



Pro-Bitcoin Congressman Calls For Ban On U.S. Dollar Bills



[Kashmir Hill](#) Former Staff

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Bitcoin is leading to trolling on Capitol Hill. Last week, Senator Joe Manchin of West Virginia [wrote a letter](#) to Treasury Secretary Jack Lew, Fed Chairwoman Janet Yellen and other financial regulators asking them to ban, or more strictly regulate, Bitcoin due to its nefarious uses and infamous volatility. The letter didn't exactly work. Chairwoman Yellen said in response [that the Fed doesn't have the authority to regulate Bitcoin](#) because it's an innovation happening outside of the banking industry. And now, Manchin's colleague in the House, Representative Jared Polis of Colorado, is mocking the senator's letter with [a very similar one](#), which replaces "bitcoin" with "U.S. dollar bills."

"Printed pieces of paper can fit in a person's pocket and can be given to another person without any government oversight," writes Polis. "Dollar bills are not only a store of value but also a method for transferring that value. This also means that dollar bills allow for anonymous and irreversible transactions."

Polis says that the use of dollar bills "for transacting in illegal goods, anonymous transactions, tax fraud, and services or speculative gambling make me wary of their use" and encourages regulators "to work together, act quickly, and prohibit this dangerous currency from harming hard-working Americans."

Polis's spokesperson Scott Overland confirms that the letter is satirical and was not in fact sent to the regulators to whom it was addressed.

"Congressman Polis wrote this letter to help draw attention to the fact that BitCoins and other digital currencies are not any more susceptible to the problems that Senator Manchin points out than dollars are, and in fact the vast majority of criminal activities are conducted in dollars," says Overland by email. "He hopes this satirical letter can help move the serious debate on digital currency forward so we can come up with ways to maximize the potential positive impacts that digital currency can have on the world economy, not ban them in their infancy."

As TechDirt [notes](#), Polis is regarded as one of the "most technologically knowledgeable elected officials" in D.C. Along with being informed about Bitcoin, it would appear he is versed in the art of online trolling.

Polis's office has not received a response from Senator Manchin's staff, nor have they responded yet to my request for comment. I will update this post if they do. Here's Polis's full letter:

March 5, 2014

Dear Secretary Lew, Chairwoman Yellen, Comptroller Curry, Acting Chairman Wetjen, Chairman Gruenberg, Chairwoman White:

I write today to express my concerns about United States dollar bills. The exchange of dollar bills, including high denomination bills, is currently unregulated and has allowed users to participate in illicit activity, while also being highly subject to forgery, theft, and loss. For the reasons outlined below, I urge regulators to take immediate and appropriate action to limit the use of dollar bills.

By way of background, a physical dollar bill is a printed version of a dollar note issued by the Federal Reserve and backed by the ephemeral "full faith and credit" of the United States. Dollar bills have gained notoriety in relation to illegal transactions; suitcases full of dollars used for illegal transactions were recently featured in popular movies such as *American Hustle* and *Dallas Buyers Club*, as well as the gangster classic, *Scarface*, among others. Dollar bills are present in nearly all major drug busts in the United States and many abroad. According to the U.S. Department of Justice study, "Crime in the United States," more than \$1 billion in cash was stolen in 2012, of which less than 3% was recovered. The United States' Dollar was present by the truck load in Saddam Hussein's compound, by the carload when Noriega was arrested for drug trafficking, and by the suitcase full in the Watergate case.

Unlike digital currencies, which are carbon neutral allowing us to breathe cleaner air, each dollar bill is manufactured from virgin materials like cotton and linen, which go through extensive treatment and processing. Last year, the Federal Reserve had to destroy \$3 billion worth of \$100 bills after a "printing error." Certainly this cannot be the greenest currency.

Printed pieces of paper can fit in a person's pocket and can be given to another person without any government oversight. Dollar bills are not only a store of value but also a method for transferring that value. This also means that dollar bills allow for anonymous and irreversible transactions.

The very features of dollar bills, such as anonymous transactions, have created ubiquitous uses from drug purchases, to hit men, to prostitutes, as dollar bills are attractive to criminals who are able to disguise their actions from law enforcement. Due to the dollar bills' anonymity, the dollar bill market has been extremely susceptible to forgers, tax fraud, criminal cartels, and armed robbers stealing millions of dollars from their

legitimate owners. Anonymity, combined with a dollar bills' ability to finalize transactions quickly, makes it very difficult, if not impossible, to reverse fraudulent transactions.

Many of our foreign counterparts already understand the wide range of problems that physical currencies can have. Many physical currencies have enormous price fluctuations, and even experience deflation. 20 years ago Brazil had an inflation rate of 6281%. In 4 years (2001 to 2005), the Turkish Lira went from 1,650,000: \$1 to 1.29 to \$1. In 2009, Zimbabwe discontinued it's dollar. Before it was eliminated, the Zimbabwe dollar was the least valuable currency in the world and their central bank even issued a \$100 trillion dollar banknote. A person would starve on a billion Zimbabwe dollars and it took an entire wheelbarrow full of \$100 billion dollars in notes to purchase a loaf of bread.

The clear use of dollar bills for transacting in illegal goods, anonymous transactions, tax fraud, and services or speculative gambling make me wary of their use. Before the United States gets too far behind the curve on this important topic, I urge the regulators to work together, act quickly, and prohibit this dangerous currency from harming hard-working Americans.

Sincerely,

Jared Polis

Member of Congress



[Kashmir Hill](#)

I'm a privacy pragmatist, writing about the intersection of law, technology, social media and our personal information. If you have story ideas or tips, e-mail me at khill@forbes.com. PGP key [here](#). These days, I'm a senior online editor at Forbes. I was previously an editor at [Above the Law](#), a legal blog, relying on the legal knowledge gained from two years working for corporate law firm Covington & Burling -- a Cliff's Notes version of law school. In the past, I've been found slaving away as an intern in midtown Manhattan at The Week Magazine, in Hong Kong at the International Herald Tribune, and in D.C. at the Washington Examiner. I also spent a few years traveling the world managing educational programs for international journalists for the National Press Foundation. I have few illusions about privacy -- feel free to follow me on Twitter: [kashhill](#), subscribe to me [on Facebook](#), [Circle me on Google+](#), or use Google Maps to figure out where the Forbes San Francisco bureau is, and come a-knockin'.