

How a crypto super PAC is trying to swing 2024

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By JASPER GOODMAN
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The downfall of Sam Bankman-Fried, briefly one of the most prolific spenders in American politics, hobbled the cryptocurrency industry's influence machine.

Now, others are starting to rebuild.

A new crypto-focused super PAC has pumped over \$1.2 million into television ads supporting House candidates over the last two months. The group, Fairshake, could become a key vehicle for the crypto industry to insert itself into the 2024 elections in the coming year. Fairshake is backed in part by Brian Armstrong, the CEO of the largest U.S. crypto exchange, Coinbase. He publicly pledged to contribute \$1 million to the organization and has said the goal is for other companies to join in to grow its war chest to \$50 million.

The spending comes at a precarious political moment for crypto firms in the U.S. They're on the cusp of winning a House floor vote on landmark legislation that would help legitimize digital assets and create a framework for regulating them. But the industry has faced a series of PR problems in recent months with [the fraud trial and conviction of Bankman-Fried](#) and [Capitol Hill scrutiny over the use of digital currency in terror financing](#). The crypto market is also reeling from a major bust last year.

Fairshake has so far backed 13 incumbent lawmakers on both sides of the aisle. The candidates span the ideological spectrum, but all of them serve on the House Financial Services and Agriculture committees, which advanced the industry-blessed crypto legislation earlier this year.

The biggest beneficiaries of the spending, which hasn't been previously reported, include House Financial Services Chair Patrick McHenry (R-N.C.), Rep. Dusty Johnson (R-S.D.) and Rep. Josh Gottheimer (D-N.J.). McHenry and Johnson are leading efforts on the House crypto bills, which Gottheimer has supported.

The group has also bought ads backing several House members in swing districts, including Reps. Don Davis (D-N.C.), Zach Nunn (R-Iowa), Steven Horsford (D-Nev.), Wiley Nickel (D-N.C.), Yadira Caraveo (D-Colo.) and Young Kim (R-Calif.).

[Fairshake's website says](#) it supports candidates “committed to securing the United States as the home to innovators building the next generation of the internet.” The group’s treasurer, Brandon Philipczyk, declined to comment.

The crypto industry’s political spending has previously sparked controversy. Bankman-Fried, the former CEO of the FTX digital asset exchange, [has been accused of making](#) millions of dollars of illegal campaign contributions in the 2022 midterms. He and fellow FTX executives were prolific donors before the company’s bankruptcy last November.

Fairshake’s ads don’t explicitly focus on crypto regulation — hardly a kitchen table issue that can swing an election. Many feature images of the candidates and their districts over narrated biographical information. They tout candidates as bipartisan problem solvers and focus broadly on economic issues.

But nearly all the ads mention that the lawmakers have worked to “attract the jobs of the future” and build “the next generation of the internet” in the U.S. — a veiled reference to crypto.

In the months to come, the group is expected to get behind more pro-crypto candidates, including in the Senate, according to a person with direct knowledge who wasn’t authorized to speak publicly.

While Armstrong has publicly pledged his financial support, the full scope of Fairshake’s fundraising is unclear because of the lag in super PAC disclosures. Johnson said last month that he was [unaware who funded the Fairshake ads](#) backing him, according to South Dakota News Watch.

It’s just one way that the crypto industry is engaging in the 2024 election. A pair of super PACs affiliated with the Blockchain Innovation Project, a pro-crypto group led by former Reps. Tim Ryan and David McIntosh, are expected to back candidates in the coming year. Two presidential candidates, Robert F. Kennedy Jr. and Vivek Ramaswamy, have campaigned on crypto policies. Both spoke last week at the North American Blockchain Summit in Texas.

Coinbase is one of the most active players this cycle, having launched a grassroots advocacy initiative to promote digital asset legislation. The company is hosting [a town hall event on Monday](#) in Cleveland focused on the issue.

“Crypto jobs and innovation will be on the ballot in 2024,” Coinbase spokesperson Julia Krieger said in a statement, adding that the company plans to make sure Americans “know whose sides candidates are on — for change or for the status quo.”