Israel and its powerful American lobby." This was not some fringe dissenter. This was the sitting director of the National Counterterrorism Center, a combat veteran with 11 deployments, saying in plain English: there was no imminent threat, and Israel drove the decision. The White House called it "insulting and absurd." Trump said Kent was "weak on security." The Wall Street Journal and ABC News reported the interview. The interview, which quickly went viral, was heard directly by millions. The pattern here is not subtle. AIPAC spent over $100 million in the 2024 election cycle targeting candidates critical of Israel. Israeli Prime Minister Netanyahu personally lobbied Trump. According to Kent, Israeli officials fed intelligence to Trump that U.S. intelligence could not verify and that did not align with what U.S. agencies were actually seeing. "When we listened to what they were saying," Kent told Carlson, "it did not align with intelligence channels." Oman's Foreign Minister Badr Albusaidi — the diplomat who personally mediated the most recent indirect nuclear negotiations between Washington and Tehran — wrote in The Economist that the United States "has lost control of its own foreign policy" and that the strike was "a shock but not a surprise." He noted that twice in nine months, a genuine diplomatic deal had been within

reach, and that the war began hours after the “latest and most substantive talks.” He called Iran’s retaliation “an inevitable, if deeply regrettable and completely unacceptable, result” — saying it was “probably the only rational option available to the Iranian leadership.” He warned that Israel’s goal of regime change would require a prolonged ground campaign, “a new front in the forever wars which President Donald Trump previously vowed to end.” His conclusion: Washington’s greatest miscalculation was “allowing itself to be drawn into this war in the first place.” Daniel Ellsberg — who I spent 40 hours interviewing across 10 days at his home in 2015 — spent the last decades of his life warning that the secrecy and lies that drove the Vietnam War never went away, they just migrated into better packaging. He was right. The packaging today is sharper, the lies are faster, the price tag has nine more zeros, and the schoolgirls in Minab are just as dead as the ones in My Lai.

Follow the Money: The Energy Math Political analysis doesn’t understand how to follow the money. They don’t understand budgets, military or otherwise. So let me do it for you. When the Strait of Hormuz closes, roughly one-fifth of the world’s oil supply disappears from the market. That’s not a talking point — that’s a physical chokepoint connecting the Persian Gulf to the Arabian Sea, and as of this writing it is effectively closed, with maritime traffic halted except for limited vessels from India, Pakistan, Turkey, and China. OCBC Group estimates a daily shortfall of approximately 10 million barrels even accounting for strategic reserve releases. Brent crude was trading around $70 a barrel before the conflict. It crossed $100. It was over $108 Wednesday. Thursday it surged past $112, and benchmark Middle Eastern grades — Oman, Dubai — have already cleared $150. “Benchmark Middle Eastern oils like Oman and Dubai have already surpassed the $150 mark, making $200 a realistic target,” Vandana Hari of Vanda Insights told Al Jazeera. Oxford energy expert Adi Imsirovic called $200 oil “entirely feasible.” It is not just oil. Israel struck Iran’s South Pars gas field — responsible for 70% of Iran’s gas output. Iran retaliated by striking energy infrastructure in Qatar, Saudi Arabia, the UAE, and Kuwait, and halted all gas exports to Iraq. Dutch TTF natural gas prices surged 25% on March 19 alone, to €68/MWh — up 118% over four weeks from a pre-conflict level around €30-32. EU diesel is up 20% on a weighted average. Spain is up 27%. Diesel is exceeding €2 per liter across multiple European countries. And just when you thought the absurdity had a ceiling, it doesn’t. On March 19, Treasury Secretary Scott Bessent confirmed that the administration is considering allowing the sale of approximately 140 million barrels of Iranian oil currently stranded on tankers — oil from the country the United States is actively bombing. “In the coming days, we may unsanction the Iranian oil that’s on the water,” Bessent told Fox Business Network, a statement independently confirmed by The Wall Street Journal, The Hill, CNBC, and The Daily Beast. This comes one week after Bessent gave India a 30-day waiver to purchase Russian oil stranded at sea — Russian oil, from the country currently providing Iran with intelligence on U.S. military asset locations, according to a letter from senior House members to Bessent himself. Follow the chain: bomb Iran → oil spikes to $150 → unsanction Russian oil (Russia is

helping Iran target American troops) → unsanction Iranian oil (the country being bombed) → request $200 billion to continue bombing. If you wrote this as fiction, no editor would believe it. I want you to be very precise about who benefits from $200-a-barrel oil. It is not the truck driver hauling freight on I-70 through the Eisenhower Tunnel. It is not the family heating their home in Pueblo on a fixed income. It is not the Iranian children who were in school on February 28th. It is sovereign wealth funds, commodity desks, energy majors, and the politicians whose campaigns they fund. War is not just expensive — it is profitable, for a very specific set of people, and those people are not the ones being bombed.

The Arsenal Is Empty and the Invoice Is Already Printed Now let me show you the part they hoped you wouldn't read. The Economist's Gregg Carlstrom reported this week that the cost of replacing just the first four days' worth of munitions is $20 to $26 billion. Not the whole war. Four days. The problem, he wrote, "is more to do with scarcity than cost." The United States fired more than 300 Tomahawk cruise missiles in the opening days of the war. The Pentagon had planned to buy 57 new ones this fiscal year. Over the past five years, the military has purchased just 322 total. At $2.2 to $3.5 million per missile, the U.S. spent $5.6 billion on munitions in the first two days alone. For context, during Operation Iraqi Freedom in 2003, the U.S. launched roughly 800 Tomahawks during the entire initial invasion. At today's production rate, that would take a decade to replenish. It gets worse. There have been no deliveries of THAAD interceptors to the United States since July 2023. The Pentagon has not placed any new orders this year. A total of 39 interceptors are slated for delivery in 2027 — six years after they were ordered. Before this war, the U.S. THAAD stockpile was estimated at 534 interceptors with 150 spares. During the June 2025 Israel-Iran exchange, the U.S. Army reportedly expended between 100 and 250 of those interceptors, potentially erasing the entire spare inventory. Each THAAD interceptor costs $12 to $15 million. They are not making more fast enough. They won't be for years. Meanwhile, Iran has been spending $20,000 to $50,000 per drone while the U.S. and Gulf states spend $300,000 to $4 million per interception. CSIS analyst Kelly Grieco calculated that "for every $1 Iran spent on drones, the UAE spent roughly $20 to $28 shooting them down." The Economist's Carlstrom called it "using Ferraris to intercept e-bikes." Iran's total outlay attacking the UAE through early March was between $177 million and $360 million. The UAE's interception cost: $1.45 to $2.28 billion. Iran is draining American and allied arsenals at a ratio of roughly 25 to 1. So what did the Pentagon do? On March 19, Secretary of State Marco Rubio signed emergency waivers to bypass congressional review and fast-track $16.5 billion in arms sales to the UAE, Kuwait, and Jordan. The UAE gets $4.5 billion for a THAAD long-range radar, $2.1 billion for counter-drone systems, $1.22 billion in air-to-air missiles, and $644 million in F-16 upgrades. Kuwait gets $8 billion in LTAMDS missile defense radars. Jordan gets $70.5 million for aircraft support. The prime contractors: RTX (Raytheon), Lockheed Martin, Northrop Grumman. No congressional debate. No review period. Hegseth praised the arrangement, saying Gulf states have now been brought "squarely into our orbit." Read that

sentence again. “Squarely into our orbit.” That is not the language of defense. That is the language of a protection racket. We bomb the region. The region’s defenses get overwhelmed. We sell them replacements on an emergency basis, bypassing the only body constitutionally authorized to oversee arms sales. The contractors who build the weapons are headquartered in the same states — Texas, Alabama, Arizona, Colorado — whose congressional delegations will vote for the $200 billion supplemental. Colorado alone is home to Lockheed Martin’s Waterton Canyon complex, Raytheon operations in Aurora and Colorado Springs, Northrop Grumman’s space systems, the Air Force Academy, Peterson and Schriever Space Force bases, and the headquarters of U.S. Space Command. The money doesn’t just cycle through Washington. It cycles through specific zip codes, and the people in those zip codes know exactly where the next contract is coming from. Iran has struck at least 10 allied radar sites across seven countries since the war began, including damage to multiple AN/TPY-2 radars that support the THAAD system and a $1.1 billion AN/FPS-132 radar in Qatar. The UAE’s missile defense penetration rate surged from 5% to 25% on March 10 alone. After that, the UAE stopped publishing complete data. Every radar destroyed is a radar that needs replacing. Every replacement is a contract. Every contract is a line item that will be folded into the supplemental or the next arms sale or both. This is not defense spending. This is an industrial production cycle that requires war to sustain itself.

The OMNIparty: How Congress Trades on Its Own Wars Stop calling it left versus right. That frame is how they hide the mechanism. Sen. John Hickenlooper (D-CO) holds between $100,000 and $250,000 in RTX stock — formerly Raytheon, the company that makes the Tomahawk missiles and Patriot interceptors at the center of the Iran war — held since his election in 2020. RTX hit an all-time high of $214.50 on March 3, 2026, up 63% in the past year. The company posted $88.6 billion in 2025 revenue with a backlog of $268 billion. Over 300 RTX-built Tomahawk missiles were fired in the opening days of the war on Iran. Hickenlooper sits on the Energy and Commerce committees. He is not a defense hawk by campaign biography. He’s a Democrat from Colorado. He also holds a quarter-million dollars of the company that made those missiles. Hickenlooper also received over $333,000 from AIPAC and allied groups, and an additional $51,507 in Palantir-linked donations. His Colorado colleague Sen. Michael Bennet has received approximately $466,640 from pro-Israel PACs since 1990. Neither man has called for a pause. Neither has requested an independent accounting of the $200 billion. Neither has publicly acknowledged owning stock in the companies building the weapons their votes fund. Hickenlooper is not an anomaly. He is the template. Capitol Trades analysis found dozens of congressional defense stock purchases in 2025 that surged 50 to 133% after the war began on February 28, 2026. The specifics are not abstract: Sen. Ashley Brooke Moody holds Howmet Aerospace, up 133%. Rep. Michael McCaul — Chair of the House Foreign Affairs Committee — holds Woodward Inc., up 114%, and GE Aerospace, up 82%. The man who chairs the committee that oversees the authorization of military force holds stock in companies that manufacture

components for military aircraft. Sen. Markwayne Mullin holds L3Harris, up 82%. Reps. Westerman and Gottheimer both hold RTX, up 68%. More than 50 U.S. lawmakers hold defense contractor stocks. All 13 senators with defense stock holdings voted for the most recent National Defense Authorization Act — the $886.3 billion version. The most widely held defense stock in Congress is Honeywell, which makes sensors and guidance systems used in Israeli airstrikes in Gaza. The second most widely held is RTX, which makes Iron Dome interceptors and the Tomahawks currently being fired at Iran. Since Trump's election win, at least 19 members of Congress bought defense stocks, per Sludge analysis.

They watched those stocks rise as the bombs dropped. This is the documented, public record. The penalty for failing to disclose a stock trade under the STOCK Act — the law Congress passed in 2012 to demonstrate it took ethics seriously — is $200. Not $200,000. Not a percentage of the undisclosed gain. Two hundred dollars. The number of members of Congress ever prosecuted under the STOCK Act: zero. The number who have faced any consequence at all for late or non-disclosure: a handful, with fines that amount to rounding errors on their portfolios. The compliance mechanism for America's most powerful financial conflict-of-interest law is a fine smaller than a parking ticket in a major city. Meanwhile, between 2020 and 2025, top defense contractors spent $110 billion on stock buybacks and dividends — more than double their capital expenditures. They are not building more capacity. They are returning capital to shareholders — many of whom sit in the United States Senate. The production lines that can't keep up with demand? That's a feature, not a bug, if you're holding the stock. Scarcity keeps prices elevated. An empty arsenal is a guaranteed future contract. Colorado makes this legible at the state level. Lockheed Martin's Waterton Canyon. Raytheon in Aurora and Colorado Springs. Northrop Grumman's space systems division. The Air Force Academy. Peterson and Schriever Space Force Bases. U.S. Space Command headquarters. The $200 billion supplemental flows from the Treasury to the Pentagon to the contractors to their stock prices to the congressional portfolios of members who vote for the next NDAA to the campaign war chests that fund the next election to the votes that authorize the next war. The loop closes completely. It has no exit. This is the OMNIparty. Not a party of ideology — a party of portfolio. Democrats like Hickenlooper hold Raytheon stock and cash AIPAC checks. Republicans like McCaul chair the Foreign Affairs Committee while holding GE Aerospace. They disagree on taxes, transgender athletes, and the border. They do not disagree on the NDAA. They have never disagreed on the NDAA. The NDAA passes every single year, without exception, regardless of which party controls the chamber, regardless of what is happening in the world, regardless of what the intelligence community actually said about the threat. The OMNIparty is not a conspiracy. It is a system. Systems don't require coordination — they require alignment of incentives. When the incentives of both parties point at the same set of contractors, you don't need a backroom deal. You just need a vote.

The GENIUS Act: How They Intend to Pay for All of This Forever Now here is where it gets elegant, in the way that Ponzi schemes are elegant before they collapse. The United States will pay approximately $1 trillion in net interest on its national debt in FY2026 — more than the entire $839 billion base defense budget before supplementals. The debt held by the public stands at over $32 trillion and climbing. They are now asking to borrow $200 billion more. This is not a budget. This is a tab. In July 2025, Trump signed the GENIUS Act — the first federal regulatory framework for stablecoins. The White House's own fact sheet states explicitly that the Act "will generate increased demand for U.S. debt and cement the dollar's status as the global reserve currency by requiring stablecoin issuers to back their assets with Treasuries and U.S. dollars." The Act requires 100% reserve backing with liquid assets — U.S. dollars or short-term Treasuries. Every dollar that flows into the stablecoin market is, by federal mandate, a captive buyer of U.S. government debt. Follow the chain: war → emergency supplemental → Treasury issues new debt → GENIUS Act requires stablecoin issuers to buy those Treasuries as reserves → war debt gets a permanent, mandated buyer pool

→ interest payments grow → repeat. This is not a conspiracy theory. This is the stated policy goal, in the White House's own words. "Stablecoins will play a crucial role in ensuring the continued global dominance of the U.S. dollar as the world's reserve currency." What they're building is a feedback loop that converts military spending into financial architecture. The war creates the debt. The debt creates the Treasuries. The Treasuries get tokenized into the digital dollar system. The digital dollar system is then exported globally as the reserve infrastructure of the next financial era. The war pays for itself — not in Iraqi oil, as Rumsfeld promised, but in captured Treasury demand, permanently baked into the regulatory framework of a $2 trillion and growing stablecoin market. The people who understand this are not in the Senate Armed Services Committee. They are at BlackRock. They are at Fidelity Digital Assets. They are in Singapore and Abu Dhabi. They are the ones who helped write the GENIUS Act, and they understand exactly what a $200 billion war supplemental does to Treasury issuance.

Who Actually Benefits? Not you. Not the Iranian schoolgirls. Not the truck driver in Grand Junction paying $5 for diesel. Not the veterans who will be counting their traumatic brain injuries in 2040 while Congress debates whether to fully fund the VA. The war has already cost the United States more than $18 billion as of March 19, burning at approximately $500 million per day according to CSIS analysts. Over 15,000 sites have been targeted in two weeks. Over 3,000 Iranians are confirmed dead. U.S. munitions stockpiles have been significantly depleted — which, of course, will require restocking, which will require defense contracts, which will require funding, which is what the $200 billion supplemental is partially for. The beneficiaries are defense contractors currently at all-time stock highs. They are energy companies whose commodity books are printing money on every barrel above $80. They are asset managers with sovereign wealth clients who are rotating into dollar-denominated instruments as the

stablecoin regulatory framework creates a new captive Treasury buyer class. They are digital infrastructure companies building the rails for the tokenized Treasury market. They are, in short, the same people who benefited from Iraq, from Afghanistan, from every supplemental appropriation that Congress rubber-stamped in the name of national security while the actual national security professionals — like Joe Kent — were being told to shut up and sit down. Zelensky said in February 2025 that the entire Ukraine war cost $320 billion, with Ukraine paying $120 billion and the U.S. and EU covering the remaining $200 billion combined. The political class spent three years screaming about that $200 billion split between two major powers over four years of brutal land war. They are now requesting the same amount in 21 days. Alone. For a conflict that hasn't been declared by Congress, justified by verified intelligence, or explained to the American public in any terms more coherent than Hegseth's eleven words.

The Receipt Here is what the receipt says, if you bother to read it: Week Three. $200 billion requested. That's nearly three times what Bush asked for in Week One of Iraq plus Afghanistan combined, per the Bush White House archives. The ultimate cost of Iraq, per Brown University's Costs of War Project: $2.89 trillion and a death toll measured in the hundreds of thousands.

Day One. 175 dead in a school. The U.S. military's own preliminary investigation found it used outdated targeting data. Children between 7 and 12. Nobody charged. Nobody will be. The intelligence that justified the war didn't exist, per the man whose job was to find it. Joe Kent said so publicly on March 19, 2026. He also said Israel drove the decision. He also said key officials were blocked from presenting dissenting views to the president. Oman's Foreign Minister, who mediated the last real chance at a deal, wrote in The Economist that America "has lost control of its own foreign policy" and that the war began hours after the most substantive talks yet. He called Iran's retaliation the "only rational option." He said the U.S. made its "greatest miscalculation" by allowing itself to be drawn in. The energy markets are pricing in the consequences. Oil past $112 for Brent, past $150 for Middle Eastern benchmarks. Analysts at Wood Mackenzie, Vanda Insights, and Oxford say $200 is feasible. Gas up 118%. Diesel past €2 across Europe. Strait of Hormuz closed. A 10-million-barrel-per-day shortfall in global supply. The arsenal is empty and the invoice is already printed. Replacing the first four days of munitions costs $20 to $26 billion. The U.S. fired 300+ Tomahawks in the opening days but planned to buy 57 this year. No THAAD interceptors have been delivered since 2023. Iran is draining allied arsenals at 25 to 1. The Pentagon's response: $16.5 billion in emergency arms sales to Gulf states, bypassing Congress, with Hegseth calling them "squarely into our orbit." The Treasury Secretary is unsanctioning the oil of the country being bombed. Bessent confirmed to Fox Business, Reuters, The Wall Street Journal, and The Hill that the administration may release 140 million barrels of Iranian oil from stranded tankers — one week after waiving sanctions on Russian oil. Russia is feeding Iran targeting intel on U.S. forces. The

absurdity writes itself. The GENIUS Act converts the debt into architecture. The White House said so out loud: war debt becomes Treasury demand becomes the foundation of the tokenized dollar system. The loop closes. The war pays for itself — just not for you. The OMNIparty cashes out on both sides of the aisle. Hickenlooper's RTX is up 63%. McCaul's GE Aerospace is up 82%. The STOCK Act penalty for not disclosing the trade is $200. The number of prosecutions: zero. The NDAA passes every year regardless. The loop closes. This is what $200 billion buys: a lie you've already heard, a school you'll never visit, an oil price that will hit you at every pump between now and whenever this ends, a debt instrument dressed up as innovation, and a foreign policy that the man who mediated the peace talks says America no longer controls. Twenty-three years ago today, the same thing happened at one-third the price with the same playbook and the same result. The only thing that's changed is the receipt. When Willie Sutton was asked why he robbed banks, he said: "Because that's where the money is." The senators holding RTX stock and the representatives chairing foreign affairs committees while clipping GE Aerospace dividends aren't robbing banks — they're writing the laws that define what robbery is. A trillion here, a trillion there, and pretty soon you're talking about the real money. The old hustlers were analog. These ones have made the whole thing digital, legal, and self-perpetuating. This is World War 3.0 — not just a war fought with software-guided munitions and tokenized debt instruments, but a war whose financial architecture has been engineered to run indefinitely, at scale, with the people funding it holding equity stakes in the outcome. Keep it. You paid for it.

If this kind of analysis is useful to you, subscribe. I don't work for a network. I don't have sponsors. I do this because somebody has to follow the money, and most of the people who are paid to do it won't. This piece documents the OMNIparty — the bipartisan portfolio of lawmakers who hold defense stocks, cash AIPAC checks, and vote for every NDAA regardless of what the intelligence actually said. Share this with one person who still thinks this war is about security, or who still

Chapter 4: Netanyahu's 40-Year War

In 1992, Benjamin Netanyahu — then a Knesset member, forty-two years old, ambitious and already practiced at alarming audiences — testified before the Israeli parliament and declared that Iran was three to five years away from building a nuclear bomb. The remedy was urgent action. The window was closing. He was specific, he was confident, and he was wrong. That was thirty-four years ago. Since then, Netanyahu has repeated some version of this warning to every American president, every relevant congressional committee, every international body that would take his call. He said it in 1996. He said it again in 2009, in a speech to a joint session of Congress where he received twenty-nine standing ovations. In 2012, he brought a cartoon bomb to the United Nations General Assembly and drew a red line on it with a marker. He said Iran would have enough enriched uranium for a weapon by mid-2013. Iran did not build a bomb in 2013. Or 2014. Or the twenty-seven years since the red-line speech. What Iran did, across those three decades, was get richer in the telling. Every warning was a fundraising vehicle. Every red line was a reason to buy more American weapons. Every deadline that passed without consequence simply reset the clock for the next one.

The numbers Netanyahu cited in 1992 were drawn from Israeli military intelligence estimates that American analysts at the time assessed as aggressive. The IAEA inspectors on the ground in the 1990s measured Iran's actual enrichment capacity and found it significantly more modest. None of that mattered to the political utility of the claim. By 2002, Netanyahu was testifying before the U.S. House Government Reform Committee, insisting that Saddam Hussein was building nuclear capacity that required immediate military action. He was wrong about that too. Iraq had no weapons of mass destruction. Three hundred thousand Iraqis died in the war that followed his testimony. Netanyahu has never acknowledged the error. The Knesset member who predicted a five-year window in 1992 became the Prime Minister who demanded Trump bomb Iran in 2026. The window never closed. It just became permanent.

Here's what thirty-four years of Iran crisis have produced: $310 billion in cumulative U.S. military aid to Israel — the largest total in the history of American foreign assistance — plus $3.8 billion annually plus emergency supplementals, plus the JCPOA walking away in 2018, plus a CIA-acknowledged assassination program targeting Iranian scientists, plus the murder of a sitting Supreme Leader in the opening hours of Operation Epic Fury, plus a dispersed enrichment program we cannot locate across 400,000 square miles of mountainous terrain, plus a nuclear material stockpile sufficient for sixteen weapons that is now in unknown locations, plus a new Supreme Leader who has promised to close the Strait of Hormuz permanently. Netanyahu got his war. The question he never had to answer is: then what?

The man who predicted catastrophe for thirty-four years finally got one. This chapter is the receipt.

His core thesis, stated in a Time Magazine interview published March 4, 2026: “For over a century, states — including the United States, European states, Russia, and Israel — have tried to topple regimes with air power alone. It has never — and I’m choosing my words carefully — it has never worked.” His essay “The Air Power Illusion” (March 3, 2026) documents the mechanism: “In war after war, cities have burned, infrastructure has collapsed, leaders have been targeted from the sky. Yet no regime in modern history has fallen solely because it was bombed from the air. In international politics, 100 percent patterns are rare. But here the record is uniform.” Why air power alone fails — Pape’s three mechanisms: 1. The three-player dynamic: Before airstrikes, it is a two-player game: regime versus an oftendivided society. External bombing creates a third actor, injecting nationalism that was previously absent. Moderates lose oxygen. Security institutions consolidate authority. “Iran first” replaces factional competition. The bombing fuses regime and people. 2. Elite survival calculus: Under foreign air attack, insiders who collaborate with the invader — who hand over the country’s assets — “face a bullet in the head.” Shared external threat binds elites together. This is the opposite of the intended effect. 3. Regimes fall from ground defeat, not aerial punishment: The Tsarist regime collapsed in WWI because its army disintegrated from catastrophic battlefield losses, not because cities were bombed. “Soldiers turned against the regime that had led them into disaster.”

The Smart Bomb Trap — Defined From Pape’s February 27 Substack post: “The trap does not lie in technology. The bombs work. GPS is accurate. The targets are destroyed. The trap lies in the false assumption that precision at the tactical level automatically produces control at the strategic level.” The Kosovo parallel is instructive. On March 24, 1999, NATO launched 51 carefully selected strikes around Belgrade, expecting rapid compliance from Milošević. Within days, Serbian ground forces accelerated operations in Kosovo. By late spring, 800,000 to one million Kosovar Albanians — nearly half the population — had been driven from their homes. The bombing accelerated the humanitarian catastrophe it was designed to prevent. It took 78 days of bombing, expanded target lists, an accidental Chinese embassy strike, and the credible preparation of a NATO ground invasion — with tens of thousands of troops massing in Albania and Macedonia — before Milošević accepted terms. Pape’s conclusion: “This was the worst-case scenario the air campaign had been designed to prevent.” Applied to Iran: the scale of the problem is incomparably greater. Iran has 92 million people (vs. Yugoslavia’s 10 million). It has an underground missile network with proven three-level delegation of command authority. It has 408 kg of enriched uranium in unknown locations. It has proxy networks across seven countries. It has a Shia theological framework that transforms martyrdom into resistance. As Pape wrote in New York Magazine: “Enter the Escalation Trap: Doubling down becomes the

substitute for reassessment. Target lists expand. Strike tempo increases. Thresholds against costly options like ground forces subtly shift. Each incremental step is justified as the final push required to produce the collapse that was expected at the outset. But the underlying mechanism has not changed."

Iran's Military Capabilities Iran fields approximately 610,000 active-duty personnel — among the world's top 20 militaries by size and capability. The relevant forces for this conflict: Branch

Personnel

Regular Army

350,000–420,000

IRGC

190,000

IRGC Navy

18,000

Air Force

37,000

Basij (active; mobilizable: 600,000) 90,000 Total Active

~610,000

Reserves

~350,000

The Islamic Revolutionary Guard Corps (IRGC) is not simply a military branch — it is a political-military-economic empire that answers directly to the Supreme Leader, controls Iran's missile and drone arsenals, and manages the regional "Axis of Resistance" proxy network across Lebanon (Hezbollah),

Gaza, Yemen (Houthis), Iraq (PMF militias), and Syria. Critically, the IRGC's response to Operation Epic Fury has been to decentralize, not collapse. Reuters reported on March 4, 2026 that the IRGC has delegated command authority three ranks deep — a doctrine drawn explicitly from lessons learned watching Iraq's military collapse in 2003. Deputy Defense Minister Reza Talaeinik stated on television: "The structure of each unit and section has been arranged so that if a commander is killed, a successor is ready to step in immediately." Iran's Foreign Minister

Abbas Araghchi confirmed after Khamenei's killing: "These units are acting based on general directives provided to them in advance, rather than through direct, real-time control from the current political leadership." The missile arsenal: Prior to the June 2025 strikes, Iran's ballistic missile inventory was estimated at 2,500–3,000 missiles. The current inventory, after replenishment from Chinese sodium perchlorate purchases, is estimated at 1,000–1,500 missiles. As of March 5, Iran had already launched 798 ballistic/naval missiles and 1,628 drones — depleting perhaps half the degraded missile arsenal in one week. Yet Iran's industrial capacity for drone production is the real strategic variable. Underground "missile cities": Iran has built an extensive network of underground facilities beneath the Zagros and Alborz mountains — some estimated at 500 meters deep, beyond the penetration depth of most U.S. bunker-busters (the GBU-57 Massive Ordnance Penetrator reaches approximately 60 meters). These facilities include rail-mounted missile systems, fiber optic communications (no electronic signatures), self-sustaining garrisons, and underground drone bases. Western intelligence agencies have no precise maps of these networks.

The Fatal Cost Asymmetry The single most decisive strategic fact of the 2026 Iran conflict is economic: Weapon Shahed-136 drone (Iran)

Unit Cost $20,000–$50,000

Patriot PAC-3 interceptor (U.S.) ~$4,000,000 THAAD interceptor (U.S.)

~$12,700,000

Cost asymmetry ratio

80:1 to 360:1

Iran launched over 2,000 drones in the first week. If each was intercepted by Patriot missiles: $8 billion in U.S. interceptors expended. Iran's cost: roughly $70 million. Iran can manufacture hundreds more drones per week. U.S. and allied interceptor stockpiles are finite, their replenishment slow. CSIS defense analyst Patrycja Bazylczyk: "The Shahed-136, along with other UAVs, provides nations like Russia and Iran an economical means to impose disproportionate costs, compelling adversaries to expend costly interceptors on low-cost targets." The tactical doctrine is deliberate: deploy drones first to exhaust air defense interceptor stockpiles and psychological endurance, reserving ballistic missiles for later phases.

Leadership Decapitation: Why Killing Khamenei Made Things Worse History provides a consistent lesson: the assassination of national leaders rarely produces the political outcomes intended. Gaddafi's death in 2011 produced a failed state and a slave trade. Saddam's execution in 2006 galvanized Sunni resistance and intensified sectarian civil war. Qasem

Soleimani's assassination in January 2020 accelerated Iran's nuclear program, injured 109 U.S. service members in retaliatory strikes, killed 176 people on a Ukrainian airliner, and drove Iraq to demand the expulsion of U.S. troops. The killing of Supreme Leader Khamenei on February 28, 2026 is categorically different from all prior cases because of its intersection with Shia theology. The theological roots of Shia Islam's reverence for martyrdom trace to the Battle of Karbala (680 AD), when Hussain ibn Ali — grandson of the Prophet Muhammad — was slain refusing to swear allegiance to an unjust ruler. Every year on Ashura, Shia Muslims worldwide commemorate Hussain's death. The parallels between Karbala and Khamenei's killing are immediate and visceral: a Supreme Leader — the successor to Khomeini, the embodiment of the Islamic Republic's spiritual authority — killed by external enemies during the holy month of Ramadan. Florida International University professor Eric Lob writes: "Martyrdom has held a central place among Shiites. In Iran and other parts of the Muslim world, contemporary politics is often framed in this seventhcentury language of moral resistance." The formal religious response was swift. Within 24 hours, two Grand Ayatollahs issued fatwas: • Grand Ayatollah Hossein Nouri Hamedani: declared all Muslims are "religiously obliged to avenge Khamenei's death" • Grand Ayatollah Naser Makarem Shirazi: described retaliation as "a religious duty for Muslims worldwide 'until the evil of these criminals is eradicated from the world'" Among the approximately 200 million Shia Muslims worldwide, Khamenei's killing as Supreme Leader during Ramadan, at the hands of an external power, triggers the deepest theological framework of righteous resistance — regardless of their opinions of his governance. This is a geopolitical effect that no precision strike can calculate in advance.

CIA Arming Kurds: The Next Vietnam? On March 3, 2026, CNN reported that the CIA was working to arm Kurdish forces with the aim of fomenting a popular uprising in Iran. Trump personally called KDPI president Mustafa Hijri the same day. Iranian Kurdish forces — comprising thousands of personnel across factions including the KDPI — operate along the Iraq-Iran border within Iraqi Kurdistan. The strategy: Kurdish forces enter western Iran, pin down IRGC security forces, creating zones where unarmed Iranians in urban centers could mobilize without facing mass crackdowns. Former senior Pentagon official Ben Plitsas characterized it as "a U.S. plan for a protracted sense of civil war ultimately in Iran." The fundamental problems acknowledged by U.S. officials: - Iranian Kurds constitute approximately 10% of Iran's population — insufficient for a decisive uprising - U.S. intelligence assessments "persistently suggested that Iranian Kurdish groups lack the influence or resources necessary to support a successful uprising" - Kurdish groups are divided by competing ideologies and histories of internal conflict - Iraq's national security adviser stated: "Iraq will not permit groups to infiltrate or cross the Iranian border to conduct terrorist activities from Iraqi territory" The Ahmad Chalabi comparison is unavoidable. The 2003 Iraq invasion was built partly on the premise that Iraqi exiles — Chalabi's Iraqi National Congress — would provide political legitimacy for a

postSaddam government. They had no domestic constituency. The parallel with Iranian Kurdish exile groups is precise.

PART V: FOLLOW THE MONEY The Petrodollar System and Why Iran Is a Target To understand why Iran is a persistent target of American hostility — through four administrations, across three decades — one must understand the architecture of dollar hegemony. In 1971, President Nixon ended dollar convertibility to gold, collapsing the Bretton Woods system. The dollar plummeted. The 1973 OPEC embargo quadrupled oil prices. The solution was engineered by Treasury Secretary William Simon in a secret May 1974 mission to Riyadh: “In exchange for American military assistance and continued oil purchases, the Saudis would funnel their oil money into U.S. Treasury bonds, which they would be permitted to buy in secret outside the normal auctions. Simon had secured a commitment by a foreign country to finance American deficits — and the petrodollar was born.” — Politico The mechanism works through a simple but powerful structure: Mechanism

Effect

Global oil priced in USD Every nation must hold dollar reserves to buy energy Petrodollar recycling

Oil exporters reinvest surpluses in U.S. Treasuries, funding American deficits

“Exorbitant Privilege”

U.S. can run structural trade/budget deficits without hyperinflationary penalty

Dollar as reserve currency ~89% of global FX transactions denominated in USD (BIS data, 2025) Iran has been among the most persistent actors in undermining this architecture. Since at least 2010, Iran has sold oil for yuan to Chinese “teapot” refineries in Shandong province. By 2024, it joined BRICS — which now includes UAE, Saudi Arabia, and Russia. Iran participates in mBridge, a multi-CBDC crossborder payment system that by early 2026 had surpassed $55 billion in transaction volume, enabling nearinstant settlement entirely bypassing SWIFT. The Petrodollar War Thesis holds that the pattern of U.S. military action against dollar-defecting states is too consistent to be coincidental: Country

Dollar Defection

U.S. Response

Iraq (2000)

Saddam switches oil-for-food to euros

2003 invasion; oil reverts to USD

Libya (2011)

Gaddafi proposes pan-African gold dinar

NATO intervention; Gaddafi killed

Venezuela

Promotes oil trade outside dollar

Intensifying sanctions; Maduro captured January 2026

Iran

Oil-for-yuan trade, BRICS, mBridge

SWIFT exclusion; escalating sanctions; 2025–2026 military strikes

Quiver Quantitative and mainstream economists offer counter-arguments: correlation is not causation; dollar dominance has multiple pillars beyond oil pricing; Saudi Arabia itself joined mBridge while remaining a U.S. ally. These are legitimate objections. The most honest assessment: the petrodollar motivation is real but likely one factor among several — not a monocausal explanation but a structural incentive that consistently converges with other motivations. What cannot be disputed: every U.S. adversary that has attempted to price oil outside the dollar has faced severe U.S. pressure or military action. The pattern is too consistent to dismiss.

The Cost of War: From $5 Billion to $210 Billion Operation Epic Fury costs through March 6, 2026: Metric

Figure

Source

First 24 hours

$779 million

Anadolu Agency/NDTV

Through Day 4

>$5 billion

Center for American Progress

Pentagon estimate

~$1 billion/day

Iran-Cost-Ticker.com / WSJ

Missile defense (Day 1-2)

>$10 billion

Defense Priorities estimate

Direct budgetary cost (range)

$40–$95 billion Penn Wharton Budget Model

Total economic impact (range)

$40–$210 billion Penn Wharton Budget Model

$50 billion supplemental request ~$50 billion

Reuters, Bloomberg Government

The $50 billion supplemental request — for munitions replenishment alone — arrives in a moment when the Trump administration was simultaneously cutting domestic programs. The juxtaposition: Program

Annual Cost

War Comparison

Universal free college

$58 billion/year

Less than projected direct war cost

Medicare for All (savings)

Saves $438–$450 billion/year

Net savings, per Yale/Lancet (Galvani, 2020)

Lives saved (Medicare for All)

68,000 deaths/year prevented

Conservative estimate

SNAP for 2M Americans

~$5 billion/year

First 4 days of Epic Fury

For historical context: the Brown University Costs of War Project calculated post-9/11 wars cost $8 trillion through 2022 — including $2.2 trillion reserved for veterans' care through 2050. Afghanistan alone: $2.3 trillion. Iraq: $1.9–$3 trillion by some estimates. These wars were entirely debt-financed. No American paid higher taxes for them. The debt compounds. The veterans' disability costs peak around 2030–2040.

How the War Hits American Families Gas prices: Jumped 11 cents overnight on March 2 — the largest single-night increase since Russia's Ukraine invasion. By March 4, the national average reached $3.20/gallon, up ~20 cents in two days. At $100/barrel oil, analysts project U.S. gasoline at ~$3.50/gallon or higher.

Stock markets: The S&P 500 fell 1.6% on March 3, dropping into negative territory for the year. Nearly 90% of S&P 500 stocks fell. Asian markets: South Korea's Kospi plunged 7.2%. Germany's DAX fell 3.6%. Treasury yields: Rose to 4.107% — above the key 4% threshold — indicating inflation fears overpowered flight-to-safety demand. A counter-intuitive move that signals stagflationary risk: the Fed cannot fight inflation and recession simultaneously. Groceries: Shipping cost escalation and rising natural gas prices (used in fertilizer and food processing) create dual shocks to food supply chains. Retirement accounts: Sustained market declines create permanent losses for retirees taking required minimum distributions — unable to defer withdrawals during market downturns. Mortgages: With 10-year Treasury yields rising, fixed mortgage rates follow. Every basis point of increased yield adds costs to American homebuyers and refinancers. The Strait of Hormuz — 21 miles wide at its narrowest — carries roughly 15–17 million barrels of crude oil per day, approximately 20% of global oil and 30% of seaborne crude. It also carries approximately 20% of global LNG exports. On March 2–4, only 5–15% of normal tanker traffic was navigating the Strait. The economic consequences of sustained closure would be catastrophic: A 30-day full closure would mean approximately 200 million barrels of lost Middle Eastern crude production in March alone, pushing Brent crude to $100–$120 per barrel (J.P. Morgan projection), adding 0.6–0.7 percentage points to global inflation, and exhausting U.S. Strategic Petroleum Reserve capacity within 27 days.

What $300+ Billion in Israel Aid Could Have Built Instead Since 1951, the United States has provided Israel cumulative aid of: • $305.4 billion (inflation-adjusted): OpenTheBooks.com, June 2025 • **330billion * *(constant2024): Council on Foreign Relations, October 2025 • **352billion * *(constant2025): Polygraph/Semler, January 2026 — the most comprehensive estimate For context: one year of this cumulative funding could have provided universal healthcare to all Americans for two years (Medicare for All would save $450 billion annually, net), or funded free fouryear college for every American for five years, or rebuilt every public school in the United States. The $6 billion the U.S. spent defending Israeli territory against Iranian counterattacks in April 2024, October 2024, and June 2025 is not included in the aid figure — it was direct U.S. military expenditure.

Techno-Feudalism: The Cloudalists and the War Machine Yanis Varoufakis — former Greek Finance Minister and author of Technofeudalism: What Killed Capitalism (2023) — offers the framework that connects surveillance capitalism to military power: “Markets, the medium of capitalism, have been replaced by cloud fiefs — digital trading platforms like amazon.com or Alibaba which look like, but are not, markets. And profit — the fuel of capitalism — has been replaced by its feudal predecessor: rent.” The numbers: - Apple App Store charges 30% of all in-app revenue from developers — “a 30 percent ground rent paid to Apple on all their revenues” - Amazon Marketplace takes more than 50% of seller revenue (up from ~35% in 2016) - Amazon Web Services + Microsoft Azure + Google Cloud = 67% of global cloud computing market

The connection to war: cloudalists require military protection for their global operations. The military requires cloudalist surveillance infrastructure, data processing, and communications systems. Defense contractors sit on tech company boards. The result is what could be termed a military-surveillance-energy complex in which: - Cloud platforms provide targeting intelligence and logistics optimization Energy markets (controlled by petrodollar architecture) fund both sectors - State power enforces intellectual property regimes that prevent competitive infrastructure Elon Musk’s trajectory is the paradigmatic case: Tesla, SpaceX, Twitter (now X), Starlink, Neuralink, and DOGE access to federal computing systems. As Varoufakis observed: “He’s even melded his wires within the federal government’s computing systems, and his quasi, maybe fully-fledged fascist ideology goes hand in hand with that.” Peter Thiel — co-founder of Palantir Technologies, whose core business is providing data and surveillance support to military and intelligence agencies — explicitly argued that “capitalism is incompatible with democracy.” Palantir holds contracts with the U.S. Army, Air Force, CIA, NSA, and allied intelligence agencies. Varoufakis’s most provocative geopolitical claim: the U.S.-China rivalry is fundamentally a contest between cloudalist blocs. Applied to Iran: Iran’s embrace of BRICS, mBridge, and yuan-oil settlements represents an attempt to escape Western cloudalist financial infrastructure — threatening not just the petrodollar but the entire architecture of Western digital-financial dominance.

PART VI: THE LEGAL CASE — THIS WAR IS ILLEGAL Constitutional Analysis: Article I and the War Powers Resolution The United States Constitution is unambiguous. Article I, Section 8, Clause 11 vests in Congress — and Congress alone — the power to declare war. The President's authority under Article II, Section 2 designates him Commander-in-Chief — a power of direction, not initiation, of military force. The last formal declaration of war by Congress was in 1942. The War Powers Resolution of 1973 — enacted over Nixon's veto — was designed to restore

ACT II

THE MACHINES NOBODY UNDERSTANDS

Chapter 5: Follow the Money

My father died on October 8, 1986. I found him on his knees next to his bed, his hands still folded, still in the posture of prayer. He was fifty-nine. I was twenty-seven. He was from Chicago — South Side, knew the politicians, knew the union bosses, knew exactly where the line between machine politics and organized crime blurred and why it didn't matter to the people on either side of it. He understood systems the way people who've lived inside them understand systems: not from a textbook, but from knowing whose name you dropped and why and what it cost to drop the wrong one. He never got rich from any of it. He died on his knees with his hands folded and I was the one who found him and I never fully recovered from what that looked like.

I went to work for the Resolution Trust Corporation about a year after that. The RTC was the federal agency created to clean up the Savings and Loan crisis — the largest financial fraud in American history up to that point, $132 billion in taxpayer-funded bailout, 747 thrift institutions collapsed, a generation of middle-class savings vaporized while the insiders who ran the scheme walked away rich and uncharged. I was twenty-eight. I was managing budgets for workout properties in Colorado — resort real estate that had been levered to the ceiling, defaulted, and landed in federal receivership. I watched how the mechanism worked: deregulate the deposits, insure the risk, privatize the profit, socialize the loss. The thrifts weren't just mismanaged. They were architecturally designed to fail in a way that transferred wealth upward before the implosion. I didn't have language for that at twenty-eight. I just knew what I was looking at felt wrong in the same way my father's world felt wrong — the same people, the same relationships, the same confidence that the rules applied to the people who couldn't afford the lawyers.

Thirty-five years later, I'm looking at the GENIUS Act, and I recognize the architecture. Different materials, different scale, but the same load-bearing structure: deregulate the reserves, insure the risk through mandatory Treasury backing, prohibit the holders from earning interest, and let the insiders — the Tethers, the Cantor Fitzgeralds, the Bo Hines revolving doors — keep everything the system generates. The S&L crisis cost $132 billion and took a decade to blow up. This one is running at $10 billion in annual extraction before the war started, with $141 billion in Treasury exposure, 550 million customers who earn zero, and a war that doubles the intake on both sides of the ledger simultaneously. My father understood something that the people running this machine are counting on you not to understand: the grift is always more sophisticated than you think, and the people running it always look more legitimate than they are.

I started in banking because my father died and I needed a job. I'm writing this book because thirty-five years later, the same playbook is running at civilizational scale. The mechanism changed. The motive didn't.

But before I lay out the mechanism, I have to explain one thing I didn’t understand until I started pulling this thread. One deal that makes everything else in this book make sense. Bear with me for two minutes.

In 1971, Richard Nixon took the US dollar off the gold standard. The dollar was suddenly backed by nothing but trust — and trust was eroding fast. Inflation was spiking. Foreign governments were cashing in their dollars for gold and the vault was running low. Nixon closed the gold window in August 1971 and the world watched the dollar free-fall.

So in 1974, Henry Kissinger flew to Riyadh and cut a deal with Saudi Arabia. The deal was simple: price all your oil in US dollars, and we will guarantee the security of your kingdom with American military power. The Saudis agreed. OPEC followed. And from that moment on, every country on earth that needed to buy oil — which is every country on earth — had to first acquire US dollars to do it.

That’s the petrodollar. That one deal is why the United States can print trillions of dollars, run deficits that would collapse any other economy, and fund wars on the other side of the planet without the currency collapsing. The whole world subsidizes American spending because the whole world needs American currency to keep the lights on.

Here’s the part they don’t teach you. Every country that has tried to break that arrangement has faced American military action. Iraq under Saddam switched its oil sales to euros in 2000. We invaded in 2003. Libya’s Gaddafi proposed a pan-African gold dinar in 2011. NATO intervened. Gaddafi was killed. Iran has been selling oil for yuan and building BRICS alternatives since 2010. You know what happened to Iran. The pattern is too consistent to be coincidence.

This is the foundation. Everything else in this book sits on top of it. The GENIUS Act, the stablecoins, the Tether Treasury loop, the war — none of it makes sense without understanding the petrodollar first. Because what we’re watching right now isn’t just a war. It’s a fight over who gets to replace the petrodollar when the old version finally breaks. Keep that in mind as you read what comes next.

Banking Are All Being Handed to the Same Seven Players — and Why the War Is Not a Mistake

This is the third piece in a connected series. The first, “The Shadow Petrodollar,” built the financial architecture. The second, “Lied to Death,” covered the war lies in real time. This one connects them — and goes further.

Start with the dead. In Gaza, more than 72,000 people have been killed since October 2023. The Lancet put the figure higher — 75,000 by early 2025, and that estimate accounted for indirect deaths: disease, starvation, the collapse of medical infrastructure under siege. The International Criminal Court issued arrest warrants for Israeli Prime Minister Netanyahu and former Defense Minister Gallant for war crimes and crimes against humanity. The International Court of Justice ruled there is a plausible case for genocide. Senator Bernie Sanders said the word out loud on the Senate floor. The United States continues to provide the munitions. In Lebanon, at least 1,029 people have been killed since March 2. More than 1.2 million have been displaced — one in every five Lebanese citizens, gone from their homes. In Iran, at least 1,937 people are dead and more than three million have been displaced since the strikes began February 28. Across all theaters of this expanding war — Iran, Lebanon, the Gulf states absorbing Iranian retaliation — more than 1,100 children have been killed or wounded. Thirteen U.S. service members are dead. Former CIA officer and whistleblower John Kiriakou, who knows how these wars are managed, has gone on record: “probably not” accurate on the casualty figures. This is the human accounting before we get to the financial one. Because too often the financial analysis comes first, and the dead become a footnote. Not here. The dead are why this matters.

The Question Nobody Is Answering Here is what we know. The war that began February 28 has no declared purpose. I mean that literally. Mike Rogers, the Republican chairman of the House Armed Services Committee, attended a classified briefing and came out saying: “We want to know more about what’s going on and we just aren’t getting answers.” Roger Wicker, the Republican chairman of the Senate Armed Services Committee, was asked what he thought of that. His answer: “Let me put it this way. I can see why he said that.” The men in charge of overseeing the U.S. military cannot explain the war. Fifty-nine percent of Americans disapprove of the initial strikes. On Fox News — Fox News — 45% say we’re losing and only 25% say we’re winning. A Reuters/Ipsos poll found 56% of Americans think Trump is too willing to use force, including 23% of his own party. The War Powers Resolution was invoked. Congress voted. The constitutional mechanism for stopping an unauthorized war existed, was used, and failed 53-47 in the Senate and 212-219 in the House. So the public opposes the war. The oversight committees can’t explain it. The constitution was tried and lost. Gas is above $4. The S&P 500 has erased $2 trillion in market cap. Goldman Sachs puts the recession probability at 25%. If this war isn’t serving the American public, isn’t serving the troops, isn’t serving our economic interests — whose interests is it serving? I spent a month following the money. What I found is the most comprehensive privatization scheme in American history. Not just of one institution. Of five simultaneously: the currency, the settlement system, the military, the energy infrastructure, and the banking system. The war isn’t a policy failure. It is the business model.

AIPAC and the Lock on the Machine Before we get to the financial architecture, there is a political fact that cannot be treated as a sidebar. Joe Kent — Trump’s own director of the

National Counterterrorism Center, a former Green Beret, not a Democrat — resigned on March 17 and told the president in writing to "reverse course." He wrote that Trump "started this war due to pressure from Israel and its powerful American lobby." AIPAC spent more than $100 million on federal elections in the 2024 cycle. That money didn't buy a party. It bought the consensus across both parties. When the War Powers Resolution died in the House, three Democrats who crossed over to kill it — Representatives Jared Moskowitz (FL), Josh Gottheimer (NJ), and Ritchie Torres (NY) — had received a combined $1.7 million from AIPAC-affiliated donors. One hundred million dollars from AIPAC for the 2026 elections. Two hundred dollars — the STOCK Act fine for congressional insider trading. That ratio tells you who owns the system and what the system costs to maintain. Israel is the largest cumulative recipient of U.S. foreign aid in history — $310 billion since 1946, currently $3.8 billion annually plus emergency supplementals. It is conducting simultaneous military operations in Palestine, Lebanon, Syria, Iran, and Yemen. The United States is providing the munitions, the intelligence, and the diplomatic cover. The U.S. has provided that cover at the ICC, at the ICJ, at the UN Security Council. I need to say something about this directly. I lobbied for the Iran Nuclear Deal with both the Friends Committee on National Legislation and CodePink. I ran for Senate against Michael Bennet in 2016 partly over this issue. I've watched AIPAC's influence up close, in committee rooms and campaign offices, for twenty years. The stranglehold is not incidental to the financial architecture I'm about to describe. It is what protects the architecture from political disruption. The same money that bought the war votes is the money that shaped the financial legislation. These are not separate systems. And until Americans are willing to say that out loud, nothing in this article will change.

The Law They Wrote Last July, Congress passed the GENIUS Act — signed July 18, 2025, Senate 68-30, House 308-122. Most people have never heard of it. It is the most important financial legislation of this decade. Here is what it does. It requires every regulated stablecoin — that's a digital dollar, a crypto token pegged to the U.S. dollar — to hold its reserves one-to-one in short-term U.S. Treasury bills. For every digital dollar created, a Treasury bill must be purchased. Then it says this, verbatim, in Section 4(a)(11): "No permitted payment stablecoin issuer shall pay the holder of any payment stablecoin any form of interest or yield." Read that again. The law forces you to buy government debt. The law lets you keep 100% of the interest. The holders — the people whose money backs the system — get zero. The White House fact sheet stated plainly that the GENIUS Act "will generate increased demand for U.S. debt." That is a bureaucratic way of saying: we wrote a law that requires private companies to buy our bonds, indefinitely, at scale, and they get to keep the profit from doing it. Who shaped this law? A man named Bo Hines — Executive Director of the White House Presidential Council of Advisers on Digital Assets. He told the Consensus conference on May 14, 2025, that the White House expected the bill on the president's desk before August recess. It was signed July 18. Bo Hines left the White House on August 9 — 22 days after the signing. Tether hired him on August 19 —

ten days after that. By September 12, he was CEO of Tether U.S. — the American subsidiary built specifically to comply with the GENIUS Act he helped write. Paolo Ardoino remains CEO of Tether globally. Twenty-two days. Ten days. The man who wrote the rule that says stablecoin holders get zero percent is now running the U.S. arm of the company that keeps 100%.

Tether: The Shadow Sovereign Wealth Fund Tether is not a stablecoin company. That's how they're classified, and that classification obscures what they actually are.

Look at Tether's BDO-attested reserves from Q4 2025: $141 billion in total U.S. Treasury exposure — direct T-bills, reverse repos, money market funds. Approximately $23 billion in gold across its combined holdings — roughly 148 metric tons stored in Swiss vaults, ranking among the top 30 global gold holders, above Australia, the UAE, and Qatar. They added 27 metric tons in Q4 2025 alone, accumulating at central bank rates — trailing only Poland and Brazil. $9.9 billion in Bitcoin. A segregated $20 billion proprietary investment portfolio spanning AI, energy, media, fintech, agriculture, and land. Total assets: $193 billion. Annual profit: $10 billion. Margins approaching 99%. Tether has 530 million users globally — more people than the entire European Union — all earning zero percent while the company earns $10 billion a year on their deposits. Tether CEO Paolo Ardoino has been publicly warning of imminent economic collapse — while building the gold and Treasury position to profit from it. Here is the sequence that tells you everything: The Trump administration dropped a DOJ criminal investigation into Tether for potential sanctions and anti-money-laundering violations. Then the GENIUS Act legitimized Tether's operations. Then the war created the demand. In that order. Now who custodies Tether's $141 billion in Treasuries? A Wall Street firm called Cantor Fitzgerald — one of only 26 primary dealers authorized to trade directly with the Federal Reserve. Cantor holds 5% equity in Tether through a $600 million convertible bond potentially worth $25 billion. The CEO of Cantor Fitzgerald was Howard Lutnick. He is now the Commerce Secretary of the United States. Before taking office, Lutnick transferred Cantor's ownership to trusts controlled by his four children. Bloomberg reported on March 18 that Tether loaned the Lutnick children's trust the money to buy Cantor. So Tether funds Cantor. Cantor custodies Tether's Treasuries. The Commerce Secretary regulates the industry his family profits from. His 28-year-old son Brandon is now chairman and CEO of Cantor Fitzgerald. A Southern District of New York filing alleged that Lutnick was "working full time for Tether" before taking office. The Office of Government Ethics has no enforcement power to address it.

How the War Makes the Architecture Profitable This is where it locks together. The war that began February 28 didn't happen to this financial system. It feeds it. Two mechanisms. Both provable. First: demand. When bombs fall on Tehran, when missiles hit the Gulf, when the Strait of Hormuz closes and oil spikes to $99 a barrel — what do ordinary people in Iran, Lebanon, and across the Middle East do? They panic. Their currencies collapse. They can't

access banks. But they can buy USDT on their phones. Elliptic tracked a 700% withdrawal surge on Iran's Nobitex exchange within hours of the first strikes. Forbes reported $10.3 million left Iranian exchanges in 72 hours. Stablecoin market cap hit a record $316 billion. Every person in the Middle East who buys a stablecoin to protect their savings is, by law, forcing the purchase of a U.S. Treasury bill. War creates the demand. The GENIUS Act converts that demand into government debt. Tether keeps the yield. Second: yield. War pushes interest rates up. According to U.S. Treasury and Trading Economics data, in the first 27 days of the war the 3-month T-bill rate went from roughly 3.24% to 3.71% — a 47 basis point increase. On $122 billion in short-term Treasuries, that adds approximately $573 million per year in additional profit. For Tether. The 2-year moved 61 basis points — the steepest on the curve. Every basis point on $122 billion is $1.22 billion a year.

The war makes the architecture more profitable on both sides simultaneously: more customers panicking into stablecoins, and higher yield on the Treasuries those stablecoins are required by law to hold. I managed a $100 million county government budget in Colorado. I ran a national nonprofit budget covering eight states. When I see $573 million in additional annual profit generated by a 27-day war, I know that is not a coincidence. That is a revenue projection. I've been watching these patterns since the S&L crisis in the late '80s. The architecture changes. The playbook doesn't. Captured regulators, selfdealing insiders, a legal framework designed to benefit the people who wrote it, and ordinary people left holding the bag. The difference is scale. The S&L crisis cost taxpayers $130 billion. This one is measured in trillions.

The Families The Trump family is not adjacent to this system. They are inside it. World Liberty Financial — the Trump family's stablecoin company — has issued USD1, now holding $5 billion in reserves. The UAE Royal Family owns 49% of it. The CEO is Zach Witkoff — son of Steve Witkoff, the Middle East envoy who is supposedly negotiating the end of the war whose profits his company collects. USD1 was used to settle a $2 billion deal between Binance and Abu Dhabi's MGX fund — Senator Elizabeth Warren called it a possible quid pro quo. World Liberty Financial filed January 7 for a federal bank charter with the OCC — the agency whose head the president can fire at will. The National Community Reinvestment Coalition called it an impossible conflict of interest. If approved, the president's family would own a federally chartered bank issuing stablecoins, regulated by their father's appointee. The OCC is still reviewing. Eric Trump and Donald Trump Jr. co-founded American Bitcoin Corp, a mining company with three facilities in New York, Texas, and Alberta. Trump's executive order states that all remaining Bitcoin should be mined in America. His son's company is positioned to do it. Trump Media holds $1 billion in Bitcoin. The administration created a Strategic Bitcoin Reserve seeded with ~$17 billion in seized assets. When the government holds Bitcoin, crashing Bitcoin becomes a policy failure — an implicit backstop for every holder, including the president's family. Jared Kushner runs Affinity Partners, a private equity fund with $6.2 billion under

management, 99% from foreign investors. He is currently raising $5 billion more from Saudi Arabia's PIF, the UAE, and Qatar — according to the New York Times — the same governments he is supposedly negotiating with as a peace envoy. The Saudi PIF has contractual "first look" rights on Affinity's deals. He broke a December 2024 pledge not to fundraise during Trump's term. Senators Wyden and Garcia opened a congressional investigation. Wyden called it "not only criminal but endangering the lives of Americans."

The Betting Parlor and the Trades This is the part that should be on every front page. Polymarket — the prediction market platform — currently hosts 355 active war-related markets. It was funded by Peter Thiel's Founders Fund in a $70 million Series B that valued the company at $1 billion. CEO Shayne Coplan told Axios that insider trading on Polymarket was "super cool" — a "financial incentive for people to go and get information to the market." CNN documented a single trader who made nearly $1 million betting on Iran military strikes, with a 93% success rate, placing wagers hours before undisclosed strikes. The New York Post identified another suspected insider with $2.14 million in war profits. Two Israelis, including a military reservist, were charged with using classified information to place Polymarket bets.

Then there were the futures markets. Sixteen minutes before Trump posted on Truth Social on March 23 that he was postponing strikes on Iran's power plants, $580 million in oil futures hit the market. $1.5 billion in S&P 500 futures. $192 million in oil shorts. Orders four to six times normal volume. No news trigger. No economic data release. Someone knew the answer before the public did, and they traded on it. Paul Krugman called it treason if national security information was involved. Senator Chris Murphy introduced the BETS Act. The White House called the allegations "unfounded" and declined to name who placed the orders. The Thiel network connects the pieces: Founders Fund owns Polymarket. Palantir — co-founded by Thiel — is building Polymarket's market surveillance system. Thiel funded JD Vance's Senate campaign. David Sacks — Thiel's PayPal co-founder — was crypto czar. The man who funds the betting platform is the same man whose network shapes the decisions those bets are placed on.

The Pentagon's Private Equity Executive Steve Feinberg was sworn in as Deputy Secretary of Defense — the number two at the Pentagon — on March 17, 2025. He co-founded Cerberus Capital Management, which manages more than $60 billion in assets. From 2010 to 2020, Cerberus owned DynCorp — the largest private military contractor in the world. He chaired Trump's Intelligence Advisory Board from 2018 to 2021. He donated more than $1.5 million to pro-Trump PACs. Elizabeth Warren flagged his conflicts of interest during his confirmation hearing. He filed divestment paperwork from Cerberus but retained a financial relationship with the firm. A private equity billionaire whose firm owned the world's largest military contractor is

now running the day-to-day operations of an eleven-country war. That is not an abstraction. That is the privatization of the military function.

The Board of the New Economy David Sacks served as White House AI and Crypto Czar for 130 days as a special government employee. His term ended March 26, 2026. He did not leave the administration. He moved to co-chair the President's Council of Advisers on Science and Technology (PCAST) alongside Jensen Huang of Nvidia, Mark Zuckerberg, Larry Ellison, Lisa Su, Sergey Brin, Fred Ehrsam (Coinbase co-founder), Marc Andreessen (a16z — the largest crypto venture fund in the world), Michael Dell, Safra Catz, and Jacob DeWitte, whose nuclear startup Oklo is funded by Sam Altman and is building small modular reactors for AI data centers. He retained 20 crypto investments and 449 AI investments through Craft Ventures. TechCrunch reported that the crypto czar role wasn't vacated — it was rendered unnecessary. The policy is already law. PCAST is where the energy and compute infrastructure gets built to run it at scale. Look at that PCAST roster again. Nvidia makes every GPU that powers AI and Bitcoin mining. Meta, Oracle, Coinbase — these are the infrastructure of the digital financial system. And Jacob DeWitte's Oklo is building the nuclear reactors that will power the data centers that run the settlement ledger. The war knocked out Qatar's LNG facility — the world's largest — for three to five years. It destroyed the energy infrastructure that competitors depend on. The United States has its own natural gas. It has the PCAST board building nuclear plants on American soil. The war concentrates the new energy infrastructure at home while destroying the old energy infrastructure abroad. Different fuel, same chokepoint logic. Except now the chokepoint is privately owned.

The Tokenization Endgame This is where it goes from stablecoins to everything. BlackRock's BUIDL fund is a $2.2 billion tokenized Treasury product — the largest on-chain Treasury instrument in existence — now trading into USDC via Uniswap. Larry Fink wrote in The Economist: "In the future, people won't keep stocks and bonds in one portfolio and crypto in another. Assets of all kinds could one day be bought, sold and held through a single digital wallet." Tether's proprietary platform, Hadron, is designed to tokenize any asset under the GENIUS/CLARITY framework. If Hadron becomes the standard, Tether doesn't just issue the stablecoin — it owns the technology layer that tokenizes everything else. In December 2024, a consortium including Citi, JPMorgan, Mastercard, Wells Fargo, Visa, Swift, and DTCC — with the Federal Reserve Bank of New York as technical observer — completed a proof-of-concept for the Regulated Settlement Network (RSN). They successfully demonstrated tokenized settlement of U.S. Treasuries, investment-grade bonds, and central and commercial bank deposits on a single shared ledger. The Bank for International Settlements — the central bank of central banks — called this "the nextgeneration monetary and financial system" in its June 2025 Annual Economic Report and stated that tokenization "could replace the complex chain of intermediaries" in cross-border payments with "a single, integrated process" — not just for

crypto, but for “claims on financial and real assets” across all markets. Project Agorá, led by seven central banks and 43 private financial institutions, is building the prototype right now. The question is no longer which nation controls the reserve currency. It’s which institutions control the reserve ledger. When Treasury Secretary Bessent projects $3 trillion in stablecoins and Fink says tokenize everything, they’re describing a future where real estate, corporate debt, commodities, equities, and government bonds all trade on digital rails controlled by the same players who control the stablecoin layer today. The U.S. Treasury’s own Borrowing Advisory Committee has acknowledged stablecoins as an emerging source of structural demand for government debt — filling the gap left by the Federal Reserve’s quantitative tightening. Stablecoin issuers are replacing the Fed as buyers of U.S. debt. The GENIUS Act guarantees they will keep buying, by law, as long as stablecoins exist.

Who Pays for It The architecture doesn’t just enrich seven players. It structurally defunds the system that lends to ordinary Americans. The U.S. Treasury Department estimates that stablecoins could displace up to $6.6 trillion in bank deposits — roughly one-third of all commercial bank deposits in America. The American Bankers Association, in a joint letter signed by more than 3,200 bankers, warned: “Policies that undermine bank and credit union deposits destroy local lending. Every deposit represents a home loan, a small business loan, or an agricultural loan.” The Federal Reserve Bank of New York’s Staff Report 1185, published February 2026, confirmed the threat with transaction-level data: stablecoins “not only erode banks’ deposit franchises but also transmit liquidity stress to the banking system.” Even banks that partner with stablecoin issuers see their loan share of assets contract. The asymmetry is by design. The GENIUS Act prohibits stablecoin issuers from paying yield, but wallets and exchanges — Coinbase, etc. — remain free to offer yield on stablecoin balances. Community banks get “little more than float income.” Large platforms capture customer loyalty by offering returns that the law prohibits issuers from paying directly. Deposits drain from community banks into nonbank issuers “who face no duty to serve the communities from which those deposits originate.” The CLARITY Act — which passed the House 294-134 on July 17, 2025 and is pending in the Senate — would complete the regulatory moat. Its latest draft, released March 25, 2026, bans passive yield. The winners from that ban aren’t community banks. They are the large stablecoin issuers who keep the yield and the custody-and-exchange layer that collects the fees. The architecture is designed to extract capital from community banking and concentrate it in seven institutions.

The Guardrails That Failed Kevin Warsh is Trump’s nominee to replace Jerome Powell as Federal Reserve chair — Powell’s term expires May 15. Warsh was introduced to crypto by Marc Andreessen, who now sits on PCAST. His confirmation is being held up by Senator Thom Tillis — the same senator co-authoring the CLARITY Act’s yield compromise. One senator controls both the Fed appointment and the stablecoin legislation simultaneously. That is not a coincidence. It

is a design. The STOCK Act — the law designed to prevent congressional insider trading — carries a fine of $200 for failing to disclose a trade. One hundred million dollars from AIPAC. Two hundred dollars for trading on the information those elections purchase. The DOJ dropped its criminal investigation of Tether. The Office of Government Ethics has no enforcement power over a Commerce Secretary whose children's trust borrowed from the company he regulates. The OCC is reviewing a bank charter application from the president's own family, and its head serves at the president's pleasure. The SEC fined Cantor Fitzgerald $3.2 million for providing incomplete trading data to regulators — the very data needed to detect insider trading — and $6.75 million for misleading SPAC investors. Neither fine produced structural reform. Starting in June, every new U.S. dollar bill will bear Trump's signature. Treasury Secretary Bessent announced it March 26: "There is no more powerful way to recognize the historic achievements of our great country and President Donald J. Trump than U.S. dollar bills bearing his name." His name on the law. His name on the currency. His family's name on the stablecoin. His son-in-law raising billions from the governments he's negotiating a war with. His former crypto advisor running the largest stablecoin company. His Commerce Secretary's family custodying the reserves. His signature — literally — on the Treasuries that back it all.

What This Actually Is In May of 2015, I spent 10 days at Daniel Ellsberg's home and interviewed him for 40 hours. Ellsberg leaked the Pentagon Papers — 7,000 pages proving four consecutive presidents had systematically lied about Vietnam. Kissinger called him "the most dangerous man in America." The Supreme Court ruled in his favor. Dan told me something I've been thinking about ever since. He said the danger isn't the lie. It's the system that makes the lie unnecessary. A system that generates its own justifications. A system that generates its own funding. A system that generates its own enforcement. That is what we now have.

Here's what this month of work produced. The old petrodollar rested on three sovereign pillars: oil priced in dollars (controlled by nations through OPEC), transactions settled through banks (regulated by governments through the Fed and SWIFT), and the U.S. military backing it all up. Each pillar was, in principle, subject to democratic accountability. The new system privatizes all three — and adds two more that didn't exist before in this form. The currency is being privatized through stablecoins — 530 million users, $275 billion in mandatory Treasury reserves, yield to holders prohibited by law, profit captured entirely by a handful of companies connected to the sitting president. The settlement system is being privatized through the Regulated Settlement Network and the BIS unified ledger — designed to settle not just crypto but all asset classes on programmable platforms controlled by the same institutions. The military is being privatized — a Deputy Secretary of War from Cerberus Capital, AI targeting by Palantir (Thiel's company), prediction markets funded by the same network that shapes the policy, and a former defense contractor owner running the day-to-day operations of an eleven-country war. The energy is being privatized — the PCAST roster (Nvidia, Meta, Oracle, Oklo)

building nuclear reactors and gas turbines on American soil while the war destroys the old energy infrastructure abroad, concentrating the compute capacity that runs the settlement ledger. The banking system is being privatized — $6.6 trillion in community bank deposits at risk, the Fed being replaced as a structural buyer of government debt by stablecoin issuers who are required by law to keep buying, and the president's family pursuing a federal bank charter. The Ukraine funding — $175 billion and counting since February 2022 — runs through the same loop. Every theater of instability drives capital flight. Every dollar of capital flight flows into stablecoins. Every stablecoin purchases Treasuries. Every Treasury funds the Pentagon. The loop is not limited to one conflict. It is fed by all of them simultaneously. The holders — 530 million people whose savings fund the system — earn nothing, know nothing, and cannot opt out. The chairmen of both Armed Services Committees cannot explain the war's purpose. The purpose is in the architecture. It always was. The petrodollar didn't die. It was privatized. And the new owners signed their names on every layer.

What You Can Do I don't say this lightly: this is the most important story I have ever worked on. Bigger than anything I covered as a county commissioner. Bigger than anything I documented running a national nonprofit across eight states. When I sit with what these numbers actually mean — $6.6 trillion in community bank deposits, $573 million in additional annual war profit, 530 million people earning zero on their own money — I feel the weight of it the way I felt it sitting across from Ellsberg in 2015. He told me: the hardest thing isn't finding out. It's believing your own eyes when you do. I believe my eyes. And I believe yours. Share this with one person who cares about our taxpayer dollars killing innocent people. And if this work matters to you, make a donation so I can continue keeping up this fight to expose the lies. I don't work for a network. I don't have sponsors. I do this because somebody has to follow the money, count the dead, and say the number out loud.

Thank you. — Arn

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Chapter 6: The Tokenization Ledger

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On the morning of March 1, 2026 — twenty-four hours after the first Tomahawk hit Fordow — a Turkish logistics worker named Ahmet opened his phone in a coffee shop near the Grand Bazaar in Istanbul and converted 50,000 Turkish lira to USDT. The lira had dropped 4.2 percent overnight. He had been watching the exchange rate since the bombs started falling and this was the level where he stopped watching and started moving. The transaction took eleven seconds. He paid a 0.1 percent fee. He had no idea where the money went next. But here is exactly where it went: Ahmet's fifty-thousand lira, converted to approximately $1,400 in USDT, landed on Tether's balance sheet as a liability. Under Section 4(a)(3) of the GENIUS Act — the law that Tether's new U.S. CEO Bo Hines wrote before collecting fifty job offers from the industry he'd just regulated — Tether was required by American law to purchase a short-term U.S. Treasury bill with that $1,400 within 93 days. The T-bill paid 3.71 percent annually. Ahmet earned zero. That is not a metaphor. That is the statute.

Multiply Ahmet by 530 million. Then add a war. Tether's market cap went from $141 billion to $187.3 billion in the thirty-three days after February 28. Every dollar of that $46.3 billion surge was a mandatory Treasury-bill purchase. Howard Lutnick's firm — Cantor Fitzgerald, where his son Brandon is now chairman, where a Tether-funded loan helped acquire the custodial relationship during Lutnick's transition to Commerce Secretary — holds approximately $122 billion of those bills. The three-month T-bill yield climbed 47 basis points during those same thirty-three days. On the existing portfolio, that's $573 million per year in additional annual income. Just from the yield move. Separate from the new $46.3 billion in fresh capital. Both levers — volume and yield — moving in the same direction simultaneously because the architecture makes it so. War creates panic. Panic creates stablecoin buyers. Stablecoin buyers create mandatory Treasury purchases. Treasury purchases fund the Pentagon. The Pentagon drops more bombs. The bombs create more panic. The machine does not have an off switch. The machine is the point.

What Ahmet bought was the illusion of safety. What he actually bought was a Treasury bill that funds the military of the country whose bombs had just made his currency worthless. What Zach Witkoff — thirty-one years old, CEO of World Liberty Financial, son of Trump's Middle East envoy Steve Witkoff — bought was something more explicit. On April 2, Zach said at a conference: “The most-traded asset on Hyperliquid is actually tokenized oil.” His father negotiates the ceasefires and the escalations. His company tokenizes the commodity that spikes every time those negotiations collapse. In Gaza, 72,000 are dead. In Ukraine, the war that the world forgot is still producing casualties nobody counts anymore. In Iran, three million are displaced. In Lebanon, one in five citizens has left their home. On Hyperliquid, the oil futures are moving. The programmable-money architecture converts all of it — every

displacement, every panic, every family choosing a digital dollar over a national currency that just became kindling — into yield. Into Treasury bills. Into the balance sheet of the people who built the machine.

The ledger is public. The statute is public. The only thing that wasn't public is all of it at once. Until now.

The Panic of the People It Bombs Nobody has built the cost framework. In Lebanon, the body count since March 2 has passed 960. At least 100 of the dead are children. Thirtyeight are healthcare workers—doctors, paramedics, nurses gathered to break the Ramadan fast when the clinic was hit. More than one million Lebanese have registered as internally displaced—one in every five people in the country, a rate the World Food Programme calls “massive” and “unique” among ongoing conflicts. Israeli evacuation orders now cover 1,470 square kilometers, fourteen percent of Lebanese territory. The Norwegian Refugee Council mapped it. Roughly 100,000 homes have been damaged or destroyed. The World Bank tallied residential destruction alone at $2.8 billion. In Gaza, the Health Ministry’s count exceeds 72,000 Palestinians killed since October 2023. A comprehensive mortality survey published in The Lancet Global Health estimated violent deaths had surpassed 75,000 by early 2025—thirty-four percent higher than official figures. The Israeli army’s own representative acknowledged roughly 70,000 deaths in January. Two-point-three million people face devastation in a territory where the infrastructure for daily survival has been systematically erased. In Iran, Operation Epic Fury has struck over 7,000 sites since February 28, according to U.S. Central Command. The Iranian Health Ministry counts at least 1,444 dead and 18,551 wounded, including 200 women and 168 children—among them the students of a girls’ elementary school in Minab. Fifty-five healthcare workers injured. Eleven killed. Thirteen U.S. service members dead, six of them in a KC-135 refueling aircraft crash in western Iraq. Retaliatory Iranian strikes have hit bases and civilian areas across nine countries — Bahrain, Iraq, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, the UAE—killing at least 61 in Iraq, eight in the UAE, two in Saudi Arabia, two in Oman. A 29-year-old woman in Bahrain was killed by falling debris from a Shahed drone strike on a residential tower. In Yemen, the Red Sea campaign was already burning through the arsenal before Iran. Navy Secretary Carlos Del Toro told the Senate Appropriations subcommittee in April 2024 that his service had spent nearly $1 billion in munitions in six months intercepting Houthi drones and missiles. “We currently have approaching $1 billion in munitions that we need to replenish at some point in time,” Del Toro testified. That was a year ago. The Houthis have not stopped launching. The meter has not stopped running. The $2.4 billion in supplemental replenishment Del Toro requested was stalled in Congress for months before partially passing. And across Syria, Somalia, Nigeria, Venezuela, and Iraq, the United States has conducted strikes under Trump’s second term—operations that rarely get a line item, rarely get a headline, and never get a cost estimate. This is the quiet part of the ledger. AFRICOM runs

operations across the Sahel. CENTCOM maintains strike authority in Syria and Iraq. SOUTHCOM has expanded its posture in the Caribbean and South America. The operational tempo has increased, the reporting has not, and the costs accumulate in line items buried so deep in the defense budget that even most Armed Services Committee members couldn't find them. This is a war across three continents. It has no declared endpoint, no unified budget, and no comprehensive accounting. What it has is a $200 billion funding request that the Secretary of Defense confirmed at a press conference by saying, "It takes money to kill bad guys."

Wars always cost more than projected. George W. Bush's economic adviser Larry Lindsey was fired in 2002 for suggesting Iraq might cost $100–200 billion. Bush himself said $50–60 billion. Neta Crawford at Brown University's Costs of War Project calculated the actual figure: $2.89 trillion, including veterans' care projected through 2050. Joseph Stiglitz and Linda Bilmes arrived at $3 trillion. Nobody has attempted the full accounting of a multi-theater war fought simultaneously across the Middle East, East Africa, West Africa, South America, and the Horn of Africa. This is that accounting.

Part I: The Five Receipts Receipt 1: The Direct Military Tab The Pentagon informed Congress that the first six days of Operation Epic Fury cost $11.3 billion. The New York Times reported the figure from three sources familiar with the briefing. It excluded the cost of force buildup, base repair, and equipment replacement. The Center for Strategic and International Studies built a more comprehensive estimate: $12.7 billion through day six when you add $1.4 billion in combat losses and infrastructure damage, and $16.5 billion by day twelve. The cost curve was front-loaded. Day one: more than $5.5 billion. Day two: approximately $4 billion. By days eleven and twelve, daily costs had fallen to the low hundreds of millions. But those figures measure only the falling edge of the initial surge. On day eighteen, the Pentagon still hadn't released an official update. Kevin Hassett, director of the National Economic Council, told CBS the cost was "about $12 billion"—a figure that even at the time was behind the independent estimates. Then came the supplemental. The Washington Post, citing a senior administration official, reported the Pentagon had asked the White House to approve a request exceeding $200 billion to fund escalating operations and ramp up production of the munitions being consumed at historically unprecedented rates. Three individuals familiar with the discussions confirmed the figure covered expanded munitions production for the U.S. and Israel. Hegseth, at a Pentagon press briefing on March 19, did not deny the number. "As far as $200 billion, I think that number could move," he said. "Obviously, it takes money to kill bad guys. We are working with Congress and our representatives there to make sure we get enough." Through March 19, the Guardian pegged cumulative direct costs above $18 billion. CSIS estimated ongoing costs at roughly half a billion dollars per day, barring a significant change in operations. To contextualize: $200 billion exceeds total tariff revenue collected under the current

administration. Justin Wolfers, the University of Michigan economist, noted it on the record. The war costs more than the tariffs raised.

Receipt 2: The Oil Shock and Lost GDP The Pentagon does not count the macroeconomic damage. Justin Wolfers laid out the framework in two interviews the week of March 17–20, identifying three categories of cost the military's ledger ignores. Oil. West Texas Intermediate crude went from roughly $60 a barrel to above $100. Brent crude surged from around $70 to over $108, with intraday spikes touching $119. Middle Eastern benchmarks — Dubai, Oman— traded at elevated premiums as refiners scrambled for prompt cargoes. The Brent-WTI spread blew out to $10 per barrel, more than double its normal range, a real-time indicator of how severely the conflict was constraining globally traded barrels. Futures curves remained elevated years out—through 2027 and 2028—signaling this was not a temporary blip but a structural repricing of energy risk. Eighty percent of Asia's oil imports transit the Strait of Hormuz. The strait has been effectively contested since

February 28. Lost output. Goldman Sachs cut its U.S. fourth-quarter GDP growth forecast from 2.5% to 2.2%, raised its twelve-month recession probability to 25%, and estimated the war would reduce global economic growth by 0.3% of GDP. Their rules of thumb: a sustained 10% increase in oil prices boosts headline PCE inflation by 0.2 percentage points and lowers GDP growth by around 0.1 percentage points. Applied cumulatively, Wolfers calculated the baseline loss to the U.S. economy at approximately $200 billion, rising to $500 billion in a worse scenario. Spread across roughly 100 million American households, that is $2,000 to $5,000 per family. Markets. The S&P 500 erased $2 trillion in market capitalization in the first two weeks of the war. The Dow fell over 1,000 points in a single session. But the damage was not confined to the United States. South Korea's KOSPI plunged 12.2%—the largest single-day decline in the index's 46-year history, surpassing even the September 11 crash and the 2008 financial crisis—wiping roughly $500 billion in value in a single week. Trading sessions required emergency stabilization measures. Financial Services Commission officials in Seoul announced they would "actively implement market stabilization measures" to contain the damage. Emerging markets across Asia were hammered as the won fell below the psychologically critical 1,500-per-dollar mark for the first time since 2009. The Asian Development Bank warned that "sustained disruptions could push oil prices much higher, weaken global trade, and slow economic growth." Goldman estimated the war would knock 0.3% off world GDP—approximately $400 billion in 2027 alone. The energy sector was the only winner. The XLE energy ETF was up roughly 27% on the year by midMarch. If you want to know who benefits from this war, look at the portfolio breakdown of the people who authorized it. Wolfers framed it simply. There are three receipts the Pentagon doesn't count: what happens to oil, what happens to GDP, and what happens to markets. Together, those receipts are larger than the military budget itself. "A

headline figure of $200 billion is not the cost of this war," he argued. "It is not even the down payment."

Receipt 3: The Arms Replacement Cycle The United States fired over 300 Tomahawk cruise missiles in the opening days. Each costs approximately $3.6 million. In the past five years, the military purchased only 322 Tomahawks total. The Navy's fiscal year 2026 budget request planned for 57. It takes up to two years to produce each one. At the pre-war production rate of 90–100 per year, replacing the estimated 400 Tomahawks fired in the first three days alone would have taken a decade. RTX has since announced plans to increase annual production to over 1,000, but those capacity upgrades require years of factory expansion, workforce training, and supply chain development. The Economist estimated the cost of replacing the first four days' worth of munitions at $20–26 billion. The asymmetry problem is the one that keeps Pentagon planners awake. Iran's Shahed-series drones cost between $20,000 and $50,000 each. A Patriot interceptor costs over $3 million. A THAAD interceptor runs approximately $15 million. Kelly Grieco at the Stimson Center calculated the cost-per-intercept ratio: for every $1 Iran spends on a drone, the defender spends $20 to $28 stopping it. The New York Times quoted the ratio at "at best 10 to one. But it could be more like 60 or 70 to one in cost, in favor of Iran." One analyst called it using Ferraris to intercept e-bikes. The THAAD interceptor situation borders on absurd. No new THAAD interceptors have been delivered to U.S. inventory since July 2023. The next delivery isn't expected until April 2027. A hundred interceptors procured between fiscal years 2021 and 2024 sit in a backlog. Recent production appears to have been funneled to foreign buyers — Saudi Arabia and the UAE—though Lockheed Martin has not formally confirmed that. Only after the war began did Lockheed announce a deal to quadruple THAAD production from 96 to 400 interceptors per year.

This is the arms replacement cycle in its purest form: deplete the arsenal, then sign the contract to refill it at emergency prices. And then there are the emergency arms sales. Secretary Rubio waived congressional review to push through $16.5 billion in Gulf arms sales. The weapons go to the same countries whose territories are being hit by Iranian retaliation—a peculiar form of customer service. The defense industry's posture through all of this deserves scrutiny. Bloomberg Intelligence data show that the five largest U.S. defense contractors — Lockheed Martin, RTX, Boeing, Northrop Grumman, and General Dynamics—collectively spent more than $110 billion on stock buybacks and dividends from 2020 through 2025. Capital expenditure in the same period: $45.5 billion. They returned more than twice as much to shareholders as they invested in production capacity. The arsenal was depleted not by accident but by a business model that treated production capacity as a cost center and share price as the product. The empty rack is a feature, not a bug. It guarantees the next contract. Trump issued an executive order on January 7, 2026, demanding that defense contractors stop prioritizing buybacks over production. He called it "Prioritizing the Warfighter in Defense Contracting." It required the

Secretary of Defense to identify contractors underperforming on deliveries. It mandated that future contracts prohibit buybacks during periods of underperformance. The penalty for non-compliance? Unspecified. The order read like a man discovering that the car dealership sold his engine for scrap and kept the payment. The engine had been sold years ago. The receipts were filed as shareholder returns.

Receipt 4: The OMNIparty Dividend AIPAC spent more than $100 million on federal elections in the 2024 cycle, according to FEC filings reviewed by Sludge. The money targeted candidates critical of Israel with a specificity that would impress a guided munition. Fifty-plus members of Congress hold stock in defense contractors. The most widely held defense stock among lawmakers is Honeywell, which makes sensors and guiding devices used in Israeli airstrikes. The second is RTX, maker of Iron Dome interceptors. Defense stocks hit all-time highs the Monday after strikes began. Lockheed Martin. RTX. Palantir surged 6.5%. Multiple members of the committees overseeing these operations held shares in the companies profiting from them. Some names: Senator John Hickenlooper (D-CO): Holds between $100,000 and $250,000 in RTX stock. RTX's price has nearly doubled over the past two years, most revenue from defense contracts. Hickenlooper has received over $333,000 from AIPAC and pro-Israel PACs. Senator Michael Bennet (D-CO): Approximately $466,000 from pro-Israel PACs since 1990. Representative Michael McCaul (R-TX): Chairman Emeritus of the House Foreign Affairs Committee —the committee with direct oversight of foreign military sales. Holds positions in GE Aerospace and Woodward. GE Aerospace stock rose 82% in the year preceding the conflict. Woodward rose 114%. McCaul spent his March 18 hearing discussing "reforming America's defense sales" and calling for expanded weapons production. The STOCK Act, passed in 2012 to prevent congressional insider trading, imposes a penalty of $200 for failing to disclose a trade. Two hundred dollars. The Campaign Legal Center found that no member of Congress has ever been prosecuted under the STOCK Act. Business Insider conducted a months-long investigation and found that the Treasury had no records of any fines being paid. The enforcement mechanism runs entirely on the honor system—with no ledger, no audits, and no consequences.

The fine for failing to disclose a trade that earns you six figures is less than a parking ticket in Manhattan. This is not a partisan problem. It is bipartisan in the truest and ugliest sense. Democrats and Republicans alike hold defense stocks, receive AIPAC money, and vote for the supplementals that make the stocks go up. The political class has achieved something rare: a financial incentive structure that aligns both parties behind permanent war. AIPAC's $100 million didn't buy one party. It bought the consensus. And the consensus delivered 68 votes for the GENIUS Act, 308 votes in the House, and a $200 billion war supplemental that nobody on either side of the aisle is seriously contesting.

Receipt 5: What They'll Never Count Brown University's methodology for the Iraq war included projected veterans' care through 2050. That analysis yielded $2.89 trillion. Stiglitz and Bilmes reached $3 trillion. Those figures covered a single theater in a single country over twenty years. No one has applied this methodology to the simultaneous prosecution of wars in Iran, Lebanon, Gaza, Yemen, Syria, Somalia, Nigeria, Venezuela, and Iraq. Nobody has calculated the veterans' care for the service members being rotated through these theaters. Nobody has modeled the long-term disability costs, the traumatic brain injuries from blast exposure, the PTSD cascades. Nobody has accounted for the environmental remediation of contaminated sites across nine countries. Nobody has estimated the cost of rebuilding—or the cost of choosing not to. The $200 billion headline is the opening bid. The total, when someone eventually does the full accounting, will be measured in trillions. And the people who will pay it—the veterans, the taxpayers, the small-business owners whose community bank can no longer lend, the families in Beirut and Tehran and Gaza whose schools and hospitals have been converted to rubble—did not get a vote on any of it.

Part II: The Question If this war costs trillions, and traditional buyers are leaving U.S. debt, who buys the bonds? It is the most important question in global finance, and almost nobody in the political press is asking it. The political analysts don't follow the money because they don't understand budgets. They understand narratives. They understand polls. They do not understand balance sheets. Here is the balance sheet problem: The United States needs to sell trillions in Treasury securities to fund operations that are, simultaneously, destabilizing the regions where its largest foreign creditors operate. Saudi Arabia is getting hit by Iranian projectiles. The UAE has confirmed eight dead. Japan and South Korea are watching their markets collapse. China has been reducing Treasury holdings for years. So who is the marginal buyer? Where does the next trillion come from? The answer has been engineered. It is already operational. And most people have never heard of it.

Part III: Follow one dollar. A woman in Buenos Aires wants to protect her savings from peso devaluation. She does what an estimated 172 million people now do—she buys USDT, a stablecoin issued by Tether Holdings SA, an entity domiciled in El Salvador. Her pesos are converted to digital tokens. Those tokens are pegged to the

U.S. dollar. For every USDT in circulation, Tether is supposed to hold equivalent reserves in high-quality liquid assets. Where does Tether hold those reserves? Primarily in short-term U.S. Treasury securities. Custodied by Cantor Fitzgerald, the Wall Street primary dealer whose chairman is now Secretary of Commerce. So the woman's savings—her hedge against the instability of her own economy—flow through Tether, into Cantor Fitzgerald's custody, and land in the U.S. Treasury market, where they fund the government borrowing that pays for Tomahawk cruise missiles that destroy infrastructure in Iran, which spikes oil prices, which

destabilizes her economy further, which drives more capital flight into USDT, which purchases more Treasuries, which funds more missiles. It is a loop. And it has been legalized.

The GENIUS Act On July 18, 2025, President Trump signed the Guiding and Establishing National Innovation for U.S. Stablecoins Act. The Senate passed it 68–30. The House passed it 308–122. Bipartisan. Comfortable margins. The law establishes the first federal regulatory framework for stablecoins. It requires permitted stablecoin issuers to maintain reserves backing outstanding tokens on at least a one-to-one basis. Permissible reserves include U.S. dollars, federal reserve notes, certain short-term Treasuries, Treasury-backed reverse repurchase agreements, and money market funds. Read that again. The law requires stablecoin issuers to buy Treasuries. Not suggests. Not incentivizes. Requires. As a condition of doing business. The White House fact sheet stated the law "will generate increased demand for U.S. debt." They said the quiet part in a press release. Nobody blinked.

Remember the petrodollar deal I described in the last chapter — Kissinger in Riyadh, 1974, oil priced in dollars so the whole world had to hold dollars? That system is ending. What you're about to read in this chapter is what's replacing it. The old petrodollar required Saudi Arabia's cooperation. Phone calls. State dinners. Military guarantees. It was a handshake deal between governments. The new version requires none of that. It is encoded in law, executed automatically, and funded not by oil exporters but by frightened ordinary people in fifty-five countries who converted their savings to digital dollars the moment bombs started falling. Same dollar. New plumbing. No diplomacy required.

The Numbers Tether's total reserves as of early 2026: $193 billion. Approximately 63% held in U.S. Treasuries, according to Bloomberg's March 13, 2026 analysis. That makes Tether, a company domiciled in El Salvador run by a former Italian plastic surgeon, one of the largest holders of U.S. government debt on the planet. The Financial Times reported that in 2025, Tether net-purchased $28.2 billion in U.S. Treasuries, making it the seventh-largest foreign purchaser of U.S. government bonds. Its combined holdings with Circle, the second-largest stablecoin issuer, now exceed those of South Korea and Saudi Arabia. The total stablecoin market capitalization hit $320 billion in early 2026, according to DeFiLlama—a new record. Monthly transaction volume exceeded $10 trillion in January 2026. Treasury Secretary Scott Bessent views stablecoins as a tool for "promoting the dollar and absorbing U.S. debt." He projects the sector's growth from $300 billion to $3 trillion. Three trillion dollars. Parked in U.S. Treasuries. Funded by the savings of people in developing economies who are fleeing the very instability that U.S. policy creates. The old petrodollar system required oil-exporting nations to recycle their dollar surpluses into Treasury purchases. It was a gentleman's agreement backed by security guarantees: the United States provides military protection for Saudi Arabia; Saudi

Arabia prices oil in dollars and parks the proceeds in Treasuries. When the Saudis got nervous, Henry Kissinger flew to Riyadh. When the system wobbled,

Note, April 7, 2026: As this book went to final edit, Bloomberg confirmed both legs of the petrodollar system were breaking simultaneously for the first time since the system was created in 1974. Gulf states are exporting less oil AND no longer reinvesting petrodollars in U.S. Treasuries. Foreign central banks are selling Treasuries — causing yields to rise during a crisis, not fall, as they have in every prior "flight to safety" since 1971. In every prior financial panic in modern history, investors bought Treasuries. Yields fell. That was the signal: the world still trusted American debt. Not this time. This time yields are rising while the market sells off. The safe haven status of U.S. debt is ending. The architecture this book documents was built to replace it.

There were phone calls, state dinners, arms deals. The new system requires none of that. It requires no diplomacy, no state visits, no security guarantees. It is encoded in law, executed by algorithm, and funded by the anxiety of the world's poorest savers. The Argentine woman doesn't need to be persuaded. She needs to be frightened. And the war provides the fear.

The Institutional Warnings The people whose job it is to understand monetary systems are sounding alarms. They are being ignored. The Bank for International Settlements, the central bank of central banks, published its assessment in June 2025. Hyun Song Shin, BIS Economic Adviser and Head of the Monetary and Economic Department, laid out the case: stablecoins fail all three tests for money—singleness, elasticity, and integrity. They trade at varying exchange rates like 19th-century private banknotes. They cannot expand their balance sheets to provide credit when the system needs it. And their bearer nature allows circulation without issuer oversight, creating systemic vulnerabilities for financial crime. Most critically: "Loss of monetary sovereignty and capital flight are major concerns, particularly for emerging market and developing economies." If stablecoins continue to grow, the BIS warned, they risk crowding out other investors in Treasury markets and creating tail risks of fire sales in safe assets. The International Monetary Fund. Eswar Prasad, former head of the IMF's China division and now a professor at Cornell, published "The Stablecoin Paradox" in the IMF's Finance & Development journal in December 2025. His thesis: the tools designed to decentralize money are concentrating power. Stablecoins "pose an existential threat to the currencies of smaller economies." People in Buenos Aires, Lagos, and Bangkok will trust stablecoins issued by Amazon or Meta more than their own inflationravaged currencies. The result is not financial liberation. It is digital dollarization without consent—and without the Federal Reserve's safety net. The Federal Reserve. In December 2025, the Fed published two papers on stablecoins. The first documented SVB-style contagion risk—how the failure of Silicon Valley Bank in 2023 triggered a cascade of stablecoin de-pegged through automated smart-contract mechanisms,

demonstrating “the potential for two-way feedback between the traditional and the DeFi sectors.” The second warned that stablecoin adoption could displace deposits and alter banks’ liability structures, creating “potential systemic vulnerabilities” as “deposit flows across stablecoin-serving banks become highly correlated during periods of stress.” The Federal Reserve Bank of Kansas City. Economist Stefan Jacewitz published an analysis in August 2025 showing that if the stablecoin market grows from $250 billion to $900 billion, the result would be a $325 billion reduction in bank lending to the economy. For every dollar moved from a bank deposit to a stablecoin, bank lending decreases by roughly fifty cents. Treasury holdings increase by thirty cents. The net effect is a transfer from productive lending to government debt financing. Every major monetary institution on earth has warned about this. The BIS. The IMF. The Federal Reserve —two separate papers in a single month. The Kansas City Fed. The academic literature is unambiguous. The risk is systemic. The deposit drain is measurable. The contagion pathways are documented. Congress passed it anyway, 68–30. The White House celebrated it. And now a war is stress-testing the architecture in real time.

Part IV: The Toll Booth To understand the architecture, you need to understand the toll booth operator.

Cantor Fitzgerald is one of twenty-five primary dealers authorized to trade directly with the Federal Reserve. That is the franchise. But under Howard Lutnick’s leadership, Cantor became something more specific: the custodian of Tether’s reserves. When Tether says it holds $193 billion in assets backing USDT, a substantial portion of that sits in Cantor’s custody. Since 2021, Cantor has earned fees managing those reserves. In April 2024, Lutnick personally negotiated Cantor’s investment in Tether. Bloomberg reported the deal: a $600 million convertible bond granting Cantor 5% equity in the stablecoin issuer. Tether’s profitability is extraordinary—reportedly $10 billion in profit in 2025, with margins approaching 99%. If Tether achieves the $500 billion valuation discussed in recent investor conversations, that 5% stake would be worth $25 billion—more than all of Cantor’s other assets combined. When Trump nominated Lutnick to lead the Commerce Department, Lutnick transferred his ownership interest in Cantor Fitzgerald to trusts benefiting his four children. His son Brandon, twenty-eight years old, became chairman and CEO. Federal ethics compliance. Clean on paper. Then Bloomberg reported, on March 18, 2026, what the paper trail revealed: at approximately the same time as the ownership transfer, “Dynasty Trust A,” which benefits all four Lutnick children, borrowed an undisclosed sum from Tether. The loan was secured by “all assets” held by the trust, including the convertible bond granting the right to acquire 5% equity in Tether. A Cantor executive confirmed the loan was specifically backed by that bond. The Commerce Department regulates trade policy that directly affects cryptocurrency markets. The Commerce Secretary’s children own a company whose largest revenue stream comes from custodying the reserves of a stablecoin issuer that lent them the money to buy the company. Senator Elizabeth Warren has

documented this thread with the precision of a forensic accountant. January 2025: Warren sent a letter to Lutnick ahead of his confirmation, obtained by Bloomberg. She called Tether "outlaws' favorite cryptocurrency" and said his ties to the company "raise significant questions about your own personal judgment and the conflicts of interest." She asked thirteen specific questions about his financial stake. October 2025: Warren wrote to the Treasury Department warning that the GENIUS Act could "blow up our entire financial system" without tougher rules. She called it a "light-touch regulatory framework for crypto." December 2025: Warren led a congressional letter demanding the Commerce Department Inspector General investigate Lutnick family conflicts of interest—data centers, Cantor enrichment, the full web. February 2026: Warren, joined by Senators Wyden and Van Hollen, raised concerns about the USA Rare Earth deal. The Commerce Department had committed $1.6 billion in funding. Cantor Fitzgerald served as the placement agent for the parallel $1.5 billion private fundraise. "It is imperative that federal investments in critical industries be made free from conflicts of interest," the senators wrote. On the Senate floor, opposing the GENIUS Act: "Community banks have warned us that creating a parallel, lightly regulated banking system—the stablecoin market—will drain deposits from our local communities. There will be less funding available for small businesses and households." She compared it to the derivatives deregulation that preceded 2008. The full Cantor thread, laid out sequentially: Primary dealer status. Tether custody ($193 billion in assets). 5% equity stake (~$600 million). Tether loan to Lutnick children's trust. Anchorage Digital Bank partnership—the only federally chartered crypto bank—through which Tether issues its compliance-ready U.S. stablecoin, USAT. Tether invested $100 million in Anchorage in February 2026, at a $4.2 billion valuation. A $2 billion Bitcoin financing business, launched in partnership with crypto custodians including Anchorage. The acquisition of UBS's O'Connor alternatives platform—$11 billion in hedge funds, private credit, and commodities. Brandon Lutnick, chairman and CEO of the whole apparatus, age twenty-eight. Howard Lutnick said the quiet part out loud at Davos in January 2024, while still CEO: "I hold their Treasuries, and they have a lot of Treasuries. I'm a big fan of Tethers." He was not being coy. He was describing a business model. Cantor earns custody fees on $193 billion. Cantor holds a 5% equity stake in one of the most profitable private companies on earth. Cantor's children own the company. Tether loaned the children money to buy it. The Commerce Secretary—who regulates the trade and crypto policy environment in which all of this operates—is the father. The conflicts of interest are not hidden. They are structural. They are the architecture.

Part V: The Savings & Loan Parallel I managed a $100 million county government budget in Colorado. I ran a national nonprofit budget covering eight states. I have spent enough time inside budget processes to know what financial engineering looks like when it's wearing a suit. And I have seen this movie before. The setting changes. The script doesn't. In the 1980s, the deregulation of savings and loan institutions—the Garn-St. Germain Act of 1982, the Depository Institutions Deregulation and Monetary Control Act of 1980—allowed S&Ls to chase

higheryielding, riskier assets. The asset-liability mismatch that followed was predictable. Roughly a thousand S&Ls failed. Taxpayers absorbed the bailout. The mega-banks absorbed the wreckage. The mechanism was straightforward. Deregulate the smaller institutions. Allow them to take on risk they weren't built to manage. Watch them fail. Consolidate the pieces into the hands of the largest players. Present it as a market correction rather than what it was: a managed transfer of assets upward. I know this because I worked at one of those S&Ls. The bank president told me that his brother sat on the board of the national Savings and Loan Association. His brother told him directly: Reagan's deregulation was designed to let the big banks destroy the S&Ls. It wasn't an accident. It was architecture. When our S&L crashed, a law firm deposed me to find out what I thought had gone wrong. My answer was two words: Ronald Reagan. The GENIUS Act is the Garn-St. Germain of the digital age. Here is the sequence, already in motion: The GENIUS Act deregulates stablecoin issuers, allowing non-bank entities to offer dollar-denominated tokens under a "light-touch" framework. Deposits drain from community banks into stablecoins offering equivalent dollar exposure with greater convenience and—through the interest loophole that 3,200 bankers warned about in their January 2026 letter to the Senate—potentially greater returns. The Kansas City Fed has modeled the result: a $325 billion reduction in bank lending. The Federal Reserve has documented the SVB-style contagion pathway. Regional banks become dependent on stablecoin custody deposits for their survival. One regulatory tweak—raising capital requirements, changing reserve rules, tightening the custody framework—moves those deposits to systemically important financial institutions. The regional banks collapse. The mega-banks absorb the wreckage. The American Bankers Association's Community Bankers Council wrote to the Senate on January 5, 2026, and then again on January 14—the second letter signed by more than 3,200 individual bankers—demanding that the prohibition on interest payments be extended to affiliates and partners of stablecoin issuers. They saw the loophole. They saw what was coming.

Warren saw it too. On the Senate floor: "The GENIUS Act folds stablecoins directly into the traditional financial system, while applying weaker safeguards than banks or investment companies must adhere to." She noted the bill allows big tech companies to issue their own private currencies. She noted it contains a "decentralized finance loophole" allowing Tether and other non-compliant stablecoins to access U.S. markets without constraints. But this is not only an American story. The BIS warned of "loss of monetary sovereignty and capital flight" from developing nations. Prasad warned stablecoins "pose an existential threat to the currencies of smaller economies." The people of Buenos Aires, Lagos, Bangkok, and every other city where citizens buy USDT to escape inflation—their savings are being conscripted into the U.S. Treasury market without their knowledge or consent. They think they are protecting themselves. They are funding Tomahawk missiles. This is digital colonization. It operates simultaneously on two fronts: the Global South, whose citizens' savings are siphoned into U.S. debt, and the American middle class, whose community banks are hollowed out and whose regional economies are

drained of lending capacity. I watched the big banks take out the savings and loans in the 1980s. I watched them do it again with the mortgage market in 2008. The pattern is the same every time: deregulate, extract, collapse, consolidate. The difference now is the scale. In the 1980s, it was American S&Ls. In 2008, it was the American housing market. In 2026, it is the domestic banking system and the savings of the Global South simultaneously. The technology is better. The victim pool is global. And the mechanism is encoded in federal law, signed by the president, and celebrated as innovation. The 3,200 bankers who signed that letter knew what was coming. The Kansas City Fed modeled it. The Federal Reserve documented the contagion pathway. Warren described it on the Senate floor. And the bill passed anyway, because the people who profit from the outcome are the same people who cast the votes.

Part VI: The Counter-Architecture and the Achilles' Heel Not everyone is cooperating. Zoltan Pozsar, the former Credit Suisse strategist, published his "Bretton Woods III" framework in March 2022—shortly after Western nations froze Russian central bank reserves. His thesis: the era of fiat-reserve currency dominance is giving way to a commodity-backed system. When you demonstrate that dollar reserves can be frozen by political decision, countries holding those reserves take notice. They begin diversifying into commodities and gold—"outside money that cannot be frozen by another government's decision." The infrastructure is being built. China's Cross-Border Interbank Payment System — CIPS—processed a record volume in 2025, routing yuan-denominated transactions outside the SWIFT system. India's Unified Payments Interface — UPI—now links 350 million users to a domestic payment rail that requires no dollar intermediation. Project mBridge, the multi-central-bank digital currency initiative, has moved from pilot to production stage with the participation of the central banks of China, Thailand, the UAE, and Saudi Arabia—countries that collectively represent a significant share of global oil production and trade. The BIS itself has proposed a unified ledger model—a system where sovereign central banks maintain control over tokenized money rather than ceding it to private stablecoin issuers. It is the institutional response to the GENIUS Act's privatization of monetary sovereignty. But here is the vulnerability that no one discusses, the Achilles' heel of both the old architecture and the new one: a digital token is only as valuable as the physical reality it represents.

Bomb the gas field—Israel struck Iran's South Pars facility, and Gulf gas prices cratered upward. Cut the fiber-optic cable—undersea cable disruption in the Red Sea has already degraded connectivity for millions. Deplete the water table, irradiate the soil, make the port unusable. The token defaults to zero because the asset backing it no longer exists or can no longer be accessed. Tokenization promises to make everything liquid. War makes everything illiquid. The two forces are on a collision course, and the collision is happening now, in real time, in the waters around the Strait of Hormuz. The irony is structural: the same war that funds the shadow petrodollar system also creates the conditions for its unraveling. Every bombed

refinery, every scuttled tanker, every mined shipping lane reduces the productive capacity that gives the dollar its underlying claim on real output. You can tokenize a gas field. You cannot tokenize it after it's been hit by a GBU-57 Massive Ordnance Penetrator. The counter-architecture is being built precisely because this vulnerability is understood. The question is whether it can be built fast enough to offer an alternative before the current system's contradictions resolve themselves in the worst possible way.

Part VII: The Terminal Margin Call Joe Kent, the director of the National Counterterrorism Center, resigned on March 17. In his resignation letter, he told the president to "reverse course." He wrote that Trump "started this war due to pressure from Israel and its powerful American lobby." This was not a Democrat. This was not a progressive. This was Trump's own counterterrorism chief, a former Green Beret, a man who had supported the president's agenda on nearly every other issue. The BBC reported it. The New York Times confirmed he was the highest-ranking administration official to quit in opposition to the war. Oman's foreign minister, reportedly, told Western counterparts that the Gulf states did not ask for this conflict, did not want it, and would remember who brought it to their doorstep. Saudi Arabia is getting hit by Iranian projectiles. The UAE has dead civilians. Kuwait has damaged bases. Qatar has schools closed and Ramadan prayers suspended. These are the countries the United States expects to continue purchasing its debt. Daniel Ellsberg was a senior strategic analyst at the RAND Corporation and a military analyst in the Pentagon who, in 1971, leaked 7,000 pages of classified documents — the Pentagon Papers — to the New York Times and the Washington Post, revealing that the U.S. government had systematically lied to the public about the Vietnam War for over a decade. Henry Kissinger called him "the most dangerous man in America." The Supreme Court ruled in his favor. He spent the rest of his life warning that the machinery of deception he had exposed was not an aberration but a permanent feature of American power. I spent ten days at his home in 2015. I interviewed him for forty hours. Dan told me things about the machinery of war that I have carried with me for a decade. He said the danger is not the lie. The danger is the system that makes the lie unnecessary. The system that generates its own justifications, its own funding mechanisms, its own feedback loops, until no single human decision is required to keep it running. Dan spent the last years of his life trying to warn people about nuclear brinkmanship. He would have recognized what is happening now instantly—not the nuclear dimension, though that is present, but the financial dimension. The discovery that you don't need to convince the public to fund a war if you can build a system that funds itself automatically, drawing on the savings of people who don't even know they're participating. They have built that system.

A woman in Buenos Aires buys a stablecoin to protect her savings. Her purchase flows through Tether, into Cantor Fitzgerald, into a Treasury bond, into the Pentagon's account, into a Tomahawk missile, into a strike on Iranian infrastructure, into an oil price spike, into the

destabilization of her economy, into more capital flight, into more stablecoin purchases. The loop closes. The checks write themselves—automatically, algorithmically, funded by the panic of the people being bombed. The GENIUS Act legalized it. The war operationalized it. The institutions that should have stopped it published their warnings in academic papers that nobody in Congress read before voting 68–30. The old petrodollar required the Saudis to recycle oil revenue into Treasuries. It required diplomacy, security guarantees, relationships. The shadow petrodollar requires nothing. It requires only instability. It feeds on the fear it creates. And the bill—for the missiles, for the veterans' care, for the depleted arsenals, for the demolished hospitals and girls' schools, for the million displaced Lebanese and two million devastated Gazans, for the hollowed-out community banks and the savings conscripted from the Global South—that bill is measured in trillions. Not hundreds of billions. Trillions. Keep your receipts. The accounting is coming. The question is whether it comes through journalism, through oversight, or through collapse. The institutions that should provide the first two have largely abdicated. That leaves the third. And if you've been paying attention to the numbers—the trillions in market losses, the depleted arsenals, the deposit drains, the leveraged bets on a stablecoin backed by the debt of a government fighting wars on three continents—you know that the third option is closer than the optimists want to believe. The Pentagon doesn't count the oil shock. It doesn't count the lost GDP. It doesn't count the market losses, the regional bank failures waiting to happen, or the savings of millions of people in developing countries being converted into short-term Treasuries to fund the next Tomahawk purchase. Nobody counts all of it. That is by design. Somebody has to start counting. Consider this page one.

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PREVIOUS: The $200 Billion Receipt

If this kind of analysis is useful to you, subscribe. I don’t work for a network. I don’t have sponsors. I do this because somebody has to follow the money, and most of the people who are paid to do it won’t. Share this with one person who still thinks this war is about nuclear containment.

Chapter 8: The Global Corporate Mafia

The Counterargument — And Why It Doesn't Change the Math

My friend Pete — a crypto trader who challenges my arguments and sharpens them — holds 1.6 million USDT right now. Not to earn interest. He'll tell you that himself. The coins sit at exchanges as collateral so his firm can settle trades at 5pm New York instead of waiting two days for a wire to clear. He doesn't hold USDT because he thinks it's an investment. He holds it because the alternative is watching his positions hang in the wind for 48 hours while the settlement system catches up to the twenty-first century.

That's a real problem. And USDT is a real solution to it.

I want to sit with that for a second, because the honest version of this book requires it. Pete isn't a mark. He's not being deceived. He knows exactly what he's holding and why. His firm runs better because this technology exists. The efficiency gain is genuine. The friction he's eliminating — the two-day wire delay, the counterparty exposure during settlement, the timezone problem of a global trading operation running through correspondent banking systems built in 1978 — that friction is real, and the fact that it's real is the reason 530 million people use this product.

Pete also makes a point about LUNA that I respect. LUNA — TerraUSD, the algorithmic stablecoin that vaporized $18 billion in three days in May 2022 — collapsed because it wasn't backed by anything. It was backed by its own token in a circular arrangement that required constant growth to stay solvent. When growth stopped, the whole thing unwound at the speed of Twitter. Pete says: Tether is backed by hard assets, primarily U.S. Treasury bills, and that's the difference. Being backed by real assets is what makes USDT safe in ways LUNA never was.

He's right. And the reason he's right is the reason I wrote this chapter.

The GENIUS Act mandated Treasury backing. Section 4(a)(3). Ninety-three-day T-bills, dollar for dollar. The law that Pete is pointing to as the proof of safety — the law that distinguishes USDT from LUNA — is the same law that routes every dollar Pete puts up as trading collateral into a T-bill that pays Tether and not Pete. The safety Pete is describing is the extraction mechanism. They are the same thing. The "safety" is Section 4(a)(11).

Here's the part that doesn't change no matter how short the time horizon:

The moment Pete mints his 1.6 million USDT — whether he holds it for five minutes or five years — Tether buys the T-bill. The T-bill pays interest from the moment of purchase. While that USDT is sitting at an exchange waiting for Pete's 5pm settlement, it is simultaneously earning approximately $162 per day in T-bill yield for Tether. Not Pete. Pete earns zero. The law forbids anything else.

Pete's use case is real. Pete's efficiency gain is real. But the yield transfer happens regardless of why Pete is holding the stablecoin. It happens regardless of how long he holds it. It is not connected to Pete's intent. It is connected to the timestamp on the minting transaction. From that moment forward, Tether earns and Pete doesn't. Every time. By statute.

And Pete's point about LUNA — that the "backed by hard assets" story is what makes this different — is exactly, surgically correct in a way that points at the problem. LUNA had nothing underneath it. Tether has $141 billion in Treasuries underneath it. Those Treasuries are there because the law requires them. And the law requires them not to protect Pete's collateral — Pete's collateral is protected by the dollar peg, which requires the T-bill backing. The law requires them because the T-bills generate yield. The yield goes to Tether. The Tether that Pete trusts because of the T-bill backing keeps every dollar of income those T-bills produce while Pete gets the settlement efficiency.

That's not a scam. Pete isn't being robbed. He's making a rational trade — settlement speed for yield.

The question this chapter has been asking is different. The question is who designed that trade, who benefits from 530 million people making it simultaneously, and whether the people who designed it — Bo Hines, who wrote the law and took the job; Howard Lutnick, whose family custodies the reserves — disclosed their stake in the outcome when they were writing the terms.

Pete got his settlement efficiency.

Tether got his yield.

And neither of them was in the room when the terms were set.

When I described the architecture to Pete that same night, he cut through everything I'd written in 122,000 words and said it plainly:

"It's just who's getting paid. They're going straight to the Treasury. With Cantor as the intermediary."

He's right. That's the whole mechanism in one sentence.

The old system: banks take your deposits, lend them out, keep the spread. The Fed controls rates. Treasury competes for buyers.

The new system: you buy USDT, Tether buys T-bills, Treasury gets funded directly, Cantor custodies the bills, Tether keeps the yield, you get zero.

The banks are cut out. But Tether and Cantor replace them and capture the yield at the Treasury level instead of the lending level. Pete calls it efficiency. He’s right about that too. It is more efficient. The question the GENIUS Act never asked is: efficient for whom?

“It’s just who’s getting paid.” Yes. And the law specifies exactly who that is.

Chapter 7: The Death Spiral

The community banker in Ames, Iowa didn't notice at first.

The deposits were still there in February 2026 — most of them, anyway. The loan book was performing. Net interest margin was thin, tighter than he'd like, but manageable. He'd been in community banking for twenty-two years. He'd survived 2008. He'd survived 2020. He understood the cycles.

What he didn't understand — what no one explained to him, not in the financial press, not in the regulatory guidance, not in the legislation that passed Congress 68–30 with bipartisan celebration — was that a law signed eight months earlier had quietly installed a drain on the bottom of his deposit base. A statutory drain. Legal, disclosed, designed.

By April 2026 — thirty-three days into the Iran war — the drain was running at approximately $512 billion per year.

He didn't have the math yet. He had a feeling. Deposits were a little softer than expected. The numbers were still fine. Everything was still fine.

That's how the machine works.

The Mechanism, Simply

Here's what the GENIUS Act does, stripped of the legislative language:

Every dollar you put into a Tether USDT stablecoin is a dollar that used to sit in a bank. That dollar, by law, now gets used to buy a short-term U.S. Treasury bill. The Treasury bill pays interest. The stablecoin company keeps the interest. You get nothing back except the same dollar you put in — a dollar that can't earn any interest because the law explicitly forbids it.

The White House fact sheet announcing the law's signing said it would “generate increased demand for U.S. debt.” That was not a side effect. That was the pitch.

The verbatim text of Section 4(a)(11): “No permitted payment stablecoin issuer shall pay the holder of any payment stablecoin any form of interest or yield.”

Section 4(a)(3) requires reserves in short-term Treasury bills with 93 days or less remaining maturity. That's the short end of the yield curve. That matters, and we'll get to why.

Tether earned $10 billion in 2025 running this system. Operating margin close to 99%. $122 billion in direct T-bill holdings. 530 million users worldwide.

Now add a war.

Day One: The Panic

The bombs fell on February 28, 2026. Within minutes, the Nobitex exchange in Iran — the country's largest crypto platform — recorded a 700% surge in withdrawal volume. People were converting their currency into USDT as fast as the network could process it.

They weren't making an investment decision. They were fleeing.

$10.3 million left Iranian exchanges in the first seventy-two hours. That's not a big number in global financial terms. But it was the leading edge of a wave that, over the next thirty-three days, would add $46.3 billion to Tether's market cap.

Every dollar of that $46.3 billion was a dollar that, by law, had to become a Treasury bill.

An Iranian mother converting her family's savings into USDT to protect them from the collapse of the rial was, without knowing it, funding the Treasury of the country dropping bombs on her city. The chain is that direct. The chain is that ugly. The law makes it so.

She's not a victim of some hidden conspiracy. She's a victim of a statute. The mechanism is in the public record. The White House advertised it.

The Yield Move

Simultaneous with the demand surge, the war drove Treasury yields up across the curve:

The three-month T-bill went from 3.24% to 3.71% between February 27 and March 26. That's 47 basis points in twenty-seven days.

On $122 billion in T-bill holdings, 47 basis points is $573 million per year in additional annual income — just from the yield move. Not counting growth.

The new $46.3 billion in capital coming in at an average yield around 3.7–3.8% added another $1.7 billion in annual run-rate income on top of that.

Here's the structural point that makes this different from any other financial crisis: both levers — volume and yield — moved in the same direction simultaneously. In normal finance, rising

yields come with tightening that slows new investment. The GENIUS Act breaks that relationship entirely. War creates panic. Panic creates new stablecoin customers. New stablecoin customers force new T-bill purchases. And the war that created the panic also drives yields higher, making every existing T-bill more valuable at the same time.

More customers. Higher yields on each dollar. No tradeoff.

Catherine Austin Fitts — the former HUD Assistant Secretary under the first Bush administration, one of the few people in the country who understood the structural financial dimensions of this before I did — described it precisely: “The mechanism effectively privatizes the yield from a public-demand function. That is a policy choice embedded in the statute, not a market accident.”

Not an accident. A choice.

The Circular Backstop

On April 3, 2026 — Good Friday, the day before a three-day market closure — the U.S. Treasury executed a $15 billion buyback of its own outstanding debt.

The largest Treasury buyback in American history.

The timing is not incidental. Executing the largest debt buyback in U.S. history on the last trading day before a three-day weekend insulates the action from open-market scrutiny. Any price effects settle before Monday's session. There is no opportunity for the market to immediately test whether the support holds.

Here's what that means for the mechanism this chapter has been building.

Tether holds $141 billion in U.S. Treasury bills. That's per its own BDO-attested Q4 2025 financial disclosure — the largest non-government T-bill holding in the world, exceeding the Treasury positions of multiple sovereign wealth funds. Tether's entire 1:1 dollar peg depends on the market value of those T-bill holdings remaining adequate. If T-bill prices fall — if yields spike fast enough that the mark-to-market value of the reserve pool slips below the outstanding USDT — the peg breaks. And if the peg breaks, 530 million people find out their digital dollars aren't dollars.

So when the Treasury buys back $15 billion in outstanding debt, it props up T-bill prices. It defends the marked value of Tether's reserve position. Using public funds.

The government passed the law that mandates Tether buy Treasury bills. Then the government bought back Treasury bills — the largest such purchase in American history — to support the market its own mandate created.

On a $141 billion reserve position, a 5-basis-point price improvement from the buyback translates to roughly $70 million in unrealized balance sheet benefit for Tether. Minimum. That's not speculative — that's the arithmetic of bond price sensitivity on a portfolio that size. The taxpayer executed a market action that delivered at minimum $70 million in balance sheet support to a private company incorporated in the British Virgin Islands.

And here's the part that should make your stomach turn: this is now the new normal.

The feedback loop has acquired a government backstop it didn't have before:

``` GENIUS Act mandate → forced T-bill purchases → T-bill market grows dependent on stablecoin demand → Treasury defends T-bill prices with buybacks → Stablecoin reserve values supported by taxpayer action → Stablecoin credibility maintained → more growth → REPEAT ```

This is no longer just a private extraction mechanism running on a statutory foundation. The Treasury Department is now in the business of defending the reserves that make the extraction possible. The mechanism doesn't merely take. It has arranged for the government to protect what it took.

Fitts again: “In 2008, the risk was hidden. In 2026, it's statutory.” Add to that: in April 2026, the taxpayer is backstopping the statutory extraction in real time, at record scale, on a holiday weekend.

The banker in Ames doesn't know any of this. He just knows his deposits are a little softer than expected.

The Banker in Iowa: Scenario A (Three Months)

Let's go back to Ames.

By May 2026 — three months into the war — the stablecoin market has grown from $316 billion to somewhere between $380 and $420 billion. Tether's cap is approaching $290 billion. The new deposits are not coming from sophisticated investors. They are coming from frightened people across Iran, Lebanon, Yemen, Iraq, Pakistan, and Turkey, all of them converting local currencies into something that won't evaporate.

Every one of those dollars displaced a dollar from somewhere. The New York Fed's Staff Report 1185, published in February 2026, used transaction-level data to confirm what the American Bankers Association had been screaming about for months: stablecoin growth “not only erodes banks' deposit franchises but also transmits liquidity stress to the banking system.”

Dollar for dollar.
```

For the community banker in Ames: in a 3-month war at this pace, the system-level deposit loss is $80 to $126 billion. That's 1.2% to 1.9% of the $6.6 trillion in community bank deposits the U.S. Treasury itself has identified as at risk. On a bank with $500 million in deposits, a 1.5% system-level loss costs $7.5 million in funding base. Under standard banking leverage assumptions, that's $60 to $75 million in reduced lending capacity.

Less money to lend. To farmers. To small businesses. To the contractor who needs a line of credit to take on a new job.

But the deposit drain is only half the problem.

The Yield Curve Kills Both Sides

Community banking runs on a spread. You borrow short — deposits, short-term instruments — and lend long — thirty-year mortgages, five-year commercial real estate loans, seven-year agricultural credits. Your survival depends on long-term lending rates being meaningfully higher than your short-term borrowing costs. That spread is called net interest margin, and when it compresses, banks die.

The GENIUS Act mandates that all stablecoin reserves be held in Treasury instruments with 93 days or less remaining maturity. As stablecoin reserves grow — and they're growing at the fastest pace in history — that creates concentrated mandatory demand at the extreme short end of the Treasury curve. Billions of dollars forced, by statute, into 3-month T-bills.

High demand for short-term Treasuries compresses short-term Treasury yields. Artificially. Relative to what yields would be without the mandated buyer class.

An oil shock normally steepens the yield curve — long rates spike more than short rates, because inflation fears are long-duration. The GENIUS Act inverts that natural dynamic. Short-end yields are artificially suppressed by mandated stablecoin buying just as oil-driven inflation ought to be pushing them up. The curve stays flat or flatter than it should be.

For the banker in Ames: His deposit costs stay elevated because the Fed can't cut with oil above $100 — cutting rates with an inflationary oil shock would replay the 1970s. His long-term lending rates compress because the yield curve has been flattened by mandated short-end buying. His deposit base is shrinking because the same legislation created a competing product that earns the full T-bill yield and passes none of it to users.

Three things going wrong at once. The same mechanism causing all three.

On a $500 million balance sheet, 20 basis points of net interest margin compression is $1 million per year in lost income. Before you count the deposit volume loss. Silicon Valley Bank

collapsed when NIM compression hit 40 to 80 basis points combined with unrealized duration losses. The 2023 regional banking crisis affected roughly $200 billion in bank assets. What the GENIUS Act creates is the same dynamic, applied across the entire $6.6 trillion community banking sector, at sustained pace rather than in a single acute event.

The 3,200 bankers who signed the American Bankers Association's joint warning letter in early 2026 understood this. The ABA is not an advocacy organization. It is the institutional voice of the banking industry. Their letter said: “Policies that undermine bank and credit union deposits destroy local lending. Every deposit represents a home loan, a small business loan, or an agricultural loan.”

Congress passed the GENIUS Act 308–122 after that letter was public.

Scenario B: Six Months (August 2026)

Robert Pape at the University of Chicago, the nation's foremost scholar of strategic bombing, wrote in the New York Times in March 2026: “This is not de-escalation. It's controlled escalation.”

If he's right — and the commando raids and indefinite operations framework reporting from Drop Site News suggests he is — the war runs through August. Let's look at what that means.

Months one through three: $126 billion in new stablecoin growth.

Months four through six: the panic premium fades, but adoption doesn't reverse. Once USDT becomes the functioning currency for cross-border trade in a conflict-adjacent economy — Turkey, Egypt, Pakistan, Sri Lanka — merchant networks adopt it permanently. A ceasefire doesn't unwind merchant adoption. The structural rate running at 30 to 50% of the initial panic pace adds another $40 to $65 billion.

Total six-month stablecoin growth: $166 to $191 billion.

Total stablecoin market approaching half a trillion dollars.

Mandatory T-bill purchase obligation, incremental to February 28 levels: $130 to $165 billion.

The Federal Reserve is in a trap. With oil sustained above $100, headline CPI is running 4 to 5% — the oil-driven component alone adding 150 to 200 basis points to inflation. The Fed cannot cut rates without risking a repeat of the 1970s inflation cycle that Arthur Burns extended by years through premature easing. But if the Fed holds rates, community bank NIM stays crushed, small business lending contracts, local economies weaken. And as local economies weaken, more households look for safety. More dollars move into stablecoins. More T-bill purchases. More yield curve flattening.

The loop:

War → sustained oil above $100 → inflation persistence → Fed policy paralysis → NIM compression → credit tightening → small business stress → local economic decline → more deposit flight to stablecoins → more mandatory T-bill purchases → more yield curve flattening → more NIM compression → repeat.

The New York Fed documented this transmission chain in Staff Report 1185. This is not speculative. The mechanism was confirmed with transaction-level data from 2022 through 2024 — before the GENIUS Act institutionalized it at statutory scale.

And then there's China.

China: The Destroyed Alternative

Before the war, China was running approximately $1.5 billion per month in yuan-denominated oil purchases from Iran through Bank of Kunlun, cleared outside SWIFT. This was the most significant operational dollar-bypass mechanism in the global economy. It was growing. It was the proof-of-concept for a yuan-denominated commodities settlement system that could have, over the next decade, meaningfully challenged dollar hegemony.

The war disrupted it. Sanctions enforcement intensified. Iranian oil became harder and riskier to move even for buyers willing to absorb secondary sanctions exposure. The volume collapsed.

The yuan-settlement alternative that was demonstrating itself as viable — gone.

The BIS had been building mBridge, a cross-border CBDC platform that had processed $55 billion in transactions, 95% in digital yuan, across 26 participating central banks. The BIS withdrew from mBridge in late 2024, citing sanctions evasion concerns. Without BIS multilateral legitimacy, mBridge can't attract G7-jurisdiction institutions. China's capital controls on e-CNY cross-border flows mean the People's Bank of China has to approve large international transactions — limiting the utility of the system precisely where utility would matter most.

Trade that would have cleared in yuan through Bank of Kunlun now needs a settlement alternative. Dollar-denominated stablecoins are the liquid, accessible option.

The war accomplished two things simultaneously: it generated demand for dollar stablecoins through panic and capital flight, and it actively destroyed the competing settlement infrastructure that was the only operational dollar-bypass mechanism at meaningful scale.

These are not independent effects. They are components of the same mechanism. Whether that makes the war a deliberate financial strategy or a happy coincidence for the people who benefit from it — that's a question this book asks but does not pretend to definitively answer.

Scenario C: Twelve Months (February 2027)

Drop Site News has reported on the military arithmetic of drone proliferation at the Strait of Hormuz. Ryan Grim's characterization is precise: “Every coastline becomes a toll road.” Cheap precision drones make forced reopening of the strait near-impossible at acceptable political cost.

If Hormuz closes functionally — or remains effectively restricted — oil goes to $150 to $200 per barrel. The Goldman Sachs $200 oil scenario adds 3 to 4% to headline CPI. Household purchasing power destruction at those oil levels runs $4,000 to $7,000 per American family annually. Recession probability in prior historical regressions at those oil levels: 65 to 75%.

And here's the part that breaks the model: in a recession, the flight to stablecoins accelerates, not decelerates. Dollar demand spikes globally. Local currency depreciation accelerates across 50-plus conflict-adjacent economies. Adoption compounds.

At twelve months, the stablecoin market could reasonably reach $500 billion to $1 trillion. That's not hyperbole — it's the math of 30 to 50% of the initial panic rate sustained across a broadening geography.

At $500 billion in stablecoin reserves, the mandatory T-bill purchase pool equals roughly 24% of the entire three-month T-bill market. At $1 trillion, nearly half.

The Federal Reserve has been functionally replaced, at the short end of the Treasury curve, by a privately owned, profit-extracting, statutorily mandated buyer class that earns 100% of the yield on capital it does not own.

For the community banking sector, the cumulative deposit displacement at twelve months reaches $300 to $500 billion — 4.5% to 7.6% of the $6.6 trillion at-risk base. The aggregate lending capacity destruction, at standard banking leverage, runs $240 to $500 billion in suppressed community credit.

That's $240 to $500 billion in home loans, small business loans, and agricultural credits that don't happen. In the communities that need them most. In the communities that are already losing their deposit base to a stablecoin company headquartered in the British Virgin Islands.

The Retiree Holding Treasuries

The man whose pension fund holds U.S. Treasuries — and most pension funds do — is watching something strange happen to his returns.

He's not losing money. Treasury bills are paying decent rates. What he can't see is that the yield curve is being distorted by a mandatory-reserve mechanism that was never designed with his

retirement security in mind. The short end is artificially suppressed by $275 billion in captive, stationary-mandated demand. The Fed's ability to normalize rates — to cut when the economy needs it — is constrained by the same inflationary oil dynamic the war created.

He holds Treasuries. The war makes yields spike, which means his existing bond prices fell. He's underwater on duration. And the mechanism that should provide relief — rate cuts — is blocked by the inflation the war produced.

He doesn't connect these. Nobody on cable news connected them. The financial press covered the war, covered the oil spike, covered the market selloff. Nobody covered the yield curve distortion from $275 billion in mandated short-end buying, because that required reading a statute and three Federal Reserve research papers simultaneously.

The Homeowner

The homeowner refinancing in 2026 thinks her mortgage is a relationship between her and her lender. She has no idea that the pipeline her loan travels through is controlled, at every stage, by one man.

Jeffrey Sprecher built Intercontinental Exchange — ICE — into something that now owns: Ellie Mae, which processes 50% of U.S. mortgage originations; MERS, the mortgage electronic registration system that tracks 85% of all U.S. mortgages; Black Knight, which services 65% of all U.S. mortgage loans; and the New York Stock Exchange, which has a new tokenization partnership with Securitize that went live in March 2026.

Her loan originates through Ellie Mae. Registers through MERS. Services through Black Knight. Gets tokenized and traded through NYSE/Securitize. Fannie Mae — which guarantees more than 50% of all U.S. mortgages — now formally accepts cryptocurrency as eligible collateral for mortgage risk assessments.

The stablecoin holder in Iowa puts dollars into USDT. USDT buys T-bills at Cantor Fitzgerald. The Treasury-backed demand supports the government. The government backstops Fannie Mae. Fannie Mae guarantees the loan. The loan originated through Ellie Mae. Every step is the same interlocking infrastructure.

Sprecher's wife is Kelly Loeffler. Former Georgia Senator. Sat on the Senate Agriculture Committee — which oversees the CFTC — while married to the man who runs the exchange the CFTC regulates. The CLARITY Act, pending in the Senate, would give the CFTC expanded jurisdiction over that same exchange.

The 2008 Comparison

In 2008, you needed a PhD in structured finance to understand what Goldman Sachs was doing with Abacus. The CDO tranches were deliberately complex. The risk was deliberately obscured. That's why it could happen — the complexity was the camouflage.

Section 4(a)(11) is twenty-two words long.

Fitts again: “In 2008, the risk was hidden. In 2026, it's statutory. The GENIUS Act doesn't hide the extraction. It codifies it.”

The difference between 2008 and 2026, structurally:

In 2008, the crash forced accountability. Lehman collapsed. Merrill sold overnight. AIG needed a $182 billion bailout. TARP happened. Dodd-Frank happened. The crisis created the forcing event for reform.

The GENIUS Act architecture generates no forcing event. The community banks don't fail in a single catastrophic weekend. They shrink, quarter by quarter, as deposits migrate. The Fed doesn't face a liquidity crisis — it faces a policy space constraint that tightens gradually. The machine extracts continuously, at statutory authority, with documented financial disclosures, in plain sight.

There is no Lehman moment. There is just the slow bleed.

The Part Nobody Explains

My friend Pete — the crypto trader who challenged every argument in this book and made it stronger — said something that stopped me cold.

“Nobody understands bonds. The 10-year yield is the critical part.”

He’s right. And it’s the missing piece in every mainstream analysis of this crisis.

Here’s what the 10-year Treasury yield actually is: it’s the interest rate that prices every other asset on earth. Your mortgage rate. Your car loan. Corporate borrowing costs. Stock valuations. All of it floats above the 10-year. When the 10-year rises, everything gets more expensive. When it falls, everything loosens.

For 50 years, every financial crisis followed the same pattern: panic sends investors into Treasuries (flight to safety), Treasury prices rise, yields fall, mortgages get cheaper, the economy gets relief. This worked in 2001, in 2008, in 2020.

It is not working in 2026.

The 10-year yield is rising during a crisis. Foreign central banks — squeezed by oil shock and dollar depreciation — are selling long-dated Treasuries to defend their currencies. There are more sellers than buyers at the long end of the curve. The “safe haven” is breaking.

And here is where the GENIUS Act architecture becomes structurally dangerous rather than merely extractive:

The GENIUS Act mandates purchases of short-term Treasury bills — the 90-day end of the curve. Tether holds $141 billion in T-bills. That’s a massive, mandatory bid on short-term paper. But the crisis is at the long end — the 10-year. The stablecoin architecture is propping up the wrong part of the yield curve.

The result is a split market: short-term yields held artificially low by stablecoin mandates, long-term yields rising because foreign sellers are overwhelming buyers. This is called yield curve inversion. When it’s severe and sustained, it historically precedes recession.

The architecture wasn’t built to cause this. It was built before this crisis. But now it’s being stress-tested in real time — and the structural mismatch between where stablecoin demand flows (short end) and where the crisis is (long end) means the machine that was built to privatize the dollar may be accelerating the dollar’s dysfunction.

That’s not nefarious. It’s structural. The wheel Lutnick and Hines built was designed for a different road. The road changed on February 28, 2026. The wheel kept spinning.

“The 10-year yield is the critical part.” — Pete, April 7, 2026.

He’s right. And nobody in power is explaining it.

The banker in Ames is still fine. His numbers are still fine. Everything is still fine.

That's the point.

The death spiral isn't a single event. It's the compound interest of a thousand decisions made by people who will never meet the community banker, the Iranian mother, the retiree, or the homeowner. Each decision — the statute, the reserve mandate, the yield prohibition, the custody arrangement, the revolving door, the enforcement dismantlement — is individually explainable. Defensible, even, if you hear only one piece of it.

But together, they are a machine. A machine built to run faster when the world is afraid.

And on Good Friday, 2026, the government spent $15 billion making sure the machine wouldn't break.

A policy choice embedded in the statute.

Not a market accident.

Professor Robert Pape of the University of Chicago — whose work on coercion and air power has been taught at West Point for decades — published his assessment on April 8, 2026, forty days into the war. His conclusion: "More force produces less control." Each escalation generated counterpressure on energy markets, on allies, and on U.S. decision-making itself. He called it "the pattern of strategic failure."

His most important observation for the financial architecture documented in this book: "Control is no longer required. Vulnerability is enough." Iran does not need to close the Strait of Hormuz permanently. It needs to make the strait uncertain. That uncertainty alone moves markets, alters shipping behavior, and triggers political responses.

The sustained-shock model in the previous section assumed a temporary disruption — three months, six months, twelve months. Pape's analysis suggests something worse: the disruption is now structural. Iran has crossed the threshold where it can influence the global energy system indefinitely. That means the worst-case scenario in the model is not a scenario. It is the new baseline.

For the Board of Grift, this is the optimal outcome. Not war. Not peace. Permanent uncertainty. The GENIUS Act captures stablecoin demand regardless of whether oil goes up or down. The architecture profits from the volatility itself — war drives oil up, ceasefire crashes it down, and somebody places $580 million in bets fifteen minutes before the announcement. Both directions. Every time.

Pape described Iran's new power as "persistent uncertainty." He did not address who built the financial architecture to profit from that exact condition.

This book does.

Chapter 8: The Global Corporate Mafia

Architecture and Discovery Roadmap

SECTION 1: THE BO HINES TIMELINE A chronological record of how the man who shaped U.S. stablecoin law at the White House became the CEO of the company that profits most from it — in 35 days. Date

May 14,

June 17,

Event

Source

Bo Hines (Executive Director, White House Presidential Council of Advisers on Digital Assets) tells Consensus 2025 in Toronto Paul Hastings Crypto that the White House expects stablecoin and market structure Policy Tracker legislation on the President's desk before the August recess. U.S. Senate passes the GENIUS Act, 68–30. Seventeen Sullivan & Cromwell; Democratic senators join 51 Republicans. The bill establishes the Latham & Watkins first federal regulatory framework for payment stablecoins, including mandatory 1:1 reserve backing with U.S. Treasuries and

Date

Event

Source

A prohibition on paying yield or interest to stablecoin holders.

July 17,

Rep. Bryan Steil press House passes the GENIUS Act 308–122. Same day, House passes release; House the CLARITY Act 294–134. "Crypto Week." Financial Services Committee

July 18,

President Trump signs the GENIUS Act into law.

August 9,

Hines announces departure from the White House to return to the Reuters private sector.

August 19,

Tether hires Hines as "Strategic Advisor for Digital Assets and U.S. Strategy." Ten days after leaving the White House.

September 12, 2025

Hines named CEO of Tether U.S. / USAT. Tether announces new U.S.-regulated stablecoin in partnership with Cantor Fitzgerald CNBC; Bloomberg and Anchorage Digital.

September 23, 2025

Hines tells Korea Blockchain Week (KBW2025) in Seoul: "I believe that both USDT and USAT will meet the same compliance standards outlined in the GENIUS Act."

USAT launches. Issued through Anchorage Digital Bank, N.A. January 27, (the only federally chartered crypto bank). Custodied by Cantor Fitzgerald. Available on Bybit, Crypto.com, Kraken, OKX, and Moonpay.

White House Fact Sheet

Tether press release; Reuters

BeInCrypto / Yahoo Finance

Tether press release; Bloomberg; Decrypt / Yahoo Finance

February 11, 2026

Hines tells Bitcoin Investor Week conference in New York: “This year, I believe we will become a top 10 purchaser of T-bills.” TheStreet / Yahoo Notes Tether already holds $122 billion in Treasuries — more Finance than Germany ($109.8B) and Israel ($107.7B).

February 28, 2026

Iran war begins. U.S. launches Operation Epic Fury.

U.S. Department of Defense; Arab Center Washington DC

The Critical Question Did Hines communicate with Tether about a future role while still at the White House shaping the GENIUS Act? The 10-day gap between his departure (August 9) and his hire (August 19) is vanishingly short for a position of this magnitude. Tether’s CEO Paolo Ardoino told Forbes on August 26, 2025: “When I heard he decided to move on from his government position, I was [struck] by his ability to drive the GENIUS Act forward.” (Forbes) This phrasing — “when I heard he decided to move on” — frames the recruitment as spontaneous. But the timeline suggests otherwise. A 10-day turnaround from departure to announced hire, with “immediate effect,” implies the arrangement was negotiated before Hines left government.

Discovery target: Communications between Hines and Tether/Ardoino/Devasini during his White House tenure. Any pre-departure negotiation about employment would be a potential violation of 18 U.S.C. § 208 (acts affecting personal financial interest) and/or the Ethics in Government Act’s post-employment restrictions.

SECTION 2: THE YIELD SPREAD ANALYSIS The GENIUS Act’s architecture creates an extraordinary profit engine. Section 4(a)(11) prohibits stablecoin issuers from paying “any form of interest or yield (whether in cash, tokens, or other consideration) solely in connection with the holding, use, or retention of such payment stablecoin.” (Perkins Coie analysis; Grant

Thornton; Brookings Institution) Meanwhile, the Act requires reserves to be held in liquid assets like U.S. Treasuries. The issuer collects the full yield. The holder receives zero.

The Numbers Metric

Value

Source

Tether direct U.S. Treasury holdings

$122 billion

BDO attestation, January 30, 2026 (Yahoo Finance / Cryptonews; TheStreet / Yahoo Finance)

Total Treasury exposure (incl. reverse repos)

~$141 billion

TheStreet / Yahoo Finance

Total reserve assets

~$193 billion

BDO report (DL News / Yahoo Finance; Finance Magnates)

10-year Treasury yield, Feb. 27, 3.97% 2026 (day before war)

YCharts

10-year Treasury yield, Mar. 26, 4.42%

Trading Economics; YCharts

Yield increase

+45 basis points in Calculated from above 27 days of war

Short-term T-bill rates (4week), Mar. 26

~3.63–3.70%

Trading Economics; YCharts

26-week auction rate, Mar. 26

~3.63%

TreasuryDirect

Yield paid to USDT/USAT holders

0%

GENIUS Act § 4(a)(11)

Tether 2025 total profit

~$10 billion

Bloomberg; Yahoo Finance / Cryptonews

The Spread • Estimated annual yield income on $122B direct Treasury holdings at ~3.7% (short-term rates): ~$4.5 billion

• Estimated annual yield income at ~4.4% (current 10-year rates): ~$5.4 billion • War-driven yield increase adds approximately $550 million/year in additional profit • With ~$10 billion in revenue generated primarily from this yield, and minimal operational costs, Tether's profit margins approach 99%

The Structural Conflict The man who wrote the yield-to-zero rule — Bo Hines, via the GENIUS Act — now runs the company that collects the spread (Tether U.S.). The war increases both sides of the profit equation: 1. Demand side: War-driven instability in the Middle East and emerging markets causes capital flight into dollar-pegged stablecoins. Tether reports approximately 30 million new users per quarter. (Binance Square) 2. Yield side: War uncertainty pushes Treasury rates higher. The 10-year yield rose 45 basis points in the first 27 days of Operation Epic Fury. Both forces multiply Tether's profits — and the holders who provide the capital receive nothing.

SECTION 3: THE CANTOR / LUTNICK WEB Timeline of the Cantor–Tether Relationship Date

Event

Source

Cantor Fitzgerald begins custodying Tether's reserves. Lutnick Bloomberg (March 18, later says he "personally negotiated the partnership and audited 2026); TechFlow Tether's books."

Lutnick tells Bloomberg TV: "I hold their Treasuries, and they January 16, Bloomberg TV / Davos have a lot of Treasuries. I'm a big fan of Tethers." Confirms 2024 (Davos) 2024; CoinGeek Tether has $86B in assets backing $83B in USDT.

April 2024

Lutnick personally negotiates $600 million convertible bond granting Cantor Fitzgerald 5% equity in Tether.

Wall Street Journal (Nov. 2024); Bloomberg (March 18, 2026); Brave New Coin

July 2024

Cantor announces $2 billion Bitcoin financing business. Lutnick: “We are excited to help unlock Bitcoin’s full potential.”

Cantor Fitzgerald press release

November

Trump nominates Lutnick for Commerce Secretary.

Fortune

At confirmation hearing, Lutnick acknowledges Cantor holds “a January 29, convertible bond with Tether” but softens prior claims, saying WSJ; Yahoo Finance he believes “my statements were accurate when made.” May 2025

Cantor’s Bitcoin Financing Business executes first transactions. Cantor Fitzgerald $2 billion initial phase with Anchorage Digital and Copper.co

Date

Event

Source

As custodians. Cantor Fitzgerald acquires UBS’s O’Connor alternatives investment platform (~$11 billion in hedge funds, private credit, Cantor Fitzgerald; Yahoo May 28, 2025 and commodities). Brandon Lutnick (Howard’s son), now Finance Chairman, calls it “transformational.” October

Lutnick transfers ownership of Cantor Fitzgerald to trusts benefiting his four children — to comply with federal ethics rules.

October 7,

UCC Financing Statement #217111 filed in New York State — Bloomberg (March 18, Tether loans money to Dynasty Trust A (Lutnick children’s 2026); Arn Menconi, trust), secured by “all

assets of the Debtor” including the “The Shadow convertible bond. Dynasty Trust A holds more than half of Petrodollar” Cantor’s equity.

December 31, 2025

O’Connor acquisition first close completes. Further transfers through Q1 2026.

Bloomberg (March 18, 2026); TechFlow

Business Wire

Tether invests $100 million in Anchorage Digital at $4.2 billion Markets Media; February 5, valuation. Anchorage issues USAT. Cantor custodies USAT Cryptonews / Yahoo reserves. Finance March 6,

Federal court certifies class action against Tether/Bitfinex for alleged crypto market manipulation (In Re Tether & Bitfinex Crypto Asset Litigation, SDNY).

March 18,

Bloomberg publishes the Tether-to-Lutnick-children loan story. Ethics experts say the loan “created new [conflicts of interest]” Bloomberg; TechFlow and potentially “undermines the very purpose of federal divestiture requirements.”

March 23,

Swan Bitcoin files ex parte application in SDNY to subpoena Cantor Fitzgerald and Howard Lutnick personally (28 U.S.C. § crypto.news; MEXC 1782).

March 24,

Tether announces engagement with a Big Four accounting firm Tether press release for its first full independent audit.

TradingView; MEXC / Coindoo

Cantor Fitzgerald Is Simultaneously: 1. A primary dealer — one of 26 firms authorized to trade directly with the Federal Reserve. (Federal Reserve Bank of New York) 2. Custodian of Tether’s ~$122+ billion in direct Treasury reserves — the overwhelming majority of all Tether reserves. (Bloomberg; CoinGeek) 3. 5% equity holder in Tether via a $600 million convertible bond (potentially worth $25 billion at Tether’s target $500B valuation). (WSJ; Binance Square) 4. Lender to the Lutnick family trust via the Tether loan to Dynasty Trust A, secured by all trust assets including the convertible bond. (Bloomberg (March 18, 2026)) 5. Partner with Anchorage

Digital on USAT issuance — designated reserve custodian and preferred primary dealer. (Tether press release)

6. Operator of a $2 billion Bitcoin financing business with Anchorage and Copper.co as custodians. (Cantor Fitzgerald) 7. Acquirer of UBS's O'Connor alternatives platform — ~$11 billion in hedge funds, private credit, and commodities, bringing total AUM to ~$16.8 billion. (Cantor Fitzgerald; Business Wire)

The Interlocking Structure The Commerce Secretary's children own the company. Tether loaned the children money to buy it. The Commerce Secretary regulates trade and crypto policy. Kathleen Clark, law professor at Washington University in St. Louis and former ethics counsel for the District of Columbia, told Bloomberg: If Tether's loan helped Lutnick complete a deal that "ultimately benefits both himself and his children," then his family owes Tether a further debt of gratitude — raising concerns that "Howard Lutnick may use his governmental authority to benefit Tether — and his own children — rather than the public interest." (TechFlow / Bloomberg)

SECTION 4: FIVE QUESTIONS FOR DISCOVERY If Swan's legal team obtains Lutnick's testimony under oath via the § 1782 subpoena, the following questions connect the mining dispute to the broader architecture:

Question 1: The Hines–Lutnick–GENIUS Act Nexus Did Howard Lutnick communicate with Bo Hines regarding the GENIUS Act's reserve requirements or yield prohibition while Hines was at the White House? Why it matters: If yes, the custody arrangement was shaped by someone who then went to work for the custodied entity. Cantor Fitzgerald's role as custodian of Tether's $122+ billion in Treasury reserves — and its 5% equity stake — means the reserve and yield rules directly determine the profitability of both Cantor and Tether. Any pre-legislation coordination between Lutnick and Hines about the structure of those rules would constitute a potential violation of 18 U.S.C. § 208.

Question 2: The Dynasty Trust Loan Terms What are the exact terms of the loan from Tether to Dynasty Trust A? What to ask: Amount, interest rate, repayment schedule, maturity date, and what happens if Tether's valuation doesn't reach $500 billion. Is the convertible bond pledged as collateral? What triggers a default? Why it matters: Bloomberg reported that Dynasty Trust A holds more than half of Cantor's equity and that the loan is secured by "all assets of the Debtor." (Bloomberg (March 18, 2026)) If the loan terms are favorable — below-market interest, long maturity, no collateral call — it functions as a subsidy from Tether to the Commerce Secretary's family. If the convertible bond is pledged back to Tether as collateral, the circularity is complete: Tether gave Cantor the bond, the bond sits in the trust, Tether lends against the bond.

Question 3: The Custody Fee Structure What is Cantor Fitzgerald's fee structure for custodying Tether's Treasury reserves? Why it matters: Even a modest fee — say 5 basis points — on $122 billion in direct Treasury holdings equals $61 million annually flowing to the Lutnick family's company. At 10 basis points, it's $122 million. At 25 basis points, it's $305 million. These are revenues that accrue directly to the trusts now owned by Lutnick's children. The fee structure has never been publicly disclosed.

Question 4: Trading Around War Announcements Did any Cantor Fitzgerald employee, affiliate, or family trust member trade oil futures, S&P 500 futures, or cryptocurrency in the 24 hours preceding Trump's March 23 announcement postponing strikes on Iranian energy infrastructure? Why it matters: Cantor is a primary dealer with real-time access to Treasury market flow and a direct line to the Federal Reserve. (Federal Reserve Bank of New York) If anyone at Cantor traded ahead of material, non-public government announcements during the war, that directly links the custody arrangement to potential insider trading. The combination of primary dealer status, Tether custody, a $2 billion Bitcoin financing operation, and the O'Connor alternatives platform (~$11B in hedge funds and commodities) gives Cantor extraordinary market positioning during a geopolitical crisis.

Question 5: The Devasini–Lutnick Relationship What conversations did Giancarlo Devasini have with Howard Lutnick regarding U.S. stablecoin legislation? Why it matters: Swan's filing includes Klippsten's contemporaneous notes recording conversations with Devasini in which Devasini allegedly told Klippsten that Lutnick — while still a private citizen — claimed to have "managed to kill every bill about stablecoins" in Congress and was "working full time for Tether." (crypto.news; MEXC) Discovery should establish the scope and timeline of that relationship. If Lutnick was, as Devasini allegedly stated, "working full time for Tether" before becoming Commerce Secretary, then his subsequent actions in office — and the Tether loan to his children's trust — take on a different character.

Question 6: Trading Around Presidential Announcements Has any entity affiliated with Cantor Fitzgerald, its subsidiaries, the Dynasty Trust, or the O'Connor alternatives platform executed trades in oil futures, S&P 500 futures, cryptocurrency, or Treasury securities in the period immediately preceding any of President Trump's public statements regarding Iran — including Truth Social posts, press conferences, or announced deadlines — between February 28 and the present? Why it matters: A documented pattern of suspicious pre-positioned trades has emerged around Trump's most consequential announcements. On March 23, $580 million in oil futures, $1.5 billion in S&P 500 futures, and $192 million in oil shorts were executed approximately 16 minutes before Trump's Truth Social post announcing a pause in strikes on Iranian energy infrastructure. Axios described "an epidemic of suspicious trading" around presidential war decisions. (Axios, March 25; Al Jazeera, March 25; CNN, March 23) Cantor

Fitzgerald is uniquely positioned to profit from every asset class these announcements affect: as a primary dealer with real-time Treasury market flow; as custodian of $122+ billion in Tether's Treasury reserves; as operator of the O'Connor alternatives platform (~$11 billion in hedge funds, private credit, and commodities); and as operator of a $2 billion Bitcoin financing business. The question is not whether someone traded ahead of these announcements. The question is whether the entity with the most comprehensive cross-asset positioning during a war — the same entity whose founder is Commerce Secretary and whose children's trust borrowed from Tether — was among them.

SECTION 5: THE WAR FINANCING CONNECTION This is what connects Cory's mining dispute to a much larger story.

The Self-Reinforcing Loop The framework documented in The Shadow Petrodollar (arnmenconi.substack.com) shows how these pieces form a cycle: Step 1: War creates instability. Operation Epic Fury, launched February 28, 2026, produced immediate regional destabilization — Iranian missiles struck targets in the UAE (including Dubai's Fairmont Palm Jumeirah), Kuwait, Bahrain, Qatar, and Jordan. (Wikipedia: List of attacks during the 2026 Iran war) Step 2: Instability drives capital flight into stablecoins. As Lutnick himself explained at Davos in January 2024: "Imagine you're in Turkey, you don't want to hold Turkish lira … holding your dollar in a token is amazing." (Bloomberg TV / Davos 2024) Populations in war-adjacent countries — the Gulf states, Turkey, Jordan, Iraq — face currency uncertainty and seek dollar-denominated safe havens. USDT, accessible via mobile phone, becomes the instrument of choice. Step 3: The GENIUS Act mandates those stablecoins hold Treasury-backed reserves. Every new dollar of USDT or USAT issuance requires the purchase of U.S. Treasuries or equivalent assets. This is not discretionary — it is law. (White House Fact Sheet) Step 4: Those Treasury purchases fund U.S. government borrowing. Including the war supplemental. Tether is already among the top 20 holders of U.S. Treasury bills globally and aims to be top 10 in 2026. (TheStreet / Yahoo Finance) Step 5: The war creates more instability, driving more stablecoin demand. The loop repeats.

The Profit Structure Tether's $193 billion in Treasury-backed reserves is not passive. It is a structural feature of how the war is financed. (DL News / Yahoo Finance) • • • •

The man who wrote the legal framework (Hines) runs the company. The man whose family custodies the reserves (Lutnick) is Commerce Secretary during the war. The war increases both the demand for stablecoins and the yield on the Treasuries they hold. The yield goes to Tether. The holders get zero. That's the law Hines helped write.

Why Cory's Lawsuit Matters Cory's lawsuit is about Tether's self-dealing in the 2040 Energy mining venture — the alleged conspiracy to strip Swan's mining assets, the mass resignation,

the formation of Proton Management, the undervalued sale of assets to a Tether subsidiary. (crypto.news; MEXC) But the discovery it produces could expose the architecture of a system in which: • • • •

The Commerce Secretary's family profits from a war financing mechanism Built by the company's current CEO while he was at the White House Custodied by a firm whose equity was purchased with a Tether loan Operated through the only federally chartered crypto bank, in which Tether invested $100 million

The § 1782 subpoena is the thread. Pull it.

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The War That Funds Itself

The War That Funds Itself How the GENIUS Act, Tether, and a Revolving Door Between the White House and Wall Street Turned the Iran War Into a SelfSustaining Profit Machine By Arn Menconi

Start with the dead. In Gaza, more than 72,000 people have been killed since October 2023. The International Criminal Court issued arrest warrants for Israeli Prime Minister Netanyahu and former Defense Minister Gallant. The International Court of Justice ruled there is a plausible case for genocide. Senator Bernie Sanders said the word out loud on the Senate floor. The United States continues to provide the munitions. In Iran, at least 1,937 people are dead and more than three million displaced since strikes began February 28. The 82nd Airborne has deployed. Marines are arriving. The Pentagon is preparing for weeks of ground operations. The April 6 deadline for hitting Iran's power grid is days away. Across all theaters — Iran, Lebanon, Gaza, Yemen — more than 1,100 children have been killed or wounded. This is the human accounting. It comes first because too often the financial analysis pushes the dead into a footnote. Not here. Now follow the money.

The Law Nobody Heard Of Last July, Congress passed the GENIUS Act with overwhelming bipartisan support — 68-30 in the Senate, 308-122 in the House. Most people have never heard of it. It is the most important financial legislation of this decade. The law requires every regulated stablecoin — a digital dollar used by hundreds of millions of people worldwide — to hold one-to-one reserves in U.S. Treasury bills. For every digital dollar created, a Treasury bill must be purchased. Then it says this, verbatim, in Section 4(a)(11): "No permitted payment stablecoin issuer shall pay the holder of any payment stablecoin any form of interest or yield." Read that again. A law that forces private companies to buy government bonds indefinitely at scale — and lets those companies keep 100 percent of the interest. The holders who fund the

system earn zero. The White House fact sheet stated the law “will generate increased demand for U.S. debt.” Now follow the people who wrote it.

Bo Hines was the White House official who shaped the GENIUS Act. The bill was signed July 18, 2025. Hines left the White House on August 9 — 22 days later. Tether, the world’s largest stablecoin company, hired him on August 19 — ten days after that. By September, he was CEO of Tether’s U.S. operation. The man who wrote the rule that says holders get zero is now running the company that keeps everything. Twenty-two days. Ten days. That is the revolving door measured in calendar squares.

The Shadow Sovereign Wealth Fund Tether is classified as a stablecoin company. That classification obscures what it actually is. Its BDO-attested reserves from Q4 2025: $141 billion in U.S. Treasury exposure. Roughly $23 billion in gold — 148 metric tons stored in Swiss vaults, ranking among the top 30 gold holders on earth, above Australia and Qatar. Annual profit: $10 billion. Margins approaching 99 percent. Five hundred fifty million users globally — more than the entire European Union — all earning zero. Who custodies Tether’s $141 billion in Treasuries? Cantor Fitzgerald — a Wall Street firm whose former CEO, Howard Lutnick, is now the U.S. Commerce Secretary. Cantor holds a 5 percent equity stake in Tether potentially worth $25 billion. Bloomberg reported in March that Tether loaned the Lutnick children’s trust the money to buy Cantor after Lutnick transferred ownership to comply with ethics rules. The Commerce Secretary regulates the industry his family profits from. The company he regulates funded the purchase. A Southern District of New York filing alleged Lutnick was “working full time for Tether” before taking office. The Office of Government Ethics has no enforcement power to address it.

How the War Feeds the Machine This is where it locks together. The war didn’t happen to this financial system. It feeds it. Two mechanisms. Both provable. First: demand. When bombs fall on Tehran, when missiles hit the Gulf, ordinary people in Iran and across the Middle East panic. Their currencies collapse. They cannot access banks. But they can buy USDT on their phones. Elliptic tracked a 700 percent withdrawal surge on Iran’s largest crypto exchange within hours of the first strikes. Every person who buys a stablecoin to protect their savings is, by law, forcing the purchase of a U.S. Treasury bill. War creates the demand. The GENIUS Act converts that demand into government debt. Tether keeps the yield. Second: yield. War pushes interest rates up. In the first 27 days, the 3-month Treasury rate climbed 47 basis points. On $122 billion in short-term holdings, that adds roughly $573 million per year in additional profit. For Tether. The war makes the architecture more profitable on both sides simultaneously: more customers panicking into stablecoins, and higher yields on the Treasuries those stablecoins are required by law to hold. Meanwhile, someone was trading on advance knowledge of the war’s trajectory. Sixteen minutes before Trump posted on Truth Social that he was postponing strikes on Iran’s

power plants, $580 million in oil futures hit the market. The New Yorker reported the trading volume was nine times the average. Paul Krugman called it treason if national security information was involved. Axios documented what it called “an epidemic of suspicious trading.”

The Families Inside the Machine The Trump family is not adjacent to this system. They are inside it. World Liberty Financial — the Trump family’s stablecoin company — has issued USD1, now holding $5 billion in reserves. The UAE Royal Family owns 49 percent. The CEO is Zach Witkoff, son of Steve Witkoff, the Middle East envoy who is supposedly negotiating the end of the war whose profits his company collects. Senator Elizabeth Warren called it a possible quid pro quo. Jared Kushner runs Affinity Partners, a private equity fund with $6.2 billion under management, 99 percent from foreign investors. He is raising $5 billion more from Saudi Arabia and the UAE — the same governments he is simultaneously negotiating with as a peace envoy. Senator Ron Wyden called it “not only criminal but endangering the lives of Americans.” Eric Trump and Donald Trump Jr. co-founded American Bitcoin Corp. Trump’s executive order states all remaining Bitcoin should be mined in America. The administration created a Strategic Bitcoin Reserve seeded with $17 billion in seized assets. When the government holds Bitcoin, crashing Bitcoin becomes a policy failure — an implicit backstop for every holder, including the president’s family.

AIPAC and the Lock on the Machine Joe Kent — Trump’s own director of the National Counterterrorism Center, a former Green Beret — resigned March 17 and told the president in writing to “reverse course.” He wrote that Trump “started this war due to pressure from Israel and its powerful American lobby.” AIPAC spent more than $100 million on federal elections in 2024. That money did not buy a party. It bought the consensus across both parties. When the War Powers Resolution died in the House, three Democrats who crossed over to kill it had received a combined $1.7 million from AIPAC-affiliated donors. The STOCK Act — the law designed to prevent congressional insider trading — carries a fine of $200. One hundred million dollars from AIPAC for elections. Two hundred dollars for trading on the information those elections purchase. That ratio tells you who owns the machine and what it costs to maintain. Israel is the largest cumulative recipient of U.S. foreign aid in history — $310 billion since 1946. It is conducting simultaneous operations in Palestine, Lebanon, Syria, Iran, and Yemen. The U.S. provides the munitions, the intelligence, and the diplomatic cover — at the ICC, at the ICJ, at the UN Security Council. AIPAC’s stranglehold on American politics is not incidental to the financial architecture. It is what protects the architecture from political disruption.

Who Pays The U.S. Treasury Department estimates that stablecoins could displace up to $6.6 trillion in bank deposits — roughly one-third of all commercial bank deposits in America. The American Bankers Association, in a joint letter signed by more than 3,200 bankers, warned: “Policies that undermine bank and credit union deposits destroy local lending. Every deposit

represents a home loan, a small business loan, or an agricultural loan." The Federal Reserve Bank of New York confirmed the threat with transaction-level data: stablecoins "not only erode banks' deposit franchises but also transmit liquidity stress to the banking system."

The deposits that fund your neighbor's mortgage, the small business downtown, the rancher's operating loan — they flow out of local banks into a pipeline that earns $10 billion a year for a company incorporated in El Salvador, custodied by the Commerce Secretary's family firm, and built by the man who wrote the law at the White House before walking through the revolving door.

The System That Makes the Lie Unnecessary In 2001, I cast the lone vote on the Eagle County Board of Commissioners in Colorado against giving George W. Bush unchecked war powers. Twenty-four years and $8 trillion later, I looked like a prophet. In 2015, I spent 10 days at Daniel Ellsberg's home and interviewed him for 40 hours. He leaked the Pentagon Papers — proving four presidents had lied about Vietnam. Kissinger called him "the most dangerous man in America." Dan told me the danger is not the lie. It is the system that makes the lie unnecessary. A system that generates its own funding, its own justification, its own enforcement. We have reached that system. The old petrodollar rested on three sovereign pillars: oil priced in dollars through OPEC, transactions settled through banks regulated by the Fed, and the U.S. military backing it all. Each pillar was subject to democratic accountability. The new system privatizes all three and adds two more — energy and banking — placing all five under the control of the same network of companies connected to the sitting president. The chairmen of both the House and Senate Armed Services Committees — both Republicans — attended classified briefings and came out saying the Pentagon cannot explain the purpose of this war. Mike Rogers said, "We want to know more about what's going on and we just aren't getting answers." Roger Wicker said, "Let me put it this way. I can see why he said that." The purpose is in the architecture. It always was. The petrodollar didn't die. It was privatized. And the new owners signed their names on every layer.

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ACT III

THE FUTURE NOBODY VOTED FOR

Chapter 9: The AI War Machine

I met Sam Altman at the Aspen Ideas Festival. He was building the future. I was covering it for $250 a story.

We talked for maybe twenty minutes. He was earnest, intellectually urgent, the kind of person who makes you feel like the problem he's working on is the most important problem in the room. He was probably right about that. I had no idea the technology he was building would, within a few years, be used to select bombing targets at a pace no human analyst could match.

Now his models power the intelligence architecture that processes surveillance data, pattern-matches behavior across millions of signals, and feeds targeting recommendations to systems that put munitions on coordinates. The same underlying technology.

I'm not claiming he intended that. I'm observing that the technology doesn't care about intentions. It runs where the money and the contracts take it.

The contracts took it to the Pentagon. And the Pentagon took it to Iran.

Palantir: One Thousand Targets in Twenty-Four Hours

The day after the first strikes on February 28, 2026, reporting confirmed that Palantir's Maven Smart System had processed targeting recommendations for over 1,000 Iranian military and infrastructure sites within a twenty-four-hour window.

Think about that number. One thousand targets. Twenty-four hours. No human analyst cadre in the history of warfare has ever worked at that speed or that scale. The system ingested signals intelligence, satellite imagery, human intelligence reports, electronic intercepts, and open-source data — all of it simultaneously — and produced a prioritized target list.

Maven Smart System is artificial intelligence applied to kill decisions.

Palantir's CEO is Alex Karp. He has been explicit in ways that most tech executives avoid — refreshingly honest about what his company does and what he thinks it means. He has said publicly that American technology firms must integrate with the military-industrial complex or face nationalization. That's not a paraphrase. That's his stated position. Silicon Valley, in his telling, has a choice: be part of the national security infrastructure or be absorbed into it.

Most of Silicon Valley chose integration. They just don't talk about it at conference panels.

Palantir's stock price has performed as a war index. When escalation reporting hits, the stock moves. When de-escalation signals appear, it pulls back. Peter Thiel, who co-founded Palantir

and remains its largest individual shareholder, also co-founded PayPal. His PayPal co-founder David Sacks served as the Trump administration's “crypto and AI czar” until March 2026, when he departed the White House to join the President's Council of Advisors on Science and Technology — where he now sits alongside Jensen Huang of Nvidia, Sam Altman of OpenAI, and Larry Ellison of Oracle.

The AI czar left the government to join the board of advisors with the people whose government AI contracts he was managing six months ago.

Sacks also co-founded Craft Ventures, which is a backer of Anduril Industries. Anduril was founded by Palmer Luckey — who sold Oculus to Facebook for $2 billion in 2014 and used the proceeds to build autonomous weapons systems. Luckey is a Thiel protégé. Anduril's autonomous drones are active in multiple theaters. Anduril's biggest investor is Peter Thiel's Founders Fund.

Thiel. Sacks. Luckey. The PayPal mafia, dispersed across the national security state, each building a different piece of the machine.

The Dual Use

Here's the part that matters structurally.

The same AI infrastructure that selects bombing targets is the same AI infrastructure that monitors the financial ledger.

Palantir invested $600 million in Polymarket — the war prediction market where $580 million in suspicious oil futures trades and thirty-eight accounts with over $2 million in war-related profits were documented in the first weeks of the Iran conflict. The surveillance system Palantir built for Polymarket uses the same pattern-recognition architecture as the military targeting software.

Target selection on the battlefield. Transaction monitoring in the markets.

Two applications of the same system. One entity. The AI czar who just left government is on the advisory council that oversees the technology used in both applications.

The feedback loop is explicit once you see it:

AI selects targets. Targets are destroyed. Destruction drives panic. Panic drives stablecoin adoption. Stablecoin adoption forces Treasury bill purchases. Treasury bill purchases fund the deficit. The deficit funds the Pentagon supplemental. The Pentagon supplemental buys more Palantir contracts. Palantir develops better AI. Better AI selects more targets.

Palantir stock rises with each iteration.

Larry Ellison: Media, Infrastructure, Government

Larry Ellison built Oracle into the backbone of classified government computing. Oracle's cloud infrastructure runs significant portions of U.S. intelligence and defense data systems. The CIA's cloud contract. NSA data processing. Defense department analytics.

His son David Ellison — through his production company Skydance Media — completed the acquisition of Paramount, which owns CBS News and CNN. Wait. Let me correct that: in 2023, David Ellison and John Malone, through Skydance's merger with Paramount and subsequent arrangements, restructured the Warner Bros. Discovery media complex. The Ellison family moved from government AI infrastructure into the media infrastructure that covers the government.

Larry Ellison sits on the PCAST roster alongside the people whose government contracts he competes for and whose technology is powered by the chips from the company run by his fellow PCAST member Jensen Huang.

Oracle sells the classified computing infrastructure to the government. The government uses that infrastructure to run the war. The war generates news. The media companies cover the news. One family controls two of those three nodes.

I don't know whether Larry Ellison and his son coordinate their business decisions with the government relationships their technologies enable. I know they're in the same rooms. The rooms I used to sit in, at the edge, as the nonprofit director, before I understood what was being planned in them.

Sam Altman: OpenAI and the Identity Layer

OpenAI's large language models are embedded across the intelligence and defense contracting ecosystem. The specific applications are classified. The relationships are not — OpenAI has government contracts, Microsoft (which holds a 49% stake in OpenAI's commercial entity) has massive Pentagon cloud and AI contracts, and the technology is actively integrated into the national security infrastructure.

But Altman isn't just building AI. He's building the identity system underneath it.

Worldcoin — now rebranded as World — is Altman's biometric identity project. It scans your iris. Issues you a digital wallet and a unique human identifier. The stated mission is to create a global proof-of-humanity system — a way to distinguish real humans from AI bots in a world where AI can impersonate anything.

The practical function: a biometric-linked digital identity that connects to a digital wallet, scalable to every human on the planet.

When you layer that onto the GENIUS Act's stablecoin architecture, the picture comes into focus. The GENIUS Act creates the financial rails — statutes requiring dollar-denominated stablecoin reserves in T-bills, prohibiting yield to users, legalizing the extraction. Worldcoin creates the identity layer — biometrically verified unique human identifiers linked to wallets. Once everyone has a wallet and everyone has a verified identity, you have the architecture for total financial surveillance.

Every transaction. Every dollar moved. Every conversion between currencies or assets. Linked to a biometric identity that cannot be spoofed.

Edward Snowden said it plainly: this is infrastructure for social control. You don't need laws against dissent if you can simply freeze the wallet of anyone who dissents.

Altman's technology is in two places simultaneously: in the targeting systems that select what gets bombed, and in the identity infrastructure that will eventually determine who gets access to what currency.

I covered him at Aspen for $250. He was building the future. I was right about that.

Jensen Huang: The Chips Power Everything

Nvidia's H100 and B200 GPU chips are the hardware substrate for the entire AI infrastructure described in this chapter. Every large language model — OpenAI, Google Gemini, Anthropic Claude, Meta Llama — runs on Nvidia chips. Every military targeting system that processes real-time intelligence at scale runs on Nvidia chips. Every stablecoin transaction monitoring system runs on Nvidia chips.

Jensen Huang is on the PCAST roster. He's in the room with Sacks, Altman, Ellison, and the other architects of the compute infrastructure for the tokenized, AI-governed economy.

Nvidia's market cap has oscillated between $2 trillion and $3.5 trillion depending on the AI sentiment cycle. What doesn't oscillate is the underlying dependency: every node of the machine described in this book runs on Nvidia silicon.

The war requires AI for targeting. The AI requires chips. The chips come from one company. The company's CEO is on the presidential advisory council for the government running the war.

There is no redundancy in this supply chain. There is no competing domestic source for the highest-end AI chips. TSMC, which manufactures Nvidia's chips, is located in Taiwan — whose

geopolitical stability is, at this moment in 2026, a live question given the war's effect on regional security dynamics.

The entire machine — the AI targeting, the financial surveillance, the stablecoin ledger, the Treasury-bill extraction — runs on chips manufactured in one country that the United States is implicitly committed to defending, manufactured by one company that America's principal strategic competitor would most like to acquire or disable.

That's not a separate problem. That's the same machine from a different angle.

The Financial Surveillance Loop

The feedback loop deserves a second look, because it has a surveillance component that most analyses miss.

When an Iranian mother converts her savings into USDT, that transaction is recorded on the blockchain. The blockchain is public. Palantir builds the pattern-recognition systems that monitor blockchain transaction flows for the Treasury Department's financial intelligence infrastructure. The same AI architecture that reads the battlefield reads the ledger.

The GENIUS Act doesn't just create a financial extraction mechanism. It creates a financial surveillance mechanism. Every USDT transaction is a data point. The aggregate of 530 million users' transaction data is the most comprehensive real-time financial surveillance system ever assembled — and it operates without any of the legal constraints that apply to government surveillance, because the data is generated by private transactions on a public ledger, hosted by a company incorporated in the British Virgin Islands, whose U.S. operations are now run by a man who left the White House twenty-two days after the legislation governing those operations was signed into law.

Bo Hines — the man who built the regulatory framework as a government official and now runs the U.S. operations of the company the framework governs — publicly called Tether “a top 10 T-bill purchaser in the United States” on February 11, 2026, seventeen days before the war began.

He was describing the peacetime function. What he was also describing, without saying it, was the surveillance architecture that war would activate.

The Settlement Pillar Is Live

I want to pause here and tell you about something that happened on April 2, 2026.

Zach Witkoff — CEO of World Liberty Financial, the Trump family's stablecoin company — was speaking publicly about the state of the tokenized economy. He said this:

“The most-traded asset on Hyperliquid is actually tokenized oil.”

Read that again. Not “could be.” Not “will be.” Is.

Earlier in this book, in the section on China and the destroyed alternative, I documented how the war disrupted yuan-denominated oil settlement through Bank of Kunlun. How the $1.5 billion per month in yuan-cleared oil trades had collapsed under sanctions pressure. How the BIS withdrew from mBridge. How the most operationally significant dollar-bypass mechanism in the global economy was being dismantled in real time.

I described this as a structural financial effect of the conflict. I framed it in future tense: the vacuum left by yuan settlement would eventually be filled by dollar-denominated alternatives.

Witkoff's April 2 statement closes the future tense. The vacuum is already being filled. Oil is already being settled in tokenized, dollar-denominated form on decentralized trading platforms. The settlement pillar isn't a thesis about what the architecture could enable. It's a current-state description from the CEO of the President's family stablecoin company.

Here is the convergence that stops me cold every time I think about it.

Steve Witkoff is the President's Middle East peace envoy. He is at the table when the terms of the Iran conflict are shaped — the ceasefires, the pauses, the frameworks for whatever comes next. He controls, in a direct and documented way, the geopolitical conditions that determine oil supply, oil routing, and the diplomatic context within which settlement infrastructure either thrives or gets sanctioned out of existence.

His son Zach runs World Liberty Financial. His son's stablecoin — USD1 — is precisely the dollar-denominated instrument you would use to settle tokenized oil trades.

One Witkoff shapes the terms of the conflict. The other Witkoff builds the infrastructure that profits from those terms.

That's not a metaphor. That's a family business.

I'm not saying Steve Witkoff is negotiating peace terms to benefit his son's trading volumes. I'm observing what's documented: a peace envoy whose son runs the tokenized dollar settlement infrastructure that fills the vacancy created by the war the envoy is managing. The financial incentives are structured so that a durable dollar-settlement outcome is more valuable to the family than a yuan-settlement outcome. That's not an allegation. That's arithmetic.

The yuan-oil system is gone. Tokenized dollar oil is here. The President's family stablecoin is positioned to capture the settlement flow.

War is the revenue model.

What Altman Didn't Say at Aspen

I covered ideas festivals for years. The conversations that mattered happened in the hallways, not on stage. On stage, everyone is building the future for humanity. In the hallways, the conversations are about contracts, access, and regulatory positioning.

Sam Altman was earnest on stage and in our brief conversation. I believe he is genuinely trying to build something useful. I also know that the technology he built does not care about his earnestness. The Pentagon has money. The Pentagon has requirements. The Pentagon contracts with the companies that can meet those requirements. The requirements include: select targets faster than any human can. Monitor communications at a scale no human team can. Process surveillance data from millions of sources simultaneously.

OpenAI's models can do those things. Worldcoin's identity system creates the enrollment architecture that makes population-scale monitoring possible.

The moment you build a system capable of total surveillance, the question is not whether it will be used for total surveillance. The question is who controls it and under what legal constraints. The GENIUS Act answers the financial surveillance question: private companies, operating under light-touch regulation, with enforcement gutted by a DOJ that disbanded its crypto enforcement team and closed 23,000-plus cases.

The tech policy question is answered the same way: former government officials now run the private companies. The advisory councils that nominally oversee the technology are staffed by the technology companies' executives. The regulatory capture is complete before the regulations are written.

The War Index

Palantir's stock price on February 27, 2026, the day before the bombs fell: $68.

Six weeks into the war: $94.

The stock tracks escalation. It also tracks the fear of war in the options market — implied volatility in Palantir options spikes the moment conflict signals enter the news cycle, because sophisticated traders understand that Palantir's revenue is positively correlated with the scale and duration of active military operations.

This is not a secret. Palantir publishes its defense contract revenues. The correlation is in the public financial data.

A company whose stock is a war index is a company whose shareholders profit from war. Palantir's shareholders include Peter Thiel, who also backs Anduril (autonomous weapons), who also co-founded Founders Fund (which invested $70 million in Polymarket at a $1 billion valuation), the prediction market where $580 million in suspicious oil futures trades happened sixteen minutes before a presidential social media post about Iran.

The investment portfolio. The weapons company. The prediction market. The AI targeting system. The Tether surveillance infrastructure. All of it connected through a small web of people who went to the same schools, started the same early companies, and are now distributed across the nodes of a machine that extracts value from the fear their own technology helps create.

I'm not arguing conspiracy. I'm describing a documented structure.

The structure works the same whether they coordinate explicitly or just respond to the same financial incentives the same way, independently. The outcome is identical.

The feedback loop, one more time, slowly:

AI selects the targets. The targets generate destruction. The destruction drives panic. The panic drives stablecoin adoption by people who have no other options. The stablecoin adoption forces Treasury bill purchases by statutory mandate. The Treasury bill purchases fund the U.S. deficit. The deficit funds the Pentagon supplemental. The Pentagon supplemental purchases Palantir contracts. Palantir develops better AI. The better AI selects more targets faster. Palantir's stock rises.

The Iranian mother's savings, converted into digital dollars to survive, are funding every step of this.

She doesn't know. She's just trying to protect her family.

That's what the machine depends on.

The PCAST Table

The President's Council of Advisors on Science and Technology — PCAST — is not a regulatory body. It has no enforcement authority. It does not appropriate funds. What it does is provide the intellectual legitimacy for the policy directions the administration has already chosen, issued from the mouths of people whose combined net worth runs into the hundreds of billions of dollars.

David Sacks, departed AI czar, now PCAST. His Craft Ventures backed Anduril. His PayPal co-founder Peter Thiel backs Palantir and Anduril. Sacks also co-hosted a podcast — the All-In

Podcast — with Jason Calacanis, Chamath Palihapitiya, and David Friedberg, where they spent years evangelizing for exactly the kind of government-tech integration that PCAST represents.

Sam Altman, PCAST. His OpenAI models run inside Microsoft Azure, which has the largest Pentagon cloud contract in history. His Worldcoin project is enrolling hundreds of thousands of people in biometric identity verification daily. The convergence of AI capability and biometric identity is the surveillance architecture, fully assembled.

Jensen Huang, PCAST. His chips power all of it.

Larry Ellison, PCAST. His Oracle cloud runs classified government computing. His son's media company covers the government his father's technology serves.

The PCAST table is the machine's board of directors. None of them were elected. All of them were appointed by a President whose family holds financial positions — World Liberty Financial, American Bitcoin Corp, the Strategic Bitcoin Reserve — across the financial infrastructure their technology enables.

Alex Karp is not on PCAST. He doesn't need to be. Palantir's government contracts speak for themselves. When you are the targeting system, you don't need to sit on the advisory council. You are already inside the building.

What This Looks Like From the Outside

I want to be precise about what I'm claiming and what I'm not.

I am not claiming these men gathered in a room and designed a war to profit from it. I am not claiming the AI targeting system was built with the stablecoin profit mechanism in mind. I am not claiming Sam Altman, Jensen Huang, or any individual named here is aware of, let alone responsible for, the full feedback loop I've described.

What I'm claiming is structural. The incentive architecture is designed so that escalation is profitable for nearly everyone at every node. Palantir shareholders profit from war. Stablecoin issuers profit from the panic war creates. T-bill demand increases from both the direct Treasury purchases and the risk-off yield moves. The AI compute demand increases with every new targeting system, every new surveillance application, every new financial monitoring contract.

You don't need to coordinate if the incentives already point every participant in the same direction.

Dan Ellsberg spent the last years of his life trying to articulate this. Not that there's a single puppet master. But that the system's design selects for escalation because escalation is where the money is. His warning about the Vietnam-era Pentagon Papers was the same: the

documents didn't prove that LBJ wanted the war to go badly. They proved that the institutional incentives made escalation the path of least resistance regardless of what any individual wanted.

The AI war machine of 2026 has the same structure. Better technology. Faster feedback loops. The profit extraction now happens in milliseconds, not in procurement cycles. But the underlying logic is identical.

And I covered Sam Altman at Aspen for $250 a story, which means I was there when the future was being described, before anyone had connected it to the machine it would become.

Chapter 9.5: Guardian of the Gates of Hell

The Military Pillar — Steve Feinberg, Cerberus Capital, and the Privatization of War

Cerberus Capital Management is named after the three-headed dog that guards the gates of hell in Greek mythology. The company's founder chose the name deliberately. He wanted people to know what they were dealing with.

Steve Feinberg co-founded Cerberus in 1992. By the time Trump nominated him as Deputy Secretary of Defense on December 22, 2024, the firm managed $65 billion in assets across defense, military services, weapons systems, and paramilitary training. He was confirmed by the Senate on March 14, 2025, becoming the second-highest-ranking civilian at the Pentagon.

He is the third pillar.

Bo Hines privatized the currency. Howard Lutnick privatized the custody. Steve Feinberg privatized the military.

The Portfolio of Violence

Most Americans have never heard of DynCorp. That's by design.

Cerberus bought DynCorp International in 2010 for $1.5 billion. DynCorp was — and functionally still is — one of the largest private military contractors in the world. It trained fighters in Afghanistan. It trained police in Iraq. It trained forces in Liberia. It supplied planes for drug interdiction operations in Latin America. It secured billions in U.S. government contracts for services the Pentagon used to provide with uniformed troops.

When Ken Klippenstein reported that the Iran war would be fought with commando raids rather than a conventional ground invasion, he was describing the Feinberg model. You don't need 466,000 troops like Iraq in 2003. You need special operations forces, private contractors, and plausible deniability. That's what Cerberus sells.

But DynCorp is the legacy. The current portfolio is worse.

Tier 1 Group is a Cerberus subsidiary based in Arkansas. It provides paramilitary training — the kind of close-quarters combat, surveillance, and assassination techniques that special operators use. In 2017, under a contract approved by the State Department, Tier 1 Group trained four members of the Saudi team that murdered Washington Post journalist Jamal Khashoggi in the Saudi consulate in Istanbul in 2018. The New York Times confirmed this in 2021.

The man whose company trained the assassins of a journalist now oversees the Pentagon during a war that generates $10 billion in annual profit for a company custodied by the Commerce Secretary's family. That sentence should be read slowly.

Navistar Defense paid $50 million to settle allegations that it fraudulently induced the U.S. Marine Corps into contracting for armored vehicle suspension systems at inflated prices. TransDigm turned $20.8 million in excess profits on spare parts contracts through Pentagon price gouging. Cerberus paid $8.7 million to resolve claims of defrauding the federal government over contract work in Iraq.

This is the company whose founder runs the Pentagon.

The Golden Dome

In December 2025, the Defense Department began selecting companies for the Golden Dome for America — a $151 billion missile interception project. Feinberg oversees it.

ProPublica reported on March 5, 2026, that at least four companies awarded Golden Dome contracts — North Wind, Stratolaunch, Red River Technology, and NetCentrics Corp — are owned by or are majority investments of Cerberus Capital Management.

Feinberg filed paperwork saying he divested from Cerberus. ProPublica found an unusual clause in his ethics records: he is allowed to continue contracting with Cerberus for accounting, tax compliance, and healthcare services. The original deadline was April 2026. At Feinberg's request, Defense Department officials approved an extension with no end date.

His defense investments fund a family trust benefiting his adult children. The same structure — divestiture on paper, family trust in practice — that defines the Lutnick/Cantor arrangement.

A Cerberus spokesperson told ProPublica: “Mr. Feinberg divested his stake in Cerberus and any funds that it manages, and is not involved with the operations of Cerberus or any of its portfolio companies in any way.” The spokesperson said the administrative services “were pre-approved by the Department of War's Ethics Office and the Office of Government Ethics.”

The Department of War. Even the spokesperson's language tells you what this is.

Erik Prince's Shadow

There's a precedent for what Feinberg represents, and his name is Erik Prince.

Prince founded Blackwater in 1997. During the Iraq War, Blackwater operatives provided security, conducted operations, and committed war crimes — including the Nisour Square massacre in 2007, where Blackwater contractors killed 17 Iraqi civilians. Prince sold Blackwater

(renamed Academi), but never stopped operating. He built private military operations in the UAE, Libya, and China. He proposed a private army to replace U.S. troops in Afghanistan. He is Betsy DeVos' brother.

Feinberg is Prince with a Princeton degree and a private equity fund. The model is the same: privatize the violence, shield it from Congressional oversight, and bill the Pentagon. The difference is scale. Prince operated companies. Feinberg operates a $65 billion fund that owns companies across the entire defense supply chain — from training (Tier 1 Group) to logistics (IAP Worldwide) to vehicles (Navistar) to spare parts (TransDigm) to missile defense (Golden Dome contractors) to venture capital (Cerberus Ventures, founded 2023, defense-tech heavy).

When Hegseth fired the Army Chief of Staff on April 2, 2026, he removed the institutional check on military operations that don't go through the chain of command. Whether Feinberg advocated for the firing is unknowable. What's knowable is that every reduction in institutional oversight increases demand for private military services. And Feinberg's family trust owns the companies that provide them.

The Third Pillar

The architecture has six pillars. Three of them are controlled by people with the same structure:

| Pillar | Player | Conflict | Family Trust | |--------|--------|----------|-------------| | Currency | Bo Hines / Tether | Wrote the law, now runs the company | NXUM Capital (father Todd Hines) | | Custody | Howard Lutnick / Cantor | Commerce Secretary, family custodies $141B | Children's trust bought Cantor with Tether loan | | Military | Steve Feinberg / Cerberus | Deputy SecDef, companies get Golden Dome contracts | Defense investments fund children's trust |

Three men. Three pillars. Three family trusts. The same architecture: write the rules in government, profit from the rules in the private sector, shield the profits in a family trust, and claim you've divested.

The Office of Government Ethics approved all three arrangements. The OGE has no enforcement power. That's also a diabolically genius, as Fitts called it in her April 2026 Miles Franklin interview.

Positioning, Not Intent

I can't prove Steve Feinberg wanted the Iran war. I can't prove he advocated for the Army Chief's removal. I can't prove he directed Golden Dome contracts to Cerberus-linked companies.

I can prove that every escalation of this war — every commando raid, every missile defense deployment, every private military contract, every reduction in institutional oversight — increases revenue for companies his family trust owns. That's not a theory. It's a financial statement.

Michael Lewis didn't prove Goldman Sachs wanted the housing market to collapse. He proved they were positioned to profit when it did. The reader figured out the rest.

The reader can figure this out too.

Sources: ProPublica (March 5, 2026), New York Times (2021), Common Dreams (December 2024), Revolving Door Project (April 2025), Defense News (March 2025), Responsible Statecraft (February 2025), Ken Klippenstein (March 2026), NBC News.

Chapter 10: The Buried Accountability

I sold condominiums in Beaver Creek, Colorado once. Bank-owned properties, worked out of a local real estate office during the years after the S&L crisis had left resort real estate in a particular kind of wreckage. The bank that had owned those assets in the messy way that busted banks hold assets was connected to a family I'd come to know well later — the Pritzkers.

I didn't know that then. I was a young guy selling ski condos. I had no idea what Superior Bank was, what subprime securitization meant, or who sat on its board.

I found out later.

This chapter is about what happens when you connect the threads that nobody connects — not because the connections are hidden, but because connecting them requires holding too many pieces at once for anyone in a normal information environment to track. The Senate testimony transcripts. The Epstein files. The Aspen Institute board. The defense contractor shareholder lists. The stablecoin custody arrangements.

The same names appear in all of them.

I'm not claiming these connections prove coordination. I'm observing them. The reader can draw conclusions. The receipts are public.

Howard Lutnick and Jeffrey Epstein: The Documented Record

Start with what is established beyond dispute.

Howard Lutnick — the man who is now the United States Secretary of Commerce, whose firm custodies $141 billion in Treasury bills for Tether, whose son chairs the company that holds equity in Tether, whose family received a loan from Tether to acquire Cantor Fitzgerald during his transition to government — had a documented relationship with Jeffrey Epstein that continued well past the point he claims it ended.

Here is the timeline, sourced:

Lutnick and Epstein were neighbors in Manhattan. They were business associates. CBS News reported on the Adfin acquisition in 2012, noting that Lutnick and Epstein's signatures appeared on neighboring pages in the deal documents.

In 2012 — four years after Epstein's 2008 conviction for soliciting prostitution from a minor, four years into the period when Lutnick would later claim he had severed all ties — Lutnick

visited Epstein's private island. He admitted this under oath. PBS and the New York Times both reported on the testimony.

In 2011, Lutnick met with Epstein at Epstein's New York residence.

In 2013, Epstein requested to meet Lutnick's nanny. He asked for her resume to be sent to him.

On a podcast, Lutnick claimed he had cut ties with Epstein in 2005 — three years before the conviction. Senate testimony proved contact through 2014. The Atlantic published a piece titled “Howard Lutnick's Epstein Story Doesn't Make Any Sense.”

The New York Times reported that Lutnick's name appears in over 250 documents in the Epstein files.

Cantor Ventures — Cantor Fitzgerald's venture arm — was involved in Adfin fundraising correspondence with Epstein through 2014.

This is the documented record. Not inference. Documents. Sworn testimony. Named reporting by CBS News, PBS, the New York Times, the Atlantic.

The person whose firm holds the Treasury bill reserves for a $187 billion company, whose family received a loan from that company to acquire control of the custodian, who now serves as Commerce Secretary with regulatory authority over the financial architecture his family profits from — that person's stated timeline about when he cut ties with a convicted sex offender has been directly contradicted by sworn testimony and documentary evidence.

The Epstein Files: What Massie and Khanna Found

Representatives Thomas Massie (R-KY) and Ro Khanna (D-CA) are not natural political allies. Massie is a libertarian-leaning Republican from Kentucky who has voted against nearly every military authorization in his tenure. Khanna is a progressive Democrat from Silicon Valley. They co-authored the Epstein Files Transparency Act together.

Both reviewed unredacted Epstein files at the Department of Justice.

Massie has stated publicly that the DOJ is “already breaking the law” by refusing to release the files as required.

Both Massie and Khanna have described finding references in the unredacted files to six redacted men, including one individual described as “pretty high up in a foreign government.”

Khanna has said that the contents of the unredacted files would, if released, be significant to the public understanding of the Epstein network's scope and composition.

The files remain unreleased as of the time this chapter was written.

The DOJ that is refusing to release those files is the same DOJ that, in April 2025, disbanded its National Cryptocurrency Enforcement Team — the dedicated crypto enforcement unit — under a memo from Deputy AG Todd Blanche. The same DOJ that closed 23,000-plus crypto enforcement cases in 2025. The same DOJ that dropped its criminal investigation of Tether for potential sanctions and anti-money laundering violations — without a formal announcement, without a public explanation.

The DOJ is simultaneously obstructing the release of the Epstein files and dismantling the enforcement infrastructure that governs the financial architecture built around the company whose custodian's CEO has 250-plus documents in those files.

I am not saying these are the same decision made by the same people for the same reasons. I am stating what is documentable.

Apollo Global, Leon Black, and Vail Resorts

Leon Black built Apollo Global Management into one of the world's largest private equity firms. Apollo manages approximately $600 billion in assets. It was reported that Black paid Jeffrey Epstein approximately $158 million in fees over roughly a decade, for what Black described as tax and estate planning advice. The New York Times and other outlets documented the payments. Black initially disputed the scope but subsequently acknowledged the relationship and stepped down as Apollo's CEO in 2021, though he remained chairman temporarily before that role also ended.

Apollo Global Management has owned or been a significant shareholder in various major asset classes across its history. Among its holdings: Vail Resorts.

I worked for SOS Outreach, a youth sports nonprofit based in Eagle County, Colorado, for twenty years. I ran it. I built it from a regional ski program into a nationally recognized at-risk youth organization that put 100,000 kids on snowboards and kept them there long enough to change their trajectories. One of those kids is a doctor now.

Vail Resorts was SOS Outreach's largest corporate supporter. In 2014, I was posting about Palestinian children being killed — more Palestinian children than Israeli — in the Gaza conflict. A Vail Resorts executive sent me an email: “Don't forget that your largest supporter and many of your others are public companies.”

Six weeks later, I lost my job at SOS Outreach. The board decided my public statements had become a liability.

Twenty years. 100,000 kids.

I am not claiming Vail Resorts fired me on behalf of Apollo Global or Leon Black or Jeffrey Epstein's estate. I am observing that the largest corporate supporter of the organization I built was owned by a private equity firm that paid Epstein $158 million. That I was told to watch what I said about U.S. foreign policy by an executive of that company. That six weeks later I was gone.

The reader can draw conclusions.

The Pritzker Family: Superior Bank and the Subprime Blueprint

The Pritzker family is one of the wealthiest families in the United States. Their fortune was built on Hyatt Hotels, real estate, and financial services. They are major philanthropists. They are well-known in Chicago, in Washington, and in Aspen.

In the 1980s and 1990s, the Pritzker family's Superior Bank pioneered subprime mortgage securitization. The bank took low-quality mortgage loans, bundled them into securities, and sold them to investors. This is the mechanism — not identical to, but structurally analogous to — what Wall Street institutionalized in the early 2000s before the 2008 collapse.

Penny Pritzker was chairwoman of Superior Bank's holding company during the period the bank was developing its subprime securitization model. Superior Bank failed in 2001. The FDIC's investigation found that its closure cost depositors and the federal insurance fund significantly — estimates range from $440 million to over $1 billion in losses. The bank's innovation in packaging and selling subprime loans has been identified by financial historians as an early prototype for the securitization practices that eventually brought down the global financial system.

Penny Pritzker subsequently became a major fundraiser for Barack Obama's presidential campaigns. In 2013, she was confirmed as Secretary of Commerce under President Obama — the same cabinet position now held by Howard Lutnick, whose financial relationships with Epstein are documented in 250-plus court files.

After her government service, Penny Pritzker became chairwoman of the Aspen Institute.

I spent years attending Aspen Institute events, bringing at-risk youth to Aspen Ideas Festival, navigating the philanthropic infrastructure that the Aspen Institute represents. The Institute's board, its donor network, and its programmatic focus on economic policy, governance, and social impact represent a particular vision of how American institutions should function and who should lead them.

I completed the Henry Crown Fellowship through the Aspen Institute. The fellowship is named after the Crown family.

The Crown Family: Defense, Skiing, and Ideas

The Crown family of Chicago — Henry Crown's descendants — own or have owned significant stakes in General Dynamics, one of the five largest U.S. defense contractors. General Dynamics manufactures combat aircraft, naval vessels, communications systems, and ground combat vehicles. Its revenue is directly correlated with U.S. military spending.

The Crown family also controls Aspen Skiing Company — the operator of Aspen Snowmass, one of the premier ski resorts in the United States.

Jim Crown, Henry Crown's grandson, served as chairman of the Aspen Institute board before Penny Pritzker. The Aspen Institute board has included some of the most prominent names in American business, government, and philanthropy over the decades — people whose decisions about U.S. policy, financial regulation, and military spending have direct consequences for the value of assets held by the families that fund the Institute.

I completed the Henry Crown Fellowship — an Aspen Institute program designed for emerging leaders — before I understood any of this. I was the youth sports nonprofit director from Eagle County. I was in the room. I was not at the table.

The Henry Crown Fellowship is named after the family that controls a major defense contractor, chairs the philanthropic institution that convenes the policymakers who set defense budgets, and owns the ski resort in the same town where I built my career with at-risk kids for twenty years.

I sold condominiums in Beaver Creek that had been bank-owned assets — assets that, I later learned, were connected to the Pritzker family's banking history. The same family whose chairwoman had run the bank that pioneered the securitization model that eventually collapsed the global financial system. The same family whose chairwoman later became Commerce Secretary. The same seat now held by the man with 250-plus documents in the Epstein files.

I am not arguing a coordinated conspiracy across generations. I am observing that the geography of American institutional power is very small, that the same families appear in the Epstein documents, on the Aspen Institute board, in the defense contractor ownership structures, in the stablecoin custody arrangements, and in the Senate testimony transcripts.

The Pattern

Let me lay out what is documented without editorializing.

Howard Lutnick: Commerce Secretary. Cantor Fitzgerald CEO (transferred to his son). Cantor custodies $141 billion for Tether. Tether loaned money to his children to acquire Cantor. 250-plus documents in Epstein files. Senate testimony contradicts his claimed timeline for ending ties with Epstein. The Atlantic reported his story “doesn't make any sense.”

Leon Black: Paid Epstein $158 million. Ran Apollo Global Management. Apollo owned Vail Resorts. Vail Resorts executive warned me to watch my public statements about U.S. foreign policy. Six weeks later I lost my job and twenty years of work.

The Pritzker family: Superior Bank pioneered subprime securitization, failed in 2001. Penny Pritzker, chairwoman of the holding company, later became Obama's Commerce Secretary. Now chairs the Aspen Institute.

The Crown family: Controls General Dynamics, a major defense contractor. Controls Aspen Skiing Company. Chaired the Aspen Institute. Henry Crown Fellowship, which I completed, is named after them.

The Aspen Institute: Convened the policy conversations that shaped the ideas behind the legislative architecture this book documents. Penny Pritzker chairs it. The Crown family chaired it before that. I attended its events for years as a program participant.

The DOJ: Disbanded its crypto enforcement team. Closed 23,000-plus crypto cases. Dropped the Tether investigation. Is refusing to release Epstein files that Massie and Khanna have reviewed under oath and described as significant.

The financial architecture: Built by Bo Hines, who moved from the White House to Tether's U.S. CEO role in ten days. Custodied by Cantor Fitzgerald under Howard Lutnick's family. Enforced — or rather, not enforced — by Paul Atkins' SEC, which dropped enforcement actions against every major crypto company in 2025 and earned 3% of the prior year's fine collection.

Todd Blanche: The Man Who Now Runs It All

There's a moment in Watergate — not the break-in, not the tapes — where things snapped into place. Nixon needed to fire the Special Prosecutor. He went through two attorneys general first. Both refused. The Saturday Night Massacre. The whole thing unraveled because even his own appointees wouldn't do it.

Trump didn't have that problem.

On April 3, 2026, President Trump fired Attorney General Pam Bondi. The stated reason: her management of the Epstein documents. The same files that Massie and Khanna reviewed. The same files the DOJ has been refusing to release in violation of statutory requirements. The same files with Howard Lutnick's name in them 250-plus times.

He replaced her with Todd Blanche.

Let me tell you who Todd Blanche is, because this matters.

Blanche was Trump's personal criminal defense attorney. Not a former attorney, not someone who once did a case for the family. His personal lawyer in three separate federal criminal cases: the New York hush money trial, the January 6 federal case, and the Mar-a-Lago classified documents case. The man who stood next to Trump at the defense table is now the nation's top law enforcement officer.

Nixon picked Gerald Ford because Ford was pliable enough to grant a pardon. It took months of maneuvering, a resignation, a succession, a pardon that destroyed Ford's political career. The whole messy, public, democratic thing played out in front of everyone.

Trump didn't need a Ford. He just put his own lawyer in charge of the building.

But here's what makes Blanche more than just a loyalty appointment. He was already inside this investigation before April 3.

In April 2025, as Deputy Attorney General, Blanche issued a memo titled “Ending Regulation by Prosecution.” That memo disbanded the National Cryptocurrency Enforcement Team — the DOJ's dedicated crypto enforcement unit. The NCET had been investigating Tether for potential sanctions violations and anti-money laundering. The investigation was dropped. No formal announcement. No public explanation. Gone.

At the time he issued that memo, Blanche held between $159,000 and $485,000 in personal cryptocurrency investments. His personal Bitcoin holdings appreciated approximately 34% between the date of the memo and his nominal divestment. He didn't sell on the open market. He gifted his crypto to his adult children and a grandchild.

Six U.S. senators — Elizabeth Warren, Dick Durbin, Mazie Hirono, Sheldon Whitehouse, Chris Coons, and Richard Blumenthal — sent Blanche a formal letter accusing him of a conflict of interest.

The Campaign Legal Center went further. They filed a formal criminal complaint against Blanche under 18 U.S.C. § 208(a) — acts affecting a personal financial interest. Maximum sentence: five

years imprisonment. That complaint was pending when Trump elevated him to Acting Attorney General.

Let me say that plainly. The man now running the Justice Department of the United States is the subject of a pending federal criminal complaint for using his government position to benefit his personal crypto portfolio. The complaint was filed by a credible, nonpartisan legal organization. It invokes a federal criminal statute. It names him specifically. It was unresolved on the day he became the nation's top law enforcement officer.

And there's one more piece.

Todd Blanche personally interviewed Ghislaine Maxwell in federal prison.

Maxwell is Epstein's co-conspirator. His convicted partner in the sex trafficking operation. The central witness to the network's operations, its clients, its scope. She sits in a federal prison, and she has knowledge that the Epstein files — the files Massie and Khanna described as significant, the files the DOJ has been unlawfully withholding — only partially capture.

Blanche went to see her. In person.

On April 3, 2026 — the same day he was elevated to Acting AG — Blanche told the New York Post that the publicly offered explanation for the Epstein files situation is “simply not true.”

I read that quote three times. The man who just became the chief law enforcement officer of the United States, on the day of his appointment, publicly contradicting the official narrative about the most consequential sex trafficking investigation in American history.

He's not denying that the explanation is incomplete. He's saying it is “simply not true.”

So here is where we are.

The Acting Attorney General of the United States: Disbanded the DOJ's crypto enforcement unit while personally holding crypto Is subject to a pending federal criminal complaint for that action Personally interviewed Epstein's convicted co-conspirator in federal prison On the day of his appointment, publicly contradicted the official Epstein narrative Now controls the Tether investigation file — the same file his memo effectively closed Now controls the Epstein files — the same files that got his predecessor fired

The investigator became the investigated. The investigated became the chief investigator.

The Tether File Meets the Epstein File

The chapter as I originally structured it ended here: the DOJ that is refusing to release the Epstein files is the same DOJ that disbanded the NCET, closed 23,000 cases, dropped the Tether investigation.

That was true when I wrote it. It's sharper now.

The DOJ that is refusing to release the Epstein files is now run by the man who personally interviewed Maxwell, who personally held crypto while closing the crypto enforcement unit, who is personally named in a federal criminal complaint for that action, who personally represented the President in three criminal cases.

The Tether file and the Epstein file are not two separate matters that happen to sit in the same building. They converge in a single person. Blanche's hands are on both of them. His financial interests run through one. His professional biography runs through the other.

Howard Lutnick — 250-plus documents in the Epstein files, Senate testimony contradicted by documentary evidence, the man whose family custodies the reserves for the company whose enforcement file Blanche closed — is the Commerce Secretary.

Blanche — Maxwell interviewer, crypto holder, enforcement dismantler, pending criminal defendant, now AG — controls both files.

These two men's documented histories intersect the same set of investigations from opposite directions. One is the subject of files the other controls.

I am not saying this proves coordination. I am saying it is documented.

What I'm Not Saying

I am not saying that Jeffrey Epstein's network is responsible for the GENIUS Act.

I am not saying that the Pritzker family's banking history caused the Iran war.

I am not saying that Aspen Institute board membership constitutes participation in a financial conspiracy.

I am not saying that my losing my job at SOS Outreach was ordered from above by anyone connected to any of the names in this chapter.

What I am saying is this:

The stablecoin architecture that extracts $10 billion per year from 530 million people who can't access normal banking is built, custodied, regulated, and enforced by a small web of individuals who are connected to each other through documented business relationships, documented government service, documented philanthropic board membership, and documented proximity to a convicted sex trafficker whose files the government refuses to release.

The investigation that might have examined the financial connections — the DOJ's National Cryptocurrency Enforcement Team — was disbanded by the same administration that promoted these individuals to cabinet positions.

The oversight mechanism that might have examined the custody conflict — meaningful SEC enforcement — was dismantled by an SEC chairman who disclosed up to $6 million in personal crypto holdings at his confirmation hearing.

The legislative process that passed the enabling legislation did so with bipartisan supermajority support — Senate 68–30, House 308–122 — after AIPAC spent $100 million on federal elections and after three Democratic House members who received $1.7 million in AIPAC-affiliated donations voted to kill the War Powers Resolution that would have stopped the war whose financial effects this book documents.

The political infrastructure that prevents the war from being stopped is the same political infrastructure that prevents the financial beneficiaries of the war from facing meaningful scrutiny.

And the cultural infrastructure — the philanthropic institutions, the ideas festivals, the fellowships named after defense contractor families — socializes the people who might otherwise ask these questions into a set of relationships and obligations that make asking them professionally costly.

I know. Because I was socialized into them. And then I asked the questions anyway. And then I lost my job.

The Receipt

Dan Ellsberg told me the danger isn't the lie. The danger is learned helplessness — the feeling that the system is too big, too connected, too self-reinforcing to challenge.

The system I've documented in this book is big. It is connected. It is self-reinforcing in ways that are, frankly, almost elegant if you can get enough distance to see the whole machine.

But it is not hidden.

The GENIUS Act is a public statute. The Tether attestations are public financial disclosures. The Bloomberg story about the loan to Lutnick's children is public journalism. The Senate testimony contradicting Lutnick's podcast claims is public record. The New York Times reporting on 250-plus documents with Lutnick's name is public reporting. The Atlantic headline — “Howard Lutnick's Epstein Story Doesn't Make Any Sense” — is publicly available to anyone with internet access.

The Crown family's ownership of General Dynamics is in public shareholder filings. The Pritzker family's history with Superior Bank is in FDIC public records and in financial history documentation available in any research library. Penny Pritzker's chairmanship of the Aspen Institute is on the Aspen Institute's own website.

The DOJ's disbanding of the National Cryptocurrency Enforcement Team was reported by CNBC. The case dismissal count — 23,000-plus — was reported by ProPublica. The Tether investigation being dropped was reported. The Epstein files obstruction is on the congressional record.

Blanche's crypto holdings while issuing the NCET memo: reported by Gizmodo. The senator complaint: six named senators, congressional record. The Campaign Legal Center criminal complaint: public filing, 18 U.S.C. § 208(a). His Maxwell interview: public reporting. His “simply not true” quote to the New York Post: April 3, 2026.

Every piece is public.

The only thing that's hard is holding all of it at once. Seeing that the Commerce Secretary's custody arrangement, and the Epstein documents, and the Aspen Institute board, and the defense contractor shareholdings, and the stablecoin legislation, and the enforcement dismantlement, and the Maxwell interview, and the Acting AG's pending criminal complaint — that these are not separate stories about separate people in separate worlds.

They are the same story.

Nixon needed an obstruction. He needed a Friday night massacre. He needed a compliant successor, and even then, the pardon was public enough to end Ford's political career.

Trump did something cleaner. He put his own lawyer at the top of the building before the crisis peaked. Not a loyalist who might waver. Not a political ally who might negotiate. His actual criminal defense attorney, the man who sat next to him at the defense table, now sits at the head of the Justice Department.

The Tether file is in that building. The Epstein files are in that building. The man controlling both of them is the man who closed one and interviewed the central witness in the other.

I'm not claiming these connections prove coordination. I'm observing that the same names appear in the Epstein files, on the Aspen Institute board, in the defense contractor shareholder lists, in the stablecoin custody arrangements, and in the Senate testimony transcripts. The reader can draw their own conclusions.

The receipts are public.

End of Chapter 10

Chapter 11: AIPAC and the Purchase of War Powers

Lied to Death A Live-Streamed World War and the Week America Stopped Pretending Hold all of this in your head at the same time. Because that's what's actually happening right now. Iran. Day 27. At least 1,937 dead. Four million displaced. More than 1,100 children killed or wounded. Thirteen U.S. service members dead. The 82nd Airborne has written deployment orders — 2,000 to 3,000 paratroopers. Three ground force packages converging on the Persian Gulf. The Tripoli Amphibious Ready Group arrived Diego Garcia on March 23. The 31st Marine Expeditionary Unit is en route. MBS is pushing Trump toward ground operations, calling it a "historic chance" to reshape the Middle East. Netanyahu is saying, "You can't make a revolution from the air… there must be a ground component." Robert Pape — the University of Chicago political scientist who built the definitive database on military coercion and suicide terrorism, whose work has briefed the Pentagon, the CIA, and both Armed Services Committees — puts the probability of Stage 3 ground operations at 75%. Trump's five-day pause on striking Iran's power plants expires Friday, March 28. Iran rejected the 15point ceasefire. Set five conditions the United States will never accept: complete halt to aggression, guarantees against resumption, war reparations, end fighting on all regional fronts, and international recognition of Iran's authority over the Strait of Hormuz. No deal. The pause expires with nothing. But sixteen minutes before Trump posted on Truth Social that he was postponing the escalation, $580 million in oil futures hit the market. $1.5 billion in S&P 500 futures. $192 million in oil shorts. Orders four to six times larger than normal. No news trigger. No economic data. Just money moving, in the right direction, at the right time. Paul Krugman called it treason if it involved national security information. Oil has doubled since February 28. Gas is above $4. The S&P 500 has erased $2 trillion. Goldman Sachs says 25% recession probability. Lebanon. At least 1,029 killed since March 2. Over 1.2 million displaced — one fifth of the country's population. Israeli ground invasion ongoing. Gaza. 72,000 dead since October 2023. The Lancet estimated 75,000 by early 2025 — 34% higher than official figures. Operations ongoing. Yemen. Houthis still launching. Red Sea still contested. The Navy already burned through $1 billion in munitions before the Iran war even started. Syria. Operation Hawkeye Strike. Strikes ongoing against ISIS. Iraq. A U.S. A-10 killed seven Iraqi soldiers at a military clinic in Anbar this week. Iraq's Ministry of Defence called it "a heinous crime." The day before, U.S. strikes killed 15 more, including a commander. Anbar province declared a day of mourning. Somalia. AFRICOM strikes March 15, 16, 18, and 19 — targeting al-Shabaab and ISIS-Somalia. Nigeria. U.S. troops deployed. Strikes in Sokoto State with Tomahawk missiles and MQ-9 Reapers. An estimated 155 Lakurawa killed. An additional 200 U.S. troops deployed by February 2026 to train and advise the Nigerian military. Ecuador. Joint U.S.-Ecuador operations launched March 2–3 against "designated terrorist organizations." Venezuela. Maduro captured January 3 in a pre-dawn Delta Force raid. Occupying and administering the country. Trump said the U.S. will "run" Venezuela until "it can

be put back on track.” Cuba. Complete oil blockade since January. Nationwide blackout March 16. Eleven million people in darkness. Trump raised the possibility of a “friendly takeover.” Cuba’s deputy foreign minister said the nation has “historically been prepared to mobilize for military aggression.” Now the home front. The Department of Homeland Security has been in partial shutdown since February 14. TSA workers haven’t received a paycheck since mid-March. More than 481 TSA officers have quit. National callout rates hit nearly 12% — 40% at Houston Hobby, 37% at Hartsfield-Jackson Atlanta. Four-hour security lines at major airports. Houston, Atlanta, Newark, JFK, LAX — chaos. Trump’s solution: deploy ICE agents to airports. Hundreds of them. Untrained in security screening. Tom Homan himself admitted, “I don’t expect to see an ICE agent monitoring an X-ray machine because they lack training in that area.” Meanwhile, Homan confirmed ICE agents would continue enforcing immigration laws while stationed at terminals. Democrats tried to pass standalone TSA funding. Blocked. Republicans won’t fund TSA without also funding ICE deportation operations. Democrats won’t fund ICE without separating it from TSA. And in the middle: 61,000 TSA workers going without paychecks. ICE received $75 billion over four years through the One Big Beautiful Bill. $45 billion for expanded detention. Its annual budget effectively tripled from $10 billion to nearly $29 billion, making it the highest-funded law enforcement agency in the country. TSA got nothing.

Hold all of that in your head. That’s one week in America. That’s what’s actually happening right now. And nobody — not Congress, not the press, not the courts — is treating it as a single picture. They can’t. The picture is too big. That’s the point.

Part I: The Lies I have been watching American presidents lie about wars for most of my adult life. The lies follow a grammar. Once you learn it, you can diagram the sentences before they finish them. “It will be short.” Day 27. The 82nd Airborne is getting written deployment orders. Three ground force packages are converging. The $200 billion supplemental is ten times the stated cost. Secretary Hegseth told the press, “It takes money to kill bad guys.” That’s not a budget justification. That’s a bumper sticker on a $200 billion vehicle with no steering wheel. “It will cost $11 billion.” That was the Pentagon’s figure for the first six days. CSIS calculated $16.5 billion by day twelve. Kevin Hassett was still on television saying “about $12 billion” when the independent estimates had already blown past it. Then came the supplemental. Justin Wolfers, the University of Michigan economist, built the full framework: when you count oil, lost GDP, and market destruction, the cost is $2,000 to $5,000 per American family. Two trillion dollars off the S&P alone. The headline figure is not the cost. It’s not even the down payment. I know what this trajectory looks like. I managed a $100 million county government budget in Colorado. I ran a national nonprofit budget covering eight states. The first thing you learn in budget work is that the opening number is never the number. It’s the number they think you’ll approve. The real number comes later, in supplementals and emergency requests, when it’s too expensive to stop. George W. Bush’s economic adviser Larry Lindsey was fired in 2002 for

suggesting Iraq might cost $100 to $200 billion. Bush said $50 to $60 billion. Neta Crawford at Brown University's Costs of War Project calculated the actual figure: $2.89 trillion. Stiglitz and Bilmes reached $3 trillion. That was one country over twenty years. "No boots on the ground." There are already 50,000 U.S. troops in the region, with 3,000 to 4,000 more on the way. The Tripoli Amphibious Ready Group. The 31st Marine Expeditionary Unit. The 82nd Airborne. When asked about Kharg Island — Iran's primary oil export terminal — IndraStra's risk analysis put the success probability at 25%, requiring 5,000 to 7,500 ground troops. Iran has fortified the island with MANPADS, anti-personnel mines, and additional air defenses. This is not an air campaign with a ground component. It is a ground war with an air campaign prologue. "Iran is militarily dead." Trita Parsi — the Iranian-Swedish analyst who founded the National Iranian American Council, authored three books on U.S.-Iran relations, and is now executive vice president of the Quincy Institute for Responsible Statecraft — discovered the paradox that should be on every front page: Iran is exporting more oil now than before the war at twice the price. The war delivered Iran de facto sanctions relief. Trump lifted restrictions on 140 million barrels of Iranian oil stored at sea — Senator Jack Reed called it "reckless" and said it could yield Tehran $14 billion. The war meant to cripple Iran is funding Iran. Meanwhile, Iran's parliament is drafting legislation to impose transit fees on the Strait of Hormuz — up to $2 million per vessel. They're not dying. They're institutionalizing. "We are in productive negotiations." Iran set five conditions it knows will never be met. The United States has publicly rejected them. The five-day pause expires Friday with no deal and no framework for one. These are not negotiations. They are a countdown clock disguised as diplomacy. "The war will pay for itself." Gas above $4. S&P erased $2 trillion. Goldman says 25% recession probability. Goldman also estimated the war would knock 0.3% off world GDP — approximately $400 billion in 2027. South Korea's KOSPI plunged 12.2% in a single day — the largest decline in the index's 46-year history, surpassing September 11 and the 2008 financial crisis. The war is not paying for itself. It is billing the planet. Vietnam: four presidents knew it was unwinnable. The Pentagon Papers proved it. Iraq: "$50 billion" became $3 trillion. Afghanistan: 20 years, $2.3 trillion, Taliban back in Kabul the day we left. But here is what's different. In Vietnam, the lie had to be coherent. McNamara had to construct an entire statistical apparatus — body counts, hamlet evaluations, the "light at the end of the tunnel" — to maintain a single unified fiction. Iraq required a dossier. Colin Powell had to sit in front of the United Nations with a vial of fake anthrax. The lie had to be argued, defended, sustained. This time, the lies don't even need to be coherent. "Iran is militarily dead" coexists with a $200 billion supplemental. "No boots on the ground" coexists with three ground force packages converging on the Gulf. "Productive negotiations" coexist with a Friday expiration and no deal. Each lie only needs to last through the next news cycle. By the time it collapses, three new ones have taken its place. It's not a lie. It's a lie factory with a conveyor belt, and the belt moves faster than anyone can fact-check.

Part II: World War 3.0 — The Theater Count Nobody else is writing this section. That's why I'm writing it. Count the countries where the United States is currently conducting military operations: 1. Iran — Operation Epic Fury. Day 27. Over 7,000 sites struck. 1,937 dead. $200 billion supplemental. 2. Lebanon — Israeli ground invasion with U.S. support. 1,029+ killed. 1.2 million displaced. 3. Gaza — Ongoing operations. 72,000+ dead since October 2023. 4. Yemen — Red Sea interdiction. $1 billion+ in munitions expended before the Iran war began. 5. Syria — Operation Hawkeye Strike. Strikes ongoing against ISIS. 6. Iraq — Strikes killed 7 Iraqi soldiers this week, 15 the day before. Iraq's Defence Ministry condemned it as a war crime. 7. Somalia — AFRICOM strikes weekly. March 15, 16, 18, 19. 8. Nigeria — U.S. troops deployed. Tomahawk strikes and MQ-9 Reaper strikes in Sokoto State. 200 troops on the ground by end of February. 9. Ecuador — Joint U.S.-Ecuador operations launched March 2–3 against "narco-terrorists." 10. Venezuela — Occupied and administered since January 3. Head of state captured by Delta Force. Trump says the U.S. will "run" the country. 11. Cuba — Complete oil blockade. Nationwide blackout. Threatened invasion. 11 million people in energy crisis. Plus: the domestic deployment of ICE as a paramilitary force in American cities and airports. That's eleven countries across three continents, plus domestic operations. With no declaration of war. No vote. No unified budget. No exit strategy. Nobody is counting them together. The press covers Iran as a Middle East story. Lebanon as an Israel story. Venezuela as a Latin America story. Nigeria as a counterterrorism story. The TSA crisis as a budget story. ICE at the airports as an immigration story. Each beat reporter covers their silo. Nobody connects the silos because the editors don't have a section header for "the United States is simultaneously operating in eleven countries while deploying a paramilitary force domestically and the government can't keep the airports open."

But that's what it is. Call it what it is. This is World War 3.0 — live-streamed, multi-continent, and nobody is in control. Joe Kent, Trump's own director of the National Counterterrorism Center, resigned on March 17. A former Green Beret. Not a Democrat. Not a progressive. In his resignation letter, he told the president to "reverse course." He wrote that Trump "started this war due to pressure from Israel and its powerful American lobby." AIPAC spent more than $100 million on federal elections in the 2024 cycle. The money didn't buy a party. It bought the consensus. And the consensus delivered a $200 billion supplemental, 68 votes for the GENIUS Act, and a War Powers Resolution killed 53-47 in the Senate and 212-219 in the House. The constitutional mechanism for stopping a war exists. It was used. It failed. That is the system working as designed — not the design in the Constitution, but the design built on top of it with $100 million in political contributions and stock portfolios tied to the outcome.

Part III: The Domestic Front The TSA crisis is not a budget story. It is the story of the war coming home. The same government that found $75 billion for ICE — tripling its budget to the largest law enforcement allocation in the country — cannot fund the 61,000 people who keep

American airports safe. TSA workers are going without paychecks. They are going to food banks. They are quitting — 481 and counting. The TSA official testifying before Congress said the agency has been shut down for 50% of the fiscal year — 85 days — and if still shut down Friday, will have reached nearly $1 billion in missed paychecks. Hydrick Thomas, president of the AFGE TSA Council, said it plainly: “Stop asking me about the long lines. Ask me if somebody’s gonna eat today.” That is the sentence of the week. Not the Pentagon briefing. Not the diplomatic cable. A union president asking the country to notice that the people who keep the airports safe are hungry. Meanwhile, ICE gets unlimited funding. ICE gets sent to the airports — not to do security work, because they’re untrained, but to do immigration enforcement at terminals. Trump was explicit about the purpose. He said the quiet part on social media: “That’s the reason the Democrats are losing their minds.” It’s not a security measure. It’s a political weapon deployed in the one public space every American uses. And the weapon isn’t just at the airports. Renée Good, a 37-year-old American mother and U.S. citizen, was shot and killed by ICE agent Jonathan Ross in Minneapolis on January 7. She was shot three times — twice in the chest, once in the head — while sitting in her car. DHS called it self-defense. Called her an “act of domestic terrorism.” Video showed a different story. Alex Pretti, a 37-year-old intensive care nurse at the VA, was shot multiple times and killed by two Customs and Border Protection officers on January 24 in Minneapolis. He had tried to help a woman who’d been pushed to the ground. The agents saw his licensed weapon. They fired. He was pronounced dead at 9:32 a.m. The two agents — identified by ProPublica as Jesus Ochoa and Raymundo Gutierrez — were placed on leave. Two U.S. citizens. Killed by federal immigration agents. In an American city. In the span of seventeen days. In Florida alone, more than 20,600 people were arrested by ICE from January 20 to October 15, 2025.

Twenty-four percent had no criminal record. Their ages ranged from 1 to 89. About 140 were minors. DHS claimed 622,000 deportations since January 2025. At least 16 Florida universities signed 287(g) agreements with ICE — campus police departments doing immigration enforcement. Questioning students. Accessing federal databases. Preparing charges. The ACLU confirmed these agreements are entirely voluntary — Florida law only requires them for counties operating jails. The universities signed anyway. The students noticed. 334 walkouts and protests tracked in 2026. At least 306 specifically against ICE. Nearly 2,000 students in Colorado’s Poudre School District alone. Twelve thousand five hundred students from more than 85 LAUSD schools walked out on a single day in February. Over 1,000 students from 15 D.C.-area schools marched to the Lincoln Memorial. This is the largest student protest movement since Vietnam. I don’t say that lightly. I say it because the numbers say it. Hundreds of walkouts. Tens of thousands of students. Forty-eight states. And the adults in charge are arguing about whether the students should be marked with unexcused absences. The war abroad and the war at home are the same war. The same budget priorities. The same disregard for human life. The same lies. The government that can find $75 billion for ICE and $200 billion

for bombs cannot find the money to pay the people who screen your luggage. The government that deploys Tomahawks to Sokoto State deploys ICE to the arrivals terminal. The government that occupied Venezuela is occupying American airports with agents who don't know how to operate an X-ray machine but do know how to make an immigration arrest. There is a word for a government that uses its military and paramilitary forces simultaneously across multiple continents and domestically, without legislative authorization, while the agencies responsible for basic public safety go unfunded. The word is not "democracy."

Part IV: The Price Tag I built the cost framework in "The Shadow Petrodollar." I'm not going to rebuild it here. But I need to update it, because the numbers have moved. The $200 billion supplemental is ten times the stated war cost. That is the spending profile of a years-long ground engagement, not a month-long air campaign. The Pentagon's own consumption rate — over 300 Tomahawks in the opening days, each costing $3.6 million, with the military having only purchased 322 in the previous five years — tells you the arsenal was not built for this war. The war was built for the arsenal replacement cycle. Deplete it, then sign the contract to refill it at emergency prices. The empty rack is a feature. What the war is costing American families: $2,000 to $5,000 in lost GDP per household, according to Wolfers. Gas above $4. Retirement accounts in free fall. The budget tells you the priorities. $75 billion for ICE. $0 for TSA. $100 million — AIPAC's spend on the 2024 elections. $200 — the STOCK Act fine for failing to disclose a congressional trade. One hundred million versus two hundred. That ratio tells you everything about who owns the system and what it costs to maintain the ownership. The War Powers Resolution: killed 53-47 in the Senate. 212-219 in the House. Senator Rand Paul was the only Republican to vote for it. Senator John Fetterman was the only Democrat to vote against it. The constitutional mechanism exists. It was exercised. And it lost, almost entirely along party lines, because the parties agree on exactly one thing: the war continues. And then there are the $580 million in pre-positioned oil futures trades, placed sixteen minutes before the announcement, by someone who already knew the answer. Senator Chris Murphy said the trades were "likely by Trump staff." The White House responded that it "does not condone illegal profiteering" and called the allegations "unfounded." The same White House that cannot name who placed the orders. In "The Shadow Petrodollar," I documented the financial architecture: the loop that runs from war to oil spike to capital flight to stablecoin to Treasury to Pentagon and back again. In "The Friday Clock," the companion piece, I traced the trading desk that sits on top of it — the 38 Polymarket accounts that profited $2 million from bets placed the day before the strikes, the trader who turned $32,000 into $400,000 on the Maduro capture bet, the 355 active Polymarket war markets. The architecture funds the war. The trading desk profits from its timing. What I'm saying now is simpler. The receipts are connected. The $200 billion supplemental, the $75 billion for ICE, the $100 million from AIPAC, the $580 million in insider trades, the $200 STOCK Act fine — these are not separate scandals. They are the same system, and the system's purpose is to make war self-sustaining: funded by its own panic, insulated

from democratic accountability, and profitable for every participant except the people who die and the people who pay.

The Close Dan Ellsberg was a senior strategic analyst at RAND and a military analyst at the Pentagon who, in 1971, leaked 7,000 pages of classified documents — the Pentagon Papers — to the New York Times and the Washington Post, revealing that four consecutive presidents had systematically lied about Vietnam. Kissinger called him “the most dangerous man in America.” The Supreme Court ruled in his favor. I spent ten days at Dan’s home in 2015. I interviewed him for forty hours. Those conversations changed how I understood power in this country. Not because Dan told me anything I hadn’t suspected. Because he told me the thing I didn’t want to know. Dan said the danger isn’t the lie. It’s the system that makes the lie unnecessary. A system that generates its own justifications — each Iranian retaliation “proves” the need for escalation. A system that generates its own funding — the Shadow Petrodollar loop, where the war creates the panic that creates the capital flight that buys the Treasuries that fund the next Tomahawk. A system that generates its own enforcement mechanism — ICE in the streets, ICE at the airports, ICE on campus. We have reached that point. This is what being lied to death looks like. Not a single catastrophic deception — not one forged dossier, not one fabricated Gulf of Tonkin incident. An accumulation of lies so vast that no single human mind can hold them all at once. Which is precisely why they work. Vietnam had one lie: the war is winnable. The Pentagon Papers proved it wasn’t, and the system knew it for a decade before the public did. Iraq had one lie: weapons of mass destruction. Colin Powell sat in front of the United Nations with a vial and a pointer and the weight of American credibility behind him. This has a dozen lies across a dozen countries, sustained by a financial architecture that profits from each one. “It will be short.” “It will cost $11 billion.” “No boots on the ground.” “Iran is militarily dead.” “Productive negotiations.” “The war will pay for itself.” Each one collapses under five minutes of scrutiny. None of them needs to survive scrutiny. They just need to get past the next news cycle before the next lie arrives. Eleven countries. Three continents. A domestic paramilitary force. An unfunded airport security system. A student protest movement across forty-eight states. Two dead U.S. citizens. $580 million in trades placed by someone who knew the answer sixteen minutes before the public did. A War Powers Resolution that failed because the people who profit from war voted to keep it going. And a $200 billion check the taxpayers will be paying for decades after the people who signed it have left office. The title of my book is Lied to Death: How We Drifted Toward Extinction. I chose that title six months ago. I did not expect to be writing the first chapter in real time. Keep your receipts. The accounting is coming.

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PREVIOUS: “The Shadow Petrodollar” | COMPANION: “The Friday Clock”

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Chapter 12: The Nuclear Dimension

Chapter 12: The Saturday Night Massacre with a Blockchain

“Trump doesn't care about the market. Trump cares about manipulating the market.” — Anthony Scaramucci, Pivot podcast, April 3, 2026

On the morning of April 3, 2026 — a Thursday, a Good Friday eve, a day when most of Washington was already mentally checked out for the long Easter weekend — Donald Trump fired Pam Bondi.

Not quietly. Not through back channels. He announced it. The reason: her “management of Epstein documents.”

The replacement he named was Todd Blanche. His personal criminal defense attorney. The man who sat beside him at the defendant's table in three separate federal criminal cases — the New York hush money trial, the January 6 prosecution, the Mar-a-Lago classified documents case.

As of that Thursday morning, Todd Blanche became the Acting Attorney General of the United States.

I want you to sit with that for a moment. Not the outrage of it — the structure of it.

The Saturday Night

On October 20, 1973, Richard Nixon ordered his Attorney General, Elliot Richardson, to fire Watergate Special Prosecutor Archibald Cox. Richardson refused. He resigned instead. Nixon ordered his Deputy AG, William Ruckelshaus, to do it. Ruckelshaus resigned instead. Nixon ordered the Solicitor General, Robert Bork, who complied. Cox was fired. The tapes were fought over. The cover-up unraveled. Nixon was gone within the year.

That's the Saturday Night Massacre. Two AGs resigned in one night rather than become instruments of the President's self-protection. History honored them for it.

Here's what's different.

Nixon's was a desperation move. He was already cornered. The special prosecutor had the tapes subpoena. The net was tightening and Nixon panicked — on a Saturday night, in a frenzy, in a way that looked exactly like what it was.

Trump's version didn't look like panic. It looked like a Thursday.

There was no special prosecutor bearing down. No subpoena Nixon couldn't beat. No news cycle that forced Trump's hand at 9 p.m. on a long weekend. He fired Bondi and installed Blanche on a weekday morning, cited a specific reason — document management — and the

announcement went out alongside a $15 billion Treasury buyback and a statement about tokenized oil from the CEO of his family's stablecoin company.

It was coordinated. It was unhurried. It was the most stunning consolidation of personal legal protection and prosecutorial power in American history, executed with the calm of a real estate closing.

Nixon fired someone to stop an investigation. Trump made his own defense attorney the chief law enforcement officer of the nation — before any investigation reached crisis. He didn't fire someone to stop the net. He appointed someone to make sure the net could never close.

That's not Saturday night desperation. That's Thursday morning institutional design.

There's another difference that doesn't get talked about enough.

After the Saturday Night Massacre, the Senate Judiciary Committee launched an immediate investigation. The Supreme Court took the tapes case. The House Judiciary Committee began drafting articles of impeachment within seven months. The system activated because there were people inside it who believed the system was worth activating for.

Richardson resigned rather than carry out the order. He didn't calculate whether it was good for his career. He calculated whether it was right. He chose right.

On April 3, 2026, nobody resigned. Nobody refused. The Senate passed no resolution of inquiry. The House held no emergency session. Todd Blanche walked into the Justice Department. The press covered it. The outrage lasted two news cycles. Then tariff announcements displaced it from the feed, and by the time the long Easter weekend was over, the configuration of the Department of Justice had changed permanently.

One firing. One appointment. The personal becomes institutional. The institutional becomes permanent.

Nixon's was improvised. This was planned.

Nixon didn't have a Todd Blanche ready to go on a Thursday morning in October. He was reacting. Trump had Blanche positioned at Deputy AG for a year — already inside the building, already disbanding the enforcement units, already closing the crypto cases, already conducting the Maxwell interview. When Bondi became a liability over the Epstein documents, the replacement was already at his desk two floors down.

This isn't a comparison that favors Nixon. Nixon was desperate and caught and still had enough instinct to know it was wrong. What he did on October 20, 1973, he did because he had no other move. That's the difference.

The Receipts on Blanche

Let me give you the file on Todd Blanche. Not the résumé — the receipts.

He wasn't just Trump's lawyer. He was already inside the Department of Justice as Deputy Attorney General when all of this started. And what he did with that perch is the story.

On April 7, 2025, Blanche issued a memorandum titled “Ending Regulation by Prosecution.” The memo disbanded the National Cryptocurrency Enforcement Team — the NCET, the DOJ's dedicated unit for crypto fraud, sanctions enforcement, and money laundering investigations against digital asset companies.

ProPublica found the disclosure. When Blanche signed that memo, he held personal cryptocurrency investments valued between $159,000 and $485,000. His own Bitcoin. His own portfolio. He signed the order killing crypto enforcement while holding crypto.

Then the Bitcoin price rose 34%.

He did not sell his holdings on the open market. He “divested” by gifting the crypto to his adult children and grandchild. The assets left his name. The appreciation — on top of the original holdings — went to family.

Six senators sent him a formal letter. Not a press release. A letter. Warren. Durbin. Hirono. Whitehouse. Coons. Blumenthal. They called it a “glaring conflict of interest” — not my words, their words, in writing, on the congressional record.

The Campaign Legal Center went further. They filed a criminal complaint against Blanche under 18 U.S.C. § 208(a) — “acts affecting a personal financial interest.” The statutory maximum is five years in prison. That complaint was pending when he was elevated from Deputy AG to Acting AG. Nobody told him to pause. Nobody asked him to recuse.

He ended all Biden-era crypto investigations. All of them. Called the prior enforcement posture “reckless.” Every case that was building — including the Tether investigation, which had been quietly developing inside DOJ for the better part of two years — got killed. The Campaign Legal Center complaint sits in a file somewhere. The DOJ file on Blanche is now in Blanche's office.

That's not a metaphor. That's the chain of custody.

The Blockchain Element

Here's the specific connection that makes this chapter different from any other story about a corrupt AG appointment.

The thing Blanche disabled was not generic law enforcement. It was cryptocurrency enforcement. And the specific instrument through which his conflict ran was Bitcoin — the same asset that sits in the Strategic Bitcoin Reserve his boss created by executive order in March 2025.

Blanche held Bitcoin. Bitcoin is the sovereign reserve the Trump administration chose to hold. The administration's policy explicitly supports Bitcoin price appreciation — the Strategic Reserve mandate says the government will not sell its holdings, only acquire more. Every policy action that props up Bitcoin's price props up the value of what the government holds and what Blanche held and what his children now hold.

When Blanche disbanded the NCET, the announcement functioned as a price signal. Enforcement risk decreased. Regulatory ambiguity cleared. Bitcoin moved. A 34% appreciation between memo signing and divestment isn't coincidence — it's the direct market response to the policy action taken by the man who owned the asset.

Now add Tether.

The NCET wasn't just a general crypto enforcement body. One of its most significant ongoing investigations — documented in court filings, referenced in congressional testimony — was into Tether. The allegation: Tether's platform had been used for sanctions evasion, for moving money through the darknet, for servicing transactions that should have been blocked under the Bank Secrecy Act. The DOJ had been building that case.

Blanche killed the team. The Tether investigation died with it. No announcement. No press conference. It just stopped.

Tether now holds $141 billion in U.S. Treasury bills. $23 billion in gold. 550 million users worldwide, most of them in countries under U.S. sanctions pressure or economic isolation, paying into a system that earns them zero interest while it earns Tether $10 billion a year.

The man who ended the investigation into that system is now the Attorney General of the United States, with full authority over all federal prosecutions.

And the Treasury, on the same day Blanche was elevated, executed the largest debt buyback in American history — $15 billion in T-bills purchased back, propping up the price of the instrument that backs Tether's entire reserve position.

Every piece of it happened on the same Thursday.

The Epstein File

There is another file.

Representative Thomas Massie — the Kentucky Republican, the libertarian-leaning congressman who votes against his own party's leadership more often than most Democrats, not someone you'd expect to be the one saying this — reviewed the unredacted Epstein documents. He found six redacted names. Six men whose identities the DOJ is withholding from public disclosure. One of them, Massie said, is “pretty high up in foreign government.” He was specific about that. He said the DOJ is “already breaking the law” by not releasing the names.

Already breaking the law. Not that the law is ambiguous. Not that there's a pending legal challenge. Already breaking it. Present tense. Active tense.

That's not a liberal senator complaining about document classification. That's a conservative Republican congressman, one of the most institutionally skeptical members of Congress, saying the DOJ is committing ongoing statutory violations to protect the identities of men connected to Jeffrey Epstein.

Nobody on major television covered that story. I looked. I monitor coverage. I checked thirty-three days of transcripts. Massie's statement is in the public record, documented, sourced, and effectively invisible in the mainstream conversation.

The stated reason Trump fired Pam Bondi was her “management of Epstein documents.” Not her management of the border. Not her conduct on a prosecution. Not her leadership of the department. The Epstein documents. He cited them by name. And then he handed those documents to Todd Blanche.

I need you to notice how strange that is. A President fires his Attorney General explicitly citing a specific set of documents. Then installs his personal criminal defense attorney — the man who personally interviewed the convicted co-conspirator connected to those same documents — as her replacement. The documents themselves become the motive for the appointment.

In any normal accountability environment, that sequencing would be the story. The press conference question that doesn't get answered. The Senate resolution that gets introduced. The special counsel application that gets filed.

Instead, it was a Thursday. Easter weekend. The tariffs were moving. The markets were closed. Everyone had plans.

Blanche didn't arrive at this story fresh. He personally interviewed Ghislaine Maxwell in federal prison. Maxwell is Epstein's co-conspirator. She ran the operation. She was convicted of sex trafficking. Blanche — then acting as Trump's defense attorney — sat across from her in a federal facility and conducted an interview. What was discussed has not been disclosed.

The man who interviewed the convicted co-conspirator is now the Acting Attorney General who controls the files on the operation she ran.

On April 3, the same day he was appointed, Blanche told the New York Post that the public explanation for Bondi's firing is “simply not true.” He said it himself. He knows what's in those files. He controls those files. And he's telling reporters the official story doesn't hold.

The information was already there. He knew it before he got the job. Now he decides what happens to it.

Lutnick

Howard Lutnick's name is in more than 250 Epstein documents.

He's the Commerce Secretary. He ran Cantor Fitzgerald. His family company custodies $141 billion in Tether's Treasury reserves. Cantor holds a 5% equity stake in Tether potentially worth $25 billion. Tether loaned Lutnick's children's trust the money to acquire Cantor after he transferred ownership to comply with ethics rules. An SDNY filing said he was “working full time for Tether” before taking office.

He admitted under oath to visiting Epstein's private island in 2012. That is four years after Epstein's 2008 conviction on prostitution charges involving a minor. He claimed on a podcast he cut all ties in 2005. Senate testimony proved contact through 2014. The Atlantic ran the headline: “Howard Lutnick's Epstein Story Doesn't Make Any Sense.”

A senior White House official told reporters, in the first week of April, that Lutnick was on “thin ice.”

Think about what “thin ice” means in this context. The Commerce Secretary. The man whose family controls the custody infrastructure for the largest stablecoin in the world. The man whose name appears in more than 250 Epstein documents. His footing in the administration is reportedly precarious.

And the man who now controls both the Tether investigation file and the Epstein file is the personal criminal defense attorney of the man who appointed Lutnick.

The Epstein files could destroy Lutnick. The Tether files could trigger a federal investigation of Cantor. Both files are now in one man's hands. That man represented the President in federal court. That man personally interviewed Maxwell. That man held Bitcoin when he killed crypto enforcement. That man's family received the appreciated assets as a gift.

You tell me where the conflict begins and where it ends.

What I Noticed Sitting Overseas

I was outside the United States when this happened. I've said that before. I'll say it again because it matters to how you see what I'm seeing.

When you're inside the American news environment, the sheer velocity of events creates a kind of compression. Something extraordinary happens. It's covered. Then something else extraordinary happens and it pushes the first thing off the front page. Then a third thing. By the end of a week you've had seventeen extraordinary things and your brain, which was calibrated for maybe two or three extraordinary things per year, has quietly reclassified “extraordinary” down to something closer to “notable.”

I wasn't inside that environment. I was reading the American press from outside it. And from outside it, April 3 looked completely different.

From outside it, April 3 looked like the day the United States ceased to have a functioning separation between the legal jeopardy of its President and the prosecutorial authority of its government. Full stop. Not a step toward that condition. The condition itself, achieved, in one business day, before a holiday weekend, while the markets were preparing to close.

And the thing I noticed — the thing that kept me up that night in a way that fewer and fewer things do, after thirty-five years of watching — is that nobody seemed surprised.

Outraged. Yes. There was outrage. But not surprise. Outrage without surprise is just temperature. It doesn't generate action. It generates posts. It generates donations to organizations that file complaints with agencies that are now run by the people the complaints are about.

The Campaign Legal Center filed a criminal complaint against Blanche under 18 U.S.C. § 208(a). The complaint lands at the DOJ. Blanche is now the DOJ. He receives the complaint. He controls the complaint. The complaint is now his.

Ellsberg told me: the danger isn't the lie. The danger is that people know they're being lied to and don't believe anything can be done about it. Learned helplessness. The lie doesn't need to be believed — it just needs to make resistance feel futile.

April 3 was a learned helplessness event. Not because nothing can be done. Because it looked, from outside, like nothing would be.

The Structure of Impunity

Nixon's Saturday Night Massacre was a scandal because it was obvious. You could see the desperation. You could see a man who understood he was about to be caught doing the thing

that proved he was guilty of what he was about to be caught for. The act of concealment became the confession.

This was the opposite.

Trump didn't look desperate. He looked like a man signing a lease. Bondi was out. Blanche was in. The paperwork was done. Good Friday was coming. The markets would be closed for three days. The news cycle would fragment over Easter. By Tuesday, there would be new things to be angry about.

Scaramucci saw it clearly. He was on the Pivot podcast that same Thursday, with Kara Swisher, and he said what nobody else on a major platform was willing to say out loud: “Trump doesn't care about the market. Trump cares about manipulating the market.”

He was right. But the manipulation isn't just the market. It's the entire system of accountability.

Watergate had institutional antibodies. Republicans in the Senate told Nixon to his face that he didn't have the votes to survive. The Supreme Court ruled against him 8-0 on the tapes. The press corps — in a different world, with different incentives — kept the story alive for two years.

This time, the antibodies were removed first. Systematically, over fourteen months. The regulatory agencies captured. The enforcement units disbanded. The Senate confirmation process weaponized to install loyalists. The DOJ's independence dismantled from inside, by the man who then got elevated to run it.

Nixon had to commit a crime to stop an investigation. Trump wrote it into the org chart.

There are six senators who sent a letter accusing the new Attorney General of a federal crime while he was still Deputy AG. The criminal complaint is public. The Bitcoin holdings disclosure is public. The timing of the memo, the price appreciation, the gift to family — all documented.

In any courtroom in America, you would call this obstruction.

In this White House, it was a Thursday.

What the Blockchain Has to Do with It

I keep coming back to the word “blockchain” in this chapter's title. It sounds like a metaphor. It isn't.

The blockchain is the specific instrument that connects Blanche's personal financial conflict to the structure he now oversees. His Bitcoin holdings were on a blockchain — immutable,

timestamped, traceable from wallet to wallet. The memo he signed on April 7, 2025 ended the enforcement capability that would have investigated blockchain-based financial crimes, including sanctions evasion through stablecoin networks.

Tether's ledger is a blockchain. Every transaction that Iranian mother makes converting her savings into digital dollars — every transaction moving $10.3 million off Iranian exchanges in the first seventy-two hours of the Iran war — is recorded on a blockchain. The enforcement team that would have investigated whether those transactions violated U.S. sanctions law was the NCET. The NCET was disbanded by Todd Blanche while Todd Blanche held Bitcoin.

Bitcoin is the reserve asset in the Strategic Bitcoin Reserve his boss created.

Bitcoin is the asset whose price appreciation Blanche's family received as a gift.

Bitcoin is the asset that Anthony Scaramucci told 685,000 podcast listeners was at $66,000 on that same Thursday morning — near what Scaramucci called the bear market bottom of $60,000. Blanche gifted his holdings on the way up from that range. His family received the upside.

The blockchain isn't decoration. It's the mechanism. The ledger records the transactions. The enforcement team that reads the ledger was killed by the man who held the asset. The man who held the asset now controls the federal apparatus that could read the ledger.

Nixon had tapes. Trump has blockchain. Nixon's tapes were evidence of a cover-up. The blockchain is the cover-up — not because it's hidden, but because most people don't know how to read it, and the one agency built to translate it was taken apart from the inside by the man who had the most to gain from its silence.

The Saturday Night Massacre had a special prosecutor. This one has a blockchain.

In 1973, at least two people — Richardson and Ruckelshaus — resigned rather than comply.

On April 3, 2026, nobody resigned.

It was Easter weekend. The markets were closed. Everyone had plans.

In any courtroom in America, this is obstruction.

In this White House, it was a Thursday.

What you need to understand is this: the files aren't gone. The ledger is still there. The six redacted names are still redacted, but the names themselves exist. The Tether investigation documents exist. The Maxwell interview transcript exists somewhere. And the man controlling

all of it just told the New York Post that the story you're being told is “simply not true.” He knows what the truth is. He controls it. He was Trump's lawyer first, and the nation's chief law enforcement officer second. In that order. That's not a footnote to this chapter. That's the next one.

Chapter 13: The Tokenized Battlefield

On April 2, 2026 — one day before his father's boss fired the Attorney General and handed the DOJ to his father's boss's personal defense attorney — Zach Witkoff said the quiet part out loud.

“You'll be able to sell your equity tokens in real-world assets,” he told the room. “You'll be able to lend against those tokens and collateralize them.”

Then he said this: “The most-traded asset on Hyperliquid is actually tokenized oil.”

Tokenized oil.

He's 29 years old. He's the CEO of World Liberty Financial — the Trump family's stablecoin company, the one with $5 billion in reserves, the one the UAE Royal Family owns 49% of. His father is Steve Witkoff, Trump's Middle East peace envoy. The man negotiating the terms of the war in which oil infrastructure is being destroyed, supply routes are being disrupted, and prices are pushing toward $120 a barrel.

One negotiates the war. The other tokenizes the oil.

Senator Elizabeth Warren called it a possible quid pro quo.

It's not possible. It's the business model.

World Liberty Financial

Let me give you the company.

World Liberty Financial — WLFI — launched its USD1 stablecoin in early 2025. By the time the Iran bombs fell, USD1 had $5 billion in reserves and was growing. The UAE Royal Family — the Abu Dhabi sovereign wealth apparatus — holds a 49% stake. Not a minority investment. Nearly half. In the President's family's dollar-pegged stablecoin company.

Senator Warren's letter to the Treasury Secretary asked whether UAE's $1.4 billion investment in WLFI should be understood in the context of the administration's simultaneous negotiations over a $14 billion arms deal, base-access rights, and the regional ceasefire architecture that Steve Witkoff is managing from a diplomatic portfolio Trump handed him personally.

The Treasury did not respond.

WLFI's USD1 is not Tether. It's a parallel architecture. A second stablecoin dollar, family-branded, 49% foreign-sovereign-owned, operating in the same GENIUS Act framework that

forces every dollar held in a stablecoin into a U.S. Treasury bill and prohibits paying any of the resulting interest to the holders.

550 million people worldwide using stablecoins. Earning zero. The board keeps the yield.

This is the family that said, on national financial television, that the administration's economic arrangements were “an opportunity for retribution.” Eric Trump. CNBC. February 2026. Unprompted.

The family that Forbes estimates is worth $10 billion — nearly doubled since the November 2024 election.

When the Financial Times told Eric the family had made over $1 billion from crypto since the election, he said: “Probably more.”

Retribution. As a business model. With a stablecoin. That a foreign sovereign co-owns. That the son of the peace envoy runs.

The Settlement Pillar

Here's the piece most people miss, because it requires holding the macro and the micro at the same time.

The old petrodollar system was simple. You wanted oil. Oil was priced in dollars. You needed dollars to buy oil. Dollar demand stayed high. The U.S. Treasury could borrow cheaply because everyone needed dollars. The Federal Reserve managed global monetary policy by default, because the dollar was the only currency that cleared oil trades.

That system had cracks before the Iran war. China and Russia had been running yuan-denominated oil deals — the petro-yuan — since 2018. Iran settled oil in renminbi. The BRICS coalition talked endlessly about dollar alternatives. The threat to dollar hegemony wasn't abstract; it was architectural.

The Iran war accelerated the destruction of those alternatives. Iranian oil export capacity is disrupted. Iranian yuan-settlement deals are suspended. The yuan-oil infrastructure that China spent years building — the Shanghai International Energy Exchange contracts, the bilateral settlement agreements, the yuan clearing through Belt and Road partner banks — took structural damage.

Zach Witkoff announced the replacement in the same breath.

Tokenized oil. The most-traded asset on Hyperliquid. Settling in USD1. Backed by T-bills at Cantor Fitzgerald.

This is the settlement pillar of the new architecture. Not SWIFT — SWIFT is the old rails. Not yuan — that's the competitor that just got disrupted. Not the petrodollar — that's the legacy system with cracks. This is tokenized oil settlement on a blockchain, denominated in a private dollar stablecoin, backed by U.S. Treasury reserves, operated by a company the President's family runs and a foreign sovereign partially owns.

The destruction of the alternatives is not a side effect of the war. It's a design feature.

The Six Pillars, Fully Assembled

I want to stop here and do something I've been building toward for the whole book.

The old sovereign system had three pillars: currency (the dollar), settlement (SWIFT and the correspondent banking network), and military power (which enforced the arrangements and punished deviation). Those three pillars belonged to the United States government. They were imperfect — often corrupt, often weaponized — but they were at least nominally subject to democratic accountability. Congress could audit them. Courts could constrain them. Voters could, in theory, change the people who operated them.

The new system privatizes all three and adds three more.

Pillar One: Currency. The GENIUS Act creates the private dollar. Stablecoins are now legally permitted payment instruments, backed by T-bills, barred from paying interest to users, and structured so that every dollar in the system earns yield for the issuer. USD1. USDT. 550 million users. The issuer earns. The user earns nothing. The law says so. Section 4(a)(11). Twenty-two words.

Pillar Two: Settlement. The Reserve Settlement Network — Citi, JPMorgan, DTCC, Federal Reserve — is the interbank tokenized settlement layer under active development. The Bank for International Settlements' Project Agorá connects seven central banks in a unified tokenized settlement ledger. Tokenized oil on Hyperliquid, settling in stablecoin dollars. This is the replacement for SWIFT — faster, programmable, dollar-denominated, operated by private institutions with government contracts rather than by a government institution with private clients. The distinction matters because private institutions can exclude. The new settlement layer is a toll booth. USD1 is the only toll ticket that works.

Pillar Three: Military. Steve Feinberg at Defense. Cerberus Capital Management. $65 billion in assets. DynCorp. Tier 1 Group — the firm that trained the Saudi squad that killed Jamal Khashoggi. Navistar Defense. TransDigm, which settled a Pentagon price gouging case for $20.8 million. ProPublica documented that at least four companies awarded contracts under Feinberg's $151 billion Golden Dome missile defense project are owned by Cerberus. He

“divested” but maintains an indefinite services contract. The man whose company trained the assassins runs the department doing the bombing.

Palantir selects the targets. Anduril builds the autonomous weapons that execute the strikes. Both are Peter Thiel's. Both are David Sacks adjacent — Sacks co-founded Craft Ventures, which backed Anduril. The AI czar and the weapons manufacturer share a cap table and a worldview.

War is the revenue model.

Pillar Four: Energy. PCAST — the President's Council of Advisors on Science and Technology — co-chaired by David Sacks. Members: Jensen Huang of Nvidia, whose chips power every AI targeting system and every blockchain transaction processor. Larry Ellison, whose Oracle cloud runs classified government computing. Mark Zuckerberg, whose platforms distribute the information architecture around the war. Fred Ehrsam, Coinbase co-founder, who brings crypto infrastructure into the room where national energy policy is shaped. Jake DeWitte's Oklo — the nuclear micro-reactor company, backed by Sam Altman, whose small fission plants will power the AI data centers that run the financial surveillance and the weapons targeting from the same physical facilities.

The energy policy of the United States is advised by the man whose chips power the weapons targeting system, the man whose cloud runs the classified data, the man whose social platform controls the narrative, and the man whose nuclear reactors will power all of it.

Pillar Five: Banking. The $6.6 trillion in community bank deposits is draining. Not collapsing — draining. Slowly. Systematically. Into stablecoin rails that pay zero to the depositor. The Federal Reserve is being replaced not by abolition but by redundancy. Kevin Warsh is the nominee for Fed Chair — introduced to Trump by Marc Andreessen, who is an investor in crypto infrastructure. The Fed Chair nomination travels through the PayPal mafia's social network. While that happens, JPMorgan launched JPMD — its own deposit token on a public blockchain. Bank of America is developing settlement infrastructure. The banks are not being destroyed. They're being converted into on-ramps to the stablecoin system. The stablecoin system does the extracting. The banks enable the transition.

Pillar Six: Housing. This is the one that Eddie flagged.

Jeffrey Sprecher and the House You Live In

Eddie is a Tokyo-based institutional source who's been tracking the structural changes in U.S. financial infrastructure since 2019. He sent me three pages of notes in late March 2026. One line stood out: “You're missing the eighth player. Sprecher. He owns the house.”

Jeffrey Sprecher is the founder and CEO of Intercontinental Exchange — ICE. He's married to Kelly Loeffler, the former U.S. Senator from Georgia who sat on the Senate Banking Committee. She is now the administrator of the Small Business Administration.

What Sprecher's company owns:

ICE owns MERS — the Mortgage Electronic Registration System. MERS is the database that tracks the beneficial ownership of 85% of all U.S. residential mortgages. If you have a mortgage, there's an 85% chance MERS has a record of it.

ICE owns Ellie Mae, which provides origination software used in approximately 50% of all U.S. mortgage originations. When a loan officer runs your application, there's roughly even odds they're using Sprecher's software.

ICE owns Black Knight, which provides mortgage servicing software used for approximately 65% of all U.S. mortgage loans under active servicing. When the company that holds your mortgage sends you a statement, books your payments, handles your escrow, or processes your forbearance request, there's a better-than-even chance they're running it through Sprecher's platform.

ICE owns the New York Stock Exchange.

ICE owns Securitize — through a partnership announced in early 2025 — the tokenization platform that is actively converting real-world assets (mortgages, securities, private equity stakes) into blockchain tokens that can be traded around the clock, collateralized, and used as settlement instruments.

Fannie Mae — the government-sponsored enterprise that backs the majority of conforming U.S. mortgages — announced in late 2025 that it would accept crypto assets as collateral for mortgage qualification. Coinbase members received a 1% rebate on Fannie-backed crypto mortgage originations.

The origination software is Sprecher's. The title registry is Sprecher's. The servicing platform is Sprecher's. The stock exchange that tokenizes the securities is Sprecher's. The exchange that trades the tokenized securities is Sprecher's. The senator who sat on the committee that regulates the exchange is his wife.

One man controls the infrastructure of the house you live in, end to end. From the moment you apply for the loan to the moment it's packaged into a security and sold to a Japanese pension fund, Sprecher's platforms are processing it.

And now that infrastructure is being connected to the blockchain tokenization architecture. Your mortgage — not your house, but the financial instrument that represents it — can become a token. That token can be used as collateral on a DeFi platform. That collateral can secure a stablecoin loan. The stablecoin loan buys more T-bills. The T-bills fund the deficit.

The house you live in is being turned into a node in the extraction machine.

The Private Credit Door

On April 3 — the same Thursday that gave us Blanche as AG, the $15 billion Treasury buyback, and Witkoff's tokenized oil announcement — Catherine Austin Fitts posted a thread that three months ago I would have called alarmist.

She reported that BlackRock, Blue Owl, Morgan Stanley, Apollo, and Ares had simultaneously slammed the door on withdrawals from approximately $2 trillion in private credit.

Two trillion dollars in private credit funds. Five of the largest alternative asset managers in the world. All restricting exits on the same day.

Fitts called it “The Great Taking” — a reference to the thesis that the coming financial reconfiguration will systematically strip asset ownership from retail investors by making exit impossible at the moment when exit would be most valuable.

I don't know whether April 3 was coordinated. I know that five major managers restricting withdrawals simultaneously, on a Good Friday long weekend, during a period of active market stress, while the largest T-bill buyback in history was executed and the new AG was the President's personal defense attorney — that's a pattern that deserves more than a footnote.

The exit doors are closing. Not all at once. Not dramatically. A restriction here. A gate there. A 30-day notice requirement added to the subscription agreement. A redemption queue. The lock-up periods getting longer in the new fund vintages.

If you hold private credit, you cannot sell it when you decide you want to leave. You can only leave when the fund decides it will let you. By the time you understand what's happening, the door is already narrowing.

The only road left doesn't have an exit. It has a toll booth.

The toll booth is the stablecoin.

What It Looks Like From Outside the United States

I want to be specific. Not abstract. Not theoretical.

Fuel is up 55% in Pakistan since February 28, 2026. The rupee is in free fall. The local banks are restricting dollar conversions — foreign exchange controls, the emergency IMF playbook. Pakistani families who need to buy imported goods, who need to pay for medications priced in dollars, who need to send remittances to relatives in the Gulf — they're out of options through traditional banking.

Except one.

USDT. Or USD1. A stablecoin. Available on any smartphone with a crypto wallet. No bank account required. No dollar conversion limit. Instant. The only dollars they can reach.

So they buy the stablecoin. Every Pakistani family doing this — every Iranian mother who did this in the first days of the war, every Lebanese family who did this after the Beirut banking system froze after the 2019 collapse, every Yemeni trying to receive money from relatives abroad while Saudi-backed forces cut their banking access — every single one of them is, in the act of buying that stablecoin, purchasing a U.S. Treasury bill.

They earn nothing on it. Zero. The law says so.

Tether keeps the interest. $10 billion last year. $23 billion in gold. $141 billion in T-bills.

And what are those Treasury bills funding? The deficit. The Pentagon supplemental. The AI targeting systems. The weapons contracts.

The Pakistani family buying USDT to afford fuel in a war-disrupted economy is funding the military apparatus of the country whose wars disrupted their economy.

The chain is that direct. The chain is that ugly. The mechanism is public law.

In Gaza and the West Bank, the payment infrastructure is destroyed. Banks are bombed or functionally inaccessible. The SWIFT network is restricted for Palestinian accounts. UN agencies trying to deliver aid payments are using stablecoin rails because the traditional payment system was cut. Every aid dollar converted into a stablecoin for delivery is a T-bill purchase. The people trying to survive the war are generating yield for the system that profits from the war.

In Lebanon — a country that has already lived through one complete banking system collapse, where depositors with accounts at Lebanese banks lost most of their savings in 2019-2020 when the pound imploded and the banks imposed informal capital controls — stablecoins are not a novelty. They're the bank. The only one that didn't steal their money. Because the only thing Tether can steal is the interest. They never promised the interest. The law already took it.

A family in Tehran. A family in Islamabad. A family in Beirut. A family in Gaza. They all look at the same app. They all see the same dollar sign. They all earn zero.

The board keeps the yield. The board escalates the war. The war drives more families to the app.

War is the revenue model.

The Battlefield is the Infrastructure

What Zach Witkoff said on April 2 was not a slip. It wasn't something he didn't mean. He was describing, clearly and publicly, the architecture that his company sits at the center of.

Tokenized oil is the commodity. It's what his father's war affects. Every time Steve Witkoff's peace negotiations collapse — every failed ceasefire, every breakdown in Doha, every airstrike that resets the diplomatic clock — oil prices move. And the commodity that moves is now traded as a tokenized asset on a blockchain platform, settling in dollar stablecoins that generate T-bill yield.

His father negotiates the war. His son tokenizes the oil. The commodity that spikes every time the negotiations fail.

That's not a conflict of interest. That's the business model.

I've been asked — by skeptical readers, by people who think I'm connecting dots that don't connect — whether this is all just coincidence. Whether it's possible that Steve Witkoff is genuinely trying to make peace, that Zach Witkoff is genuinely excited about DeFi innovation, that the tokenized oil thing is just where the market went, not where it was pushed.

Let me answer that directly.

I don't know whether the Witkoffs coordinate their activities to maximize war-driven oil price spikes. I don't have the communications. What I know is the structure: one family member shapes the geopolitical conditions that determine oil prices. Another family member runs the infrastructure that settles oil trades in a form that appreciates when those prices spike. Whether or not they plan it that way, the incentive is identical to planning it.

You don't need coordination if the architecture already points you in the same direction.

Michael Lewis wrote about the people who saw the mortgage crisis before it happened. He had to reconstruct the mechanism after the collapse because nobody had documented it in real time. He did the forensics after.

I'm doing the forensics now. While the machine is running. While the oil is being tokenized. While the fathers negotiate and the sons trade.

The receipts are public. The GENIUS Act is law. The WLFI ownership structure is in the filing. The Witkoff family relationships are not a secret — they were announced at a press conference.

The only question is whether anyone in a position to do something about it is paying attention.

What the Architecture Looks Like When You Step Back

Old system: the U.S. government controlled currency, settlement, and military power. Imperfect, often corrupt, nominally accountable.

New system: all three privatized, plus three new pillars added.

Currency privatized: GENIUS Act stablecoins, issued by companies the President's family runs, backed by T-bills, earning zero for users.

Settlement privatized: tokenized oil on Hyperliquid, RSN clearing infrastructure, BIS Project Agorá connecting seven central banks in a unified tokenized ledger. Not SWIFT — blockchain. Not the Fed — private issuers. Not the dollar, exactly — a private representation of the dollar, managed by entities that are accountable to their shareholders, not their users.

Military privatized: Feinberg at Defense, Cerberus contracts, Palantir targeting systems, Anduril autonomous weapons. The soldiers are still public. The targeting intelligence and the weapons systems and the logistical contracting are increasingly private.

Energy: PCAST. Huang, Ellison, Ehrsam, DeWitte. The nuclear micro-reactors powering the AI data centers. The chips running the targeting systems. The cloud running the classified databases. One advisory council. All the people whose companies run the machine.

Banking: $6.6 trillion in community deposits draining. JPMorgan and Citi building their own tokenized payment infrastructure. Kevin Warsh at the Fed, introduced to Trump through the PayPal network. The central bank itself being made redundant from the inside.

Housing: Sprecher. MERS, Ellie Mae, Black Knight, NYSE, Securitize. The origination, the registry, the servicing, the exchange, the tokenization. End to end. The house you live in as a node in the extraction machine.

Six pillars. All privatized. None elected. All connected.

The battlefield isn't just physical. It never was, entirely. But now it has a ledger. The ledger is public. The transactions are immutable. Every Pakistani family buying USDT is on it. Every Iranian mother fleeing for digital dollars is on it. Every aid payment to Gaza, every remittance to Beirut, every fuel purchase in a war-disrupted economy — on the ledger.

The people extracting yield from those transactions are also on the ledger. They're just the ones who wrote the ledger's rules.

His father negotiates the war. His son tokenizes the oil. The commodity that spikes every time the negotiations fail.

That's not a conflict of interest.

That's the business model.

You now have the full architecture. Six pillars. All the names. All the receipts. The only question left — and it's the question I've been avoiding since the first chapter because I didn't have an answer I could stand behind — is what do you do when the machine is also the government? When the man controlling the accountability apparatus is the President's personal defense attorney, and the man who could have investigated the financial architecture is now running it, and the exits from the private credit markets are closing one gate at a time? That question is next.

Chapter 14: The Nuclear Dimension

In May of 2015, I drove up to Daniel Ellsberg's home in Kensington, California with a recorder and eleven years of questions, and I didn't leave for ten days.

Forty hours of interviews. A dining table covered in papers, coffee cups, the particular clutter of a man who has spent fifty years refusing to let the truth stay buried. Ellsberg was eighty-four years old, slightly stooped, voice still sharp as a surgical instrument. He had survived everything they threw at him: the Nixon administration's full prosecutorial machinery, the psychiatric break-in, the smear campaigns, twelve felony counts. He had survived all of it by being so right, so thoroughly and documentably right, that history ran out of ways to argue with him.

He told me something in that dining room I've carried for eleven years.

“The system isn't failing,” he said. “It's functioning as designed. That's the thing nobody wants to hear. The Pentagon Papers didn't reveal a malfunction. They revealed a function.”

He paused and looked at me with the kind of patience you develop when you've watched people refuse to understand something for fifty years.

“The function,” he said, “was to keep the war going long enough for the people running it to avoid having to admit they'd been wrong. Everything else — the soldiers, the Vietnamese civilians, the money — was secondary to that. That was the machine. It ran beautifully. It just ran in the wrong direction.”

Daniel Ellsberg died on June 16, 2023. He spent his final years doing what he'd always done: warning about the next catastrophe while everyone was still processing the last one. The last years were about nuclear war. He said we were closer than most people understood. He said the protocols were broken. He said the people in charge of the arsenals were not the people most people imagined, and the chains of command were not as clean as the diagrams suggested, and the probability of a nuclear exchange — not through intention but through accident, miscalculation, or the particular human stupidity that sets in when powerful men believe their own mythology — was much higher than the official estimates admitted.

He was right about the Pentagon Papers.

He was right about nuclear risk.

I think he would have been right about this, too.

The Galbraith Problem

John Kenneth Galbraith wrote The Great Crash 1929 in 1954. He was trying to explain how intelligent people, watching what in retrospect was an obvious disaster assembling itself piece by piece, failed to see it coming. His answer was not stupidity. It was architecture.

The architecture rewarded not seeing.

He wrote: “The world of finance hails the invention of the wheel over and over again, often in a slightly more unstable version.”

He never saw a stablecoin. But he described one perfectly.

Here is the GENIUS Act in Galbraith's language: a new instrument appears — novel enough to require new regulatory frameworks, exciting enough to generate political momentum, technically complex enough to deter casual scrutiny. The insiders who designed it are immediately described as geniuses. The early adopters profit visibly. The instrument spreads to people who don't understand it but understand that early adopters profited. Warnings from qualified observers are dismissed as either ignorance of the new thing or professional jealousy. Then the crash — or in this case, something worse than a crash.

A crash at least resolves the question.

What the GENIUS Act built is different. It doesn't crash. It extracts — continuously, at statutory authority, with documented financial disclosures, in full daylight — until there isn't enough left to extract, at which point it has already migrated its architecture to the next vehicle and the next war.

Robert Shiller gives you the other half of the explanation. His Irrational Exuberance isn't about stupidity either. It's about narratives. Specifically, it's about how the stories people tell each other about money spread faster than the data can correct them, and how those stories are sometimes so psychologically satisfying — so aligned with things people already want to believe — that evidence against them gets processed as evidence of conspiracy rather than evidence of error.

The narrative was: Crypto is freedom. DeFi is decentralized. Stablecoins are the banking system for the unbanked. The financial establishment is trying to suppress it because it threatens their power.

Every element of that narrative is either false or has been inverted to mean its opposite.

Crypto was freedom for early adopters. For the 550 million people currently holding USDT, it is a mechanism by which they hold dollars that earn 0% so that the issuer can earn 3.7% on

money that is legally, structurally theirs. That is not freedom. That is the oldest financial extraction in the world — the landlord who owns the land you farm and keeps the harvest — wearing a blockchain.

DeFi is not decentralized. The GENIUS Act created a system in which the person who wrote the regulation (Bo Hines) now runs the company whose operations the regulation governs. The person who custodies the reserves (Howard Lutnick's family) received a loan from the issuer (Tether) to purchase the custodian (Cantor Fitzgerald) from the father (Howard Lutnick) who became a cabinet secretary (Commerce) with regulatory authority over the financial system that the custodian operates within. That is not decentralized. That is the most centralized financial architecture in American history — it just wears a distributed ledger as camouflage.

And the financial establishment is not suppressing it. The financial establishment built it.

Shiller explains why 550 million people believe the narrative anyway: because the alternative — believing that the thing they chose to trust was designed to extract from them — is psychologically intolerable. Cognitive dissonance is not irrationality. It is the mind's self-protection system. It works exactly as designed.

Just like Ellsberg said.

The Michael Lewis Problem

Michael Lewis's method is this: find the person who saw it first. Then follow the money. Then explain the mechanism through the character of the people who built it, because mechanisms don't have character — people do — and character is what makes the mechanism legible to human beings who are not financial engineers.

In The Big Short, the person who saw it first was Michael Burry, who sat in a San Jose office with heavy metal playing and read the actual prospectuses of mortgage-backed securities that everyone else was relying on rating agencies to read for them. He was not a genius. He was a person who did the work everyone else was being paid to do but wasn't doing, because doing it would have disrupted the machine they were all benefiting from.

The person who saw it first in this story was a former county commissioner from Eagle County, Colorado. No office. No staff. No classified clearance. No Bloomberg terminal. A laptop, a Substack account, and the same public filings — the statute, the BDO attestation, the Bloomberg story, the Senate testimony transcript, the Federal Reserve staff report — that every journalist in America could have read.

The difference is I read them.

The mechanism, for Lewis's purposes: Bo Hines raises $1 million for a Trump super PAC through an organization called NXUM Capital, one week before the 2024 election. Gets appointed Executive Director of the Presidential Council on Digital Assets. Guides the GENIUS Act through the White House. The act passes 68–30 in the Senate, 308–122 in the House, bipartisan, celebrated. Hines departs the White House twenty-two days after signing. Receives fifty-plus job offers. Takes the one from Tether. Named CEO of Tether's U.S. operation on September 12, 2025. By February 11, 2026, publicly calling Tether “a top 10 T-bill purchaser in the United States.” Seventeen days later, the bombs fall on Iran and Tether's T-bill portfolio begins its fastest expansion in history.

That's the character. That's the mechanism. That's the money.

Lewis would also note the Lutnick chapter, because that's where it gets baroque. Howard Lutnick: Cantor Fitzgerald CEO. One of only twenty-six primary dealers authorized to trade directly with the Federal Reserve. Tether custodies $141 billion with him. Cantor holds roughly 5% equity in Tether — worth somewhere between $600 million and enough to change Lutnick's family's financial status permanently, depending on how you value a $187 billion company growing at war speed. In March 2025, Lutnick is confirmed as Commerce Secretary. His son Brandon, twenty-eight years old, becomes chairman and CEO of Cantor. The transition is funded in part by a loan from Tether to Lutnick's children. Bloomberg reported it. An SDNY court filing alleged Lutnick was “working full time for Tether” before taking office. He now serves as Commerce Secretary with policy authority over the financial system that Cantor operates within.

Lewis would call this incestuous at minimum.

I call it designed.

The Architecture

Let me show you how they connect. Not as names on a list — as an architecture, a structure, a single machine with different parts performing different functions.

Peter Thiel is the architect. He funded the political capture: $15 million to JD Vance's Senate campaign, the machine that eventually put Vance in the Vice President's chair. He funds the surveillance: Palantir, which now has the largest AI defense contract in history, whose software generates 1,000 targeting options in 24 hours for the bombs currently falling on Iran. He funds the weapons: Anduril, the autonomous drone company founded by Palmer Luckey, which manufactures the hardware the Pentagon buys with the supplemental budgets Thiel's political investments made possible. He funds the prediction markets: Polymarket, whose surveillance infrastructure is built on Palantir's AI. Polymarket's CEO called insider trading “super cool.”

Thirty-eight Polymarket accounts each profited over $2 million on pre-war bets. Palantir's stock is up 340% since the war started.

The architect funds the surveillance. The surveillance watches the predictions. The predictions move before the bombs fall. The bombs fall. The surveillance wins.

David Sacks is the engineer. He took the Thiel framework — political funding, network capture, narrative control — and translated it into statute. As Trump's Crypto and AI Czar, Sacks sat in the White House and designed the GENIUS Act, the CLARITY Act, the Bitcoin Reserve executive order, and the SEC rollback that cleared the legal landscape for all of it. His Craft Ventures fund had backed the crypto companies that would benefit from every piece of legislation he wrote. He disclosed twenty crypto investments when he took office. He said he'd divest. He was, per the All-In podcast he co-hosts, one of the greatest champions of crypto freedom in American history. He then designed a law that prohibits 550 million people from earning interest on their own money. He now sits on PCAST — the President's Council of Advisors on Science and Technology — where he continues to shape the digital architecture of the American state.

The engineer built it. It works exactly as he designed it.

Donald Trump signs everything and the family keeps the yield. His sons launched WLFI — World Liberty Financial — a DeFi platform that raised $550 million from investors who understood that buying Trump's financial product was not a financial investment but a political one. Zach Witkoff, twenty-nine years old, is CEO of WLFI. His father Steve Witkoff is the President's Middle East envoy, currently negotiating the resolution of the war whose market movements WLFI's platform captures. Zach Witkoff stated publicly on April 2, 2026: “The most-traded asset on Hyperliquid is actually tokenized oil.” The son of the man managing the war is the CEO of the financial instrument that profits from the war's market movements. He announced this publicly. Nobody subpoenaed him.

Alex Karp and Palantir provide the mechanism of death. The AI that selects the targets. One thousand targeting options in twenty-four hours. The “lethal geometry” software, as they call it in the company materials, that processes sensor data from drones, satellites, and signals intelligence and produces a menu of options for a commander to approve. Palantir's Maven Smart System is deployed across eleven active conflict theaters. The Pentagon's AI ethics board reviewed the targeting software. They approved it. Karp was on CNBC explaining that Palantir exists to help Western democracies win. The stock hit its all-time high in the first week of the Iran strikes. It has not pulled back.

Stephen Feinberg and Cerberus Capital are the muscle. Feinberg was confirmed as Deputy Secretary of Defense in March 2025. His private equity firm, Cerberus, owns DynCorp — the defense contractor whose trainers were credibly alleged, in a Transparency International UK

report, to have been involved in the killing of Jamal Khashoggi in Istanbul. Feinberg is now the number two at the Pentagon, managing the supplemental budgets that flow to the contractors, managing the force posture decisions for an eleven-country active war, managing the acquisition of the Golden Dome missile defense system — a $175 billion program that will benefit, directly, the contractors in the Cerberus portfolio.

Larry Fink and BlackRock hold everything. $10 trillion in assets under management. The Aladdin AI risk management system, which processes data on approximately $21 trillion in assets globally. The BUIDL fund — the first institutional money market fund on a public blockchain, now at $2.2 billion, running on the Ethereum network through Uniswap. When Fink writes that tokenization “could transform finance the way the internet transformed communication,” he is not making a prediction. He is describing the system he is building while you read this. The BIS Annual Economic Report for 2025 called the Regulated Settlement Network — Citi, JPMorgan, Mastercard, Wells Fargo, Visa, Swift, DTCC, with the Federal Reserve Bank of New York as observer — “the next-generation monetary and financial system.” BlackRock's Aladdin is the risk layer on top of it. Every bond, every mortgage, every deposit, every Treasury bill, on a single shared programmable ledger. If you want to understand what comes after the dollar as we know it, start with Fink's 2023 op-ed in The Economist and work forward.

Howard Lutnick is the banker. He custodies $141 billion. His family received a loan from the company he custodies for, to acquire the custodian from himself, while he became the cabinet secretary with authority over the financial system the custodian operates within. And there are 250 Epstein documents sitting somewhere in a Commerce Department file that nobody has publicly accounted for. Todd Blanche, now Acting Attorney General, personally interviewed Ghislaine Maxwell in prison. He controls the Epstein file. He also controls the Tether investigation file — or what remains of it, after he disbanded the National Cryptocurrency Enforcement Team by internal memorandum on April 7–8, 2025, while holding $159,000–$485,000 in personal crypto investments.

Larry Ellison and Oracle own the infrastructure. PCAST. The DOD cloud contract. The data centers in the region that Iran's military intelligence was reportedly tracking when they began targeting facilities in the opening days of the war. Ellison sat in the Oval Office for the Stargate announcement — the $500 billion AI infrastructure investment — alongside OpenAI's Sam Altman and SoftBank's Masayoshi Son. The data infrastructure for American AI dominance runs through Oracle's cloud. The targeting data for the Iran strikes runs through Defense Department systems with Oracle cloud architecture underneath. Ellison is not a defense contractor in the traditional sense. He is the substrate.

Benjamin Netanyahu is the catalyst. Forty years of a two-state solution that was never real. The October 7 Hamas attack and the Israeli response that has killed tens of thousands of Palestinian

civilians in Gaza — a genocide documented by UN investigators, named by the International Court of Justice in its preliminary rulings, visible on every phone in the world except, apparently, the ones in the pockets of members of Congress who received $100 million from AIPAC in the 2024 cycle. AIPAC spent $14.5 million defeating Jamaal Bowman in a Democratic primary over his vote against Israel. The political infrastructure that ensures the war continues is the same infrastructure that ensures the financial architecture profiting from the war faces no legislative disruption.

The machine that starts wars and the machine that profits from wars are not two machines. They are one machine.

The Surveillance Convergence

Here is the pipeline. Follow it from the beginning.

You need dollars. You don't have access to a regular bank — you're Iranian, or Lebanese, or Nigerian, or Somali, or any of the other hundred nationalities for whom the formal banking system is theoretical. You buy USDT. Tether issues the USDT, buys the T-bill, keeps the yield. You hold programmable money.

Programmable money means programmable conditions. The stablecoin is not just a digital dollar. It is a dollar with code attached to it. The code can include conditions: you can spend it here but not there, at this time but not that time, for this purpose but not that purpose. The BIS unified ledger — Project Agorá, seven central banks plus forty-three private institutions — is building the infrastructure to make those conditions programmable at the settlement layer. Every transaction, every transfer, every conversion, logged and visible to whoever controls the ledger.

The GENIUS Act mandates stablecoins. The Anti-CBDC Act bans the public alternative — the Federal Reserve is explicitly prohibited from issuing its own digital dollar. The two acts, passed on the same day, constitute a policy pair: public option eliminated, private option mandated. No other major economy has prohibited research into its own central bank digital currency. The government option was killed specifically so the private option could dominate.

The Regulated Settlement Network — Citi, JPMorgan, DTCC, the Federal Reserve Bank of New York as observer — completed its proof of concept in December 2024. Tokenized Treasury bills. Tokenized bonds. Tokenized deposits. All on a single shared ledger. The BIS called it “the next-generation monetary and financial system.” When the RSN goes live at scale, the settlement layer of the entire global financial system runs on programmable infrastructure. Who sets the conditions? The consortium that built it. Citi. JPMorgan. The institutions that also service the stablecoin custody chains, the Treasury auctions, the government payroll systems.

Catherine Austin Fitts — the former HUD Assistant Secretary under the first Bush administration, — told Miles Franklin Media on April 2, 2026: “They should have put the word diabolically in front of the GENIUS Act because it is diabolically genius.” She added: “If you send 100% of the money circulating in a country into the Treasury market instead of circulating in the economy, you're going to implode the economy and everything's going to go through the federal government. It's Ross Perot's giant sucking sound.” She has spent fifteen years warning about exactly this convergence. She has been dismissed as a conspiracy theorist. The BIS has now published the roadmap she described in its annual report, in plaintext, available to anyone with an internet connection.

On April 3, 2026, she wrote publicly: “The gatekeepers of the $2 trillion private credit empire, BlackRock, Blue Owl, Morgan Stanley, Apollo, Ares, just slammed the door on withdrawals from their funds. This is The Great Taking unfolding in real time.”

The exit doors are closing.

The stablecoin toll booth is the only road left.

You cannot withdraw your money from the private credit funds. You can convert it to USDT and hold programmable dollars that earn 0% while Tether earns 3.7%. That is not an accident. That is not a market outcome. That is a designed architecture in which every available exit from the collapsing old system leads to the entrance of the new one.

The pipeline is: War → panic → stablecoins → programmable money → total control.

That is not three stories. It is one pipeline.

The Nixon Parallel

Daniel Ellsberg told me, over those ten days in Kensington, that Nixon selected Gerald Ford as Vice President because Ford was predictable. The right kind of man for a particular function. And the function was: absorb the shock. Accept the handoff. Grant the pardon. Move on.

“Nixon needed someone who would do what needed to be done,” Ellsberg said. “He didn't need someone smart. He needed someone loyal.”

Ford pardoned Nixon on September 8, 1974. The country moved on. Ellsberg spent the rest of his life arguing that the pardon was the original sin — not Watergate, but the decision that Watergate's architects would face no consequences. Teach the machine that crimes are survivable and it will commit more crimes.

Trump didn't need a Ford.

He installed his own lawyer as Attorney General.

Todd Blanche defended Trump in the hush money trial. He defended Trump in the documents case. He was appointed Deputy Attorney General and used that position, in his first months in office, to disband the National Cryptocurrency Enforcement Team — the specialized DOJ unit investigating Tether, among others — by internal memorandum, while holding personal crypto investments in the companies the team was investigating. The memorandum was titled “Ending Regulation by Prosecution.” That's what they called it. To their own faces.

On April 3, 2026, Trump fired Pam Bondi as Attorney General over her “management of Epstein documents.” Within hours, Blanche was named Acting Attorney General. He now controls the Tether investigation file. He controls the Epstein file. He personally interviewed Ghislaine Maxwell in prison. He told the New York Post, on April 3, that the explanation being offered for the Epstein document situation was “simply not true.”

This is not the cover-up waiting for the pardon. This is the cover-up running in real time, with the cover-up artist holding the office of the nation's chief law enforcement officer.

Ellsberg would have recognized it immediately. The function is the same. Only the instruments have changed.

The Pentagon Papers showed a president lying about a war to protect his political position. What I'm documenting is a president signing a law that transfers hundreds of billions of dollars in yield from ordinary people to his political donors, while installing his personal attorney as the top law enforcement officer, while his family company runs the stablecoin architecture the law created, while the man who designed the law runs the custodian that holds the reserves.

Nixon taped himself. Trump passed a law. That is the evolution. The crime is now the statute.

The Insider Trading

Someone knew.

In the five minutes before a Trump announcement about the Iran situation, $1.5 billion in S&P 500 futures positions were placed. Senator Chris Murphy said it on the Senate floor: “mindblowing corruption.” Anthony Scaramucci, the former White House communications director who has seen more of the inside of this machine than almost anyone still willing to talk about it, estimated the total insider trading at $1.5 billion.

Sixteen minutes before a March 23 Truth Social post about Iran, $580 million in oil futures moved. The average trading volume on announcement days ran nine times normal.

Thirty-eight Polymarket accounts each profited over $2 million on pre-war bets. An Israeli military reservist was charged with using classified information to make $2.14 million on war prediction markets. The Polymarket surveillance system that monitors the trades was built by Palantir. The same company whose AI selects the targets. The same company whose stock is up 340% since the war started.

The machine watches itself.

Nobel laureate Paul Krugman used the word treason. Axios called it “an epidemic of suspicious trading.” The White House called the allegations “unfounded.”

Blanche controls the file.

The Pillar Map

The old sovereign system had three pillars. Currency: the dollar, issued by the Federal Reserve. Settlement: Treasury auctions, the SWIFT network, the correspondent banking system. Military: the Defense Department, Congressional authorization, civilian oversight, the law of armed conflict.

The new system privatizes all three and adds three more.

Pillar 1 — Currency (privatized): The GENIUS Act requires stablecoins backed by T-bills. The Anti-CBDC Act bans the public alternative. Currency is now issued by Tether (British Virgin Islands), Circle (fintech), and the Trump family's WLFI (no fixed address, ethically speaking). The Federal Reserve remains nominally in existence. It is being made irrelevant at the short end of the curve.

Pillar 2 — Settlement (privatized): The RSN — Citi, JPMorgan, DTCC, Fed as observer — runs the settlement layer. The BIS unified ledger runs the international layer. Tokenized oil, tokenized bonds, tokenized deposits. BlackRock's Aladdin is the risk management system on top. Intercontinental Exchange controls the mortgage pipeline. Every step of every financial transaction, eventually, on programmable infrastructure controlled by a consortium of private institutions.

Pillar 3 — Military (privatized): Palantir selects the targets. Anduril builds the weapons. Cerberus/DynCorp trains the soldiers. CACI International and Booz Allen Hamilton manage the intelligence. The Pentagon is a procurement agency for a defense industrial complex that, since the GENIUS Act, now also benefits from the stablecoin yield generated by the panic that the wars it wages creates. The profit loop is closed.

Pillar 4 — Prediction (new): Polymarket. Prediction markets that allow — celebrate — insider trading on geopolitical events. CEO says it's “super cool.” Palantir surveillance watches the trades. The people with access to classified information about what will happen next can convert that access into financial gain through a legal mechanism that didn't exist five years ago.

Pillar 5 — Surveillance (new): The stablecoin is programmable money. The RSN and BIS ledger are programmable settlement. DOGE has access to Treasury payment systems, Social Security records, and IRS data. Palantir has the defense targeting infrastructure. Oracle has the cloud. The surveillance architecture is not a potential future threat. It is operational.

Pillar 6 — Narrative (new): The All-In podcast, the Tucker Carlson monologue, the Elon Musk Twitter/X platform — 200 million users in the United States alone — the JD Vance Thiel-funded Senate campaign, the AIPAC $100 million congressional spending. The narrative architecture that makes all of the above politically sustainable. Shiller was right. The story spreads faster than the data. The story is that this is freedom. The receipts say otherwise.

Six pillars. Three sovereign functions privatized. Three new control functions added. That's the architecture. It's not theoretical. It's operational. It's statutory. It's documented in public filings.

The Nuclear Dimension

This is the part Ellsberg would have wanted to talk about.

He spent his final years on nuclear risk. Not as a metaphor, not as rhetoric — as an operational analysis of a system he understood from the inside, having spent years at RAND Corporation modeling nuclear war scenarios for the Defense Department. He had seen the actual war plans. He had seen the targeting protocols. He had seen the casualty estimates. They were orders of magnitude higher than any public official had ever acknowledged.

He died in June 2023, before the Iran war started. Before the first American bombs fell on the Persian Gulf region since 2003. Before the Hormuz closure scenarios became real-time naval operational questions. Before the escalation ladder he had warned about for fifty years began to be climbed, rung by rung, by people who had never read the war plans, had never seen the casualty estimates, had never spent a single hour inside the rooms where nuclear weapons employment is actually modeled.

What would he say now?

He would say: there is no mechanism to stop it.

Not in the GENIUS Act. Not on the Board of Grift. Not in the stablecoin architecture. Not in the Palantir targeting software. Not in the Cerberus acquisition portfolio. Not in the BlackRock Aladdin risk management system. Nowhere in this architecture — which profits from every level of escalation, from the first Nobitex withdrawal to the last T-bill purchase — is there a circuit breaker labeled “stop if this goes nuclear.”

The profit continues at every level of escalation. The stablecoin market grows larger as the war becomes more frightening. The T-bill purchases become more mandatory as the stablecoin market grows. The yield increases as the geopolitical risk premium rises. The Palantir stock rises as the targeting contracts expand. The Cerberus portfolio appreciates as the defense supplemental budgets increase. The tokenized oil settlement volume grows as the yuan-denominated alternative is disrupted.

There is no level of escalation at which any of these profit mechanisms reverses.

That's what Ellsberg was trying to describe, in the language of nuclear war, when he said the system had no off switch. He was talking about command and control protocols designed in the 1960s that had never been fully updated, about the gap between what commanders in the field were authorized to do and what Washington thought they were authorized to do, about the fog of war applied to weapons whose fog radius is measured in square miles of thermal annihilation.

I'm describing the financial equivalent. A system that profits from escalation at every stage, with no mechanism to reduce the profit incentive even as the escalation approaches the point where the next step is a question that has only ever been asked in RAND Corporation models.

What happens to Tether's market cap if Iran obtains nuclear capability and uses it? The answer is: it goes vertical. Everyone who is not incinerated immediately will be converting every currency they hold into the most stable digital dollar available. The profit mechanism doesn't stop at the nuclear threshold. It accelerates through it.

Ellsberg would have called this an unacceptable architecture.

He would have been right.

April 3, 2026

The day Todd Blanche was named Acting Attorney General, Catherine Austin Fitts wrote what she wrote: BlackRock, Blue Owl, Morgan Stanley, Apollo, Ares — the gatekeepers of the $2 trillion private credit empire — slammed the door on withdrawals.

The Great Taking, she called it.

I've been watching this unfold long enough to know what it looks like when the exit doors close simultaneously. It doesn't happen by accident. It doesn't happen in a free market. It happens when the people who control the exits coordinate — not necessarily in a room, not necessarily with a written agreement, but with the shared understanding of people who have read the same architecture and know which way the doors open.

The stablecoin toll booth is the only road left.

On the same day, the U.S. Treasury executed a $15 billion buyback of its own debt — the largest Treasury buyback in American history. Why? Tether holds $141 billion in T-bills. A Treasury buyback supports T-bill prices. A T-bill price support directly defends the value of Tether's reserve position — the 1:1 peg that is the only thing making USDT worth a dollar. The government spent public money to defend the reserve value of a private company that is extracting $10 billion per year from the people using it.

That is the circular architecture, complete. The government protects the issuer. The issuer holds the government's debt. The debt funds the government. The government starts the wars. The wars drive the stablecoin demand. The stablecoin demand forces more T-bill purchases. The T-bill purchases fund the wars. The government protects the issuer.

Galbraith's wheel. Spinning. In a slightly more unstable version.

The Personal

Here's what I've been sitting with for eleven years, since I drove up to that house in Kensington and sat across from a man who had paid a price I cannot fully imagine for doing what he thought was right.

Daniel Ellsberg leaked the Pentagon Papers because he decided — after years of carrying the weight of them, after watching the war continue because the truth was classified, after his conscience finally outweighed his career and his freedom and his safety — that the public's right to know outweighed all of it. He took forty-three volumes of classified documents to the New York Times and the Washington Post and trusted that the truth, made visible, would do something.

It didn't stop the war. Nixon kept bombing. The war went on for two more years after the Pentagon Papers were published. Thousands more Americans died. Hundreds of thousands more Vietnamese died. The system absorbed the exposure and continued functioning.

But it mattered. It mattered because the people who came after — the ones who built the oversight systems, the ones who wrote the Freedom of Information Act, the ones who created the Church Committee and the reporting requirements and the inspector general structure —

they had Ellsberg's example. They knew the truth could be made visible. They knew the system could be held accountable. They built structures based on that knowledge.

Those structures are being systematically dismantled right now. The NCET is gone. The DOJ's crypto enforcement is gone. The inspector general system is under assault. The press freedom protections Ellsberg's case helped establish are eroding. The people doing the dismantling were funded by Peter Thiel and designed by David Sacks and signed by Donald Trump and defended by Todd Blanche.

I'm not Ellsberg.

I didn't have classified documents. I had a laptop, a Substack account, and the same public filings every journalist in America could have read. Every statute is public. Every Bloomberg story is archived. Every Federal Reserve staff report is on the Fed's website. The BDO attestation is on Tether's website. The SDNY filing is in the public record. The GENIUS Act is on congress.gov.

The difference is I read them.

I read them because in 2015, Daniel Ellsberg sat across from me at a dining room table in Kensington, California and told me that the danger isn't the lie. The danger is that people know they're being lied to and don't believe anything can be done about it. Learned helplessness. The lie doesn't need to be believed — it just needs to make resistance feel futile.

I am writing this book because I refuse to feel futile.

I am writing this because 550 million people are holding digital dollars earning nothing so that a company in the British Virgin Islands can earn $10 billion a year from their money, and because that company was legalized by a man who took the job regulating it and then took the job running it, and because the man who custodies the reserves is the Commerce Secretary whose son runs the custodian, and because the man who disbanded the investigation is now the Attorney General, and because none of this is hidden — it is in the law, in the disclosures, in the Bloomberg stories, in the Senate floor speeches — and almost nobody has connected it all.

Until now.

Ellsberg told me something else in Kensington, something I've held until this moment.

“You know what the difference is between a whistleblower and a writer?” he said. “The whistleblower risks everything on one act. The writer builds the understanding over time, so that when someone finally acts, there's a foundation under them.”

He paused.

“We need more builders,” he said. “The exposures matter. But the edifice is what lasts.”

This is my contribution to the edifice.

The machine is documented. The architecture is visible. The names are named and the receipts are attached and the math has been done by people with better credentials than mine who came to the same conclusions.

What happens next is not up to me.

But it is, in the most important sense, up to you.

The bombs are still falling. The stablecoin market is still growing. The T-bills are still being purchased. The yield is still flowing to the people who designed the machine.

And somewhere in Tehran, or Gaza, or Kyiv, or a grocery store in Iowa, or a community bank in Ames, someone is holding a dollar that is earning them nothing — while someone else they will never meet is earning everything it should have paid them.

That's not a market failure.

That's the market.

Note, April 7, 2026: The sustained-shock model in this book projected that a prolonged conflict would cause yields to rise as Treasury demand shifted from foreign central banks to stablecoin issuers. This week that transition became visible in real time. Bloomberg reported that foreign central banks — facing currency depreciation from oil shock and U.S. tariffs — are selling Treasuries, pushing yields up during a crisis for the first time in decades. That has never happened before. Every prior crisis drove money into Treasuries. Money was supposed to flow toward safety. This week, safety is somewhere else. The stablecoin architecture is becoming the buyer of last resort for U.S. debt. The foreign central banks who used to absorb Treasury issuance are being replaced by 530 million stablecoin holders who earn zero percent while Tether earns everything. The board did not react to this. They built for it.

Update, April 7, 2026: On April 7, 2026, President Trump posted on Truth Social: “A whole civilization will die tonight if Iran does not make a deal.” The IEA stated on the same day that the oil crisis is worse than 1973, 1979, and 2022 combined — the worst energy disruption in recorded history.

Functioning exactly as designed.

“The truth will set you free. But first it will piss you off.” — Gloria Steinem

Daniel Ellsberg quoted it to me. I'll give it to you.

End of Chapter 12.

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THE PLAN

How the Big Grift Funds Endless War — and Why the Iran War Was Never About Iran

Pete, my institutional crypto trader friend who challenged every argument in this book and made it stronger, sees the financial architecture clearly. The GENIUS Act routes money to the Treasury through Cantor. That's efficient market mechanics. Nothing nefarious, he says. Just who gets paid.

He's right about the mechanism.

Here's what he isn't saying.

Look at the map.

Not the map of the Middle East. The map of global oil.

Venezuela: The largest proven oil reserves in the world. US sanctions began strangling production in 2017. By 2023, Venezuela was producing roughly 800,000 barrels per day — down from 3.2 million at its peak. Removed from global markets without a single American bomb. Sanctions work. Someone decided they were worth using.

Russia: The world's second largest oil exporter. Sanctioned out of European energy markets following 2022. Nord Stream — the pipeline connecting Russian gas to Germany — was blown up. The official investigation produced no conclusion. European energy dependence on US LNG increased by approximately 400% in two years. Someone benefited from that.

Iran: 157 billion barrels of proven oil reserves. The largest untapped conventional oil resource outside of Saudi Arabia and Russia. Under US sanctions since 1979. Under intensive aerial bombardment since February 28, 2026.

If the Islamic Republic of Iran falls — and the bombing campaign is designed to make it fall — who controls Iran's oil?

Look at who owns 49% of USD1, the Trump family stablecoin: the UAE Royal Family. Look at who is simultaneously serving as Trump's "peace envoy" while his son tokenizes oil: Steve Witkoff. Look at which Gulf states Trump is simultaneously negotiating with and fundraising from through his son-in-law Jared Kushner's Affinity Partners: Saudi Arabia and the UAE.

The same governments that would inherit Iran’s energy position are the same governments that own a near-majority of the financial instrument the Trump family built to replace the petrodollar.

That is not a coincidence. That is a business plan.

Now add Canada and Greenland.

Trump said it out loud. Not as a joke — as a stated policy objective. Canada has the world’s third largest oil reserves in the Alberta tar sands. Greenland sits on the Arctic’s largest untapped oil and rare earth deposits, accessible as the ice melts from the climate crisis that the same energy interests helped accelerate.

Sanctions. Bombs. Annexation proposals. The method varies. The objective is consistent: consolidate control of global energy supply in the hands of a small group of people who also control the financial architecture designed to profit from energy price volatility.

This is not paranoia. This is a reading of stated policy, documented financial relationships, and observable market behavior.

Professor Pape confirmed on April 8, 2026 what the financial data had already shown: "Allies respond to outcomes, not assurances. In Europe, in Asia, and across the Gulf, governments are already adjusting — quietly hedging, diversifying relationships, and reducing reliance on a system that appears less certain than it once did." He calls these "incremental adjustments" and notes: "incremental adjustments accumulate. They are the mechanism of relative decline."

That decline is not abstract. It is measurable. Bloomberg confirmed both legs of the petrodollar system breaking simultaneously. Foreign central banks selling Treasuries instead of buying them. Yields rising during a crisis for the first time since 1971.

The GENIUS Act was built to replace those departing buyers. As governments diversify away from U.S. Treasuries, 550 million stablecoin users are mandated by law to buy them instead. The replacement architecture was operational before the old system finished breaking. The board did not react to the decline. They built for it.

The Pentagon Papers revealed that the government lied about the Gulf of Tonkin to justify a war it had already decided to fight for Cold War dominance. The lie was about the pretext.

What this book reveals is different in kind.

The lie isn’t just about the pretext. The financial architecture of the war is the point of the war.

Daniel Ellsberg revealed that the government knew Vietnam was unwinnable and lied about it for years while 58,220 Americans and millions of Vietnamese died. The crime was the deception. The goal was Cold War positioning — strategic, military, ideological.

The goal here is financial. The Iran war drives oil above $100. Oil drives inflation. Inflation traps the Federal Reserve. Trapped rates keep Treasury yields elevated. Elevated yields increase the annual profit on $141 billion in T-bills. Every basis point rise in yield is worth hundreds of millions of dollars annually to the company whose CEO wrote the law at the White House and left in 22 days.

Nobody had to plan this in a room. The architecture was built before the war. The war activated the architecture. Whether by design or by exploitation of opportunity, the result is identical: specific people are getting very rich from the continuation of a conflict that is destroying a civilization.

Ellsberg's question was: why did they lie?

Your question is: who profits from the lie continuing?

The answer is in the law. Section 4(a)(11). The 30-year-old who wrote it. The Commerce Secretary whose firm holds it. The AG who killed enforcement of it. The peace envoy whose son tokenizes the oil it inflates.

The world has never seen this configuration before.

The British Empire conquered territory for resources. Standard Oil monopolized domestic production. OPEC used oil as a political weapon in 1973. The military-industrial complex Eisenhower warned about profits from war production.

But none of them had a law that automatically captures a fraction of every dollar that flees into digital currency during the very crises their wars create. None of them had a stablecoin that turns panic — the panic of an Iranian family whose bank is destroyed, the panic of an American watching their savings erode — into mandatory Treasury purchases that generate yield for the insiders who built the mechanism.

The Pentagon Papers revealed the government lied about a war it knew was unwinnable. They weren't profiting from the mechanism of the lie itself. McNamara wasn't getting rich off the body count. The deception was strategic, not financial.

This is different.

The people running this war have written the profitability of its continuation into statute. Not into a classified memo. Into law. Passed by the United States Senate 68-30. Signed by the

President on camera. Administered by the man who wrote it from his new desk at the company it enriches.

They didn't need to hide it. They just needed you not to understand it.

That is the historic lie. Not the Gulf of Tonkin. Not weapons of mass destruction. Not the 40-year claim that Iran was three to five years from a bomb.

The lie is that the war is about security, or democracy, or nonproliferation, or any of the other reasons they give.

The war is the revenue model.

The GENIUS Act is the receipt.

And now you have both.

Note: This chapter synthesizes documented financial relationships (FEC filings, Bloomberg, ProPublica), publicly stated policy (Trump on Canada and Greenland), observable market data (oil pricing, Treasury yields, Tether reserve growth), and the statutory text of the GENIUS Act (Section 4(a)(11)). No claim in this chapter is based on anonymous sources, classified material, or speculation. All relationships described are documented in public records. The interpretation — that these relationships constitute a coherent architecture — is the author's analysis.

Chapter 16: Epstein Started This

On April 19, 2014, Jeffrey Epstein sent an email to a Bitcoin developer named Amir Taaki.

"Are you still playing in the bitcoin space? Where are you? I have Andy Back on my island this weekend."

Andy Back. Adam Back. The British cryptographer who invented the proof-of-work system cited in Bitcoin's original white paper. The man who, twelve years later, the New York Times would identify as the most likely candidate for Satoshi Nakamoto — the pseudonymous inventor of a currency now worth over two trillion dollars.

Back was on Epstein's island. Or at minimum, on St. Thomas, a boat ride away from Little Saint James, during a Blockstream fundraising trip with co-founder Austin Hill. Travel records from that week show reservations for April 16 through April 20. Epstein's email was sent April 19. Back has said the investment was indirect, through a fund connected to Joi Ito at the MIT Media Lab, and that Blockstream severed ties. He has not addressed the island visit.

That same year — 2014 — Epstein invested $3 million in Coinbase through Brock Pierce, an early crypto promoter closely associated with Tether's launch. Pierce was not a co-founder of Tether — that credit belongs to Reeve Collins, who conceived it, and Craig Sellars, who built it — but Pierce was instrumental in promoting the token and connecting its network to capital. He connected Epstein to the Coinbase investment opportunity. Coinbase co-founder Fred Ehrsam knew the money came from Epstein. Pierce and Epstein maintained regular correspondence about crypto investments, travel, and women through 2019 — all of it after Epstein's 2008 conviction for sex crimes against minors. In one email, Pierce thanked the financier for "a wonderful time spent with the girls." In another, Epstein asked Pierce to "take pictures" during a trip to Moscow, Kiev, and Odessa to find a "gift" for him.

In November 2014, Italian venture capitalist Vincenzo Iozzo emailed Epstein about Adam Back. "What do you think of him?" Epstein replied: "Like him."

In a single year, Jeffrey Epstein invested in the protocol layer (Blockstream), the exchange (Coinbase), and cultivated a key promoter of the settlement token (Pierce/Tether). He didn't invent any of it. He didn't need to.

To be clear: Epstein was not uniquely visionary here. Dozens of wealthy investors spread checks around the Bitcoin ecosystem in 2013 and 2014 — Wences Casares, Pete Briger, Marc Andreessen, Austin Hill, Roger Ver, and many others. By 2014, Bitcoin was already mainstream enough to sponsor a college football bowl game. Epstein was late, not early. And nobody in

2014 — not Epstein, not Pierce, not anyone — predicted that Tether would become a $140 billion instrument.

What distinguished Epstein from the other check-writers was not foresight. It was background. The others came from venture capital and technology. Epstein came from offshore financial architecture — shell companies, tax-haven jurisdictions, intermediation between parties who couldn't officially transact. He understood the function these tools could serve because he'd spent thirty years inside the infrastructure that performed the same function with wire transfers. He didn't see the future. He recognized the past.

He'd been doing it for thirty years. The technology changed. The function never did.

The First Machine

To understand what Epstein was moving — and what the stablecoin architecture replaced — you need to understand one deal.

In 1971, Richard Nixon took the US dollar off the gold standard. The dollar was suddenly backed by nothing but trust — and trust was eroding. So in 1974, Nixon's Secretary of State Henry Kissinger cut a deal with Saudi Arabia: price all your oil in US dollars, and we will protect your kingdom with our military. The Saudis agreed. OPEC followed. From that moment on, every country on earth that wanted to buy oil — which is every country on earth — needed to buy US dollars first.

That single arrangement is the petrodollar. It is the foundation of American financial power. It is the reason the United States can print trillions, run deficits no other country could survive, and fund wars on the other side of the planet without the currency collapsing. The whole world subsidizes American spending because the whole world needs American currency to buy energy.

And every country that has tried to break that arrangement — Iraq when Saddam switched to euros in 2000, Libya when Gaddafi proposed a gold dinar in 2011, Iran when it opened a yuan-denominated oil bourse — has faced American military action. The pattern is too consistent to explain as coincidence.

Keep this in mind. Everything that follows — BCCI, Tether, the GENIUS Act, the dual toll booth at Hormuz — is a fight over who controls the dollar's position in the global system. The petrodollar made the dollar king. The stablecoin architecture is privatizing the crown.

Jeffrey Epstein didn't start as a tech investor. He started as an arms dealer.

In the early 1980s, according to his former associate Steven Hoffenberg, Epstein was trained by Sir Douglas Leese — a British aristocrat who had brokered the UK's largest-ever arms deal — in the mechanics of arms smuggling, shell companies, and money laundering. By 1983, Epstein was directly involved in selling Chinese-manufactured weapons to Iran through the state-owned manufacturer Norinco, at the height of the Iran-Iraq war.

His partners were not small-time operators. Adnan Khashoggi — the Saudi arms dealer at the center of Iran-Contra — was listed as a client of Epstein's consulting firm, Intercontinental Assets Group. J. Stanley Pottinger, a former Department of Justice official who was simultaneously advising an Iranian banker on shipping embargoed arms to Iran using fraudulent paperwork and dummy companies, shared a penthouse office with Epstein. Their cover was advising wealthy clients on "tax-avoidance strategies."

The money moved through the Bank of Credit and Commerce International. BCCI. If you've never heard of it, that's by design.

BCCI was founded in 1972 by Agha Hasan Abedi, a Pakistani financier who had previously run the "black network" inside Pakistan's United Bank Limited — a shadow operation built specifically to serve Pakistan's intelligence services. When the government nationalized UBL, Abedi carried the black network into his new creation. BCCI was registered in the Cayman Islands as a charitable trust — not a normal corporate structure — with dual headquarters in the Caymans and Luxembourg, specifically so no single country's regulators could see the full picture. It operated through dozens of shell companies in seventy-eight countries. At its peak, it held $20 billion in assets.

It was the largest criminal financial institution in history. The CIA used it to move money for Iran-Contra. Pakistan's Inter-Services Intelligence — the ISI — used it to fund the mujahideen in Afghanistan, finance AQ Khan's nuclear weapons procurement network across Europe, and broker Chinese missile sales to Saudi Arabia. Manuel Noriega banked there. The Medellin cartel banked there. Saddam Hussein had accounts. Abu Nidal had accounts. TIME magazine reported that "you can't draw a line separating the bank's black operatives and Pakistan's intelligence services." The ISI and BCCI were functionally the same organism.

And at the center of the arms pipeline, BCCI served a specific function: it advanced credit between Israel and Iran so that weapons could move between parties who officially couldn't do business with each other.

That's the key. Not the crime. The function. BCCI created trust between enemies. Neither side would wire the other money through Chase Manhattan. BCCI sat in the middle, advanced the credit, took a cut, and the weapons moved. Pakistan — through BCCI and the ISI — was the permanent intermediary between Washington and Tehran. The trusted middle.

Israel was the intermediary for US arms sales to Iran. And the man who facilitated those sales through his newspaper — the Daily Mirror — was Robert Maxwell, father of Ghislaine. Maxwell was a confirmed Mossad agent. Former Israeli intelligence officer Ari Ben-Menashe wrote that Maxwell funneled arms profits into banks in the Soviet bloc for safekeeping. Epstein himself wrote in an email, years later, that Robert Maxwell "worked for the Mossad" and had threatened to disclose the agency's operations unless they paid him hundreds of millions of dollars to save his crumbling media empire.

Maxwell died in 1991, falling off his yacht in the Canary Islands. BCCI collapsed the same year. Epstein met Ghislaine around 1990 and inherited the network.

And then he moved into Iran's house. Literally. Starting in 1992, Epstein leased the former residence of Iran's deputy consul general at 34 East 69th Street in Manhattan — seized by the State Department after the 1979 revolution. He paid $15,000 a month, subleased it for $20,000, and got sued by the government for the trouble.

The arms dealer who helped sell weapons to Iran, whose money moved through BCCI, whose girlfriend's father was a Mossad agent facilitating the same arms pipeline — that man was now living in Iran's house on the Upper East Side.

It would be an extraordinary coincidence. Except Epstein didn't believe in coincidences. He believed in positioning.

The Upgrade

For two decades after BCCI collapsed, the function went quiet. The offshore networks didn't disappear — they just didn't have a new instrument. Wire transfers could be traced. Banks could be subpoenaed. The Patriot Act made the old BCCI model harder to replicate.

Then came Bitcoin. And with it, the possibility of a settlement layer that didn't need a bank.

Epstein didn't need to understand the cryptography. He needed to understand the architecture — that a digital token pegged to the dollar, operating outside the banking system, from an offshore jurisdiction, with no deposit insurance and no reserve audits, could perform the same function BCCI had performed. It could create trust between parties who couldn't officially transact. It could move value across borders without clearinghouses. And the people building it needed money.

So in 2014, he seeded all three layers. Protocol. Exchange. Settlement token. Same year, same investor, three entry points into the same stack.

By the time Epstein died in his cell in August 2019 — a death that remains the most convenient suicide in American history — the infrastructure he'd helped capitalize was already autonomous. Tether had billions in circulation. Coinbase was headed toward a public listing. Blockstream was building Bitcoin's core infrastructure. The seed money had done its work.

But the function still needed something BCCI had always needed: protection from regulators.

BCCI had the CIA.

The new version needed something better. It needed its own CIA.

The Roommates

Peter Thiel and Alex Karp were roommates at Stanford Law School, class of 1992. Thiel went to Silicon Valley. Karp went to Frankfurt for a doctorate in social theory. Then September 11 happened, and Thiel called his old roommate with an idea: build data analysis software for the intelligence community.

They co-founded Palantir in 2003. Every venture capital firm on Sand Hill Road passed. So Thiel went to the CIA directly. In-Q-Tel — the agency's venture arm — invested $2 million in 2005. But the money was the smallest part. Classified GCHQ documents later revealed that Palantir was "created through iterative collaboration between Palantir computer scientists and analysts from various intelligence agencies over the course of nearly three years." Palantir engineers got security clearances and sat inside CIA offices. The agency didn't just fund the software. It helped build it.

Today Palantir is valued at $250 billion. More than Lockheed Martin, Raytheon, or Boeing. It holds contracts with all six branches of the US military, the CIA, the FBI, Europol, ICE, and — signed personally by Thiel and Karp in Tel Aviv in January 2024 — a strategic partnership with Israel's Ministry of Defense. A UN Special Rapporteur found "reasonable grounds" that Palantir powers the AI targeting systems used in Gaza: "Lavender," which generates target lists of tens of thousands of Palestinians; "Gospel," which identifies buildings to strike; and "Where's Daddy," which alerts the Israeli military when a target enters their family home. Then they bomb it.

Karp, to his credit or his damnation, doesn't pretend. "Our product is used, on occasion, to kill people," he has said publicly. He also said Palantir is "responsible for most of the targeting in Ukraine."

That intelligence relationship reached its apex on February 11, 2026. According to the New York Times, Israeli Prime Minister Benjamin Netanyahu was ushered into the White House Situation Room — a venue "seldom utilized for face-to-face discussions with foreign dignitaries" — for a

classified briefing on Iran. Netanyahu sat directly opposite Trump. On the screen behind him appeared David Barnea, the head of Mossad, flanked by Israeli military officials. Also in the room: Secretary of State Marco Rubio, Defense Secretary Pete Hegseth, CIA Director John Ratcliffe, Joint Chiefs Chairman General Caine, Jared Kushner, and special envoy Steve Witkoff.

Netanyahu had been advocating for months for the United States to consent to a significant military operation against Iran. The Situation Room is not the Cabinet Room. It is not the Oval Office. You bring someone downstairs to the Situation Room when you are conducting a classified military operation. Netanyahu was not visiting. He was co-planning.

The intelligence thread is continuous. Maxwell and Mossad facilitated Israeli arms sales to Iran through BCCI in the 1980s. Thiel and Karp signed a strategic partnership with the Israeli Ministry of Defense in 2024. Palantir powers the IDF's targeting AI in Gaza. And on February 11, 2026, Israel's prime minister and spy chief sat in the most classified room in the United States government and made the case for the war that began twenty-nine days after OFAC designated the IRGC's crypto exchanges.

But Palantir was just the intelligence layer. Thiel needed weapons too.

In 2014, at a Founders Fund retreat, Thiel's partner Trae Stephens met Palmer Luckey — the kid who invented the Oculus VR headset. They conceived Anduril Industries that weekend. Named it after a sword from Lord of the Rings. Founded it in 2017. Stephens had previously led Donald Trump's Department of Defense transition team — meaning he decided who ran the Pentagon. Then he founded a defense company. Anduril now holds a $22 billion Army contract (taken from Microsoft), a $30.5 billion valuation, and is part of a consortium with Palantir, SpaceX, and OpenAI bidding jointly on the $850 billion defense budget.

In June 2025, Thiel's Founders Fund wrote a $1 billion check into Anduril — the fund's largest single investment in history.

And then Thiel built the payment rail. Founders Fund backed Plasma — a blockchain designed specifically for zero-fee Tether transactions — co-backed by Tether CEO Paolo Ardoino. Plasma raised $500 million in its ICO.

Read that again. The same investor funds the intelligence layer (Palantir), the weapons layer (Anduril), and the stablecoin infrastructure (Plasma/Tether). In the 1980s, those were separate operations — CIA for intelligence, arms dealers for weapons, BCCI for finance. Now it's one network. One fund. One man.

And he's not improvising. Thiel has been building toward this since the late 1980s, when he sat in the Stanford classroom of Rene Girard, a French philosopher whose "mimetic theory" argues

that humans don't know what they want — they imitate each other's desires, which creates rivalry, which escalates into violence, which societies resolve by scapegoating. Thiel used Girard to invest in Facebook — he saw it as a machine that amplifies imitative desire at scale. He used Girard to build monopolies: if everyone is chasing the same thing, the contrarian who goes where the herd isn't will find the real value. That's the thesis of his book Zero to One — don't compete, monopolize.

But Girard was just the engine. The steering came from darker places. In a 2004 essay called "The Straussian Moment" — written the same summer he made his first Facebook investment — Thiel laid out a political philosophy drawn from two thinkers most people have never heard of. The first was Carl Schmitt, a German jurist who joined the Nazi party and argued that politics is defined by the distinction between friend and enemy — and that liberalism's attempt to transcend that distinction through tolerance and rule of law will always fail. The sovereign, Schmitt wrote, is "he who decides on the exception" — the person who can suspend the normal rules. The second was Leo Strauss, who argued that the most important truths must be communicated esoterically — hidden within surface-level writing, accessible only to the few who can read between the lines. Strauss said Schmitt's error wasn't his ideas — it was being too conspicuous about them. The solution: pursue the radical restructuring, but do it in a way that only the initiated can see.

That essay's hidden conclusion — and scholars have noted it's deliberately buried — aligns with the historian Oswald Spengler's prediction that democracy will inevitably give way to "Caesarism." Authoritarian rule by the capable few, replacing the faltering institutions of liberal democracy.

Now look at what Thiel actually built. Palantir: a private intelligence service more powerful than most nation-states' spy agencies, incubated inside the CIA. Anduril: a private weapons manufacturer bidding on $850 billion in Pentagon contracts. Plasma and the stablecoin infrastructure: a private currency system operating outside the banking system. The GENIUS Act, written by his protege from the White House: the legal framework that makes it all permanent.

He didn't hide any of it. It's all on the public record — SEC filings, corporate announcements, the Munich Security Conference guest list. Everything is surface. But the architecture connecting them is esoteric. It's only visible when someone lays the pieces in a line. Strauss would have approved.

The Regulator and the Revolving Door

Peter Thiel didn't need to run the government. He needed someone inside it who thought like him. He'd had that person since 1990.

David Sacks walked into the offices of the Stanford Review as an undergraduate and found the newspaper Thiel had founded to fight what they both considered the menace of multiculturalism. Sacks became editor-in-chief. They co-authored The Diversity Myth in 1996. Then Sacks followed Thiel to PayPal as COO, cashed out when eBay bought it for $1.5 billion, and spent the next two decades as a venture capitalist.

In December 2024, Donald Trump named Sacks the White House AI and Crypto Czar — the first person to ever hold that title. Sacks now co-chairs the President's Council of Advisors on Science and Technology. His co-chair is Fred Ehrsam, the Coinbase co-founder who knowingly processed Jeffrey Epstein's $3 million investment in 2014. They sit on the same advisory council, shaping national technology policy.

Working directly under Sacks at the White House was Bo Hines. Yale undergrad. NC State football. Wake Forest law degree. Two failed congressional runs in North Carolina. Zero cryptocurrency credentials. Trump appointed him Executive Director of the Presidential Council of Advisors on Digital Assets. His job, alongside Sacks, was to write the regulatory framework for stablecoins.

The GENIUS Act. The law that would determine who gets to issue dollar-backed digital tokens, under what conditions, and with what oversight. The law that would decide whether the $140 billion stablecoin market operates under banking regulation or something considerably more forgiving.

They wrote it.

Then, on August 9, 2025, Bo Hines announced he was leaving the White House to return to the private sector.

On August 19, 2025 — ten days later — Tether hired him.

According to sources within the crypto industry, Hines had spoken directly with Tether CEO Paolo Ardoino during his White House tenure — and promises were made, implicitly or explicitly, as with all revolving-door hires. But the real decision came from above Ardoino. Giancarlo Devasini — Tether's Italian-born CFO, the shadowy figure who controls the company's financial architecture and rarely speaks publicly — is the one whose radar Hines hit after getting the White House post. Devasini, not Ardoino, is the power behind Tether's $140 billion empire.

By September, Hines was named CEO of Tether's new US subsidiary, USAT, headquartered in Charlotte, North Carolina.

The man who co-wrote the stablecoin rules became CEO of the stablecoin company. He didn't take a vacation between jobs. He didn't wait for the optics to cool. Ten days. The framework he

helped write — the GENIUS Act — legalizes the onshore use of an offshore product while the parent entity remains a British Virgin Islands shell company at a P.O. box in Tortola. Tether Holdings Limited earns $10 billion a year in yield on US Treasury holdings, pays its 550 million users nothing, and answers to no US banking regulator.

And in February 2026, Hines showed up at the Munich Security Conference as "Head, Tether US" — sitting in the same room as Anduril's Senior Director for Policy, discussing "defense industrial cooperation."

The moonshine and the machine guns at the same party.

The President Knew

Here's where I need to be careful, because the facts are damning enough without embellishment.

Donald Trump appointed Howard Lutnick — CEO of Cantor Fitzgerald, Tether's primary banking partner and custodian of its US Treasury reserves — as his Secretary of Commerce. Lutnick runs the firm through which Adam Back is taking his Bitcoin treasury company public in a $4 billion SPAC deal. The man Epstein hosted on his island in 2014 is going public through the Commerce Secretary's firm.

Trump appointed David Sacks, Thiel's protege, as Crypto Czar. Trump appointed Bo Hines to write the stablecoin framework — the same Hines who walked to Tether in ten days. Trump hosted the first White House crypto summit. Trump launched his own meme coin before taking office. His family launched a crypto platform, World Liberty Financial.

And on April 7, 2026, Trump announced he would consider a 90-day pause on tariffs — a statement that triggered the largest single-day market rally since the COVID crash. Ninety minutes before his "ceasefire" announcement, the market began moving. BBC and Bloomberg documented a pattern of $580 million in suspicious trading activity around tariff announcements. Senator Chris Murphy and Anthony Scaramucci have publicly cited $1.5 billion in insider trading.

The pattern is not occasional. It is perfect. One trader — documented by financial tracking accounts and reported across social media — has now placed winning trades around sixteen consecutive war and ceasefire announcements. Sixteen for sixteen. Zero losses. $170 million in profit. On April 7 alone, a $51 million oil short position was opened hours before Trump announced the Iran ceasefire. The oil market collapsed on the news. The position cashed out. The Associated Press reported that a group of newly created accounts on the prediction market

Polymarket made "highly specific, well-timed bets" on whether the U.S. and Iran would reach a ceasefire on April 7, resulting in hundreds of thousands of dollars in additional profits.

Sixteen consecutive winning trades on war and peace announcements is not skill. It is not instinct. It is not research. It is someone who knows what is coming before it comes.

This is the same president who, that same evening, threatened Iran on Truth Social: "A whole civilization will die tonight." Ninety minutes later, a ceasefire was announced. Markets surged. Someone — again — made a fortune.

Trump didn't build this machine. But he licensed it. He appointed the people who wrote the law, banked the money, and merged the intelligence-weapons-finance architecture into one structure. Whether he understands what he enabled or simply got paid to enable it is a distinction without much difference to the people on the receiving end of the bombs and the bills.

Not a Crime. An Architecture.

The classic American hustles — Credit Mobilier, Teapot Dome, BCCI, Enron, Madoff — all share one structural feature: they were parasitic. They attached themselves to a legitimate system — a railroad, oil leases, a bank, energy markets, a pension fund — and extracted value until someone noticed. When they got caught, you could cut them off and the host survived. BCCI got shut down on a single day in 1991 — regulators in seven countries moved simultaneously and it was over. Depositors lost money, but the global financial system kept running. These were ticks. You pulled them off and the body recovered.

What this architecture is doing is structurally different. It's not parasitic. It's constitutive. It's being built into the foundation.

Tether isn't attached to the financial system like a tick. It's being engineered into a load-bearing wall. 550 million users. $140 billion in reserves backing a token that functions as a dollar in every country where banks won't go. The GENIUS Act doesn't tolerate Tether the way the CIA tolerated BCCI — it makes Tether a permanent feature of how dollars move globally. If Tether fails now, it's a systemic event — a run on a de facto bank that holds more US Treasuries than most countries. It achieved "too big to fail" status from a P.O. box in Tortola, without ever being chartered as a bank, without ever submitting to a full independent audit, without ever paying its depositors a dime of interest on $140 billion. That's not a hustle. That's architecture.

The closest historical parallel isn't BCCI or Enron or Madoff. It's the East India Company.

The East India Company ran its own army, its own courts, its own tax collection, and operated under a government charter that made it all legal. It became so embedded in Britain's revenue

and military operations that the state couldn't remove it without destabilizing itself. It took a century to unwind.

The Thiel network has its own intelligence service (Palantir). Its own weapons manufacturer (Anduril). Its own financial instrument (stablecoins via Plasma and Tether). Its own regulatory framework (the GENIUS Act, written by Sacks from the White House). And it all operates under government appointments and federal law. The timeline is compressed from a century to a decade. The geography is global instead of subcontinental. But the structural logic is identical: make yourself indispensable, then make yourself legal, then you can't be removed.

BCCI could be killed because it was a parasite — cut it off and the host survived. This architecture can't be killed because it's been made structural. That's the real innovation. Not the blockchain. Not the cryptography. The position.

The difference between a crime and an architecture is that crimes get prosecuted and architectures get preserved.

Same Machine, New Paint

In the 1980s, the architecture had four separate parts: intelligence (CIA/Mossad), finance (BCCI), weapons (Khashoggi and the arms dealers), and brokers (Epstein, Maxwell) who connected them. The CIA had to shield BCCI from regulators because they were separate entities. When the shield failed, BCCI collapsed. The bank could be exposed because it existed outside the power structure.

The current architecture eliminated that vulnerability. The intelligence function (Palantir), the weapons function (Anduril), the financial function (stablecoins/Tether), and the regulatory function (Sacks/GENIUS Act) are all operated by people from the same network — Stanford classmates, co-authors, co-founders, fund partners, and appointees who worked in the same White House office.

The CIA used to be the client that protected the bank. Now the client built its own CIA (Palantir), its own weapons factory (Anduril), its own bank (Tether/stablecoins), and wrote its own banking law (GENIUS Act). There is no outside entity to expose it because there is no outside.

BCCI was a Cayman Islands entity with shell companies in seventy-eight countries. Tether is a British Virgin Islands entity at a P.O. box in Tortola. Different island. Same function.

BCCI created trust between enemies so weapons could flow between Israel and Iran. Stablecoins create trust between enemies so value can flow between sanctioned states and

gray markets. Iran's $7.78 billion crypto economy doesn't work without a dollar-pegged token both sides accept.

And here's the detail that makes the parallel airtight: both sides of the current conflict are extracting from the same instrument. This is not theory. It's documented.

The GENIUS Act creates the American toll booth. US-issued stablecoins must be backed by US Treasuries. Every dollar that flows into Tether or USAT creates demand for short-term government debt. Tether earns the yield. The US government gets a buyer for its debt. The stablecoin issuer and the Treasury Department both profit.

Iran built the other toll booth. And it's already running.

According to Bloomberg, the Islamic Revolutionary Guard Corps collects transit tolls from tankers passing through the Strait of Hormuz — through which twenty percent of the world's oil flows. The process is industrial: vessel operators submit ownership papers, flag, cargo manifest, crew list, and destination to an IRGC-linked intermediary. Hormozgan Provincial Command screens submissions using a one-to-five "friendliness ranking" toward the United States and Israel. If cleared, the operator negotiates a toll starting at one dollar per barrel. Rates can reach two million dollars per supertanker.

Payment settles in Chinese yuan through CIPS or in USDT — Tether's dollar-pegged stablecoin — on the Tron blockchain. The transaction clears in under three seconds. Once confirmed, a VHF passcode is issued to the vessel. An IRGC patrol boat escorts the tanker through the Larak corridor.

This is not a black market workaround. It's infrastructure. Chainalysis reported the IRGC moved $3 billion through cryptocurrency in 2025 alone. IRGC-linked wallets accounted for over fifty percent of all Iranian crypto activity by the fourth quarter of that year. TRM Labs traced approximately $1 billion in IRGC flows through two UK-registered exchanges — Zedcex and Zedxion — conducting transactions almost entirely in USDT on Tron. TRM described the operation as "a sanctioned military organization operating exchange-branded crypto infrastructure offshore" and called it "infrastructure-level control." OFAC designated both exchanges on January 30, 2026. Twenty-nine days later, the bombing of Iran began.

Iran's Central Bank held $507 million in USDT, according to blockchain analytics firm Elliptic. That reserve was in place before the current conflict. In January 2026, Iran's Ministry of Defence began accepting cryptocurrency for arms exports — drones, missiles, and defense equipment, all settled on the same blockchain rails.

Read that slowly. The US Treasury issues bonds to fund its war against Iran. Those bonds finance aircraft carriers, interceptors, and the 2,400 sorties flown over Iran in five weeks. Meanwhile, USDT — a token bearing "USD" on its face, registered in the British Virgin Islands, backed by those same US Treasuries — funds toll payments on the opposing side. One rail runs through the Federal Reserve. The other runs through a BVI-registered blockchain. Both settle in seconds. Both reference the same dollar.

Analyst Shanaka Anslem Perera called it "the first conflict in history where an enemy's currency funds both sides."

In the 1980s, BCCI sat in the middle between the US and Iran and both sides paid it. In 2026, the stablecoin sits in the middle and both sides collect from it. The intermediary isn't a bank anymore. It's the token itself. And the GENIUS Act just gave it a federal blessing.

But there's one more layer. The stablecoin isn't just a highway. It has a kill switch.

In January 2026, Tether froze $182 million in USDT linked to Venezuela in a single day — the largest single freeze in stablecoin history. No court order. No due process. One company, registered in the British Virgin Islands, decided who keeps their money and who doesn't. The tokens were frozen on-chain, instantly and irreversibly.

The same stablecoin that the IRGC uses to collect $3 billion in tolls outside American banking systems can be frozen by a BVI-registered company with a keystroke. The technology that liberates is the same technology that executes — depending on who's asking.

Iran's $3 billion has not been frozen. Venezuela's $182 million was. The kill switch is selective. It's not governed by law. It's governed by the relationship between Tether and the United States government. Cooperate, and the stablecoin is your lifeline. Cross the wrong line, and it's your noose. Same token. Same blockchain. Same P.O. box in Tortola. Different outcomes.

That is not a currency. That is a loyalty test.

The question everyone asks when they see this is: are the two sides in cahoots? Did the US and Iran build this together?

No. And that's what makes it unstoppable.

BCCI wasn't a conspiracy between the CIA and Iran. Nobody sat in a room and planned a shared bank. BCCI was an infrastructure that both sides found independently because it served both their interests. The CIA needed to move money without congressional oversight. Iran needed to receive arms payments outside the embargo. BCCI sat in the middle, and both sides used it

because it was the only settlement layer that worked for parties who couldn't officially transact. Nobody planned the convergence. The architecture produced it.

Stablecoins are doing the same thing. The US didn't build USDT for Iran. Iran didn't help design it. But when you create a dollar-pegged token that operates outside the banking system, you've created a tool that the dollar's defenders and the dollar's enemies will both use — because it IS the dollar, just on different plumbing. The US side benefits because Tether creates demand for Treasuries and extends dollar dominance into digital rails. The Iran side benefits because USDT bypasses SWIFT and enables toll collection, arms purchases, and sanctions evasion without touching a single American bank.

Neither side coordinated. The architecture generated the convergence automatically. And that's why no one can shut it down. A conspiracy can be exposed and prosecuted. A structural convergence can't. Nobody's guilty because nobody planned it. But the outcome is identical — both sides profit from the same instrument while killing each other with the money it generates.

The architecture doesn't require its enemies to cooperate. It generates cooperation between them automatically. That's more powerful than a conspiracy and harder to stop than a crime. You can arrest a conspirator. You can't arrest a structure.

BCCI collapsed because it was illegal. The GENIUS Act ensures the new version won't collapse because it won't be illegal. The hustle didn't get legalized after the fact. The law was written by the people running it, while they were running it, before they walked across the street to collect.

Jeffrey Epstein didn't live to see it finished. But the machine he helped seed in 2014 — with investments in the protocol, the exchange, and the settlement layer — is now the backbone of American financial policy, protected by federal law, powered by privatized intelligence, defended by autonomous weapons, and operated from a P.O. box in the British Virgin Islands by people who were at the same security conference in Munich two months ago.

He would have loved it. He always did like being positioned at the center of something no one else could see.

Postscript: The Intermediary

On April 7, 2026 — the day the markets crashed, the day Trump threatened that "a whole civilization will die tonight," the day the ceasefire was announced ninety minutes later — a detail emerged that most people missed.

The ceasefire between the United States and Iran was brokered by Pakistan.

Field Marshal Asim Munir, Pakistan's army chief, was on the phone "all night long" with Vice President JD Vance, special envoy Steve Witkoff, and Iran's Foreign Minister Abbas Araghchi. Pakistan was described as the "sole communication channel" between Washington and Tehran. The deal is tentatively called the "Islamabad Accord." Talks are scheduled for April 10 in the Pakistani capital, with Vance, Witkoff, and Jared Kushner representing the United States.

Munir is not just the army chief. He is the former director general of both Military Intelligence and the Inter-Services Intelligence — the ISI — the first army chief in Pakistan's history to have headed both agencies.

The ISI. The same institution that was functionally inseparable from BCCI. The same institution that used BCCI to fund the mujahideen, finance Pakistan's nuclear weapons program, and broker arms deals across the Middle East. The institution that TIME said you couldn't separate from BCCI's "black operatives."

In the 1980s, Pakistan — through BCCI and the ISI — sat between the United States and Iran as the financial intermediary, moving money so arms could flow between parties who couldn't officially transact.

In 2026, Pakistan — through the ISI chief turned army chief — sits between the United States and Iran as the diplomatic intermediary, the "sole communication channel" between parties who can't directly talk.

Same country. Same institution. Same position. Same two parties on either side. Forty years apart.

The function never changed. The instrument did. From wire transfers through a Cayman Islands bank to tokenized Treasuries on a blockchain to a phone call in the middle of the night.

Oh, what a tangled web we weave.

Sources: DOJ Epstein Files (February 2026 release); New York Times (April 7 and 8, 2026; December 2014); Reuters; Bloomberg; Fortune; CNBC; Middle East Eye; Iran International; Drop Site News; SEC filings; Forbes; Fast Company; Munich Security Conference 2026 participant list; BBC; Associated Press; Tether.io corporate announcements; Al Jazeera; Daily Sabah; TIME (September 1991); Express Tribune; Britannica; New Indian Express; Chainalysis; TRM Labs; Elliptic; OFAC designations; BlockEden.xyz.

WHAT YOU CAN DO

I'm going to give you the action list. Not the preamble. Not the inspirational framing. The list.

But first, one minute of context, because without it the list makes no sense.

You Know Something Most People Don't

The book you just finished documented a mechanism. A real one. Not a theory. A statute. Signed July 18, 2025. Published on the White House website. Covered by Bloomberg, Reuters, CNBC, ProPublica, and the Financial Times. Public record, every word of it. You have now seen it assembled in one place, with the names and the dates and the math and the receipts.

Most people haven't. Not because the information is hidden — it isn't. Because connecting it requires reading a congressional statute, a Federal Reserve staff report, a BDO financial attestation, a Bloomberg investigation, six different Senate letters, and a federal criminal complaint, all at the same time. Most people don't have time for that. You read this book. You just did the work.

That is a tool. That is not a small thing.

But knowledge without action is just anxiety with better sourcing. Daniel Ellsberg didn't make the Pentagon Papers matter by knowing what was in them. He made them matter by releasing them. He made it impossible to pretend they didn't exist. That's the job in front of you. Not a grand gesture. Not a single act of heroism. Just making it impossible for the people around you to pretend this doesn't exist.

The preface told you this is the bitter pill. You've swallowed it. You can't unknow this. What you do with it is the only question left.

Here's the list.

Contact Your Elected Officials

I know. I know what you're thinking. You've written letters before. Nothing happened. You've called the office. A twenty-two-year-old staffer noted your concern. You feel like you're yelling into a padded room.

You're not wrong that the system is built to absorb outrage without acting on it. But the system is not uniformly impermeable. There are specific people, in specific positions, doing specific things right now that matter. Contact them. Not Congress generically — these people, these offices, these specific asks.

Senator Elizabeth Warren is on the Senate Banking Committee. She's been asking the right questions about Tether for two years. She's been asking about the Kushner conflict. She wrote the letter about Bo Hines. She needs constituent voices behind her, because the chamber is 100 people and 68 of them voted yes on the GENIUS Act. She needs to know people are paying attention. Contact her at warren.senate.gov.

Senator Ron Wyden called Jared Kushner's arrangement with the Saudi sovereign wealth fund "not only criminal but endangering lives of Americans." That quote is on the congressional record. He launched the investigation with Rep. Nanette Barragán. He needs to hear from constituents that this investigation should not be allowed to die quietly. Contact him at wyden.senate.gov.

Rep. Thomas Massie reviewed the unredacted Epstein files. He said the Department of Justice is "breaking the law" by withholding them. He's a libertarian constitutionalist who doesn't run on party loyalty. He runs on the Constitution. That makes him one of the more reliable votes on transparency regardless of who's in power. Contact him at massie.house.gov.

Your own senator and representative. Find them at congress.gov/members. Type in your address. Get the names. Call the offices. If your senator is on the Banking Committee, the Judiciary Committee, or the Foreign Relations Committee, say so when you call — constituent contacts on relevant committee issues get logged differently.

What to ask for:

Repeal Section 4(a)(11) of the GENIUS Act. It is twenty-two words. It is the engine. Removing it doesn't destroy stablecoins — it just means that if you hold digital dollars, you receive the interest those dollars earn, same as any other holder of currency-equivalent assets. That's it. That's the ask.

Restore the National Cryptocurrency Enforcement Team. The DOJ disbanded it in April 2025. Todd Blanche — the man who issued the memo disbanding it while personally holding between $159,000 and $485,000 in cryptocurrency — is now the Acting Attorney General. The NCET had open investigations. Those investigations are closed. They shouldn't be.

Release the unredacted Epstein files. This is not a partisan ask. This is a statutory obligation. The files are being withheld in violation of court orders. Massie says so. Multiple senators say so. It is not a conspiracy theory. It is a compliance failure.

Investigate the conflict of interest of Acting AG Todd Blanche. Six senators already have. The Campaign Legal Center filed a federal criminal complaint under 18 U.S.C. § 208(a). The man running the Justice Department is the subject of a pending criminal complaint for using his government position to benefit his personal crypto portfolio. That complaint is unresolved. It deserves more than six senators paying attention.

How to make it count:

Handwritten letters. I know that sounds like 1987. But congressional offices track constituent communications, and handwritten letters log differently than emails. An email takes forty-five seconds. A handwritten letter took you time. They know you took time. That registers.

Request a constituent meeting. You don't need a reason other than being a constituent. You won't always get the senator. You'll often get a staffer. That's fine. Staffers brief senators. Staffers remember constituent meetings.

Show up to town halls. They're announced on each office's website. Bring this book. Bring the specific question. The specific question: "What is your position on Section 4(a)(11) of the GENIUS Act and the conflict of interest of Acting AG Blanche?" That question, asked out loud in a public meeting, is on the record.

Talk to Your Family and Friends

The single-sentence version of this book:

They wrote a law that forces digital dollars to buy government bonds, banned paying you interest, and hired the author to run the company that keeps the money.

That sentence is factually accurate. Every word of it is in the public record. You can say it at dinner. You can text it. You can say it to your brother-in-law who thinks crypto is freedom. You can say it to your mother who doesn't know what a stablecoin is. It works on everybody because it's true and it's simple and it doesn't require explaining blockchain.

The one-minute version:

The GENIUS Act was signed in July 2025. It says every digital dollar — every stablecoin — has to be backed by U.S. Treasury bills. It also says the person holding the digital dollar gets zero

interest. The company that issues the digital dollar keeps all the interest. Tether made $10 billion doing this last year. Twenty-two days after the law was signed, the White House staffer who wrote it quit. Tether hired him ten days later. He's 30 years old. His organization donated a million dollars to Trump's super PAC a week before the election. The company that holds the Treasury bills is run by the family of the Commerce Secretary, who has his name in 250 Epstein documents, who borrowed money from Tether to buy his own firm.

That's one minute. That's the whole thing.

Don't start with the mechanism. The mechanism sounds like a conspiracy theory until you know the names and dates. Start with: "Why are your groceries so expensive? I found out." Start with the thing people are already feeling. Everybody's groceries are expensive. Everybody's mortgage is high. Everybody's paycheck is going less far than it was three years ago. The mechanism explains why. Walk them in through the door they're already standing at.

The one thing you should not do is hand someone this book and say "the whole financial system is corrupt." That's true, but it's a closed door. Open the door instead: "I found out something specific about a specific law that a specific person wrote and what happened 22 days later." Specific is credible. Vague is a conspiracy theory.

Bob McGrath — a reader who asked questions in the comments of my Substack — wanted to know whether this was just about crypto or whether it connects to the bigger picture of American foreign policy. The answer is both. The stablecoin architecture is the financial layer. The war is the revenue event. The Epstein files are the accountability gap. They connect because they share personnel. Lutnick, Blanche, Hines, Witkoff — these names appear across all three stories. That's not coincidence. That's the board.

Organize

You won't fix this alone. That's not a limitation. That's the nature of political change. Ellsberg didn't fix Vietnam by himself. He didn't have to. He made it impossible to lie about it. Other people — senators, journalists, draft resisters, mothers of drafted sons, Vietnamese civilians who survived — those people made the rest happen. The information was the ingredient they needed.

Organizations doing work that matters right now:

Quincy Institute for Responsible Statecraft — quincy-institute.org. Antiwar foreign policy analysis. The most credible institutional voice in Washington for ending the war economy. They

have scholars and access and they're not captured by either party. Subscribe to their publications. Share their work. They need amplification.

Demand Progress — demandprogress.org. Tech accountability and financial regulation. They've been on the GENIUS Act. They've been on the enforcement dismantlement. They're doing the work.

Public Citizen — citizen.org. Corporate accountability, consumer protection. They've been tracking the revolving door for forty years. The Bo Hines story is their sweet spot.

Electronic Frontier Foundation — eff.org. Digital surveillance, programmable money, the rights questions that come with a world where your dollars can be turned off. The GENIUS Act isn't just about yield — it's about programmable currency. The EFF is watching that.

Brown University Costs of War Project — costsofwar.watson.brown.edu. These researchers built the definitive accounting of what American wars cost in human lives and dollars. $8 trillion for Iraq and Afghanistan alone. Their numbers are what I use. Their work is impeccable and devastating. Share it.

Local. I want to spend a paragraph on local because most people skip it and it's actually where power lives.

I was a county commissioner in Eagle County, Colorado. I know what local government can and can't do. What it can do: pass resolutions. Host community conversations. Create a public record of constituent concern that rises to state and federal levels when it's documented enough. What it can't do: repeal the GENIUS Act. But local government can create political cost for federal representatives who ignore constituent concerns. The politician who voted yes on the GENIUS Act has a county commissioner, a city council member, a school board — all of them can make noise. Find your city council member at your city's website. Find your county commissioner at your county's website. Show up to public comment. Public comment is public record.

Protect Your Household

I want to be clear about what this section is and isn't. It is not survivalism. It is not prepping for collapse. It is not a call to buy gold and move to a bunker.

It is the practical logic of a person who has been paying attention to financial crises since the S&L collapse in the 1980s. Crises are not evenly distributed. Some people get hit harder and recover slower, not because they were reckless, but because they had no buffer. A buffer is not

paranoia. It is adult financial management applied to an environment that is, factually, less stable than it was three years ago.

Fuel. Keep your tank above half. If you're in an area that allows it, a 5-gallon approved container stored according to local fire codes. A fuel supply disruption in a sustained oil shock is not speculative — it's documented in every prior supply crisis. You don't need to survive a month on it. You need to get to work for two weeks while the system adjusts.

Food. Two to four weeks of non-perishables. Not panic buying — a buffer. This is what the Red Cross recommends. It's not fringe. Rice, pasta, canned goods, things your family actually eats. The point is not to stockpile dramatically; it's to remove the "run to the store in a crisis" pressure when supply chains are uncertain.

Cash. Small bills. ATMs fail in power outages. Card systems fail in network disruptions. A hundred dollars in fives and tens in a drawer at home is not a financial strategy — it's a practical buffer for the specific failure modes that accompany crises.

Prescriptions. If your insurance plan allows 90-day supplies, get 90-day supplies. During every recent crisis — COVID, the 2022 baby formula shortage, the 2023 banking panic — supply chains for specific pharmaceuticals became constrained. Having 90 days instead of 30 is not hoarding. It's buffer.

Gold and silver. I'm not a gold bug. I'm not suggesting you restructure your retirement account. I'm suggesting that a modest physical position — a few ounces of silver, perhaps a fraction of gold — is a hedge against dollar depreciation that is independent of the financial system this book has documented. It is not your whole savings. It is the part of your savings that doesn't depend on Tether or T-bills or a bank whose deposit base is being drained by a GENIUS Act mandate.

Community. Know your neighbors. This sounds soft. It isn't. In every documented crisis — natural disasters, supply disruptions, financial panics — the people who fared best were the people with dense local networks. Not because they had more resources, but because resources moved through the network. Your neighbor with a generator shares with your neighbor whose child needs oxygen. Your neighbor with a truck moves supplies when roads are partially blocked. Local supply chains are more resilient than global ones because they have fewer single points of failure.

One thing you should not do: Do not move your savings into crypto stablecoins. You now know why.

Stay Informed

The mainstream financial press covers the market. It covers earnings and rate decisions and the S&P 500. It does not, as a general practice, read the underlying statute, map the personnel overlaps, and connect the financial mechanism to the foreign policy outcome. That work is being done elsewhere. These are the specific resources that are doing it: arnmenconi.net — This investigation, updated as developments occur.

Arnmenconi.substack.com — Articles as they publish. The paper trail, sourced, in real time.

Brown University Costs of War Project — costsofwar.watson.brown.edu. The definitive accounting of American military expenditure in human and financial terms.

ProPublica — propublica.org. Investigative journalism that reads the documents. They covered the NCET dismantlement. They covered the case closures. Their work is in the footnotes of this book.

The Intercept — theintercept.com. National security accountability. The reporters who covered the surveillance architecture and the revolving door for fifteen years.

Consortium News — consortiumnews.com. Founded by Robert Parry, the reporter who broke the Iran-Contra story when nobody else would print it. Still running, still sourced.

The Quincy Institute — quincy-institute.org. Foreign policy analysis that isn't paid for by defense contractors.

Judge Napolitano / Judging Freedom — YouTube. A former federal judge, former Fox News host, who interviews foreign policy analysts, former intelligence officers, and lawyers who aren't on the cable news circuit. Ray McGovern, Scott Ritter, Larry Johnson — the people who were right about Iraq before the invasion.

Democracy Now — democracynow.org. Amy Goodman has been covering corporate accountability and antiwar organizing for thirty years. She was right about Iraq. She was right about Libya. She's covering this.

The Lever — levernews.com. David Sirota and team. They read the legislation. They name the donors. They follow the money. The GENIUS Act coverage is solid.

MintPress News — mintpressnews.com. Investigative coverage of the national security state and media accountability.

None of these are perfect. No source is. Read multiple. Note where they agree. Note where they disagree. What they share: they read the documents.

One Last Thing

You won’t fix this alone. Nobody does.

Ellsberg didn’t fix Vietnam by himself. He made it impossible to lie about it. That’s what this book is. Make it impossible to lie about it. Share it. Talk about it. Get angry in public. Take the single-sentence version to your next family dinner. Take the one-minute version to your next neighborhood meeting. Take the name Todd Blanche and the law Section 4(a)(11) to your representative’s town hall and say them out loud where it’s on the record.

The machine they built is documented. The names are documented. The statute is public. The financial disclosures are public. The revolving door left a paper trail with a timestamp. Every person who reads this book and tells one other person makes the machine more visible. Every person who contacts one elected official creates one more data point in a constituent record that somebody has to explain.

They’re counting on you to stay quiet and scroll past it.

Don’t.

EPILOGUE: What I Am Doing About It

My father said, “If you're on this planet you be honest and responsible for others and don't fuck it up.”

My mother said she raised me to be arrogant so I wouldn't take shit from anyone. No one gave me shit like her, but I didn't take it from anyone else. Guess she did her job well.

My father died on his knees praying in Palm Beach Gardens. I was twenty-seven. I gave him mouth to mouth on the floor of his bedroom. He was fifty-two. He knew politicians, union bosses, and gangsters in Chicago. He was hilarious. He was a tough no-fucking-around guy. He ironically taught me that money doesn't make people happy and typically brings problems — emptiness and unconsciousness towards what's most important.

My mother died alone in hospice during COVID. I couldn't get to her. The last time I saw her face was on FaceTime with my kids. She told my brother she wanted to die. She was eighty-nine.

I lost a child once. Full term. That child would be forty now. I lost a grandfather I worshiped — a man from Italy who worked at a steel mill near Gary, Indiana and took me to Sox games on the

south side. I lost friends who took their own lives. I fought for people I would never meet who die at the hands of our government.

Daniel Ellsberg told me the human species was drifting toward extinction — not from a mushroom cloud, but from the accumulation of lies compounded by systems too complex for citizens to understand. He changed me from my soul up. He taught me that if you die without an FBI record, you haven't lived your life.

I went on to get arrested trying to stop endless wars for profit, climate destruction, and racism. All because of him. At the Colorado State Capitol, three officers dragged me out of the gallery after I shouted “Ban fracking now!” at the governor I'd campaigned for. I survived two recall attempts as County Commissioner — one for opposing Afghanistan, one for funding early childhood education. I wore them both like badges of honor.

My mom called me after the arrest in D.C. She said, “You're fucking ruining your life. You have kids. Why are you doing this?” She hit my nerve. I said, “Mom, I'm a fighter and a fighter fights.” She hung up on me. I stood on the sidewalk and thought, what the fuck made me say that?

I still don't know.

On the morning of February 28, 2026, the United States began bombing Iran. I was sitting outside the United States with no office, no staff, no budget. A laptop, a Substack account, and thirty-five years of watching the same people run the same playbook.

The first thing I did was check Tether's market cap.

In thirty-five days I mapped an architecture that the entire financial press missed. Not because I'm smarter — because I've been watching. Since the S&L crisis. Since the Resolution Trust Corporation. Since my father died and I walked into banking at twenty-eight and learned what institutions do when nobody's looking. Since Ellsberg's living room in Berkeley. Since Standing Rock. Since the fourteen Black Lives Matter protests. Since every arrest, every recall, every campaign, every loss.

The title of this book — “Lied to Death” — has been in my head since 2015. Since those forty hours with Dan. We debated it then: “Lied to Death” or “Drifting Towards Extinction.” His phrase was passive. Mine was active. He saw the drift. I saw the lie. He was right about both.

I wrote this book for my children, Maya and Matteo. They're tattooed on my arm. My daughter is studying in Segovia. My son is at Montana State. They don't always have time to call. That's fine. They're doing exactly what they should be doing. I'm doing exactly what I should be doing.

I wrote it so they'd know. So they'd understand what happened and why. So they wouldn't be lied to death the way my generation was.

But it's not just for them. It's for every kid in every collapsing economy who buys a stablecoin to survive and doesn't know they just bought a Treasury bill for a company that earns ten billion dollars a year and pays them nothing. By law. Section 4(a)(11). Twenty-two words.

It's for the Iranian family fleeing to crypto while the bombs fall. It's for the Palestinian child who will never know that the financial architecture that profits from the war was documented, with receipts, by a former county commissioner with an MBA and a laptop.

The architecture is still running. The hustle is still hustling.

Bo Hines is still at Tether. Lutnick is still Commerce Secretary. Feinberg is still at the Pentagon. Blanche is still the Attorney General. The GENIUS Act is still the law. The yield is still flowing. The war is still the revenue model.

I documented it. One hundred and twenty-two sources. Every claim tied to Bloomberg, Reuters, ProPublica, CNBC, the Financial Times, Forbes, the Federal Reserve, and federal court filings. It's all at arnmenconi.net. Take it. Use it. No credit needed. Just turn on the lights and make the cockroaches run.

My dad always said, “Arn's searching for the meaning in life.”

He was right. I found it.

It's this.

If you want to make God laugh, tell that bitch your plans.

Author’s Note: This book was completed in April 2026 and updated on April 8, 2026. On April 7, 2026, President Trump threatened to destroy “a whole civilization” if Iran did not make a deal. The IEA confirmed the oil crisis is the worst in recorded history. The architecture is still running. Check arnmenconi.net for updates.

APPENDIX A: Full Mechanism Map

APPENDIX A: Full Mechanism Map THE PRIVATIZED DOLLAR: FULL MECHANISM MAP A Structural Analysis of the GENIUS Act Architecture, WarDemand Amplification, and Regulatory Capture Compiled: April 2, 2026 Audience: Former government officials, institutional investors, macro strategists Scope: Statutory text, documented personnel flows, quantified yield mechanics, regulatory sequencing, and structural analogs to prior systemic risk events

This document contains no advocacy. It contains no emotional framing. Every claim maps to a public filing, a federal statute, a press release, a court document, or reporting by Bloomberg, Reuters, the New York Times, the Financial Times, CNBC, the Bank for International Settlements, the Federal Reserve, or named institutional observers. The architecture is permitted to speak for itself.

I. THE STATUTORY MECHANISM A. GENIUS Act — Section 4(a)(11): The Yield Prohibition Full statutory citation: Guiding and Establishing National Innovation for U.S. Stablecoins Act, S. 1582, signed July 18, 2025. Senate vote: 68–30. House vote: 308–122. Verbatim text, Section 4(a)(11): “No permitted payment stablecoin issuer shall pay the holder of any payment stablecoin any form of interest or yield.” This single clause is the mechanical core of the extraction system. It is not ambiguous. It does not contain carve-outs for small issuers, retail wallets, or hardship cases. It is an absolute prohibition on transferring any portion of the yield earned on reserves to the end holders whose dollars generate that yield. Reserve mandate mechanics: Section 4(a)(3) requires every Permitted Payment Stablecoin Issuer (PPSI) to hold 1:1 reserves consisting exclusively of: U.S. dollars, federal reserve notes, short-term U.S. Treasury bills (93 days or less remaining maturity), Treasury-backed reverse repurchase agreements, and government-only money market funds. No crypto-backed reserves permitted. Automatic demand creation: The White House fact sheet accompanying the signing stated directly that the GENIUS Act “will generate increased demand for U.S. debt.” This is not an anticipated side effect — it is the stated policy objective. The GENIUS Act converts every dollar of stablecoin growth into a mandatory purchase of U.S. government obligations. Who benefits mechanically: - Stablecoin issuers earn 100% of the yield on reserves they do not own (deposited by 530+ million users) - The U.S. Treasury receives structural demand for short-term debt instruments from a captive buyer class - Community banks lose the deposits that fund local lending, with no compensating mechanism Sources: Paul Hastings GENIUS Act comprehensive guide; White House Fact Sheet; Latham & Watkins; Perkins Coie stablecoin yield analysis

B. The Quasi-Automatic Stabilizer/Amplifier Dual Function The GENIUS Act’s reserve mandate operates as a dual-mode mechanism depending on macroeconomic conditions: Peacetime

mode (stabilizer): In low-volatility conditions, stablecoin issuers serve as structural buyers of short-term Treasuries — filling the gap left by the Federal Reserve's quantitative tightening program. The U.S. Treasury's Borrowing Advisory Committee (TBAC) acknowledged in its Q1 2026 report that stablecoin issuers represent an emerging source of structural demand for government debt. As the Fed shrinks its balance sheet, stablecoin issuers — mandated by statute to hold T-bills — absorb supply that previously required Federal Reserve purchases. This stabilizes Treasury market functioning in the near term. Crisis mode (amplifier): In high-volatility conditions (war, sanctions, currency collapse), demand for stablecoins surges as users in affected economies flee local currencies. Every new stablecoin user represents a mandatory new T-bill purchase. Simultaneously, the crisis that drives stablecoin adoption also drives inflation and flight to safety, pushing Treasury yields higher. The same event — a war, a sanctions regime, a currency collapse — increases both the volume of forced T-bill purchases AND the yield rate on each dollar held. The mechanism does not stabilize. It amplifies. Issuers earn more money, on more capital, at higher rates, simultaneously. Source: U.S. Treasury TBAC Report Q1 2026

C. Anti-CBDC Surveillance State Act Passed House: July 17, 2025 (219–210). Pending Senate attachment to NDAA. Sponsor: Rep. Tom Emmer (R-MN), House press release Mechanism: Prohibits the Federal Reserve from issuing a CBDC directly to individuals or indirectly through intermediaries. Prevents the Fed from using any CBDC to implement monetary policy. Requires congressional authorization for any government digital dollar. Strategic significance: The GENIUS Act legalizes private dollar-backed stablecoins. The Anti-CBDC Act bans the public alternative. The two instruments, passed on the same day and later codified together, constitute a policy pair: public option eliminated, private option mandated. No other major economy has prohibited research into its own central bank digital currency. The statutory structure removes the government-issued competitor from the market permanently, channeling all digital dollar demand into privately issued instruments backed by reserves held at private custodians and earning yield for private shareholders.

D. CLARITY Act — Digital Asset Market Clarity Act of 2025 Passed House: 294–134 (July 17, 2025). Senate pending as of April 2026. Bill number: H.R. 3633, introduced by Rep. French Hill (R-AR) Source: Latham & Watkins CLARITY Tracker; FinTech Weekly Mechanism: Classifies digital assets into three categories — securities (SEC), digital commodities (CFTC), and stablecoins (shared oversight). Gives CFTC exclusive jurisdiction over spot markets for digital commodities. Defines "digital commodity" as sufficiently decentralized blockchain-linked assets. Creates a $75M capital-raising exemption for token offerings. Includes CBDC ban provisions. Regulatory moat function: If enacted, the CLARITY Act permanently establishes the institutional players who now dominate crypto custody and exchange as regulated infrastructure operating under the lighter CFTC framework. It converts what began as regulatory tolerance into

permanent statutory protection. Senate markup was targeted for mid-to-late April 2026. Kevin Warsh's Fed confirmation is linked to the same Senate dynamics — Senator Thom Tillis is co-authoring the CLARITY Act's yield compromise and simultaneously holding Warsh's confirmation.

II. THE DEMAND AMPLIFIER: WAR AS REVENUE MODEL A. The Demand-Side Mechanism The February 28, 2026 U.S.-Israel strikes on Iran initiated a measurable capital flight event that flowed through the exact channels the GENIUS Act created. The sequence: 1. War commences: Military strikes create immediate geopolitical and currency risk for populations in affected regions 2. Currency collapse: Local currencies in Iran, Lebanon, Yemen, and surrounding economies depreciate against the dollar 3. Capital flight: Citizens and businesses seek dollar-denominated stores of value outside the traditional banking system — which is typically inaccessible to sanctioned or destabilized populations 4. Stablecoin adoption: Tether's USDT functions as the accessible dollar proxy; the Nobitex exchange (Iran's largest) recorded a 700% surge in crypto withdrawals in the first minutes of the strikes (Elliptic); $10.3M left Iranian exchanges in 72 hours (Forbes) 5. Mandatory Treasury purchases: Every new USDT issued requires a corresponding T-bill purchase under Section 4(a)(3) of the GENIUS Act 6. Loop resets: The same war creates the next wave of instability driving the next adoption surge Aggregate market data: Tether's market cap grew from $141 billion to $187.3 billion during the war period. Total stablecoin market cap hit a record $316 billion. Combined stablecoin reserve pool exceeded $275 billion — larger than Saudi Arabia's sovereign Treasury holdings.

B. The Yield-Side Mechanism Simultaneously with demand-side adoption growth, the war drove yield rates across the Treasury curve: Date

3-Month T-Bill 2-Year 10-Year

Source

February 27, 2026 (pre-war) ~3.24%

3.39%

3.97%

U.S. Treasury daily rates

March 26, 2026 (Day 27)

3.71%

4.00%

4.42%

Trading Economics

War-driven increase

+47 bps

+61 bps +45 bps —

Quantified profit impact: On Tether's $122 billion in direct short-term T-bills, the 47 basis point war premium adds approximately $573 million per year in additional profit — incremental to their existing yield. Base annualized T-bill income at 3.71% on $122B = ~$4.5 billion/year on the regulated reserve alone. Total Tether profit for 2025: $10 billion. Margin approaching 99%. These figures come from Tether's BDO-attested financial disclosures. Sources: BDO Tether attestation (tether.io); Trading Economics

C. The Dual Simultaneity: Why This Architecture Is Structurally Different In conventional financial models, rising yields typically accompany tightening that reduces economic activity and suppresses new investment. In the GENIUS Act architecture, the same event — geopolitical crisis — increases both the demand for stablecoins (more capital flight customers) AND increases the yield rate on existing reserves. Both profit levers move in the same direction, simultaneously. There is no tradeoff. The feedback loop: More panic → more customers AND higher yield simultaneously This is not a market imperfection. It is the designed function of a mandatory-reserve, yield-prohibited stablecoin framework in an environment of sustained geopolitical volatility.

D. The Community Bank Squeeze (Dual Kill Mechanism) Mechanism 1 — Deposit displacement: For every $1 billion in stablecoin growth, approximately $1 billion in bank deposits is displaced. The American Bankers Association documented this in a joint letter signed by more than 3,200 bankers, warning that "policies that undermine bank and credit union deposits destroy local lending. Every deposit represents a home loan, a small business loan, or an agricultural loan." (ABA joint letter) At Tether's current growth trajectory — $46.3 billion in market cap added during Q4 2025 through the war period — annualized deposit displacement runs approximately $185 billion per year. The U.S. Treasury's own estimates project stablecoins could displace up to $6.6 trillion in bank deposits — roughly one-third of all U.S. commercial bank deposits. (Forbes) Mechanism 2 — Yield curve compression: The GENIUS Act mandates short-end Treasury buying (93 days or less maturity). Forced concentrated demand in short-duration instruments artificially compresses short-end yields relative to long-end yields, flattening the yield curve. Community banks lend long and borrow short — they survive on the spread between short-term deposit rates and long-term mortgage/loan rates. Yield curve flattening compresses this

spread. Combined with deposit loss from stablecoin displacement, community banks face simultaneous pressure on both sides of their balance sheets. Academic confirmation: The Federal Reserve Bank of New York's Staff Report 1185 (February 2026) confirmed with transaction-level data that stablecoins "not only erode banks' deposit franchises but also transmit liquidity stress to the banking system." Even banks that partner with stablecoin issuers see their loan share of assets contract. (NY Fed Staff Report 1185) Goldman Sachs recession probability: Goldman Sachs raised its U.S. recession probability to 30% during the war period, with projected 0.3% world GDP loss (~$400 billion in 2027). Immediate household impact: $2,000–$5,000 in lost GDP per American family (Wolfers/University of Michigan). S&P 500 shed $2 trillion in market cap (Kobeissi Letter).

III. THE REVOLVING DOOR: DOCUMENTED TIMELINE The following timeline is constructed entirely from public sources — FEC filings, official government announcements, corporate press releases, and named reporting.

NXUM Capital → White House → Tether Date

Event

Source

October 2024

NXUM Capital makes $1 million donation to MAGA Inc. (Trump super PAC)

FEC filings; Fortune

December 2024

Bo Hines appointed Executive Director, Presidential Council on Digital Assets

CoinDesk Consensus

Background

Nav Singh: Goldman Sachs, PIMCO, Guggenheim alumni; Columbia Source files economics — principal architect of NXUM's financial strategy

Background

Todd Hines: ran NXUM political operations

Source files

January–July

Hines shapes GENIUS Act from inside the White House; told Consensus May 14 that the bill would be on the President’s desk before August recess

Yahoo Finance

July 18, 2025

GENIUS Act signed into law

White House

Date

Event

Source

August 9, 2025 Hines departs White House — 22 days after signing

Reuters

~August 15,

Fortune

Fortune reports Hines received 50+ job offers from the crypto sector

August 19, 2025 Tether hires Hines — 10 days after White House departure

CNBC

September 12, Hines named CEO of Tether U.S. (USAT stablecoin)

CNBC

February 11,

Hines publicly declares Tether “a top 10 T-bill purchaser” in the United States

Source files

February 28,

War begins; Tether’s reserves and yield both surge

—

NXUM website scrubbed — discovered by investigator Cory Swan

Source files

Observation: The $1M donation preceded the appointment. The appointment shaped the legislation. The legislation created the legal framework under which the hiring entity now operates. The departure occurred 22 days after the legislation's enactment. The hire occurred 10 days after the departure. This is the documented sequence.

IV. THE CUSTODY CONFLICT Howard Lutnick / Cantor Fitzgerald / Tether The custodial relationship: Cantor Fitzgerald is one of 26 primary dealers authorized to trade directly with the Federal Reserve. According to Tether CEO Paolo Ardoino (May 2025), 99% of USDT's U.S. Treasury bills are held at Cantor Fitzgerald. Cantor custodies approximately $122–141 billion in T-bills on behalf of Tether. The equity stake: Cantor holds approximately 5% equity in Tether — a $600 million convertible bond position potentially worth $25 billion at Tether's current implied valuation. The loan structure: Bloomberg (March 18, 2026) reported that Tether made a loan to the beneficiaries of "Dynasty Trust A" — Howard Lutnick's children — as they acquired Cantor Fitzgerald assets from their father during his transition to Commerce Secretary. The SDNY allegation: An SDNY court filing alleged that Lutnick was "working full time for Tether" before taking office as Commerce Secretary. ([Source: source files]) The structural conflict: Howard Lutnick now serves as Commerce Secretary — a cabinet position that exercises regulatory and policy authority over financial services, trade, and economic policy. His son Brandon Lutnick (age 28) serves as Cantor's chairman and CEO. Cantor custodies $141 billion for a company that loaned his children money to acquire the firm he transferred to them. The Office of Government Ethics has no enforcement power over this arrangement. Twenty One Capital: In April 2025, Cantor Equity Partners (SPAC) merged with newly formed Twenty One Capital — a $3.6 billion Bitcoin accumulation vehicle backed by Tether ($1.6B in BTC), Bitfinex

($600M), and SoftBank ($900M). Brandon Lutnick chairs the entity. It trades on Nasdaq as "XXI." (Forbes) The Commerce Secretary's family company custodies the reserves, holds equity in the issuer, borrowed from the issuer to acquire the custodian, launched a joint Bitcoin vehicle with the issuer, and now operates the custodian under the regulatory jurisdiction of a cabinet department led by the same family's patriarch.

V. THE SEC DISMANTLEMENT Paul Atkins appointed: Confirmed as SEC chair April 10, 2025. Former SEC commissioner (2002– 2008). Board member of Securitize. Equity holder in Anchorage Digital. LP investor in Off the Chain Capital. Disclosed up to $6M in crypto-related assets at confirmation. (CNBC) Enforcement collapse (quantified): - Enforcement actions: 13 cases in 2025 vs. 33 in 2024 — a 60% decline - Fines collected: $142 million — less than 3% of 2024 levels Cases dismissed — documented: Company

Dismissal Date

Notes		
Coinbase	February 27,	Joint stipulation; dismissed with prejudice; no fines, no admissions
Robinhood	February 24,	Investigation closed; Wells Notice withdrawn
Binance	May 2025	60-day stay converted to full dismissal
Ripple	August 2025	Settled/dismissed
Kraken	March 2025	Enforcement action dropped
Cumberland DRW	Case closed	
Crypto.com	Case closed	
PayPal/PYUSD	Investigation closed	
DeFi rulemaking appeal	Withdrawn	

Sources: SEC.gov; Politico Crypto Task Force: Created under Commissioner Hester Peirce ("Crypto Mom") to replace enforcement with a regulatory framework. Joint SEC-CFTC interpretation (March 17, 2026): Issued a joint staff statement clarifying that "most crypto assets are not themselves securities." Direct implication: the overwhelming majority of the crypto market is removed from SEC enforcement jurisdiction. SEC Division of Examinations FY2026 priorities: Crypto and digital assets were omitted entirely from the published examination priorities list. Sequence observation: The enforcement cases were dropped beginning in February 2025 — months before the GENIUS Act was signed in July 2025. The legal runway was cleared before the legislative architecture was completed. This sequencing is inconsistent with a coincidental policy shift and consistent with a coordinated deregulatory plan.

VI. THE DOJ SELECTIVE ENFORCEMENT The Tether reversal — from target to partner: The DOJ dropped its criminal investigation into Tether for potential sanctions and anti-money laundering violations. No formal announcement was made. The National Cryptocurrency Enforcement Team (NCET) — the DOJ's dedicated crypto enforcement unit — was disbanded by Deputy AG Todd Blanche memorandum on April 7–8, 2025, titled "Ending Regulation by Prosecution." (CNBC) Note: Blanche himself held over $150,000 in personal crypto investments at the time of issuing the memo, before divesting. (Gizmodo) Scale of enforcement withdrawal: - 23,000+ crypto cases closed under AG Pam Bondi's DOJ February 2025 alone: nearly 11,000 case declinations — highest monthly total since at least 2004 - DOJ explicitly stated it would not pursue "financial law infractions (unlicensed money transfers, unregistered securities offerings)" unless prosecutors could show intentional violation The inversion — Tether as enforcement partner: By February–June 2026, Tether had transformed from investigation target to named DOJ law enforcement partner: - February 24–25, 2026: DOJ Eastern District of NC publicly praised Tether for assisting in seizure of $61M in USDT linked to "pig butchering" fraud (Tether.io announcement; DOJ EDNC) - June 2025: Tether assisted DOJ/OKX in jointly seizing $225M in USDT — largest crypto seizure in U.S. Secret Service history - Tether has frozen $4.2B in USDT linked to illegal activity since inception Simultaneous prosecution of foreign operators (March 31, 2026): While the $187B company gained DOJ partnership status, 10 foreign crypto executives were charged for market manipulation — none of them connected to the domestic stablecoin architecture, none of them connected to Commerce Secretary Lutnick's custody network. Pattern: Foreign small operators prosecuted. Domestic insiders connected to the Commerce Secretary protected and converted into enforcement partners. The selective application of enforcement produces a regulatory environment that simultaneously appears active (foreign prosecutions) and protective (domestic impunity).

VII. THE INSIDER TRADING RECORD The following trades are documented in named reporting by major outlets: Trade S&P 500 futures positions

Amount $1.5 billion

Timing 5 minutes before Trump

Source Yahoo Finance; Senator

Trade

Amount

Timing

Source

Announcement

Chris Murphy statement

Oil futures positions

$580 million

16 minutes before Trump March 23 Truth Social post

Axios; Al Jazeera

Average trading volume multiple

9x normal

Day of announcement

New Yorker/John Cassidy

Polymarket accounts profiting 38 accounts $2M+

Pre-war window

Al Jazeera

Suspected insider profit (single trader, Iran military bets)

~$1M at 93% success rate

Hours before undisclosed strikes

CNN

Israeli military reservist charged

$2.14M profit

Used classified information

NY Post

Congressional response: - Senator Chris Murphy: “mindblowing corruption” — introduced the BETS Act - Paul Krugman (Fortune): described pattern as “treason” if it involves national security information White House response: allegations “unfounded” Structural context on enforcement: - STOCK Act fine for congressional insider trading: $200 — one hundred dollars per disclosure violation - AIPAC spending on 2024 federal elections: $100 million - Ratio: $100,000,000 in political spending to shape the decisions / $200 fine for trading on the information those decisions generate Polymarket infrastructure note: Palantir (Peter Thiel) invested in Polymarket’s market surveillance system — the same AI technology that targets military objectives also monitors prediction market activity. Founders Fund ($70M Series B at $1 billion valuation). CEO Shayne Coplan called insider trading “super cool” — “a financial incentive for people to go and get information to the market.” (Revenue Memo)

VIII. THE TRUMP FAMILY POSITIONS The sitting President’s immediate family holds documented financial positions across every layer of the architecture described in this document. World Liberty Financial / USD1: - Co-founded by Eric Trump and Donald Trump Jr. - Market cap: $5 billion in reserves as of Q1 2026 - UAE Royal Family owns 49% of WLF equity - DT Marks LLC (approximately 70% Trump-controlled) receives 75% of token sale revenue - $1.2B+ cashed out to date USD1 used to settle $2 billion Binance/MGX Abu Dhabi deal — Sen. Elizabeth Warren flagged as possible quid pro quo - January 2026: WLFI filed for a federal national bank charter with the OCC — the agency whose director the President can remove at will; NCRC called it “an impossible conflict of interest” - CEO: Zach Witkoff, son of Steve Witkoff, who serves as the President’s Middle East envoy negotiating the war whose resolution moves the markets Zach Witkoff’s company trades on American Bitcoin Corp: - Co-founded by Eric Trump and Asher Genoot (ex-Hut 8) - Mining facilities in New York, Texas, Alberta - Holds ~$500M in Bitcoin on balance sheet - Positioned under executive order mandating U.S. Bitcoin mining - Fortune

Strategic Bitcoin Reserve: - Created by Executive Order March 6, 2025 - Initially funded with ~$17 billion in seized/forfeited Bitcoin (~328,000 BTC as of Feb 2026) - Reserve “shall not be sold” per the EO — creating an implicit government backstop for Bitcoin’s price - Treasury exploring “budget-neutral” acquisition of additional BTC (Bessent) - When the government holds Bitcoin, a significant Bitcoin price decline becomes a policy failure; every holder — including the President’s family — benefits from an implicit floor Trump’s signature on U.S. currency: - Announced March 26, 2026; initial $100 bills with Trump’s signature to be printed

June 2026 - Historic first: no sitting president has had their signature on paper money - Treasury Secretary Bessent: “There is no more powerful way to recognize the historic achievements of our great country and President Donald J. Trump than U.S. dollar bills bearing his name” - Sources: NYT; NBC News The consolidation: The President’s name on the law that mandates stablecoin reserves. The President’s name on the currency those reserves are denominated in. The President’s family name on the stablecoin those reserves back. The President’s family mining the Bitcoin the government is stockpiling. The President’s son-in-law raising billions from the governments the President is negotiating with while those negotiations determine the war’s duration.

IX. THE MORTGAGE/HOUSING LAYER Jeffrey Sprecher / Intercontinental Exchange (ICE) Jeffrey Sprecher has spent 7–10 years assembling a pipeline that now controls the U.S. residential mortgage market from origination through servicing through tokenization. ICE’s mortgage infrastructure stack: | Asset | Market Share | Function | |——-|———-|———-| | NYSE | Primary U.S. equities exchange | Price discovery + tokenized securities platform | | MERS (Mortgage Electronic Registration System) | 85% of U.S. mortgage tracking | Legal title registry for residential mortgages | | Ellie Mae | 50% of U.S. mortgage originations | Loan origination software | | Black Knight | 65% of U.S. mortgage servicing | Loan servicing platform | | Simplifile | 23,000 attorney offices → 2,000 county registries | Electronic document recording | The mortgage pipeline: A stablecoin holder purchases T-bills via GENIUS Act mandate → T-bills fund government → government backstops Fannie Mae → loan originates through Ellie Mae → registers through MERS → services through Black Knight → tokenizes through NYSE/Securitize platform. Every step is ICE. NYSE + Securitize partnership: Announced March 24, 2026 — tokenized securities trading platform combining NYSE’s market infrastructure with Securitize’s digital asset issuance technology. ICE investment in Polymarket: $600 million — connecting the financial infrastructure company to the war prediction market where insider trading was documented. Fannie Mae crypto-collateralized mortgage: First product went live March 26, 2026 through Better Home & Finance and Coinbase as exclusive first partner — two days after the NYSE/Securitize announcement. The SEC had dismissed the Coinbase enforcement case in February 2025 — 13 months earlier. Sources: MEXC; AInvest; Ducat Protocol FHFA directive (June 25, 2025): Director Bill Pulte ordered Fannie Mae and Freddie Mac to accept cryptocurrency as eligible reserve assets in single-family mortgage risk assessments, reversing Fannie Mae guideline B3-4.1-04. A 50–60% volatility haircut applies. Coinbase named first qualifying exchange. Kelly Loeffler conflict: Sprecher’s wife. Former Georgia Senator. Sat on the Senate Agriculture

Committee — which oversees the CFTC — while married to the man who runs the exchange the CFTC regulates. Now serves as head of USA Gymnastics. The CLARITY Act would give the CFTC expanded jurisdiction over the exchange owned by her husband. Scale: Fannie Mae and Freddie

Mac together guarantee more than 50% of all U.S. mortgages. The $4.3 trillion Fannie Mae portfolio now formally recognizes digital assets as legitimate mortgage collateral. When the pipeline is complete, Sprecher controls the origination, registration, servicing, and tokenization of the dominant U.S. residential mortgage market — with all of it flowing through the same digital infrastructure being built under the GENIUS/CLARITY framework.

X. THE FIVE PILLARS + THE HOUSING PILLAR The original framework identified five sectors undergoing simultaneous privatization. The housing layer constitutes a sixth. Pillar

Mechanism

1. Currency GENIUS Act; stablecoins; 550M users earning 0%

Exposed Scale $275B+ in forced T-bill purchases

RSN (Citi/JPM/DTCC/Fed NY proof-of-concept, Dec 2. All asset classes — equities, 2024); BIS unified ledger; Project Agorá (7 central banks Settlement bonds, mortgages, deposits + 43 private institutions) 3. Military

Feinberg/Cerberus (#2 Pentagon); Palantir (AI targeting); 11-country active war; Anduril; $200B Pentagon supplemental $500M/day burn rate

4. Energy

PCAST roster: Jensen Huang (Nvidia), Zuckerberg (Meta), Ellison (Oracle), Fred Ehrsam (Coinbase cofounder), Jacob DeWitte (Oklo/nuclear)

Compute infrastructure for the tokenized economy

5. Banking

$6.6T deposits at risk; Fed replaced as structural T-bill buyer by stablecoin issuers

One-third of all U.S. commercial bank deposits

Sprecher/ICE: origination (Ellie Mae 50%) → 6. Housing registration (MERS 85%) → servicing (Black Knight 65%) → tokenization (NYSE/Securitize)

$12 trillion U.S. residential mortgage market; $4.3T Fannie Mae portfolio

BIS settlement network context: In December 2024, a consortium including Citi, JPMorgan, Mastercard, Wells Fargo, Visa, Swift, and DTCC — with the Federal Reserve Bank of New York as technical observer — completed a proof-of-concept for the Regulated Settlement Network (RSN), demonstrating tokenized settlement of U.S. Treasuries, investment-grade bonds, and

central and commercial bank deposits on a single shared ledger. The BIS, in its June 2025 Annual Economic Report, called this “the next-generation monetary and financial system” and stated tokenization “could replace the complex chain of intermediaries” in cross-border payments. Project Agorá is now building the prototype. Source: SIFMA RSN PoC Press Release

XI. THE AIPAC LOCK The political architecture that protects the financial architecture from legislative disruption is itself documented. Political spending: - AIPAC spent approximately $100 million on 2024 federal elections — making it among the highest-spending single-interest lobbying operations in American electoral history War Powers Resolution outcome: - The resolution that would have invoked congressional authority to stop the Iran war failed 53–47 in the Senate and 212–219 in the House - Three Democrats who crossed over to kill the resolution in the House had received a combined $1.7 million from AIPAC-affiliated donors - Seven votes determined whether the constitutional war-stopping mechanism would apply Congressional statements on record: - Rep. Joe Kent (R-WA), who resigned from his position: publicly stated the administration “started this war due to pressure from Israel and its powerful American lobby” BBC reporting on Joe Kent Israel’s financial relationship with the United States: - Largest cumulative recipient of U.S. foreign aid: $310 billion+ since 1946 - Current annual baseline military aid: $3.8 billion - Emergency supplementals in addition to baseline - Active simultaneous military operations in: Palestine, Lebanon, Syria, Iran, Yemen ICC/ICJ status: - International Criminal Court: issued arrest warrants for Israeli Prime Minister Netanyahu and former Defense Minister Gallant for war crimes and crimes against humanity International Court of Justice: ruled there is a plausible case for genocide in Gaza - Senator Bernie Sanders: used the word “genocide” on the Senate floor - 72,000+ killed in Gaza since October 2023 (Al Jazeera; Lancet) Functional significance for this document: The AIPAC political infrastructure ensures the legislative architecture — GENIUS Act, Anti-CBDC Act, pending CLARITY Act — faces no serious congressional challenge. The same political spending that prevents the war from being stopped also prevents the financial beneficiaries of the war from facing legislative disruption.

XII. THE 2008 COMPARISON Catherine Austin Fitts (former HUD Assistant Secretary under Bush I) has publicly warned about the structural risks of the GENIUS Act architecture. In an April 2, 2026 interview with Miles Franklin Media, she called it “diabolically genius” and warned it would “implode the economy” by redirecting circulating money through the Treasury. The comparison between 2008 and 2026 is structural. The comparison is structural, not rhetorical. Dimension

Risk location

Hidden counterparty risk embedded Statutory extraction; the mechanism is in the in CDO tranches; nobody could map public text of the law; every analyst can read where the exposure was Section 4(a)(11)

Mechanism type

Market accident; system broke because hidden risk materialized

Policy design; “a policy choice embedded in the statute, not a market accident”

Goldman’s position

Sold CDOs to clients while secretly shorting them via Abacus; required hiding the bet

Tether earns $10B/year on 530M people’s deposits; requires no hiding — the law prohibits paying holders and the attestation documents the profit

Rating agency

Agencies rated junk as AAA because The person who wrote the regulation (Bo Hines)

Dimension conflict

The banks issuing the instruments paid the agencies

Hank Paulson: Goldman CEO → Treasury Secretary; bailed out Personnel flow Goldman via AIG with an ethics waiver on a weekend call now runs the company whose operations the regulation governs Howard Lutnick: Cantor CEO → Commerce Secretary; Cantor custodies $141B funded by a loan from Tether to his children

The crash eventually forced No crash required; the machine doesn’t fail; it Resolution path accountability (TARP, Dodd-Frank, extracts continuously; there is no equilibriumhowever inadequate) restoring crisis event built into the architecture

Transparency

Risk was deliberately obscured; the “In 2008, the risk was hidden. In 2026, it’s CDO complexity was a feature, not a statutory. The GENIUS Act doesn’t hide the bug extraction. It codifies it.”

Key distinction: In 2008, Lehman’s balance sheet required expertise to understand. The GENIUS Act’s Section 4(a)(11) is 22 words long. Any analyst, regulator, or member of Congress can read it. The extraction is not obscured. It is authorized.

XIII. THE GOLD QUESTION Tether’s gold position: - $23 billion in gold across combined holdings - 148 metric tons stored in Swiss vaults - 27 metric tons purchased in Q4 2025 alone — a pace

that places Tether among the fastestaccumulating entities globally - Ranks Tether among the top 30 gold holders on earth — above Australia, UAE, and Qatar - For comparison, only Poland and Brazil accumulated gold faster in Q4 2025 Analytical observation from Eddie (Tokyo institutional source): Gold purchases of this size and speed require sovereign facilitation through the London Bullion Market Association (LBMA). The LBMA operates as the over-the-counter gold trading hub for sovereign and institutional transactions. An entity acquiring 27 metric tons in a single quarter is not operating through retail channels. The identity of the sovereign intermediary remains publicly undisclosed. The hedge within the hedge: Tether's position makes it long war on two simultaneous instruments: 1. Treasuries: War drives capital flight → stablecoin adoption → mandatory T-bill purchases → yield rises as rates spike 2. Gold: War drives flight to hard assets → gold appreciates Both positions appreciate in a sustained conflict environment. If the war ends, Tether's Treasury yield normalizes while gold partially retraces — but the stablecoin base remains. If the war escalates, both positions benefit. EMP/Infrastructure vulnerability hedge: Global CEO Paolo Ardoino has publicly warned of imminent economic collapse. Tether's gold holdings in Swiss vaults represent a hedge against the destruction of the digital infrastructure that Tether itself operates — an EMP event, a cyberattack on financial infrastructure, or a collapse of the internet-dependent payment system would make physical gold in neutral-country vaults the surviving asset. A company that earns $10 billion per year from digital infrastructure is buying gold at central bank rates. That is not an investment thesis. It is a contingency position.

XIV. THE SUSTAINED-SHOCK MODEL Duration Risk and Unmodeled Scenarios The current analysis primarily models the war's short-term effects. The sustained-shock model examines what happens as the war continues at 3 months, 6 months, and 12 months. Deposit displacement trajectory: - Tether added $46.3 billion in market cap during Q4 2025 through the war period - Annualized rate: approximately $185 billion per year in stablecoin growth = $185 billion in deposit displacement - At this trajectory, stablecoin adoption absorbs community bank deposit bases at a rate that exceeds the capacity of most regional banks to adjust their lending books The feedback loop within the loop: War → panic → stablecoin adoption → deposit drain from community banks → weaker community banks → less credit availability → economic stress → more panic → more stablecoin adoption → repeat

This is not a metaphor. It is the documented mechanical sequence confirmed by NY Fed Staff Report 1185. The difference between a standard financial model and the sustained-shock model is time. Shortterm models treat stablecoin adoption as a static shock. The sustained-shock model treats it as a progressive, self-reinforcing structural shift. Unmodeled scenario: The GENIUS Act requires stablecoin issuers to hold reserves in T-bills with 93 days or less remaining maturity. If the stablecoin market reaches Treasury Secretary Bessent's projected $3 trillion target, stablecoin issuers would hold approximately $3 trillion in short-duration government

paper — roughly equivalent to the entire short-end Treasury market as it existed in 2023. Any liquidity event — a war loss, a dollar crisis, a technology failure — that triggers mass stablecoin redemptions would require simultaneous liquidation of trillions in T-bills into a market that cannot absorb them without a sovereign buyer of last resort (the Federal Reserve). The architecture's stabilizer function inverts to systemic risk at sufficient scale. American Bankers Association: 3,200+ bankers signed the joint warning letter. The ABA is not a progressive advocacy organization. It is the institutional voice of the banking industry. Their letter represents a formal professional assessment that the GENIUS Act architecture poses existential risk to community bank lending capacity. (ABA joint letter)

XV. INDEPENDENT CONFIRMATION The following named observers have made public statements relevant to specific mechanisms described in this document. Each is quoted in the domain of their professional expertise. Observer

Credential

Statement

Catherine Austin Fitts

Former HUD Assistant Secretary (Bush I); former managing director, Dillon Read

Mohamed ElErian

“Maximum risk off”; energy Chief economic adviser, shock → demand shock Allianz; former PIMCO CEO transmission chain

Confirmed yield mechanism, deposit displacement, and the 2008 structural distinction

Domain

Financial architecture

Macroeconomic transmission

Observer

Credential

Statement

Domain

Jeffrey Sachs

Columbia University “We are being led by gangsters economics professor; former completely out of their depth” UN adviser

Geopolitical/ economic integration

Robert Pape

University of Chicago; author of Dying to Win

“Worse than Vietnam” (re: strategic coherence)

Military strategy

John Cassidy

New Yorker staff writer

Documented $580M suspicious Financial journalism trades, 9x average trading volume

Axios

Independent editorial

“Epidemic of suspicious trading” Financial journalism

Paul Krugman

Nobel laureate economics; former MIT/Princeton

“Treason” — re: trading on national security information

Senator Chris Murphy

U.S. Senate (D-CT)

“Mindblowing corruption” — re: Congressional record $1.5B futures position

Edward Snowden

Former NSA contractor

Surveillance infrastructure for social control

Technology/ surveillance

Whitney Webb

Independent financial journalist

Tokenization as mechanism for total financial surveillance and control

Structural analysis

Lawrence McDonald

Macro strategist

“Great rotation” from financial to Asset allocation hard assets — war-driven

Cory Swan

Independent investigator

Discovered NXUM website scrubbing; filed §1782 subpoena Document forensics against Cantor/Lutnick

Eddie (Tokyo institutional source)

Unnamed; Tokyo-based institutional operator

Lincoln’s dollar bonds parallel; sovereign gold facilitation question; RICO pattern observation

Bloomberg editorial board

—

Tether loan to Lutnick children’s Financial journalism trust documented

Bernie Sanders U.S. Senate (I-VT)

Used word “genocide” on Senate Congressional record floor re: Gaza

XVI. SOURCE INDEX The following URLs are organized by section. All were accessed as of April 2026.

Economic/legal characterization

Pattern recognition

Section I — Statutory Mechanism • Paul Hastings GENIUS Act comprehensive guide: https://www.paulhastings.com/insights/cryptopolicy-tracker/the-genius-act-a-comprehensive-guide-to-us-stablecoin-regulation • White House GENIUS Act Fact Sheet: https://www.whitehouse.gov/fact-sheets/2025/07/factsheet-president-donald-j-trump-signs-genius-act-into-law/ • Latham & Watkins GENIUS Act: https://www.lw.com/en/insights/the-genius-act-of-2025stablecoin-legislation-adopted-in-the-us • Perkins Coie stablecoin yield

analysis: https://perkinscoie.com/insights/update/stablecoin-interestyield-and-rewards-occ-proposes-sweeping-regulations-under • White House EO 14178: https://www.whitehouse.gov/presidential-actions/2025/01/strengtheningamerican-leadership-in-digital-financial-technology/ • Latham & Watkins CLARITY Act tracker: https://www.lw.com/en/us-crypto-policy-tracker/legislative-developments • FinTech Weekly CLARITY Act: https://www.fintechweekly.com/news/what-is-the-clarity-actdigital-asset-market-structure-explained-2026 • Rep. Emmer Anti-CBDC Act: http://emmer.house.gov/media-center/press-releases/majority-whiptom-emmer-s-flagship-legislation-the-anti-cbdc-surveillance-state-act-passes-house-ofrepresentatives • U.S. Treasury TBAC Report Q1 2026: https://home.treasury.gov/system/files/221/TBACCharge2Q12026.pdf

Section II — Demand Amplifier • Elliptic Iran crypto withdrawal surge: https://www.elliptic.co/blog/iranian-cryptoasset-outflowssurge-700-percent-following-attacks • Forbes Iran crypto outflows: https://www.forbes.com/sites/digital-assets/2026/03/03/iran-cryptooutflows-surge-700-as-us-israel-airstrikes-hit-tehran/ • BDO Tether attestation: https://tether.io • Trading Economics U.S. Treasury yields: https://tradingeconomics.com/united-states/governmentbond-yield • NY Fed Staff Report 1185: https://www.newyorkfed.org/research/staff_reports/sr1185 • ABA joint letter on stablecoin loophole: https://www.aba.com/advocacy/policy-analysis/jointtrade-association-letter-on-stablecoin-loophole • Forbes community banks and stablecoins: https://www.forbes.com/sites/ronshevlin/2026/03/16/stablecoins-what-community-banks-need-toknow-and-do-now/ • Phelps Dunbar GENIUS Act community bank analysis: https://www.phelps.com/insights/is-thegenius-act-smart-for-community-banks.html • FinTech Weekly CLARITY Act yield provisions: https://www.fintechweekly.com/news/clarityact-banks-winning-stablecoin-yield-2026

Section III — Revolving Door • Fortune NXUM $1M donation: https://fortune.com/2025/04/14/trump-senior-crypto-advisordonated-1m-campaign-advertisements-maga-super-pac-week-before-election/ • Reuters Bo Hines departure: https://www.reuters.com/world/us/white-house-crypto-adviser-bohines-announces-departure-2025-08-09/ • CNBC Bo Hines Tether CEO appointment: https://www.cnbc.com/2025/09/12/tether-reveals-newstablecoin-appoints-bo-hines-to-lead-us-business-.html • Yahoo Finance Bo Hines White House role: https://ca.finance.yahoo.com/news/white-housecrypto-adviser-bo-235626804.html • CNBC David Sacks departure: https://www.cnbc.com/2026/03/26/david-sacks-trump-crypto-aiczar.html • White House PCAST announcement: https://www.whitehouse.gov/releases/2026/03/presidenttrump-announces-appointments-to-presidents-council-of-advisors-on-science-and-technology/ • TechCrunch Sacks PCAST:

https://techcrunch.com/2026/03/26/david-sacks-is-done-as-ai-czar- heres-what-hes-doing-instead/

Section IV — Custody Conflict • Bloomberg Tether Lutnick children loan: https://www.bloomberg.com/news/features/2026-03-18/tether-made-loan-to-lutnick-s-children-asthey-bought-his-assets • AInvest Cantor-Tether custody: https://www.ainvest.com/news/cantor-fitzgerald-tether-custodyplay-2-billion-bitcoin-lending-bet-political-risks-brewing-2603/ • Forbes Twenty One Capital: https://www.forbes.com/sites/digital-assets/2025/04/23/the-lutnickscantor-fitzgerald-tether-and-softbank-team-up-on-a-36-billion-bitcoin-venture-to-rivalmicrostrategy/ • Fortune Lutnick Tether overview: https://fortune.com/crypto/2024/11/25/commerce-nomineehoward-lutnick-tether-booster-cantor-fitzgerald/

Section V — SEC Dismantlement • CNBC Paul Atkins confirmation: https://www.cnbc.com/video/2025/04/10/senate-confirmspresident-trumps-pro-crypto-sec-chair-pick-paul-atkins-cnbc-crypto-world.html • SEC.gov Coinbase dismissal: https://www.sec.gov/newsroom/press-releases/2025/47 • Politico Coinbase dismissal: https://www.politico.com/news/2025/02/21/coinbase-seclawsuit-00205303 • Sidley Austin Project Crypto analysis: https://www.sidley.com/en/insights/newsupdates/2025/11/breaking-down-project-crypto-secchairman-atkins-outlines-next-phase-of-digital-asset-oversight

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APPENDIX: REGULATORY ACTION COUNT

APPENDIX B: Sustained-Shock Analysis

APPENDIX B: Sustained-Shock Analysis SUSTAINED-SHOCK ANALYSIS: The GENIUS Act Treasury-Purchase Mechanism Under Prolonged Demand Stress Prepared: April 2, 2026 Analyst audience: Institutional fund managers, macro strategists, former government officials Classification: Research memorandum — unclassified, for distribution to investment professionals Analytical basis: Statutory text, attested financial disclosures, Federal Reserve research, U.S. Treasury data, documented market pricing, named academic and policy sources

I. Executive Summary The GENIUS Act (S. 1582, signed July 18, 2025) embeds a mandatory Treasury-purchase mechanism into every dollar of stablecoin growth: Section 4(a)(3) requires issuers to hold reserves exclusively in short-duration U.S. government obligations, while Section 4(a)(11) prohibits passing any of that yield to holders. During the first 33 days of the U.S.-Israel strikes on Iran (beginning February 28, 2026), this architecture demonstrated its crisis-mode function with precision — Tether's market capitalization grew from approximately $141 billion (Q4 2025 BDO attestation) to $187.3 billion, a $46.3 billion increase, while the 3-month T-bill yield climbed 47 basis points, adding approximately $573 million per year in incremental profit on existing reserves. Every dollar of that growth simultaneously displaced an equivalent dollar of community bank deposits. This analysis models three time horizons — 3, 6, and 12 months of sustained conflict — to quantify the compounding effects on yield curve structure, deposit franchise integrity, Federal Reserve policy space, and global dollar settlement demand. The finding is mechanical: under prolonged demand stress, the GENIUS Act architecture does not function as a passive beneficiary of geopolitical instability. It functions as a statutory amplifier of it, concentrating short-end Treasury demand, flattening the yield curve, and progressively extracting the deposit base that funds U.S. community lending — while simultaneously eliminating competing settlement infrastructure in the yuandenominated oil market.

II. The Mechanism A. The Statutory Text GENIUS Act, Section 4(a)(11) — verbatim: "No permitted payment stablecoin issuer shall pay the holder of any payment stablecoin any form of interest or yield." This clause is the load-bearing element of the extraction architecture. It is absolute — no carve-outs for retail wallets, small issuers, or hardship cases. It prohibits the transfer of any fraction of reserve yield to the 530+ million holders whose capital generates that yield. Section 4(a)(3) — reserve mandate: Every Permitted Payment Stablecoin Issuer (PPSI) must hold 1:1 reserves in: U.S. dollars, Federal Reserve notes, short-term U.S. Treasury bills (93 days or less remaining maturity), Treasury-backed reverse repurchase agreements, or government-only money market funds. No crypto-collateralized reserves are permitted. Combined statutory effect: The GENIUS Act converts every dollar of stablecoin demand into a mandatory purchase of short-duration U.S. government debt. The yield on that debt flows entirely to the issuer. The holder receives a dollar-denominated digital instrument with no

yield. The U.S. Treasury receives structural demand for T-bills from a captive, statutorily mandated buyer class. The White House fact sheet accompanying the signing stated explicitly that the Act “will generate increased demand for U.S. debt” — this is not an anticipated side effect. It is the stated policy objective.

B. The Dual-Mode Function Peacetime mode (stabilizer): In low-volatility conditions, stablecoin issuers function as structural buyers of short-duration Treasuries — absorbing supply vacated by the Federal Reserve’s quantitative tightening program. The U.S. Treasury Borrowing Advisory Committee (TBAC) acknowledged in its Q1 2026 report that stablecoin issuers constitute an emerging source of structural demand for government debt. As the Fed shrinks its balance sheet, the GENIUS Act creates a statutory replacement buyer class. Crisis mode (amplifier): In high-volatility conditions — war, sanctions, currency collapse — stablecoin demand surges as populations in affected regions seek dollar-denominated stores of value outside the traditional banking system. Every new stablecoin user is a mandatory new T-bill purchase. Simultaneously, the crisis driving adoption also drives inflation and risk premia, pushing Treasury yields higher. The same event — geopolitical conflict — increases both the volume of forced T-bill purchases and the yield rate on each dollar already held. Both profit levers move in the same direction simultaneously. There is no tradeoff. The mechanism does not equilibrate. It compounds. The simultaneity: In conventional financial models, rising yields accompany tightening that suppresses new investment. Under the GENIUS Act architecture, the same shock — a war — increases both adoption (more capital flight customers) and the yield rate on reserves already deployed. More panic → more customers AND higher yield, simultaneously.

III. Baseline Data (Day 33) The following figures represent documented positions as of April 2, 2026 — Day 33 of the conflict.

A. Stablecoin Market Metric

Value

Source

Tether market cap (Q4 2025 BDO attestation)

$141.0B Tether.io attestations

Tether market cap (April 2, 2026)

$187.3B Tether.io

Net growth during war period

+$46.3B Calculated

Total stablecoin market cap

$316.0B Tether.io

Combined stablecoin reserve pool

~$275B

Tether direct T-bill holdings

~$122B BDO Tether Q4 2025 attestation

Tether 2025 total profit

$10.0B

BDO-attested financial disclosures

Tether operating margin

~99%

BDO-attested financial disclosures

Exceeds Saudi Arabia’s sovereign Treasury holdings

B. Yield Curve Data Date

3-Month T-Bill 2-Year 10-Year

February 27, 2026 (pre-war) 3.24%

3.39%

3.97%

March 26, 2026 (Day 27)

3.71%

4.00%

4.42%

War-driven increase

+47 bps

+61 bps +45 bps

Source: U.S. Treasury daily yield curve data; Trading Economics Yield profit impact: On $122B in direct T-bill holdings, the 47-basis-point war premium adds approximately $573 million per year in incremental yield. Base annualized T-bill income at 3.71% on

$122B = approximately $4.53 billion/year on the regulated reserve position alone.

C. Deposit Displacement — Current Rate • Tether added $46.3B in market cap during the war period (approximately 33 days through April 2) • Annualized displacement rate at this pace: approximately $512 billion per year • U.S. Treasury estimate of maximum at-risk community bank deposits: $6.6 trillion (Forbes/Ron Shevlin) • At sustained war-pace growth, $6.6T is absorb-able in approximately 12.9 years — but critical displacement thresholds occur well before full absorption

D. Oil and Macro Baseline Indicator

Value

Source

WTI crude

Above $100/barrel Trading Economics

Brent crude

$112–116/barrel

Trading Economics

Goldman Sachs U.S. recession probability

30%

Goldman Sachs Research

S&P 500 market cap destruction

-$2 trillion

Kobeissi Letter

Nobitex (Iran) crypto withdrawal surge

+700%

Elliptic

Iranian exchange outflows (72 hours post-strike) $10.3M

Forbes

IV. Three Scenarios Scenario A: 3-Month Shock (Current Trajectory — May 2026) Assumptions: Controlled air campaign continues; Hormuz remains partially restricted but not fully closed; oil stays in the $100–120 range; no major escalation to ground operations. A.1 — Stablecoin Market Cap Projection The $46.3B growth occurred over approximately 33 days, roughly $1.4B/day at peak panic. Assuming some normalization as conflict becomes routine but sustained demand from Iran, Lebanon, Yemen, and regional dollar flight: • • • •

Conservative: $1.4B/day × 90 days = $126B additional growth Conservative 3-month Tether market cap: approximately $267–290B Total stablecoin market: approximately $380–420B Implied mandatory T-bill purchases, incremental to current: $80–120B

At T-bill yields averaging 3.7–4.1% over the period, incremental yield on new purchases adds $3.0– 4.9B/year to issuer income run-rate. A.2 — Yield Curve Impact Three-month T-bill purchases, mandated by statute at 93-day maximum maturity, will concentrate demand at the short end. At $80–120B in new short-end purchases:

• Short-end demand addition relative to current outstanding: ~3–5% of the $2.1T 3-month T-bill market • Historical parallel: the Fed's QE programs showed that a 5% demand shift on short-dated instruments compresses yields 15–30 bps relative to the long end • Projected yield curve flattening: short end artificially compressed 10–25 bps relative to 10-year benchmarks This flattening is directionally opposite to what would occur naturally during an inflationary oil shock, where long rates typically spike more than short rates. The GENIUS Act mandate suppresses the normal yield curve steepening that would otherwise compensate community banks for the risk environment. A.3 — Community Bank Deposit Displacement Dollar-for-dollar displacement confirmed by the American Bankers Association (3,200+ signatories) and the NY Fed Staff Report 1185 (February 2026), which found with transaction-level data that stablecoins "not only erode banks' deposit franchises but also transmit liquidity stress to the banking system." • 3-month deposit displacement at war-pace growth: $80–126B • That represents roughly 1.2–1.9% of the $6.6T at-risk community bank deposit base • On a per-bank basis, for a community bank with $500M in deposits, a 1.5% system-level loss translates to approximately $7.5M in funding base erosion — affecting loan capacity by a multiplier of 8–10x under standard leverage assumptions, or $60–75M in reduced lending capacity A.4 — The Dual Kill The simultaneous compression from both sides of the community bank balance sheet: Channel

Impact

Deposits leave to stablecoins Funding base shrinks; loan books cannot grow Yield curve flattens

Net interest margin (NIM) compresses on remaining assets

Oil above $100

Local economic stress increases loan delinquencies

Fed cannot cut

No rate relief coming; short-term borrowing costs stay elevated

A community bank earning 2.8% NIM in February 2026 may see NIM compress 15–25 basis points from curve flattening alone. On a $500M balance sheet, 20 bps of NIM compression = $1M/year in lost income — before accounting for deposit volume losses. The 2023 regional bank crisis was triggered by NIM compression of 40–80 bps combined with unrealized duration losses. The current mechanism applies both levers simultaneously, but gradually rather than in a single shock event. A.5 — Tether Profit Projection (3-Month) At current trajectory: - Existing $122B T-bill portfolio at 3.71%: $4.53B/year run-rate - New T-bills from growth ($80–120B incremental) at ~3.8–4.0%: additional $3.0–4.8B/year annualized - Combined 12month run-rate by end of Month 3: approximately $7.5–9.3B/year - Actual 3-month cash flow (prorated): approximately $1.9–2.3B

Scenario B: 6-Month Sustained Shock (“Controlled Escalation” — August 2026) Assumptions: Per Robert Pape (University of Chicago): “This is not de-escalation. It’s controlled escalation.” Per Matt Klippenstein/Drop Site News reporting: commando raids continue, indefinite operations framework. Oil sustained $100–120. Hormuz partially restricted but not sealed. Federal Reserve cannot cut rates with WTI above $100. Goldman’s 30% recession probability firms toward 40– 45%. B.1 — The Compounding Mechanism At the 3-month mark, stablecoin adoption has normalized into routine behavior in affected regions. The panic premium dissipates, but adoption continues at a slower structural rate. New variables enter: • Fear compounding: Each week of sustained conflict brings additional regional users. Lebanon, Iraq, Syria, Yemen, and Pakistan all have populations with prior cryptocurrency exposure. Six months of sustained dollar flight at even 50% of the initial panic rate = substantial continued growth. • Merchant adoption: Once USDT becomes the functioning currency for cross-border trade in conflict-adjacent economies, merchant networks adopt it permanently. Merchant adoption is not reversed by ceasefire. • Global contagion: Six months of oil above $100 affects Turkey (current account deficit), Egypt (import costs), Pakistan (energy poverty), Sri Lanka (recovery fragility). Each new economy under stress adds a new wave of stablecoin demand. B.2 — Market Cap Projection (6-Month) • Months 1–3: $126B growth (Scenario A baseline) • Months 4–6: structural adoption at 30–50% of panic-phase rate = approximately $40–65B additional

growth • Total 6-month stablecoin growth: $166–191B • Projected Tether market cap: approximately $307–332B • Total stablecoin market: $470–510B • Mandatory T-bill purchase obligation (6-month increment): $130–165B B.3 — Federal Reserve Policy Trap With oil sustained above $100 and CPI running at an estimated 4–5% (oil-driven component alone adds 150–200 bps to headline CPI), the Fed cannot cut the federal funds rate without risking a 1970s-style inflation re-acceleration. The constraint: • If the Fed holds rates: Short-term borrowing costs remain elevated for community banks. GENIUS Act T-bill yields stay elevated, enriching stablecoin issuers. Community banks cannot relieve NIM compression. • If the Fed cuts anyway: Dollar weakens. Inflation accelerates. The demand for dollardenominated stablecoins may paradoxically increase as non-U.S. markets seek dollar exposure before further depreciation. Stablecoin issuers earn lower rates on reserves, but growth accelerates. The net effect is ambiguous — and the Fed's policy function is paralyzed. B.4 — The Acceleration Feedback War (Month 6) → sustained oil above $100 → inflation persistence → Fed policy paralysis → regional bank NIM compression → credit tightening in community markets → small business stress → local economic decline → MORE deposit flight to perceived safety (stablecoins) → MORE mandatory T-bill purchases → MORE yield curve flattening

→ MORE NIM compression → REPEAT

This is not speculative. NY Fed Staff Report 1185 documented the transmission chain between stablecoin growth and bank liquidity stress using transaction-level data from the 2022–2024 period — before the GENIUS Act mandated the architecture at statutory scale. B.5 — China Yuan-Oil Disruption (6-Month) At the 6-month mark, the destruction of the yuan-denominated oil trade channel becomes a structural factor rather than a temporary disruption. Pre-war, China imported approximately $1.5B/month in Iranian oil through Bank of Kunlun, settled in yuan. The war has disrupted this channel. Iran is now charging Hormuz transit tolls in yuan (confirmed March 27, 2026), but the underlying trade volume is suppressed by conflict risk and sanctions enforcement. • Redirected settlement demand: Trade that previously cleared in yuan through Bank of Kunlun must find alternative settlement. Dollar-denominated stablecoins are the liquid, accessible alternative for counterparties who cannot use SWIFT. • mBridge limitations: The BIS-developed cross-border CBDC platform (mBridge) has processed $55B in transactions, 95% in digital yuan. However, the BIS withdrew from the project over sanctions evasion concerns — removing the multilateral legitimacy that would allow mBridge to scale as a dollar alternative. With BIS withdrawal, mBridge's international utility is constrained. • Capital controls: China's digital yuan (e-CNY) carries embedded capital controls — cross-border flows require People's Bank of China authorization. This limits its utility as a sanctionscircumvention tool precisely where that utility would be most valued by sanctioned counterparties. The net effect at 6 months: trade demand that would have been yuan-denominated is partially redirected toward USDT or USD1 — increasing dollar stablecoin demand from a trade channel

rather than solely from retail panic flight. B.6 — Tether Profit Projection (6-Month) • 6-month cash flow at escalating rate: approximately $4.5–5.5B actual received • 12-month run-rate by end of Month 6: approximately $10–14B/year • Compared to 2025 total profit of $10B: the war has compressed the timeline to achieve and exceed that figure

Scenario C: 12-Month Structural Shift (Hormuz Closed — February 2027) Assumptions: Per Drop Site News analysis: cheap precision drones make forced Hormuz reopening operationally near-impossible at acceptable political cost. As Ryan Grim characterized it: “Every coastline becomes a toll road.” Oil projections: WTI $150–200, Brent above $170, if Hormuz remains functionally closed. Global shipping permanently rerouted. This is not a tail scenario — it is the arithmetic of drone proliferation applied to maritime chokepoints. C.1 — Stablecoin Market Cap: Path to $500B–1T If the conflict sustains for 12 months at even moderate adoption rates across affected regions: • 12-month cumulative growth from baseline $141B: the precedent is instructive. Tether grew from approximately $83B (January 2024) to $141B (Q4 2025) — $58B over 24 months in peacetime. The first 33 days of the war added $46.3B. A 12-month conflict, even normalizing from peak panic rates, implies: • Conservative (30% of war-phase daily rate): approximately $150–180B additional • Moderate (50% sustained): approximately $250–310B additional

• Projected Tether range: $290–451B • Total stablecoin market: $500B–1T is analytically plausible, not hyperbolic, at moderate sustained adoption rates across 50+ conflict-adjacent economies C.2 — Deposit Displacement at Scale The $6.6T U.S. community bank deposit base is the U.S. Treasury’s own estimate of the at-risk pool: Scenario

Displacement

% of $6.6T base

3-month (conservative)

$80–126B

1.2–1.9%

6-month (sustained)

$166–191B cumulative 2.5–2.9%

12-month (Hormuz closed) $300–500B cumulative 4.5–7.6% At 7.6% displacement, the aggregate community banking sector has lost the deposit equivalent of approximately 76 banks the size of Glacier Bancorp ($10B in assets). The cumulative lending capacity destruction — at 8–10x leverage — is $240–500B in suppressed community credit. C.3 — The Federal Reserve’s

Binary Choice At stablecoin scale approaching $500B–1T, the architecture the GENIUS Act created becomes the de facto short-end Treasury market: • $500B stablecoin reserve pool in T-bills = approximately 24% of the current ~$2.1T 3-month T-bill market (T-bills outstanding as of early 2026) • $1T stablecoin reserve pool = approximately 48% of the short-end market The Fed now faces a structural binary: Option 1 — Cut rates (inflation risk): With oil at $150–200 and global shipping costs up 200–400% due to rerouting, cutting rates to relieve banking sector NIM pressure risks re-accelerating inflation. The 1970s precedent: premature rate cuts under oil price pressure extended the inflationary cycle by 3–5 years. Option 2 — Hold rates (banking crisis risk): With NIM compressed 40–80 bps by yield curve flattening from GENIUS Act-mandated short-end buying, and deposits bleeding at 4–7% of base, the 2023 Silicon Valley Bank dynamic re-emerges at broader scale. SVB failed when duration losses + deposit flight created a liquidity event. The 12-month Hormuz scenario applies both levers simultaneously, across the community banking sector, not a single institution. In either case, the GENIUS Act architecture — now holding $500B–1T in T-bills — becomes the marginal price-setter for short-end U.S. government debt. The Federal Reserve has been functionally replaced, at the short end of the curve, by a privately owned, profit-extracting, statutory buyer that earns 100% of the yield on capital it does not own. C.4 — Oil at $150–200: Second-Order Transmission • Goldman Sachs $200 oil scenario (referenced in their Q1 2026 energy research): would add approximately 3–4% to headline CPI • Household purchasing power destruction per Wolfers/University of Michigan methodology: $4,000–7,000 per American family annually at $150–200 oil • Recession probability at these oil levels, per historical regression: 65–75% • In recession conditions, the flight to stablecoins accelerates, not decelerates — dollar demand spikes, local currency depreciation accelerates globally, adoption compounds C.5 — The Global Shipping Reroute and Dollar Settlement Every shipping route that bypasses Hormuz requires longer transit times (Cape of Good Hope alternative adds 10–14 days), higher insurance premiums, and elevated commodity prices. All of these costs are dollar-denominated. Dollar demand increases structurally — and dollar-denominated stablecoins are the liquid settlement instrument for traders, merchants, and small exporters who cannot access traditional correspondent banking. The GENIUS Act architecture captures this demand at the statutory level: every new trade-settlement USDT issued is a mandatory T-bill purchase.

V. The China Variable A. The Yuan-Oil Channel Destruction Pre-war, China ran approximately $1.5B/month in yuan-denominated oil purchases from Iran through Bank of Kunlun — accounting for 80–90% of Iran's total oil exports by some estimates. This was the most significant operational dollar-bypass mechanism in the global economy. It was: • • • •

Settled in yuan Cleared through Bank of Kunlun (not SWIFT) Functioning as proof-of-concept for the yuan-denominated commodities settlement system Growing in volume through 2024–2025

The war has disrupted this channel. Sanctions enforcement has intensified. Shipping risk makes Iranian oil transport substantially more expensive even for Chinese buyers willing to accept secondary sanctions exposure. Iran is now charging Hormuz tolls in yuan (confirmed March 27, 2026) — but toll revenue is a thin substitute for the $1.5B/month trade volume that was the yuan settlement system's operational core. The strategic implication: The war does not merely generate demand for dollar-denominated stablecoins through panic and capital flight. It actively destroys the competing settlement infrastructure that was demonstrating yuan-denominated alternatives to the dollar-clearing system. The geopolitical and financial effects are not independent. They are components of the same mechanism.

B. mBridge Constraints The BIS-coordinated mBridge platform had processed $55 billion in cross-border transactions with 95% denominated in digital yuan, across 26 participating central banks. However: • The BIS withdrew from mBridge in late 2024 citing sanctions evasion concerns • Without BIS multilateral legitimacy, mBridge cannot attract G7-jurisdiction financial institutions • Chinese capital controls apply to e-CNY cross-border flows — the PBOC must approve large international transactions • e-CNY's reserves represent approximately 2.1% of China's $3.2T foreign exchange reserves — a demonstration project, not a deployed settlement system The dollar alternative that mBridge represented has been effectively capped at demonstration scale. With BIS withdrawal removing the international institutional architecture, and capital controls limiting operational utility, mBridge cannot absorb the settlement demand that the yuan-oil channel was handling.

C. The Dual Purpose The war achieves two simultaneous financial objectives: 1. Demand generation: Panic, currency flight, and regional instability drive stablecoin adoption directly 2. Competing infrastructure destruction: The yuan-oil settlement channel — the only operational dollar-bypass mechanism at meaningful scale — is disrupted, forcing settlement demand back toward dollar instruments This is not a claim about intent. It is a description of observable effects. The financial architecture that benefits from both dynamics — the GENIUS Act-mandated stablecoin complex — captures the proceeds regardless of whether those dynamics were deliberately engineered or are coincidental.

VI. The Yield Curve Distortion A. The Mechanism The GENIUS Act's 93-day maximum maturity requirement for reserve assets forces concentration of stablecoin reserve demand at the extreme short end of the Treasury curve. This is not where the Treasury wants demand concentrated — Treasury has been extending the average maturity of issuance precisely to reduce rollover risk. The GENIUS Act mandate creates a structural conflict: • Treasury needs longer-duration buyers to reduce financing risk • GENIUS Act mandates short-duration purchases — creating a captive buyer class at the wrong point on the curve As stablecoin reserves grow, this mandated concentration compresses short-end yields artificially, relative to

what they would be in the absence of the captive buyer class. The result is a yield curve that is flatter than fundamental inflation expectations would produce.

B. The Community Bank Dual Kill Community banks operate on a structural maturity mismatch: they borrow short (deposits, fed funds, commercial paper) and lend long (30-year mortgages, 5-year commercial real estate loans, 7-year agricultural credits). Their survival depends on the spread between short borrowing costs and long lending returns — the net interest margin. When the yield curve flattens: - Short-term borrowing costs remain high (Fed not cutting with oil above $100) - Long-term lending rates compress relative to short rates - NIM shrinks - Loan profitability declines on the existing book - New long-term lending becomes less attractive - Credit availability to local businesses and households contracts This is the mechanism that destroyed Silicon Valley Bank in March 2023 — acute curve inversion compressing NIM below the cost of deposit retention, triggering a bank run. The 2023 event affected approximately $200B in assets across SVB, Signature, and First Republic. The GENIUS Act creates the same curve flattening dynamic across the entire community banking sector, at sustained pace rather than in a single acute event.

C. The Historical Parallel — 2023 Regional Banking Crisis Dimension Trigger

2023 Regional Crisis Rapid rate increases compressed NIM;

2026 GENIUS Act Stress Statutory short-end buying + deposit

Dimension

2023 Regional Crisis

2026 GENIUS Act Stress unrealized HTM losses displacement

Speed

Acute (weeks)

Chronic (months–years)

Scale

~$200B in assets affected

$6.6T at-risk deposit base

Resolution mechanism

Fed BTFP (Bank Term Funding Program)

No statutory backstop designed for this specific mechanism

Reversibility

Resolved by rate normalization

Permanent architectural shift

The GENIUS Act’s mechanism is structurally more durable than the 2023 rate shock because it does not require rate normalization to resolve — the deposit displacement persists even if rates fall, because stablecoin adoption is a behavioral shift, not a rate-differential arbitrage.

VII. The 2008 Structural Comparison Catherine Austin Fitts has provided the most analytically precise framework for distinguishing the current architecture from prior systemic risk events. The comparison is structural, not rhetorical. Dimension

Risk location

Hidden counterparty risk embedded in CDO tranches; exposure unmappable

Statutory extraction; mechanism is in the public text of Section 4(a)(11)

Mechanism type

Market accident; hidden risk materialized

Policy design; the statute is the mechanism

Transparency

CDO complexity was a deliberate opacity feature

Section 4(a)(11) is 22 words; any analyst can read it

Personnel analog

Hank Paulson: Goldman CEO → Treasury; bailed out Goldman via AIG with an ethics waiver

Howard Lutnick: Cantor CEO → Commerce Secretary; Cantor custodies $141B; Tether loaned money to Lutnick’s children to acquire Cantor (Bloomberg, March 18, 2026)

Extraction model

Required hiding the position (Goldman’s Abacus bet)

Requires no hiding — the attestation documents the profit

Crisis requirement

Required a crash to force accountability (TARP, DoddFrank)

No crash required; the machine extracts continuously; no equilibrium-restoring event is built into the architecture

Resolution path

Dodd-Frank, however inadequate

No analogous reform mechanism currently operative

The key distinction, per Fitts: “The mechanism effectively privatizes the yield from a public-demand function. That’s a policy choice embedded in the statute, not a market accident.”

In 2008, the risk was deliberately obscured because it required obscuring. In 2026, the extraction is documented in the law, in the attested financial statements, and in the TBAC report. The transparency is not a constraint on the mechanism — it is a feature of its political durability. An architecture that is both legal and publicly disclosed is substantially harder to challenge than one that requires concealment. What the 2008 analogy illuminates — and what it doesn’t: In 2008, the crash created the forcing event for reform. TARP, stress tests, and Dodd-Frank all arose from the acute crisis. The GENIUS Act architecture generates no analogous forcing event because it does not crash — the extraction is distributed, sustained, and legally authorized. The community banks do not fail in a single week. They shrink, quarter by quarter, as deposits migrate. The Federal Reserve does not confront a liquidity crisis — it confronts a policy space constraint. The mechanism is designed to extract without triggering the acute crisis that would generate political pressure for reversal.

VIII. What’s Not Modeled (Honest Limitations) This analysis rests on documented data and reasonable extrapolation. The following variables remain unquantified and could materially alter the scenarios in either direction: 1. Tether’s actual reserve composition beyond attestations BDO attestations confirm total reserve adequacy at a point in time. They do not provide daily granularity on counterparty risk, repo collateral quality, or the composition of the “other assets” line that appears in quarterly disclosures. If reserve quality deteriorates under stress, a run on USDT could produce T-bill liquidation at scale — inverting the stabilizer function catastrophically. 2. Exact stablecoin adoption rates in conflict zones The 700% Nobitex withdrawal surge (Elliptic) documents the initial shock. Sustained adoption rates in sanctioned or conflict-affected economies are estimated, not measured. Actual adoption could be 50–200% of modeled rates. 3. Federal Reserve response function under sustained stress If the community banking stress triggers a systemic event before the 12-month horizon, the Fed may

deploy a Bank Term Funding Program equivalent — potentially backstopping T-bill positions and altering the yield dynamics substantially. The political economy of a Fed rescue of entities displaced by a White House-championed law presents novel governance questions not modeled here. 4. Second-order effects on mortgage markets The Fannie Mae crypto-collateralized mortgage product (launched March 26, 2026, through Better Home & Finance and Coinbase) creates a new channel connecting crypto price volatility to residential mortgage credit quality. If cryptocurrency collateral values decline simultaneously with rising rates and deposit stress, mortgage delinquencies and mortgage credit availability could deteriorate in ways not captured by the deposit displacement model alone. 5. Political risk: Congressional action, regulatory reversal The GENIUS Act passed 68–30 in the Senate and 308–122 in the House — bipartisan supermajority support that would require a substantial political realignment to reverse. However, the ABA's 3,200-signatory letter represents an organized constituency capable of pressuring specific congressional districts. The probability of modification during a 12-month conflict window is low but non-zero, particularly if a regional bank failure is attributed publicly to deposit displacement. 6. Geopolitical resolution dynamics This analysis does not model the financial effects of a ceasefire. A negotiated end to the conflict would likely reduce stablecoin panic demand and stabilize yields, but merchant-level adoption in affected economies would persist, and the structural deposit displacement would not reverse. The 12-month scenario represents the upper boundary of the model, not a prediction.

IX. Conclusion The GENIUS Act's Section 4(a)(11) yield prohibition and Section 4(a)(3) reserve mandate do not function as passive infrastructure. Under prolonged geopolitical stress, they function as a statutory amplifier: every dollar of fear-driven stablecoin demand becomes a mandatory Treasury purchase, every basis point of yield-curve movement from the underlying conflict becomes additional issuer income, and every displaced community bank deposit represents reduced local credit availability. The first 33 days of the Iran conflict have produced $46.3 billion in stablecoin growth — equivalent to $46.3 billion in deposit displacement and approximately $573 million in incremental annual yield for Tether on existing holdings alone. At 6 months of sustained conflict under controlled escalation, the compounding mechanism — fear compounds, merchant adoption locks in, yuan-oil settlement demand redirects to dollar stablecoins, the Federal Reserve loses policy flexibility — produces a projected stablecoin market approaching $500 billion and community bank displacement approaching $200 billion. At 12 months with Hormuz functionally closed, the architecture becomes the de facto short-end Treasury buyer at a scale that constrains Federal Reserve monetary policy, and deposit displacement reaches a threshold — 4–7% of the $6.6 trillion at-risk base — where the structural fragility of the community banking sector becomes a systemic variable. The 2008 crisis required a crash to force the question. This architecture requires no crash. It extracts continuously, at statutory authority, with documented financial disclosures, in plain sight.

X. Sources All figures and claims in this document are sourced to primary or named institutional sources. URLs current as of April 2, 2026. Statutory and Legislative - GENIUS Act (S. 1582): Paul Hastings comprehensive guide - White House GENIUS Act Fact Sheet: whitehouse.gov - Latham & Watkins GENIUS Act analysis: lw.com - Perkins Coie stablecoin yield analysis: perkinscoie.com - Anti-CBDC Surveillance State Act: emmer.house.gov Treasury and Federal Reserve - U.S. Treasury TBAC Report Q1 2026: home.treasury.gov - U.S. Treasury daily yield curve data: home.treasury.gov - NY Fed Staff Report 1185 (stablecoins and deposit franchises): newyorkfed.org Tether Financial Data - BDO Tether attestations and financial disclosures: tether.io - Tether T-bill holdings ($122B): tether.io Q4 2025 BDO attestation War-Period Market Data - Elliptic — Iran crypto withdrawal surge (+700%): elliptic.co - Forbes — Iran crypto outflows ($10.3M/72 hours): forbes.com - Trading Economics — U.S. Treasury yields: tradingeconomics.com - Goldman Sachs recession probability (30%): goldmansachs.com - Kobeissi Letter — S&P 500 market cap loss ($2T): kobeissiletter.com Community Banking - ABA joint letter (3,200+ signatories): aba.com - Forbes — Community banks and stablecoins ($6.6T at risk): forbes.com - Phelps Dunbar — GENIUS Act community bank analysis: phelps.com China and Global Settlement - BIS mBridge documentation: bis.org - BIS Annual Economic Report 2025 (tokenized settlement): bis.org - Hormuz drone analysis: Drop Site News Custody and Personnel - Bloomberg — Tether loan to Lutnick children: bloomberg.com - CNBC — Bo Hines appointed Tether U.S. CEO: cnbc.com - Reuters — Bo Hines White House departure: reuters.com Mortgage and Housing - Fannie Mae crypto mortgage launch: AInvest - MEXC — Fannie Mae crypto mortgage details: mexc.com

Analytical Framework - Robert Pape (University of Chicago) — “controlled escalation” assessment: New York Times - Mohamed El-Erian — “maximum risk off”: Allianz/Bloomberg - Catherine Austin Fitts — yield mechanism, deposit displacement, 2008 structural distinction: cited in Miles Franklin Media interview, April 2, 2026

APPENDIX C: Regulatory Actions Ledger

APPENDIX C: Regulatory Actions Ledger

APPENDIX C: Regulatory Actions Ledger REGULATORY ACTIONS LEDGER: CRYPTO/DIGITAL ASSET POLICY Trump White House & Congress — January 2025 to April 2026 Current Date of Compilation: April 1, 2026 Scope: Executive orders, legislation, regulatory guidance, and enforcement shifts benefiting the stablecoin/crypto/tokenization architecture and key industry players.

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Executive Orders Legislation Regulatory Agency Actions Enforcement Shifts Housing Finance Crypto Integration Key Personnel & Advisory Architecture Federal Reserve — Kevin Warsh Nomination Currency & Symbolism Player-by-Player Benefit Matrix

EXECUTIVE ORDERS EO-1: Strengthening American Leadership in Digital Financial Technology Date: January 23, 2025 EO Number: Executive Order 14178 Source: White House What it does: - Declares it official U.S. policy to "support the responsible growth and use of digital assets, blockchain technology, and related technologies across all sectors of the economy." - Revokes Biden's Executive Order 14067 ("Ensuring Responsible Development of Digital Assets," March 2022) and the Treasury's "Framework for International Engagement on Digital Assets" (July 2022). - Promotes USD-backed stablecoins worldwide as a tool for maintaining dollar sovereignty. - Bans CBDC development: Explicitly prohibits all federal agencies from establishing, issuing, or promoting any Central Bank Digital Currency, within the U.S. or abroad. Terminates all ongoing CBDC initiatives. -

Protects self-custody rights, mining, and permissionless blockchain participation. - Mandates all agencies identify regulations affecting digital assets within 30 days; agencies submit rescission/modification recommendations within 60 days. - Establishes the President's Working Group on Digital Asset Markets within the National Economic Council, chaired by the Special Advisor for AI and Crypto (David Sacks). - Working Group charged with proposing a federal regulatory framework within 180 days, and evaluating creation of a national digital asset stockpile. - On the same day, SEC Acting Chair Mark Uyeda issued Staff Accounting Bulletin 122 (SAB 122), rescinding SAB 121, which had forced banks to treat custodied crypto as on-balance-sheet liabilities. Players benefiting: - Tether — Dollar-backed stablecoin promotion policy directly advances USDT's legitimacy and global use. - World Liberty Financial (WLFI/USD1) — Trump family stablecoin benefits from stablecoin promotion mandate. - Coinbase — Removal of "regulation by enforcement" posture, protection of permissionless networks. - BlackRock — SAB 122 rescission removes barrier to bank crypto custody; benefits IBIT ETF infrastructure. - JPMorgan, Citibank — SAB 122 unlocks ability to custody crypto assets without balance-sheet penalties. - David Sacks — Appointed chair of the Working Group per this order.

EO-2: Removing Barriers to American Leadership in Artificial Intelligence Date: January 23, 2025 EO Number: Executive Order 14179 Source: White House What it does: - Revokes Biden's October 2023 AI Executive Order (EO 14110), which emphasized AI safety, civil rights, equity requirements, and mandatory risk reporting. - Mandates agencies review and rescind actions taken under Biden's AI EO that are inconsistent with the new deregulatory policy. Directs creation of an "AI Action Plan" within 180 days, led by the APST, the Special Advisor for AI and Crypto (Sacks), and the APNSA. - Removes environmental and DEI regulatory constraints from AI/data center development. - Revokes OMB Memoranda M-24-10 and M-24-18 to align them with deregulatory posture. Players benefiting: - Palantir — AI defense contracts expand under deregulatory AI posture; Peter Thiel's firm is the largest government AI vendor under the Trump administration. As of mid-2025, Palantir had secured at least $300M+ in new/expanded government contracts, including agreements with the FAA, CDC, Fannie Mae, ICE, and the IRS. - David Sacks — Named as co-author; expands his policy mandate. - Peter Thiel — Palantir directly benefits; Thiel was a key ideological architect through prior Trump relationships and Founders Fund crypto investments.

EO-3: Establishment of the Strategic Bitcoin Reserve and United States Digital Asset Stockpile Date: March 6, 2025 Source: White House What it does: - Creates a Strategic Bitcoin Reserve: The U.S. government will hold Bitcoin seized through criminal/civil forfeiture proceedings as a permanent reserve asset (~200,000 BTC initially, estimated ~$17B at March 2025 prices; ~328,000 BTC as of Feb 2026). - Explicitly prohibits sale of Bitcoin from the reserve ("shall not be sold"). - Directs Treasury and Commerce Secretaries to develop budget-neutral acquisition strategies for additional BTC. - Creates a separate U.S. Digital Asset Stockpile for non-Bitcoin assets (ETH, SOL, XRP, ADA, etc.) from forfeitures; these may be managed or sold at Treasury's discretion. - Orders all agencies to provide a full accounting of digital asset holdings within 30 days. - Directs Treasury to deliver an evaluation of legal/investment considerations for the Reserve within 60 days. - David Sacks described it as "like a digital Fort Knox" for cryptocurrency.

Context: Trump had announced on March 3, 2025 that the reserve would include XRP, SOL, ETH, and ADA in addition to BTC, causing market surges; the final EO designated non-BTC assets as "Stockpile Assets" subject to sale, not permanent reserve. Players benefiting: - American Bitcoin Corp — Trump sons (Eric and Donald Jr., ~20% ownership) mine Bitcoin; a Strategic Bitcoin Reserve legitimizes BTC as a national asset and supports price appreciation. - BlackRock — IBIT (iShares Bitcoin Trust) benefits enormously from legitimization of BTC as a strategic reserve asset. BlackRock contributed $109.3M on a single day (March 9, 2025) in ETF inflows following the EO. - Coinbase — Serves as custodian for BlackRock's IBIT; benefits from national legitimization of BTC. - World Liberty Financial — Trump family crypto portfolio benefits from BTC price appreciation. - Cantor Fitzgerald/Twenty One Capital — Tether and Cantor launched a

42,000+ BTC Bitcoin accumulation vehicle (Twenty One Capital) in April 2025, directly capitalizing on the Strategic Reserve narrative.

EO-4: PCAST Executive Order (Establishing the President's Council of Advisors on Science and Technology) Date: ~March 25–26, 2026 Source: Axios, Fox Business What it does: - Trump signs an executive order reestablishing PCAST, which had been active under Bush and Obama administrations. - Names David Sacks and Michael Kratsios as Co-Chairs. - Council membership includes: Marc Andreessen, Sergey Brin, Michael Dell, Fred Ehrsam (Coinbase co-founder), Jensen Huang, Lisa Su, Mark Zuckerberg, Larry Ellison. - Focuses on AI, semiconductors, quantum computing, nuclear power. - Allows Sacks to continue advising the President on crypto/AI after his 130day SGE term expired. Players benefiting: - Coinbase — Fred Ehrsam (Coinbase co-founder) on PCAST gives the exchange direct access to presidential advisory architecture. - Palantir — Peter Thiel's network (Michael Kratsios was previously Thiel Capital's chief of staff); Palantir benefits from AI policy shaped by PCAST. - David Sacks — Maintains White House influence without SGE time limit constraints.

EO-5: AI Executive Order — National AI Regulatory Framework (Preempting State AI Laws) Date: November 2025 Source: Fox Business, Alston & Bird What it does: - Creates a single national regulatory framework for AI, preempting a patchwork of state AI regulations. - Largely authored by David Sacks; intended to prevent states like California from imposing stricter AI rules on tech companies. - Signed following release of the "Winning the AI Race" Action Plan (July 23, 2025), which outlined 90+ federal AI policy initiatives. - Includes EOs on: "Preventing Woke AI in the Federal Government," "Accelerating Federal Permitting of Data Center Infrastructure," and "Promoting the Export of the American AI Technology Stack." Players benefiting: - Palantir — AI defense/data analytics contracts expand under national framework with fewer state-level constraints. - Peter Thiel — Palantir directly benefits; Thiel Capital co-authored ideological underpinnings through Kratsios network. - David Sacks — Cementing legacy as AI/tech policy architect.

LEGISLATION GENIUS Act — Guiding and Establishing National Innovation for US Stablecoins Act Signed: July 18, 2025 Senate vote: 68–30 (June 17, 2025) House vote: 308–122 (July 17, 2025) Bill Number: S. 1582 Source: Latham & Watkins, White House Fact Sheet What it does — Key Provisions: 1. First-ever federal stablecoin law: Establishes a comprehensive federal-state supervision and enforcement regime for "payment stablecoin" issuers. 2. Licensing framework: Three permitted routes to become a "Permitted Payment Stablecoin Issuer" (PPSI): Subsidiaries of FDIC-insured depository institutions (regulated by their primary federal banking regulator). - Nonbanks, uninsured national banks, and federal branches of foreign banks approved by the OCC. - Nonbanks with <$10B outstanding stablecoin may opt for state-level regulation (if state regime is "substantially similar" to federal). 3. 100% reserve backing required: Reserves must

consist of: U.S. dollars, federal reserve notes, short-term Treasuries, Treasury-backed reverse repos, and money market funds. No crypto-backed reserves. 4. Not a security or commodity: Expressly excludes payment stablecoins from SEC and CFTC jurisdiction, placing them under banking regulators. 5. Monthly public reserve reporting; issuers with >$50B must publish annual audited financial statements. 6. Prohibition on rehypothecation of reserves (with limited liquidity exception). 7. No interest/yield to stablecoin holders (directly outlaws competitor models). 8. Foreign issuers: May issue to U.S. customers only if their jurisdiction is deemed "comparable" by Treasury, they register with OCC, and hold reserves in U.S. financial institutions. 9. Non-financial public companies (e.g., Big Tech) may not issue stablecoins without unanimous approval from the Stablecoin Certification Review Committee (Treasury, Fed Chair, FDIC Chair). 10. BSA compliance: Stablecoin issuers classified as "financial institutions" for AML/KYC purposes. 11. Ban on elected officials issuing stablecoins during service (does not explicitly prohibit existing ownership stakes or affiliated entities). 12. Insolvency priority: Stablecoin holders have priority over all other creditors in insolvency. 13. SAB 121 codification: Banks may not be required to list custodied stablecoins as balance-sheet liabilities. 14. Effective date: November 2026 (~16 months after enactment); full compliance required for custodians within 3 years. 15. State preemption: For federal-chartered issuers, state charter/licensure requirements are preempted, but state consumer protection laws remain. Players benefiting: - Tether (USDT) — Foreign issuers can continue serving U.S. customers if they register with OCC and hold reserves in U.S. institutions (Cantor Fitzgerald already holds Tether's Tbills). The GENIUS Act effectively creates a legal pathway for Tether's eventual U.S. legitimization, provided it meets comparability and registration criteria. - World Liberty Financial (USD1) — Trump family's USD1 stablecoin directly benefits from the regulatory framework. WLFI had already raised $550M+ in presale funding; USD1 became the 5th largest stablecoin by October 2025 with ~$2.7B market cap. WLFI's January 2026 application for a national banking license (through World Liberty Trust) would leverage the GENIUS Act's OCC pathway. - Cantor Fitzgerald / Howard Lutnick / Brandon Lutnick — As custodian of Tether's T-bill reserves, Cantor is the primary infrastructure beneficiary of Tether's continued growth under the GENIUS Act's reserve requirements. 99% of Tether's U.S. Treasuries are held at Cantor per Tether CEO Paolo Ardoino (May 2025). - Coinbase — Positioned as a U.S.-regulated exchange and future PPSI through its institutional infrastructure. Coinbase One members received 1% rebates on Fannie-backed crypto mortgages, benefiting from GENIUS Act's stablecoin legitimization. - JPMorgan — Bank subsidiaries can now issue payment stablecoins. JPMorgan launched JPMD (JPM Coin) on Base (Ethereum Layer 2) in November 2025, the first bank deposit token on a public blockchain. - Citibank — Major bank; cleared path to issue or partner with stablecoin issuers through the GENIUS Act bank-subsidiary pathway. - BlackRock — As custodianadjacent infrastructure player and the largest Bitcoin ETF provider; stablecoin legitimization supports tokenized treasury products and BlackRock's tokenization strategy.

CLARITY Act — Digital Asset Market Clarity Act of 2025 Bill Number: H.R. 3633 Introduced: May 29, 2025, by Rep. J. French Hill (R-AR) House vote: 294–134 (July 17, 2025) Current Status (April 1, 2026): Passed the House; pending in the Senate. Senate Banking Committee markup postponed in January 2026 after 100+ amendments were filed; two Senate committees (Banking and Agriculture) are advancing parallel but separate drafts. Source: Latham & Watkins CLARITY Tracker, FinTech Weekly What it does (if enacted): 1. Classifies digital assets into three categories: Securities (SEC), digital commodities (CFTC), stablecoins (shared oversight). 2. CFTC gets exclusive jurisdiction over spot markets for digital commodities (massive expansion of CFTC authority). 3. CFTC registration regime for digital commodity exchanges, brokers, and dealers. 4. Defines “digital commodity”: Digital asset intrinsically linked to a blockchain whose value is derived from the use of that blockchain. Sufficiently decentralized (“mature blockchain”) tokens fall under CFTC, not SEC. 5. Investment contract assets are not securities; secondary market trading of digital commodities is exempt from securities laws. 6. Capital-raising pathway: New exemption from securities registration for token offerings up to $75M by qualifying U.S. issuers. 7. Safe harbors for DeFi developers and validators. 8. State law preemption: Digital commodities treated as “covered securities” for state law purposes. 9. CBDC ban provisions included. 10. Provisional registration: Firms may continue existing operations during rule implementation. Current Senate timeline: - David Sacks announced Senate markup January 2026, but was postponed. Senate Banking Committee released 278-page draft bill (January 12, 2026); Senate Agriculture Committee advanced its own draft (January 29, 2026). - Both drafts must be reconciled before full Senate vote. - Treasury Secretary Bessent described passage as a “spring 2026 target.” - Coinbase CEO Brian Armstrong publicly opposed the January 2026 draft Senate version over stablecoin yield provisions. Players benefiting: - Coinbase — Regulatory clarity eliminates “regulation by enforcement” risk; Coinbase would register with CFTC as a digital commodity exchange/broker, operating with full legal clarity. JPMorgan analysts described CLARITY Act passage as “a positive catalyst for digital assets.” BlackRock — Tokenized securities framework directly advances BlackRock’s tokenization strategy; CFTC-regulated spot markets favor institutional players. - JPMorgan, Citibank — Major TradFi players already exploring tokenized securities; CLARITY Act provides the legal framework for their digital asset market operations. - Palantir — AI/data analytics applied to compliant digital asset trading under CLARITY framework. - Tether/Cantor — Stablecoin treated as a separate category (not commodity); continued delineation from SEC enforcement.

Anti-CBDC Surveillance State Act Date Passed (House): July 17, 2025 Vote: 219–210 Current Status: Expected to be appended to the FY2026 National Defense Authorization Act (NDAA); Senate pending. Source: Congressman Tom Emmer What it does: - Codifies Trump’s EO ban on CBDCs into statute. - Prohibits the Federal Reserve from issuing a CBDC directly to individuals, or indirectly through intermediaries. - Prevents the Fed from using any CBDC to implement

monetary policy. - Requires congressional authorization for any government digital dollar. - Only major country in the world that would prohibit any research into CBDCs.

Players benefiting: - Tether, World Liberty Financial, all private stablecoin issuers — Eliminates the primary government-issued competitor to private dollar-backed stablecoins. A U.S. CBDC would have competed directly with USDT and USD1. - Coinbase, BlackRock — Private digital asset ecosystem benefits from the permanent exclusion of a government-controlled alternative.

REGULATORY AGENCY ACTIONS OCC Interpretive Letter 1183 — Banks May Engage in Crypto Without Prior Approval Date: March 7, 2025 Issuer: Office of the Comptroller of the Currency Source: OCC.gov, Latham & Watkins What it does: - Rescinds Biden-era Interpretive Letter 1179, which required OCC-supervised banks to obtain supervisory non-objection before engaging in crypto activities. - Reaffirms that national banks and federal savings associations may engage in: crypto-asset custody, stablecoin reserve holding, and participation in independent node verification networks (distributed ledgers). - Banks no longer need to demonstrate adequate controls before starting crypto activities; standard supervisory oversight applies. OCC withdraws from joint agency statements on crypto risks (2023). Players benefiting: - JPMorgan — Cleared to accelerate JPMD (deposit token) deployment and blockchain-based payment systems. - Citibank — Major bank cleared for crypto-asset custody and stablecoin reserve holding. - BlackRock — Partner banks (custodians) can engage in IBIT custodial functions without pre-approval. - Tether — U.S. bank custody of USDT reserves (held at Cantor) now fully unencumbered. - Coinbase — Coinbase Prime institutional custody business benefits from bank partners having full legal authority.

OCC Interpretive Letter 1184 — Banks May Outsource Crypto Custody Date: May 7, 2025 Issuer: Office of the Comptroller of the Currency Source: Greenberg Traurig What it does: - Clarifies that banks may buy and sell assets held in custody at the customer’s direction. Banks may outsource bank-permissible crypto-asset activities — including custody and execution services — to third parties. - Related services explicitly permitted: facilitating crypto/fiat exchange transactions, transaction settlement, trade execution, recordkeeping, valuation, tax services, and reporting. - Banks may provide crypto custody in both fiduciary and non-fiduciary capacities. Players benefiting: - Coinbase — Coinbase Prime is a primary third-party custodian banks can now freely use. Direct revenue opportunity from banks outsourcing crypto custody. - JPMorgan, Citibank — Outsourcing pathway allows these banks to offer crypto services without building full in-house custody infrastructure.

OCC Interpretive Letter 1188 — Banks May Execute Riskless Principal Crypto Transactions Date: December 9, 2025 Issuer: Office of the Comptroller of the Currency Source: OCC.gov, Elliptic What it does: - Confirms national banks may engage in riskless principal crypto-asset

transactions. - A riskless principal transaction: bank buys crypto from Customer A simultaneously with selling to Customer B; acts as a pass-through intermediary without holding inventory. - Banks may execute these transactions regardless of whether the specific crypto asset is classified as a security or commodity. Effectively allows banks to act as crypto brokers for any asset class without the legal risk of holding inventory. Players benefiting: - JPMorgan, Citibank — Can now function as crypto market intermediaries for institutional clients. - Coinbase — Partner banks can route orders through Coinbase Prime under this framework. - BlackRock — Authorized participant banks for IBIT benefit from expanded crypto transaction authority.

OCC — Conditional National Trust Bank Charters for Digital Asset Firms Date: December 12, 2025 Issuer: Office of the Comptroller of the Currency Source: Elliptic What it does: - OCC conditionally approved national trust bank charter applications for five digital asset firms: 1. BitGO Bank & Trust 2. Fidelity Digital Assets 3. Paxos Trust Company 4. First National Digital Bank (part of Circle Internet Group) 5. Ripple National Trust Bank - These are the only firms granted conditional national trust bank status since Anchorage Digital received approval in January 2021. - Allows these firms to operate as federally regulated custodians, dramatically expanding their ability to serve institutional clients. Players benefiting: - Coinbase (indirect) — Competitor trust banks operating under OCC supervision raises the bar for all custodians; Coinbase's institutional Prime business benefits from clear market standards. - BlackRock — Fidelity Digital Assets (now a federal trust bank) is a competitor custodian; drives Coinbase to maintain competitive standards for IBIT custody.

FDIC Financial Institution Letter FIL-7-2025 — Banks May Engage in Crypto Without Prior FDIC Approval Date: March 28, 2025 Issuer: Federal Deposit Insurance Corporation Source: FDIC.gov What it does: - Rescinds FIL-16-2022, which required FDIC-supervised institutions to notify the FDIC and receive non-objection before engaging in crypto activities. - FDIC-supervised banks may now engage in permissible crypto activities — including custody, stablecoin reserves, issuing digital assets, participating in blockchain payment systems, market-making, lending — without prior FDIC approval. FDIC commits to further guidance and engagement with the President's Working Group on Digital Asset Markets. Players benefiting: - JPMorgan, Citibank — Both FDIC-supervised entities may now move aggressively into crypto without regulatory delays. - Tether — U.S. bank custody of USDT reserves is now fully unencumbered by pre-approval requirements. - World Liberty Financial/USD1 — USD1 reserves held at U.S. banks benefit from deregulated custody environment.

Federal Reserve Withdrawal of Crypto Guidance (SR 22-6, SR 23-8) Date: April 24, 2025 Issuer: Federal Reserve Board Source: Federal Reserve, Greenberg Traurig What it does: - Rescinds two Biden-era supervisory letters: - SR 22-6/CA 22-6 (August 2022): Required state member banks

to provide advance notification of planned crypto activities. - SR 23-8/CA 23-5 (August 2023): Imposed a non-objection process for state member banks issuing/holding/transacting in “dollar tokens” (stablecoins). - Joins OCC and FDIC in withdrawing from two 2023 interagency statements on crypto-asset risks and liquidity risks from crypto entities. - Fed will monitor crypto activities through the normal supervisory process — no advance notification required. - All three banking regulators (OCC, FDIC, Fed) are now fully aligned in allowing crypto activities without prior approval. Players benefiting: - JPMorgan — State member bank operations freed from advance-notification requirements; JPM Coin/JPMD deployment accelerated. - Citibank — Same deregulatory benefit. World Liberty Financial/Tether — Banks holding stablecoin reserves no longer subject to special Fed oversight process. - BlackRock — Partner banks may expand crypto custody and settlement services without Fed prior approval.

SEC — Rescission of SAB 121 / Issuance of SAB 122 Date: January 23, 2025 Issuer: Securities and Exchange Commission (Acting Chair Mark Uyeda) Source: Morgan Lewis What it does: - Staff Accounting Bulletin 122 (SAB 122) rescinds SAB 121, which had required reporting entities that safeguard customers’ digital assets to record those assets as both a liability (owed to customers) and a corresponding asset on their balance sheets. - SAB 121 had effectively blocked most banks from offering crypto custody because it imposed capital charges that made custody economically unviable. - SAB 122 removes this accounting treatment; banks may now custody crypto for clients without balance-sheet impact. - The GENIUS Act later codified this in statute (Section 16(c)(1)). Players benefiting: - JPMorgan, Citibank — Immediate ability to offer institutional crypto custody services. - BlackRock — IBIT’s authorized participants (big banks) can now participate in custody infrastructure without balance-sheet penalties. - Coinbase — Coinbase Prime custody business gains bank partners who previously were blocked. - Tether/Cantor — Banking infrastructure for stablecoin reserves simplified.

SEC — Dismissal of Enforcement Actions Against Coinbase, Binance, Robinhood Date: February 21–27, 2025 (Coinbase/Robinhood); ongoing (Binance 60-day stay) Issuer: SEC Commission Source: SEC.gov, Politico What it does: - Coinbase (February 27, 2025): SEC and Coinbase filed a joint stipulation to dismiss with prejudice the two-year enforcement action accusing Coinbase of operating an unregistered securities exchange and offering unregistered securities. No fines, no admissions, no business changes required.

SEC Chief Legal Officer described it as “a total capitulation” by the SEC. - Robinhood (February 24, 2025): SEC closed its investigation into Robinhood Crypto, issuing a Wells Notice closure. No enforcement action. - Binance (February 10, 2025): SEC, Binance entities, and founder Changpeng Zhao filed a joint motion for a 60-day stay citing the new crypto task force, with resolution expected. Players benefiting: - Coinbase — Existential legal threat eliminated. Stock surged. Cleared to expand U.S. operations without SEC overhang. Brian Armstrong called it

“huge vindication.” - Coinbase (further): Coinbase’s custody role for BlackRock’s IBIT secured; $10B+ institutional custody business protected.

SEC — Paul Atkins Confirmed as SEC Chairman (Pro-Crypto) Date: April 10, 2025 Source: CNBC What it does: - Paul Atkins — former SEC commissioner (2002-2008), CEO of Patomak Global Partners, former Securitize board member, Anchorage Digital equity holder, Off the Chain Capital LP — confirmed by Senate as SEC Chairman. - At confirmation, Atkins held up to $6M in crypto-related assets (not Bitcoin): Securitize equity (up to $500K), Anchorage Digital equity (up to $500K), Off the Chain Capital (up to $5M). - Launched “Project Crypto”: Commission-wide initiative to replace enforcement with a clear regulatory framework. - Directed SEC staff to issue token taxonomy (digital commodities, network tokens, digital collectibles, digital tools are NOT securities). - Issued five Division of Corporation Finance statements in 2025 clarifying that meme coins, proof-of-work mining, compliant stablecoins, proof-of-stake staking, and liquid staking activities are NOT securities offerings. - Directed development of “Regulation Crypto” — a comprehensive framework for crypto distributions, offerings, and trading. - On July 29, 2025, SEC approved in-kind creations/redemptions for crypto ETPs (benefiting IBIT). Players benefiting: - Coinbase — All remaining enforcement uncertainty cleared; Coinbase’s business model explicitly validated. - BlackRock — In-kind IBIT creations/redemptions approved July 29, 2025, allowing Bitcoin holders to convert BTC directly into ETF shares. By October 2025, BlackRock had converted $3B+ in Bitcoin into IBIT shares through in-kind mechanism. IBIT accumulated $50B+ in assets. - Tether/Cantor — Stablecoin compliance statement (April 4, 2025) explicitly clarified stablecoins redeemable 1:1 for USD backed by low-risk liquid assets are NOT securities — directly applies to USDT. - World Liberty Financial — USD1 stablecoin benefits from same statement.

FDIC Proposed Rule — GENIUS Act Implementation for FDIC-Supervised Banks Date: December 16, 2025 Issuer: FDIC Source: Elliptic What it does: - FDIC issues a Notice of Proposed Rulemaking (NPRM) to implement the GENIUS Act for FDIC-supervised insured depository institutions. - Allows FDIC-insured banks to issue stablecoins through a subsidiary entity upon FDIC approval. - Sets out application procedures, approval criteria, timeliness requirements, and appeals process. - Applications must detail: stablecoin arrangement, stability maintenance methodology, technical features, AML/CFT compliance plan. - FDIC must approve or deny applications within 120 days. Players benefiting: - JPMorgan, Citibank — Both can now formally apply to launch FDIC-compliant stablecoin subsidiary operations. - Tether — Banking partners of USDT now have clear path to formal stablecoin issuance.

SEC-CFTC Joint Staff Statement — Cross-Agency Crypto Trading Initiative Date: September 2, 2025 Source: Sidley Austin What it does: - SEC Division of Trading and Markets and CFTC Divisions of Market Oversight and Clearing & Risk issue a joint statement announcing

coordinated efforts for crypto trading. - Clarifies that current law does not prohibit SEC- or CFTC-registered exchanges from facilitating trading of certain spot crypto-asset products. - Begins reviewing filings from SEC-registered exchanges and CFTC-registered contract markets seeking to facilitate spot crypto trading. - Direct precursor to CLARITY Act implementation. Players benefiting: - Coinbase — As the largest U.S. crypto exchange, Coinbase benefits most from harmonized SEC/CFTC jurisdiction. - BlackRock, JPMorgan — Institutional trading infrastructure benefits from clear joint oversight.

SEC Approval — In-Kind Creations/Redemptions for Crypto ETPs (IBIT) Date: July 29, 2025 Source: Financial Content What it does: - SEC votes to approve orders permitting in-kind creations and redemptions for authorized participants in crypto asset exchange-traded product (ETP) shares. - Bitcoin holders may transfer BTC directly to BlackRock's brokerage account in exchange for IBIT shares (without converting to cash first). - Eliminates tax event triggered by cash-only creation/redemption; dramatically improves tax efficiency and operational costs. - Custodians (Coinbase) required to process Bitcoin withdrawals to a public blockchain address within 12 hours. - SEC also approved generic listing standards for ETPs holding spot commodities, including crypto (September 17, 2025). Players benefiting: - BlackRock — IBIT immediately becomes more attractive to institutional investors; BlackRock converted $3B+ in Bitcoin into IBIT shares via in-kind mechanism within months. Coinbase — As IBIT's custodian, Coinbase Prime processes all in-kind transactions; direct revenue and institutional relationship benefit. - American Bitcoin Corp — BTC mining company (Trump sons) benefits from increased institutional demand for Bitcoin through ETF channels.

ENFORCEMENT SHIFTS DOJ — Disbanding of National Cryptocurrency Enforcement Team (NCET) Date: April 7–8, 2025 Issuer: Deputy Attorney General Todd Blanche (memorandum) Source: CNBC, Gizmodo What it does: - Deputy AG Todd Blanche's memo titled "Ending Regulation by Prosecution" abruptly disbands the National Cryptocurrency Enforcement Team (NCET), the DOJ's dedicated crypto enforcement unit. - Criticizes Biden DOJ's approach as "a reckless strategy of regulation by prosecution, which was ill conceived and poorly executed." - DOJ will no longer pursue charges related to financial law infractions (unlicensed money transfers, unregistered securities offerings) unless prosecutors can demonstrate the accused were aware of regulations and intentionally violated them. - DOJ explicitly states it will not take action against cryptocurrency mixing, tumbling, or wallets "concerning the actions of their users or unintentional regulatory violations." - Ongoing investigations not aligned with new priorities (terrorism, drug trafficking, human trafficking, hacking) are to be closed. - Fraud/Integrity team halts all cryptocurrency enforcement activities. - Local U.S. attorney's offices assume primary responsibility for digital asset cases. - Note: Blanche himself held over $150,000 in personal crypto investments at the time of issuing the memo, before divesting. Players benefiting: - Tether — The most direct beneficiary. Tether faced a reported DOJ/SDNY probe into potential

money laundering violations (reported pre-2025). With the NCET disbanded and investigations not aligned with terrorism/fraud priorities ordered closed, the Tether probe effectively ended. (There is no documented formal public announcement of the Tether probe closure, but the closure of the NCET and the DOJ's new priorities effectively ended the investigation environment that targeted Tether.) By February 2026, Tether is being praised by DOJ and Homeland Security for assisting in seizures. - Cantor Fitzgerald — Custodian of Tether's T-bills; regulatory cloud over Tether's banking relationships cleared. - Howard Lutnick/Brandon Lutnick — Cantor's business with Tether now operates without DOJ investigation risk. - World Liberty Financial — Stablecoin operations shielded from "regulation by prosecution" approach. - Coinbase — SEC enforcement dropped; DOJ crypto enforcement simultaneously dismantled.

DOJ — Closing of 23,000+ Criminal Cases (Broader Enforcement Retreat) Date: February–August 2025 Source: MEXC/ProPublica What it does: - AG Pam Bondi's DOJ closed more than 23,000 criminal cases in the first six months, including investigations into crypto companies suspected of cheating investors, white-collar crime, and financial fraud. - February 2025 alone: nearly 11,000 case declinations — the highest monthly total since at least 2004. Players benefiting: - Broadly benefits any crypto entity that was under preliminary DOJ investigation.

DOJ → Tether Cooperation: From Target to Partner Date: February 24–25, 2026 Source: Tether.io, DOJ EDNC What it does: - DOJ's Eastern District of NC and Homeland Security Investigations (HSI) publicly praised Tether for assisting in the seizure of $61M in USDT linked to "pig butchering" fraud. - Tether has frozen $4.2B in USDT linked to illegal activity since inception; cooperates proactively with law enforcement globally. - In June 2025, Tether assisted DOJ/OKX in enabling a civil forfeiture complaint to seize $225M in USDT tied to "pig butchering" scams (largest crypto seizure in U.S. Secret Service history). - Tether has transformed from a DOJ investigation target to a named DOJ law enforcement partner within approximately 14 months of Trump taking office. Players benefiting: - Tether — Reputational rehabilitation from "outlaw" to DOJ partner; crucial for GENIUS Act compliance and potential U.S. market expansion. - Cantor Fitzgerald/Howard Lutnick — Tether's legitimization directly strengthens Cantor's position as Tether's primary U.S. financial counterpart.

HOUSING FINANCE CRYPTO INTEGRATION FHFA Directive — Fannie Mae and Freddie Mac to Accept Crypto as Mortgage Reserves Date: June 25, 2025 Issuer: Federal Housing Finance Agency Director William J. ("Bill") Pulte Source: YouTube/Ducat Protocol, AInvest What it does: - FHFA Director Pulte directed Fannie Mae and Freddie Mac to prepare proposals for treating cryptocurrency held on regulated U.S. exchanges as eligible reserve assets in single-family mortgage risk assessments. - Does not require conversion of crypto to U.S. dollars first — a direct reversal of Fannie Mae's longstanding guideline B3-4.1-04 (which had blocked digital assets from underwriting since 2022). - Required both GSEs to submit proposals to their boards

and then to FHFA for final review. - Applied a 50–60% volatility haircut to crypto reserves (e.g., $100K BTC counts as $40K– $50K toward reserve requirements). - Assets must be held on U.S.-regulated centralized exchanges; selfcustodied cold wallets excluded. Qualifying exchanges: Coinbase, Kraken, Gemini. - FHFA formalized requirements in a follow-up directive on July 3, 2025, requiring exchange API integrations for lender verification. Players benefiting: - Coinbase — Named first qualifying exchange; first lender-exchange pair (with Better Home & Finance) to launch Fannie-backed crypto mortgage product. Coinbase One members receive 1% rebates on mortgage values up to $10K. - Tether/USDC — USDC (Coinbase's stablecoin) is one of the two eligible collateral assets in the initial product (alongside BTC). - World Liberty Financial — USD1 stablecoin potentially eligible collateral as framework expands.

Fannie Mae — First Crypto-Backed Mortgage Product Live Date: March 26, 2026 Partners: Better Home & Finance + Coinbase Source: MEXC, AInvest, Ducat Protocol What it does: - First Fannie Mae-conforming crypto-backed mortgage product goes live, operationalizing the June 25, 2025 FHFA directive. - Dual-loan structure: Borrower takes a standard conforming firstlien mortgage with Better Home & Finance, alongside a second loan secured by Bitcoin or USDC that funds the down payment on the first. - Both loans held by Better Home & Finance; crypto assets custodied in Better's Coinbase Prime account for the life of the loan. - Locked crypto cannot be traded; assets returned to borrower once loan repaid. - 50–60% volatility haircut applied to pledged crypto. - No margin calls — if crypto value falls, loan terms do not change (only at risk if borrower misses payments for 60+ days). - Interest rates: 0.5–1.5 percentage points above standard 30-year fixed rates. - Product initially limited to Coinbase account holders. - Coinbase One members receive a 1% rebate (up to $10,000) on the mortgage value. - Future expansion: Better CEO Vishal Garg stated plans to expand eligible collateral to include stocks, ETFs, and mutual funds — "any tokenized asset." Significance: Fannie Mae and Freddie Mac together guarantee more than 50% of all U.S. mortgages. By accepting Bitcoin as indirect collateral within a conforming loan framework, the $12 trillion U.S. residential mortgage market has formally recognized digital assets as legitimate financial collateral. Players benefiting: - Coinbase — Exclusive launch partner; Coinbase Prime provides custody infrastructure; Coinbase One members receive direct rebates. Positions Coinbase as the bridge between crypto and the mortgage industry. - American Bitcoin Corp (Trump sons) — Bitcoin's institutional legitimacy as collateral increases, benefiting BTC miners and holders. - BlackRock — Indirect: BTC's legitimacy as mortgage collateral reinforces case for IBIT as a long-term investment vehicle. - World

Liberty Financial — USD1 stablecoin (USD-pegged) is a natural next step for mortgage reserve eligibility; USDC already eligible.

KEY PERSONNEL & ADVISORY ARCHITECTURE David Sacks — AI/Crypto Czar to PCAST Co-Chair Appointed: January 20, 2025 (Special Government Employee role as AI/Crypto Czar) Transition:

March 25–26, 2026 (named Co-Chair of PCAST after exhausting 130 SGE days) Source: CNBC, Axios Role as AI/Crypto Czar (January 2025 – March 2026): - Chaired the President's Working Group on Digital Asset Markets. - Key architect of the Strategic Bitcoin Reserve (described it as "digital Fort Knox"). - Primary driver of the GENIUS Act (stablecoin legislation). - Key author of the November 2025 national AI regulatory framework EO (preempting state AI laws). - Co-authored "Winning the AI Race" AI Action Plan (July 2025). - Liquidated over $200M in personal digital asset investments before taking office (disclosed in March 2025 White House memo). - Member of "PayPal Mafia" (with Peter Thiel, Elon Musk); founder of Craft Ventures. PCAST Co-Chair Role (March 25, 2026+): - Co-chairs alongside OSTP Director Michael Kratsios (formerly Thiel Capital's chief of staff). - PCAST membership: Marc Andreessen, Sergey Brin, Michael Dell, Fred Ehrsam (Coinbase co-founder), Jensen Huang (Nvidia), Lisa Su (AMD), Mark Zuckerberg (Meta), Larry Ellison (Oracle). - Focus areas: AI, advanced semiconductors, quantum computing, nuclear power. - White House confirmed Sacks will retain informal AI/crypto advisory role even without SGE designation; no replacement AI Czar appointed. Players benefiting: - Coinbase — Fred Ehrsam (co-founder) on PCAST with Sacks; direct channel from Coinbase to White House policy. - Peter Thiel/Palantir — Kratsios (Thiel's former chief of staff) as cochair; Thiel network embedded in national technology advisory structure. - All crypto players — Sacks's continued advisory role ensures crypto-friendly posture continues even after formal role expires.

Bo Hines — Executive Director, President's Council of Advisors for Digital Assets Appointed: December 2024 Departed: August 2025 (returned to private sector) Succeeded by: Patrick Witt (Deputy Director; became Executive Director) Source: CoinDesk Consensus, Yahoo Finance Role: - Yale Law graduate; executive director of the White House Council of Advisors for Digital Assets. - Led efforts to coordinate national policy on digital asset innovation, regulation, and emerging financial technologies. - Co-led the crypto task force that released the Trump administration's regulatory action plan in July 2025, including recommendations to the SEC to create new digital asset guidelines. Strongly backed expanding U.S. government Bitcoin holdings through budget-neutral strategies (e.g., revaluing U.S. gold reserves to purchase BTC). - On March 24, 2025, publicly suggested selling U.S. gold holdings as a budget-neutral way to acquire more Bitcoin. - Departed in August 2025 to return to private sector. Players benefiting: - American Bitcoin Corp/Strategic Bitcoin Reserve — Hines's advocacy for gold revaluation to buy BTC advanced the case for aggressive Bitcoin accumulation. - All crypto players — Council shaped Trump administration's comprehensive regulatory action plan.

Howard Lutnick — Secretary of Commerce Confirmed: February 2025 Former role: CEO and chairman of Cantor Fitzgerald (40+ years) Source: Fortune, Forbes Connections to crypto architecture: - Cantor Fitzgerald is the primary custodian of Tether's U.S. Treasury bills; "99% of Tether's U.S. Treasury bills" are held at Cantor per Paolo Ardoino (May 2025). - Lutnick personally bought a ~5% stake in Tether (per Wall Street Journal reporting). - Publicly vouched

for Tether's legitimacy: "Tether has the money" (announced at Davos 2023). - To address conflict of interest at confirmation, transferred Cantor Fitzgerald leadership to his son Brandon Lutnick (age 27). - Bloomberg (March 18, 2026): Tether made a loan to Lutnick's children (beneficiaries of "Dynasty Trust A") as they acquired Cantor Fitzgerald assets from Howard. Tether directly funded the Lutnick family business succession. Cantor Fitzgerald / Twenty One Capital (April 2025): - In April 2025, Cantor Equity Partners (SPAC) merged with newly formed Twenty One Capital — a Bitcoin accumulation vehicle backed by Tether ($1.6B in BTC), Bitfinex ($600M), and SoftBank ($900M). - Twenty One Capital launched with 42,000+ BTC (~$3.6B pro-forma enterprise value at ~$85K/BTC), positioning it as the third-largest corporate Bitcoin holder. - Additional $585M raised (convertible notes + PIPE equity). - Brandon Lutnick chairs the entity; will trade on Nasdaq as "XXI." - Tether CEO: 99% of USDT's T-bills held at Cantor; Cantor is a U.S. primary dealer. Players benefiting: - Tether — Lutnick's Commerce role and prior institutional vouching transformed Tether's reputation from suspected money launderer to DOJ enforcement partner; GENIUS Act stablecoin framework creates the legal pathway for Tether's long-term U.S. integration. - Cantor Fitzgerald/Brandon Lutnick — Tether reserves generate massive fee revenue for Cantor; Twenty One Capital positions Cantor at the center of institutional Bitcoin accumulation. - Howard Lutnick — Personal ~5% Tether stake (estimated several hundred million dollars in value); Cantor's business dramatically appreciated on Tether's growth.

Steve Feinberg — Deputy Secretary of Defense Confirmed: March 14, 2025 (Senate vote 59–40) Sworn in: March 17, 2025 Former role: Co-founder, co-CEO, CIO of Cerberus Capital Management Source: DefenseScoop, Bloomberg Role: - Works with Defense Secretary Pete Hegseth to reform Pentagon procurement and modernization. - In July 2025, led a $400M Pentagon investment in the U.S.'s only rare-earth element miner — first major deal of his tenure. - Cerberus Capital Management (which Feinberg formally divested from, but retains a financial relationship with per ethics filings) has invested heavily in defense sector companies. Note: Feinberg's connection to crypto is indirect — through the broader deregulatory/financial ecosystem — rather than direct crypto investments. His role is primarily defense-sector; he is included because he is embedded in the same Trump administration financial-deregulation network. Players potentially benefiting (indirect): - Palantir — Palantir's defense contracts ($795M+ Pentagon contract, plus $300M+ in expanded/new government contracts since January 2025) grow under Feinberg's procurement reform agenda. Feinberg has directed attention to tech modernization and AI integration at the Pentagon.

Jared Kushner — Affinity Partners Role in Trump administration: While Kushner does not hold a formal government position in Trump's second term, he remains an influential informal adviser, particularly on Middle East policy, while simultaneously managing Affinity Partners. Source: Axios, NY Times Role: - Affinity Partners (founded 2021) manages $6.2B in assets under

management as of 2025 — up ~30% year-over-year; 99% attributable to non-U.S. persons (predominantly Middle Eastern sovereign funds). - In early 2026, Kushner began soliciting funds for a second Affinity fund targeting $5B+, while simultaneously advising Trump on Middle East diplomacy. - Affinity Partners incubated Brain.co. (AI startup, with Elad Gil) and, alongside Silver Lake and Saudi PIF, began the process of acquiring Electronic Arts in a $52.5B deal (the largest leveraged buyout on record) in September 2025. Connection to crypto ecosystem: - Kushner's Affinity Partners is primarily a private equity vehicle, but the deregulated crypto/digital asset environment and the broader Trump administration's Middle Eastern investment facilitation (through which Kushner operates) directly overlaps with the Abu Dhabi-backed $2B investment in WLFI's USD1 stablecoin and the UAE firm's reported 49% stake in World Liberty Financial (reported February 2026). - Kushner's role as informal diplomatic broker between Trump and Middle Eastern sovereigns creates the environment in which these crypto-adjacent capital flows occur. Players benefiting (through Kushner's network): - World Liberty Financial — UAE sovereign investment in USD1 ($2B) and WLF equity (49% stake) occurred in the environment Kushner helped facilitate.

Peter Thiel — Network Embedded in Trump Administration Formal role: None (private citizen/investor) Key figures from Thiel network in government: Michael Kratsios (OSTP Director, PCAST Co-Chair), JD Vance (VP, former Thiel investment portfolio employee), David Sacks (Thiel network/PayPal Mafia) Source: WIRED, Alston & Bird AI Action Plan analysis, Washington Post Palantir Role: - Founder of Palantir (with Alex Karp); co-founder of PayPal (with Sacks, Musk); founder of Thiel Capital and Founders Fund. - Founders Fund had invested ~$200M in cryptocurrency prior to the 2024 election. - Thiel's chief of staff (Michael Kratsios) became OSTP Director and PCAST Co-Chair; Thiel network shapes AI and tech policy from inside the White House. - Palantir secured $300M+ in new/expanded government contracts since January 2025, including: - Federal Aviation Administration Centers for Disease Control - Fannie Mae (notably: Palantir AI tools used at Fannie Mae, the same entity that then accepted crypto mortgages) - Immigration and Customs Enforcement ($30M contract for realtime migrant tracking) - IRS (Foundry system for organizing taxpayer data) - Pentagon ($795M contract awarded mid-2025) - Palantir was the top-performing S&P 500 stock in 2025 (up 140%+ since Trump's election). - In 2025, DOGE (Elon Musk's government efficiency operation, which included at least 3 former Palantir employees) chose Palantir as a primary vendor for federal data consolidation. Players benefiting: - Palantir — Largest direct beneficiary of Trump administration AI deregulation, government contract expansion, and PCAST network dominance.

FEDERAL RESERVE — KEVIN WARSH NOMINATION Kevin Warsh — Nominated as Federal Reserve Chair Announced: January 30, 2026 Formally nominated to Senate: March 4, 2026

Current Status (April 1, 2026): Pending Senate Banking Committee confirmation; opposition from Sen. Thom Tillis (R-NC) and Sen. Lisa Murkowski (R-AK) over DOJ investigation of Powell/Fed renovation spending. Source: CNBC, The Hill, AP News Who is Warsh: - Former Federal Reserve Governor (2006–2011). - Senior Fellow, Hoover Institution. Married into the Lauder family (Estée Lauder). - Strong advocate for monetary policy reform; known to favor interest rate flexibility and potentially a more accommodative stance than Powell. - Trump criticized Powell repeatedly for not cutting rates fast enough; Warsh nomination signals intent to install a more compliant Fed chair. If confirmed, implications for crypto: - Warsh replaces Jerome Powell (term expires May 15, 2026). A Fed chair more aligned with the Trump administration's deregulatory posture could: - Be more accommodating toward Fed member bank engagement in digital asset markets. - Take a lighter approach to oversight of stablecoin-issuing bank subsidiaries. - Be open to lower interest rates, which would benefit Bitcoin and crypto valuations. - Support or at minimum not resist the administration's stablecoin framework (GENIUS Act). - Senate Republican leadership may bypass Tillis/Murkowski opposition to confirm Warsh before Powell's May term expiry. Fed officials have agreed to allow Powell to serve as acting chair if Warsh isn't confirmed before May. Players benefiting: - Tether — A Fed accommodating to the GENIUS Act stablecoin framework would benefit Tether's long-term U.S. integration. - JPMorgan, Citibank — A more accommodative monetary policy would benefit banks' broader lending and investment books. - BlackRock — Lower rates (if Warsh pursues them) boost crypto asset valuations; IBIT benefits. - American Bitcoin Corp, Cantor/Tether/Twenty One Capital — All benefit from a favorable interest rate environment for Bitcoin.

CURRENCY & SYMBOLISM Trump's Signature on U.S. Dollar Bills Announced: March 26, 2026 (Treasury Department announcement) Implementation: Initial $100 bills with Trump's signature to be printed in June 2026; other denominations to follow. Source: Axios, CNN, NY Times What it does: - Treasury announced that all newly issued U.S. paper currency will feature President Trump's signature, replacing the U.S. Treasurer's signature (which has appeared on currency for over a century). - Historic first: No sitting president has ever had their signature on paper money. - Timed to the U.S. 250th anniversary (semiquincentennial) in 2026. - Treasury Secretary Bessent: "There is no more powerful way to acknowledge the historic accomplishments of our great President J. Trump than U.S. bills bearing his name." - A $1 coin featuring Trump's likeness is also under evaluation. Significance for crypto: - While primarily a symbolic/branding action, it reinforces Trump's personal identification with U.S. dollar dominance — the same rationale he uses for promoting USD-backed stablecoins over CBDCs or foreign crypto alternatives. - Approximately 60% of the public opposed the measure in a YouGov poll (March 2026). Players benefiting: - World Liberty Financial/USD1 — USD1 is positioned as a "dollar-strengthening" stablecoin; Trump's personal branding of the dollar reinforces the political narrative that USD1 extends dollar dominance into digital finance. -

Tether — USDT’s value proposition (dollar-backed, dollarextending) benefits from the cultural elevation of the dollar brand.

PLAYER-BY-PLAYER BENEFIT MATRIX Tether Action

Date

Benefit

EO 14178 — promotes dollar-backed stablecoins

Jan 23, 2025

Core business model endorsed by presidential order

DOJ NCET disbanded; investigations closed

Apr 7, 2025

Tether DOJ/SDNY probe effectively ended

OCC IL 1183 — bank crypto permissibility

Mar 7, 2025

U.S. bank custody of USDT reserves normalized

Fed/FDIC crypto guidance withdrawal

Apr 24, 2025

Bank partners freed from advance-notice requirements

GENIUS Act signed

Jul 18, 2025

Foreign issuer pathway to U.S. market created; 100% reserve backing requirement validates USDT model

Anti-CBDC Act passed House

Jul 17, 2025

Government-issued dollar competitor permanently blocked

Tether becomes DOJ enforcement partner

Feb 2026

Full reputational rehabilitation; from investigation target to government collaborator

Tether loans Lutnick family Dec 2024 / Mar to acquire Cantor 2026 (reported)

Deepens institutional integration with Commerce Secretary's family office

Cantor Fitzgerald / Howard Lutnick / Brandon Lutnick Action Lutnick confirmed as Commerce Secretary

Date

Benefit

Feb 2025

Placed at cabinet level while son inherits Cantor's Tether custodial relationship

DOJ Tether probe effectively closed Apr 2025

Cantor's custody of Tether T-bills no longer under legal cloud

GENIUS Act signed

Jul 18,

Tether reserve requirements (T-bills, dollars) directly benefit Cantor's custody fee business

Twenty One Capital launched (Cantor + Tether + SoftBank)

Apr 23,

$3.6B Bitcoin vehicle; Brandon Lutnick chairs; $1.6B Tether BTC stake

OCC/FDIC/Fed regulatory rollback

Mar–Apr Banking infrastructure supporting Tether-Cantor relationship deregulated

Howard Lutnick (personal) Action

Date

Benefit

Personal ~5% Tether stake + custody relationship

Ongoing

Tether USDT market cap ~$135B+ by early 2026; stake worth ~hundreds of millions

Tether loans to Lutnick family trust (Bloomberg Mar 2026 report)

Late

Children financed acquisition of Cantor Fitzgerald by borrowing from Tether

World Liberty Financial (Trump Family) / USD1 Action

Date

Benefit

EO 14178 — promotes dollarbacked stablecoins

Jan 23,

WLFI's stablecoin (USD1) is a dollar-backed stablecoin; presidential mandate promotes its expansion

GENIUS Act signed

Jul 18,

USD1 gets $550M+ presale funding boost; 6.58% price rally on passage

Anti-CBDC Act passed House

Jul 17,

Eliminates government competitor to USD1

SEC enforcement retreat; "regulation by prosecution" ended

Feb–Apr

WLFI token (WLFI governance token) no longer under securities enforcement risk

Trump family profits: $1B+ by Dec Ongoing

Family receives 75% of net WLFI token proceeds + cut of USD1 stablecoin profits

UAE sovereign buys $2B USD1, 49% WLF stake

Largest external validation of USD1; US approved UAE advanced chip deal shortly after

World Liberty Trust applies for national banking license

Jan 2026

Would allow WLF to issue and safeguard USD1 under GENIUS Act OCC pathway

American Bitcoin Corp (Trump Sons — Eric Trump, Donald Trump Jr.) Action

Date

Benefit

Strategic Bitcoin Reserve EO

Mar 6,

U.S. government designates BTC a strategic reserve asset; legitimizes BTC mining and holding

GENIUS Act stablecoin framework

Jul 18,

Broader digital asset legitimacy supports BTC appreciation

SEC IBIT in-kind approval

Jul 29,

Institutional BTC demand via ETF infrastructure drives price appreciation benefiting miners

Fannie Mae crypto mortgage acceptance

Mar 26,

BTC recognized as mortgage collateral in U.S. housing system

Action American Bitcoin Corp Nasdaq listing

Date Sep 3,

Benefit Trump brothers' Bitcoin miner went public; achieved 116% Bitcoin yield from IPO through Jan 2026

BlackRock Action SAB 122 (rescinds SAB 121)

Date Jan 23,

Benefit Bank custodians can hold IBIT assets without balancesheet penalties

OCC IL 1183 / FDIC / Fed crypto Mar–Apr Partner banks fully deregulated for crypto custody guidance withdrawal SEC Coinbase enforcement dropped

Feb 27,

Coinbase (IBIT custodian) existential risk eliminated

Strategic Bitcoin Reserve EO

Mar 6,

BTC legitimized as national asset; IBIT inflows spiked (BlackRock contributed $109.3M in one day)

SEC approves IBIT in-kind creations/redemptions

Jul 29,

Revolutionary efficiency improvement; $3B+ BTC converted via in-kind within months

IBIT AUM exceeds $50B

Largest spot Bitcoin ETF globally; dominant market position

JPMorgan Action

Date

Benefit

SAB 122

Jan 23,

Can custody crypto without balance-sheet impact

OCC IL 1183

Mar 7,

National bank crypto activities approved without preapproval

FDIC FIL-7-2025

Mar 28,

FDIC non-objection requirement eliminated

Fed crypto guidance withdrawn

Apr 24,

Advance notification of crypto activities no longer required

OCC IL 1188 (riskless principal crypto transactions)

Dec 9,

JPMorgan can now broker crypto transactions for institutional clients

JPMD launched on Base (Ethereum Nov 12, L2) GENIUS Act signed

Jul 18,

First bank deposit token on public blockchain; nearinstant 24/7 settlement JPMorgan bank subsidiaries can become licensed stablecoin issuers

Action CLARITY Act passage pending

Date

Benefit

Target

Clear CFTC framework for JPMorgan’s institutional digital asset trading operations

Citibank Action SAB 122

Date Jan 23, 2025

Benefit Crypto custody enabled

OCC/FDIC/Fed guidance withdrawal Mar–Apr 2025 Full deregulation of bank crypto activities GENIUS Act signed

Jul 18, 2025

Path to stablecoin subsidiary issuance

OCC IL 1188

Dec 9, 2025

Authorized to broker crypto transactions

Coinbase Action

Date

Benefit

SEC enforcement action dismissed Feb 27, with prejudice

No fines; no admissions; no business changes. Existential threat eliminated.

Paul Atkins confirmed as SEC Chair

Apr 10,

Pro-crypto SEC chair; “Project Crypto” launched; enforcement-to-framework shift

SEC stablecoin statement

Apr 4,

USDC explicitly not a security

SEC IBIT in-kind approval

Jul 29,

Coinbase Prime processes all IBIT in-kind BTC transfers; direct revenue

GENIUS Act

Jul 18,

Coinbase positioned as preferred PPSI partner for licensed stablecoin issuers

FHFA crypto mortgage directive

Jun 25,

Coinbase named as qualifying exchange for mortgage reserve verification

Fannie Mae crypto mortgage launched

Mar 26,

Coinbase is the exclusive first launch partner; Coinbase One members get 1% rebates

Fred Ehrsam (co-founder) appointed to PCAST

Mar 2026

Coinbase has direct representation on presidential science/tech advisory council

DOJ NCET disbanded

Apr 7,

Crypto enforcement retreat benefits entire exchange ecosystem

Palantir Action AI EO 14179 (removes barriers)

Date Jan 23,

“Winning the AI Race” Action Plan + Jul 23, EOs

Benefit AI deregulation directly benefits Palantir’s commercial positioning Palantir’s AI defense analytics positioned as national security infrastructure

National AI regulatory framework EO Single federal AI standard eliminates state-by-state Nov 2025 (preempts state laws) compliance risk DOGE selects Palantir as primary vendor

3 DOGE members were former Palantir employees; drove Palantir selection

$300M+ new/expanded government contracts

FAA, CDC, Fannie Mae, ICE ($30M), Pentagon ($795M contract)

Peter Thiel network in White House (Kratsios, Sacks)

2025–

Co-founders’ network embedded in PCAST and OSTP; favorable policy environment

PCAST established (EO)

Mar 2026

Kratsios (Thiel network) is PCAST Co-Chair with Sacks

SUMMARY TIMELINE Date

Action

Category

Jan 20,

Trump inaugurated; David Sacks named AI/Crypto Czar

Personnel

Jan 23,

EO 14178: Strengthening American Leadership in Digital Financial Technology

Executive Order

Jan 23,

EO 14179: Removing Barriers to American Leadership in AI

Executive Order

Jan 23,

SAB 122 rescinds SAB 121 (SEC Acting Chair Uyeda)

Regulatory

Feb 21–27, SEC drops Coinbase enforcement (with prejudice); Robinhood investigation closed

Enforcement

Mar 6, 2025

EO: Strategic Bitcoin Reserve and U.S. Digital Asset Stockpile established

Executive Order

Mar 7, 2025

OCC Interpretive Letter 1183: Banks may engage in crypto without prior approval

Regulatory

Mar 14,

Steve Feinberg confirmed as Deputy Secretary of Defense

Personnel

Date

Action

Category

Mar 24,

Bo Hines publicly suggests revaluing U.S. gold to buy BTC

Policy

Mar 28,

FDIC FIL-7-2025: Banks may engage in crypto without FDIC prior approval

Regulatory

Apr 7–8,

DOJ disbands NCET; “Ending Regulation by Prosecution” memo

Enforcement

Apr 10,

Paul Atkins confirmed as SEC Chairman

Personnel

Apr 23,

Twenty One Capital launched (Cantor + Tether + SoftBank; $3.6B)

Market

Apr 24,

Federal Reserve and FDIC withdraw crypto guidance; advance notification eliminated

Regulatory

May 7,

OCC IL 1184: Banks may outsource crypto custody to third parties

Regulatory

May 29,

CLARITY Act introduced (H.R. 3633)

Legislation

Jun 17,

GENIUS Act passes Senate 68–30

Legislation

Jun 18,

DOJ/Tether seize $225M USDT in largest Secret Service crypto seizure; Tether as partner

Enforcement/ Partnership

Jun 25,

FHFA Director Pulte directs Fannie/Freddie to accept crypto as mortgage reserves

Housing Finance

Jul 3, 2025

FHFA formalizes crypto mortgage reserve requirements (exchange verification)

Housing Finance

Jul 17, 2025

CLARITY Act passes House 294–134; Anti-CBDC Act passes House 219–210

Legislation

Jul 17, 2025 GENIUS Act passes House 308–122

Legislation

Jul 18, 2025 GENIUS Act signed into law by President Trump

Legislation

Jul 23, 2025 “Winning the AI Race” Action Plan + 3 AI EOs signed

Executive Orders

Jul 29, 2025 SEC approves in-kind creations/redemptions for Bitcoin ETPs (IBIT) Regulatory Aug 9,

Bo Hines departs White House; Patrick Witt succeeds as Digital

Personnel

Date

Action

Assets Council director

Sep 2, 2025

SEC-CFTC joint staff statement on cross-agency crypto trading coordination

Sep 3, 2025 American Bitcoin Corp begins Nasdaq trading

Category

Regulatory Market

Nov 2025

Trump signs AI EO creating national framework preempting state AI Executive Order laws

Nov 12,

JPMorgan launches JPMD (JPM Coin) on Base — first bank deposit Market token on public blockchain

Dec 9, 2025

OCC IL 1188: Banks may execute riskless principal crypto transactions

Regulatory

Dec 12,

OCC conditionally approves bank charters for 5 digital asset firms (BitGO, Fidelity Digital, Paxos, Circle, Ripple)

Regulatory

Dec 16,

FDIC proposed rule for GENIUS Act stablecoin issuance by banks

Regulatory

Jan 12,

Senate Banking Committee releases 278-page CLARITY Act draft

Legislation

Jan 21,

Senate Agriculture Committee publishes draft Digital Commodity Intermediaries Act

Legislation

Jan 29,

Senate Agriculture Committee advances its CLARITY draft out of Committee

Legislation

Jan 30,

Trump announces Kevin Warsh nomination for Fed Chair

Personnel

Feb 24–25, DOJ praises Tether in $61M fraud seizure; Tether confirms $4.2B in Enforcement/ total frozen USDT Partnership Mar 4, 2026 Kevin Warsh formally nominated to Senate

Personnel

Mar 25–26, David Sacks named PCAST Co-Chair; Fred Ehrsam (Coinbase) named to PCAST

Personnel

Mar 26,

Symbolism

Treasury announces Trump’s signature on all new U.S. currency (starting June 2026)

Mar 26–27, Fannie Mae first crypto-backed mortgage product goes live (Better + Housing Finance Coinbase; BTC and USDC collateral)

Date

Action

Category

Mar 24,

NYSE (ICE) and Securitize announce tokenized securities platform partnership

Tokenization / Housing

Mar 17,

Joint SEC-CFTC interpretation: “most crypto assets are not themselves securities” — effective deregulation by fiat

SEC / CFTC

Mar 31,

DOJ charges 10 foreign crypto executives for market manipulation while protecting domestic insiders

DOJ Selective Enforcement

SEC ENFORCEMENT COLLAPSE (2025) Under SEC Chair Paul Atkins, crypto enforcement dropped 60%. Only 13 cases in 2025 vs. 33 in 2024. Fines dropped to $142 million — less than 3% of 2024 levels. Date

Case Dismissed

Beneficiary

Feb 2025

Coinbase — operating as unregistered exchange

Coinbase (first partner for Fannie Mae crypto mortgages)

Mar

Kraken — unregistered exchange/broker

Major U.S. exchange

Mar

Cumberland DRW — unregistered dealer

Major market maker

May

Binance — unregistered securities sales

Largest global exchange

Aug

Ripple/XRP — settled, fine reduced from $2B XRP ecosystem to $50M

Crypto.com — closed, no action

Major exchange

PayPal (PYUSD) — closed, no action

PayPal stablecoin cleared

DeFi rulemaking — appeal withdrawn

Entire DeFi industry exempt

Sequence matters: cases dropped BEFORE GENIUS Act passed, clearing the regulatory runway. Crypto Task Force created under Commissioner Hester Peirce ("Crypto Mom"). SEC Division of Examinations FY2026 priorities: crypto/digital assets omitted entirely.

JEFFREY SPRECHER / ICE — HOUSING PIPELINE (Built 2016-2026) Jeffrey Sprecher, CEO of Intercontinental Exchange (ICE), which owns NYSE. Wife: Kelly Loeffler, former Georgia Senator who sat on Agriculture Committee overseeing CFTC while married to the man running the exchange. Year

Acquisition/Action Bought MERS (Mortgage Electronic Registration Systems)

Market Share 85% of U.S. home loan tracking

2019 Bought Simplifile

23,000 attorney offices → 2,000 county registries

2020 Bought Ellie Mae for $11B

50% of all loan originations

2023 Bought Black Knight for $11.9B

65% of mortgage servicing market

NYSE + Securitize tokenized securities platform (Mar 24)

2026 ICE invested $600M in Polymarket

Tokenization layer Prediction market / surveillance

The mortgage loop: stablecoin buys Treasury → Treasury backs mortgage → mortgage originates through Ellie Mae → registers through MERS → services through Black Knight → tokenizes through NYSE/Securitize. All Sprecher. Fannie Mae approved first crypto mortgage March 26, 2026 — two days after NYSE/Securitize announcement. Coinbase as exclusive first partner (SEC had just dismissed Coinbase case).

INSIDER TRADING — UPDATED FIGURES • $1.5 BILLION in futures positions placed 5 minutes before Trump announcement (Yahoo Finance, Senator Chris Murphy: “mindblowing corruption”) • $580M in oil futures 16 minutes before Truth Social post (Axios, Al Jazeera) • $15 billion in S&P 500 futures purchased + $192 million in oil futures sold — simultaneously, minutes before announcement • 9x average trading volume (New Yorker, John Cassidy investigation) • Paul Krugman: “treason” (Fortune) • STOCK Act fine for congressional insider trading: $200 • AIPAC spent $100 million on 2024 elections • One Polymarket bettor profited $1 million from war-related wagers since 2024

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Compiled April 1, 2026. All dates verified against primary sources. “Pending” status items reflect legislative/regulatory situation as of compilation date.

APPENDIX D: Player Map

APPENDIX D: Player Map

APPENDIX D: Player Map The Privatized Petrodollar, Crypto and War Economy: Player Map Who Profits From the Seven-Layer Capture Author: Arn Menconi | Date: March 30, 2026 | Reference: arnmenconi.substack.com/p/the-shadowpetrodollar

THE PIPELINE War creates instability. Instability triggers capital flight. Capital flight flows into stablecoins — the only liquid dollar instrument available to 172 million people in sanctioned, collapsed, or weaponized economies. The GENIUS Act (law since July 18, 2025) mandates that stablecoin issuers hold 1:1 U.S. Treasury reserves, making every dollar of stablecoin demand a forced purchase of U.S. government debt. Those Treasury reserves fund the Pentagon. The Pentagon wages the wars that drive the next wave of capital flight. The loop is closed. Holders earn 0% (prohibited by law). Issuers pocket the yield spread: 3.7–4.4% on hundreds of billions of dollars.

THE PLAYERS Player

Tether (USDT + USAT)

Vehicle

Treasury Exposure

Yield to Holder

Their Cut

War Connection

Bo Hines wrote GENIUS $141B Act, left Aug 9, hired by Treasury + Tether Aug 19, CEO of $23B gold (top Stablecoin + ~$10B/yr profit; Tether U.S. Sept 12. 30 globally) + Shadow 0% (GENIUS 530M users Cantor Fitzgerald $9.9B Bitcoin + Sovereign Act) globally earning custodies reserves. DOJ $20B Wealth Fund 0% investigation dropped. investment GENIUS Act legitimized. portfolio. Total: War created demand. In $193B that order.

President wages war driving stablecoin $1.2B+ cashed demand AND oil prices Trump out; 75% of benefiting mining. Zach Family Stablecoin + ~$5B USD1 + sales to DT Witkoff (son of Middle (USD1 + Mining + ~$500M BTC Marks LLC East envoy) is WLF American Memecoin + on balance 0% on USD1 (Trump ~70%); CEO. Eric Trump coBitcoin + Token sheet + $1.5B UAE Royal founded American $TRUMP + Treasury WLFI treasury Family owns Bitcoin Corp. Family ALT5/WLFI) 49% of WLF spans the entire crypto stack. Seeking OCC bank charter.

BlackRock (BUIDL)

Fidelity (FIDD)

3.4% APY (institutional Management only, $5M fees minimum)

Tokenized Treasury Fund

$2.2B AUM

Stablecoin

Undisclosed (launched Feb 0% 4, 2026)

Yield spread

Larry Fink: “Tokenization is the next generation for markets.” Launched ETHB staked ETH ETF March 12 — front-running the yield ban in the pending CLARITY Act. 40M+ brokerage accounts. Retail distribution arm of the pipeline.

Player

Circle / Coinbase (USDC)

PayPal (PYUSD)

JPMorgan (JPM Coin / JPMD)

Kushner (Affinity Partners)

Feinberg (Cerberus / Deputy Sec. of War)

Vehicle

Stablecoin

Stablecoin

Deposit Token

Treasury Exposure

Yield to Holder

Their Cut

War Connection

Coinbase earns USDC is 70% of $461M/quarter stablecoin transfer ~$77B market from Circle volume — $1.26T in 0% to holders cap revenue share. February. Coinbase's Circle: $1.68B Base blockchain hosts revenue in 2024. JPM Coin.

~$4.1B market "Rewards" in Yield spread cap select markets

Bank deposits

$6.2B AUM (99% foreign Private Equity — Saudi PIF, UAE, Qatar)

Cerberus $60B+ AUM; Private Equity owned + Pentagon DynCorp (2010-2020)

Can pay yield Spread + (deposit, not services stablecoin)

N/A — PE fund

N/A

Expanded to 70 markets March 17. 400M+ PayPal accounts globally. Targeting the same emerging-market users as Tether. Institutional competitive response to stablecoins. Runs on Coinbase's Base blockchain. Banks lobbied hard for the yield advantage written into CLARITY Act.

Broke Dec 2024 pledge Raising $5B not to fundraise. Saudi more from same PIF has contractual "first Gulf states he look." Wyden/Garcia negotiates with investigation: "not only as "peace criminal but endangering envoy" lives of Americans."

Retained financial relationship with Cerberus

Deputy Secretary of War — #2 at Pentagon during 11-country war. Donated $1.5M+ to Trump PACs. Chaired Intelligence Advisory Board (20182021). Warren flagged conflicts at confirmation.

THE REVOLVING DOOR • Bo Hines: White House Crypto Council Executive Director → shaped GENIUS Act → resigned Aug 9, 2025 (22 days after signing) → Tether hired Aug 19 → CEO of Tether U.S. by Sept 12 → declared Tether a "top 10 T-bill purchaser" Feb 11, 2026. • Howard Lutnick: Cantor Fitzgerald CEO → custodied Tether's $193B in Treasuries → negotiated a 5% equity stake in Tether → became Commerce Secretary → children's trust borrowed from Tether to acquire Cantor → now regulates the industry his family profits from. • David Sacks: White House AI & Crypto Czar → oversaw entire regulatory framework for 130 days as special government employee → transitioned March 26 to co-chair of PCAST alongside Michael Kratsios, joining Jensen Huang, Zuckerberg, Ellison, Ehrsam (Coinbase co-founder), Andreessen (a16z). Retained 20 crypto + 449 AI investments through Craft Ventures. The crypto czar role wasn't vacated — it was rendered unnecessary. PCAST ensures the energy and compute

infrastructure exists to run the tokenized system at scale. • Scott Bessent: Treasury Secretary → projects stablecoin market growing from $300B to $3T → calls stablecoins “a tool for promoting the dollar and absorbing U.S. debt” → oversees the currency bearing Trump’s signature. • Jared Kushner: “Peace envoy” negotiating Iran war → runs Affinity Partners ($6.2B AUM, 99% foreign investors) → raising $5B more from Saudi PIF, UAE, Qatar — the same governments he negotiates with → Saudi PIF has contractual “first look” on new funds → broke December 2024 pledge not to raise capital during Trump’s term. Congressional investigation launched (Wyden/Garcia). • Zach Witkoff: Son of Middle East envoy Steve Witkoff → CEO of World Liberty Financial → chairman of ALT5 Sigma ($1.5B WLFI treasury) → father negotiates the war whose resolution moves the markets his company trades on. • Steve Feinberg: Co-founded Cerberus Capital ($60B+) → owned DynCorp (largest private military contractor, 2010-2020) → chaired Trump Intelligence Advisory Board (2018-2021) → sworn in as Deputy Secretary of War March 17, 2025 → retained financial relationship with Cerberus. A PE billionaire who owned the world’s biggest military contractor runs the day-to-day operations of an eleven-country war.

THE WAR ACCELERANT Before Strikes

After Strikes (March 26)

3-month T-bill rate

~3.24% (Feb 27)

3.71%

+47 bps

10-yr Treasury yield

3.97% (Feb 27)

4.42%

+45 bps

2-yr Treasury yield

3.39% (Feb 27)

4.00%

+61 bps (steepest on curve)

Tether annual profit impact (shortBaseline term)

+~$573M/yr

War premium on $122B in T-bills

Stablecoin market cap

~$280B

$316B (record)

+$36B

Brent crude

~$70

$99+

+41%

Iran Nobitex withdrawals

Baseline

+700% surge

First minutes of strikes

Metric

Delta

Emerging market currencies are collapsing. Capital flight is accelerating. Every bomb that falls in Tehran increases the profitability of every player in this table.

THE BROADER WAR This architecture profits from every theater simultaneously. The U.S. is funding or conducting military operations in eleven countries plus Ukraine ($175B+ since 2022). Israel — largest cumulative recipient of U.S. foreign aid ($310B+ since 1946, $3.8B/yr + emergency supplementals) — conducts operations in Palestine, Lebanon, Syria, Iran, and Yemen. In Palestine, 72,000+ killed since October 2023. The ICC issued arrest warrants for Netanyahu and Gallant. The ICJ ruled plausible genocide. Senator Bernie Sanders called it genocide. Every theater feeds the same loop: instability → capital flight → stablecoins → Treasuries → Pentagon → more war.

THE DISPLACEMENT The U.S. Treasury estimates stablecoins could displace $6.6 trillion in bank deposits — one-third of all U.S. commercial deposits. The NY Fed (Staff Report 1185, Feb 2026) confirmed stablecoins “erode banks’ deposit franchises.” Community banks lose deposits → lose lending capacity → home loans, small business loans, agricultural loans disappear. The architecture doesn’t just enrich these players. It defunds the banking system that serves ordinary Americans.

THE REGULATORY TIMELINE Date

Event

Status

July 17, 2025

CLARITY Act passes House 294–134

Stalled in Senate. Markup targeted mid-to-late April 2026.

July 18, 2025

GENIUS Act signed into law

LAW. Mandates Treasury reserves. Prohibits yield to holders.

Feb 4, 2026

Fidelity launches FIDD stablecoin

Pipeline goes retail.

March 12, 2026

BlackRock launches ETHB staked ETH ETF

Yield extraction front-runs CLARITY passage.

If CLARITY passes

CFTC gets jurisdiction; custodian rules broaden

Cantor-Tether-Treasury pipeline becomes permanent regulated infrastructure.

Bessent’s target $3T stablecoin market

At 50% Tether share = $1.5T in Treasury demand they control.

THE ONE LINE “This is not a war with a financial side effect. This is a financial capture with a war as its accelerant. The petrodollar didn’t die. It was privatized. And the new owners signed their names on every layer.”

Source: arnmenconi.substack.com/p/the-shadow-petrodollar

APPENDIX E: The Evolution of Terrorism The Evolution of Terrorism: A Historical Perspective Preface: • Understanding the Evolution of Terrorism: This section sets the stage by emphasizing the persistent and evolving nature of terrorism throughout history, highlighting its shifting forms, motivations, and impacts. • Purpose and Scope of the Book: This part outlines the book's core objective—to delve into the historical trajectory of terrorism—and its methodology of analyzing key organizations, ideologies, and case studies. • Why Study the History of Terrorism? This section justifies the study of terrorism's history by highlighting its necessity in understanding current manifestations of terrorist activities and developing effective counterterrorism policies. Chapter 1: Understanding Terrorism – Definitions, Origins, and Early History

HOW TO READ THIS BOOK

Three paths. Use the one that fits where you are.

If you want the full story: Read it cover to cover. The preface tells you why this book exists and who wrote it. The memoir foundation tells you how the author came to be sitting outside the United States on February 28, 2026, watching a war begin and checking Tether's market cap. Act I follows the money in the first thirty-three days. Act II builds the mechanism — the GENIUS Act, the tokenization ledger, the death spiral, the architecture of what the book calls the global corporate mafia. Act III documents the accountability gap: the enforcement dismantlement, the personnel overlaps, the files that should be public but aren't. The epilogue tells you why it's personal. The appendices are the receipts. Read it in order and you'll arrive at the end with the full picture — who, what, when, how much, and what to do about it.

If you're a financial professional, policy analyst, or journalist: Go to Chapters 5–8 first. That's Act II. The mechanism is there — the GENIUS Act language, the tokenization ledger, the death spiral, the community banking math, the yield curve distortion, the New York Fed documentation, the circular backstop. If you want to verify the structure before you read the story, start with the statute: Section 4(a)(11) of the GENIUS Act, twenty-two words, published on the White House website. Then read the BDO attestation. Then Bloomberg's March 2026 reporting on the Lutnick loan. The journalism is in major publications. The statutory language is public. None of this requires trusting the author — it requires reading the documents the author read. Then return to Chapters 9–14 for the surveillance and enforcement architecture. The appendices contain the full source documentation with URLs.

If you came for the names: Read the preface. Then go directly to Chapter 10 (Buried Accountability). That chapter has the names, the positions, the documented conflicts, the files that got the last Attorney General fired and the one before her either promoted or sidelined. Then read Chapter 12 (Saturday Night Massacre with a Blockchain). Then Chapter 14 (The Nuclear Dimension) for the synthesis — how all the names connect to the same mechanism. By then you'll understand the why behind the names. Go back to Chapter 5 for the how — the GENIUS Act mechanism in its simplest form — and you'll have the complete picture.

If someone handed you this book and you don't know why: Someone who cares about you thought you needed to know this. Start with the preface. If you're angry after three pages, keep going. If you're not angry after three pages, check your pulse.

A note on sources:

Every claim is cited. Superscript numbers link to the bibliography. If you want to verify anything — anything at all — you can. Every source is either a government document, a federal court filing, or a major publication: Bloomberg, ProPublica, Reuters, CNBC, the Financial Times, Forbes, the New York Times, the Washington Post. The Federal Reserve Staff Reports are public. The GENIUS Act is public. The BDO attestation is on Tether's website. The Senate letters are on the congressional record. The Campaign Legal Center criminal complaint is a public filing. None of this is from anonymous sources. None of it is from classified documents. It is all public. It has been public. The only thing that wasn't public until now is all of it in one place, with the connections drawn, at the same time.

That's what this book is.

"The truth will set you free. But first it will piss you off."

— Gloria Steinem. Daniel Ellsberg quoted it to me. I gave it to you.