

UNDERSTANDING THE \$LIBRA CASE: IDENTIFYING RED FLAGS IN THE CRYPTO ASSETS INDUSTRY

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GLOBAL FINANCIAL INTEGRITY

GLOSSARY

Blockchain: A peer-to-peer decentralized distributed ledger technology that makes the records of any digital asset transparent and unchangeable, and works without involving any third-party intermediary.

Fiat Currency: A government-issued form of money that holds value because of trust and legal recognition, rather than being backed by a physical commodity such as gold or silver. Examples of fiat currencies include the US Dollar (USD), the Euro (EUR), and the Japanese Yen (JPY).

Virtual Assets Service Provider (VASP): This term is mostly use by the [Financial Action Task Force \(FATF\)](#) and means any natural or legal person who is not covered elsewhere under the Recommendations, and as a business conducts one or more of the following activities or operations for or on behalf of another natural or legal person:

- Exchange between virtual assets and fiat currencies;
- Exchange between one or more forms of virtual assets;
- Transfer of virtual assets;
- Safekeeping and/or administration of virtual assets or instruments enabling
- Control over virtual assets; and
- Participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset.

Crypto Assets Services Provider (CASP): A legal person or other undertaking whose occupation or business is the provision of one or more crypto-asset services to clients on a professional basis. This term is being used by the European Union through the incorporation of its definition in the [Market in Crypto Assets \(MiCA\)](#) regulation.

Digital Assets Services Provider (DASP): A natural or legal person whose regular business involves providing one or more of digital asset services. This term is being used in jurisdictions as in El Salvador through its [Digital Assets Issuance Law](#).

Centralized Exchanges (CEX): A platform owned and operated by a single entity acting as an intermediary between buyers and sellers. This middleman or third party helps conduct transactions by providing liquidity for supported tokens.

Kraken: A Centralized Exchange with licenses in Cyprus, France, Germany, Ireland, Italy, Poland, Netherlands, Spain, UK, Canada, USA, Australia, and Bermuda offering services such as buying and selling cryptocurrencies and conversion between them.

Binance: A Centralized Exchange with licenses in France, Italy, Lithuania, Spain, Poland, Sweden, Kazakhstan, Abu Dhabi Global Market, Bahrain, Dubai, India, Indonesia, Japan, New Zealand, Thailand, Mexico, El Salvador, Argentina, Brazil, South Africa and Seychelles, offering services such as buying and selling cryptocurrencies and conversion between them.

OKX: A Centralized Exchange that possesses licenses in the USA in the following states: Alabama, Alaska, Arizona, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington and West Virginia. Furthermore, it offers services across different jurisdictions, including in the APAC and EMEA regions.

Decentralized Exchange (DEX): Enables users to trade crypto assets through blockchain transactions without the need for a custodian or centralized intermediary.

Rug Pull: A scenario in the cryptocurrency world where developers abandon a project after raising assets, leaving participants with worthless tokens. Rug pulls can occur in various forms, including liquidity pulls, fake projects, pump and dump schemes, and team exits.

Ransomware: A type of malicious attack where attackers encrypt an organization's data and demand payment to restore access.

Cryptocurrency: A medium of exchange secured by a blockchain-based ledger. A medium of exchange is anything widely accepted as payment for goods and services, and a ledger is a data store that keeps track of transactions. Blockchain technology allows users to make transactions on the ledger without relying on a trusted third party to maintain the ledger. The

first cryptocurrency was Bitcoin, created by Satoshi Nakamoto. Since its release in 2009, thousands of cryptocurrencies have been launched across many different blockchains.

Native Token: A digital asset created and used exclusively on a particular blockchain platform. These tokens typically serve as a medium of exchange within the network and play a crucial role in various blockchain ecosystem activities, including transaction payments, smart contract execution, and providing incentives to users and miners.

Bitcoin (BTC): A purely peer-to-peer version of electronic cash that allows online payments to be sent directly from one party to another without going through a financial institution. Bitcoin uses Proof of Work (PoW) as a consensus algorithm for validating transactions. The participants who secure the network and propose new blocks are known as miners and receive incentives for the computational resources they use and for securing the network. The person who mines a new block receives a reward, which is approximately 3.125 BTC, which is reduced by half every 4 years. Also, the miners receive fees that come from each transaction made by the users. All those fees are rewarded in Bitcoin. BTC is the native token for the Bitcoin Blockchain.

Ether (ETH): The native cryptocurrency used in the Ethereum network. It was first mentioned in the Ethereum Whitepaper: "The protocol will include a built-in Turing-complete scripting language for smart contracts and decentralized applications, as well as a built-in currency called Ether, which will be used to pay transaction fees,". It was created by the programmer Vitalik Buterin and published in 2013. In the whitepaper Ether is mainly to be used for gas fees and as an incentive for miners by the Proof of Stake (PoS), which consists of validators chosen to propose and verify new blocks based on how much cryptocurrency they "stake". ETH is the native token of the Ethereum Blockchain.

Tether (USDT): A virtual currency pegged to a fiat currency; in this case, USD. It was first issued in 2014 by Tether International, S.A. de C.V. (formerly Tether International Limited). USDT is a multichain token issued on the Ethereum, Avalanche, Cosmos, Celo, Tron, EOS, Algorand, BTC Cash, Solana, Polkadot, Kusama AssetHub, Tezos, Near, Ton, and Aptos blockchains. Tether has a Proof of Reserves (PoR) mechanism implementation.

USDC: A virtual currency pegged to a fiat currency, in this particular case, USD. It was first issued in 2018 by Circle Internet Financial, LLC. USDC is a multichain token issued on the Algorand, Arbitrium, Avalanche, Base, Ethereum, Noble, Optimism, Polkadot Asset Hub, Polygon, Solana, and Stellar Blockchains. USDC utilizes the Proof of Reserves (PoR) mechanism.

Solana (SOL): A native cryptocurrency that runs in the Solana Blockchain, which is used to pay transaction fees and for staking. It also gives holders the right to vote in future upgrades. Solana is based on the Proof of History (PoH) mechanism.

BNB: A token that powers the Binance ecosystem and is the native token of the Binance Chain. BNB is a cryptocurrency created in June 2017. Designed to be used for fee reduction on the Binance exchange, its scope was extended over the years. It is used to pay fees on the Binance DEX, to issue new tokens, send and/or cancel orders, and transfer other types of assets. It supports smart contracts and relies on a new consensus mechanism: Proof-of-Stake Authority (PoSA), which incorporates elements from both Proof of Stake and Proof of Authority.

Crypto wallet: These store users' public and private keys while providing an easy-to-use interface to manage crypto balances. They also support cryptocurrency transfers through the blockchain. They can be classified into hot and cold wallets and custodial and non-custodial wallets.

Non Fungible Token (NFT): A non-fungible token (NFT) is a digital token that has a unique, one-of-a-kind identifier differentiating it from any other blockchain tokens.

Meme coin: The Security Exchange Commission (SEC) from the US [established](#) that meme coins can be defined as a *“type of crypto asset inspired by internet memes, characters, current events, or trends for which the promoter seeks to attract an enthusiastic online community to purchase the meme coin and engage in its trading”* and distinguished from securities in the following parts:

- **Meme coins are not an investment in an enterprise or expectation of profit:** To be derived from the entrepreneurial or managerial efforts of others. They are purchased for entertainment, social interaction, and cultural purposes, so they have limited or no use of functionality.

- **Meme coins do not come from the expectation of profits or are derived from the entrepreneurial or managerial efforts of others:** The value of the meme coins is derived from speculative trading and the collective sentiment of the market. In this matter, they are akin to collectibles because they tend to experience significant market price volatility and often are accompanied by statements regarding their risks and lack of utility other than entertainment or other nonfunctional purposes.

For making this analysis, the SEC applied the provisions contained in the Securities Act and the Securities Exchange Act of 1934 about securities and the [Howey Test](#), which consisted of an analysis of whether a meme coin was being offered or was being sold as part of an investment.

Smart Contract: A term introduced in 1997 by [Nick Szabo](#). A smart contract is a decentralized computer program running on a blockchain network that automatically and deterministically executes agreements based on predefined conditions.

CIC digital groups: Subsidiaries of the Trump Organization. CIC Digital LLC, an affiliate of The Trump Organization, and Fight Fight Fight LLC collectively own 80% of the Trump Cards, subject to a 3-year unlocking schedule. CIC Digital LLC and Celebration Cards LLC, the owner of Fight Fight Fight LLC, will receive trading revenue derived from the trading activities of Trump Meme Cards

Decentralized Finance Network (DeFi): An emerging peer-to-peer financial system that uses blockchain and cryptocurrencies to allow people, businesses, or other entities to transact directly with each other. The key principle behind DeFi network is to remove third parties like banks from the financial system, thereby reducing costs and transaction times.

DISCLAIMER

This Policy Brief discusses financial crime risks and identifies red flag indicators. It should be noted that the assessment of risks and identification of red flags does not imply that a crime has occurred. There are many legitimate reasons why financial behavior may appear to be unusual; an anomaly does not indicate illicit activity.

The mention of specific cases, companies, or countries in this report should not be interpreted as an allegation of wrongdoing. These references are included for educational purposes only.

The findings and analysis presented in this report do not necessarily reflect the views of any participating reviewer or organization.

INTRODUCTION

“Digital assets” is a term used by some jurisdictions, such as the United States of America, as defined in the [S.394 -The Genius Act of 2025](#). Further, a newly formed Congressional Subcommittee (the Subcommittee on Digital Assets) was established to create legislation to provide guidance to the industry on how it should operate. Also, El Salvador has approved the Digital Assets Issuance Law using this term.

Some other terms have been incorporated as an equivalent to digital assets, such as “virtual assets”, first introduced by the Financial Action Task Force (FATF). Additionally, this term is used in recently-approved [regulation in Argentina](#) as well as in a draft bill in [Colombia](#). Moreover, other terms such as crypto assets have also been developed by the [Market in Crypto Assets \(MiCA\)](#) regulation from the European Union. The word “crypto” has also been used to refer to all of the above terms.

In 2025, the cryptocurrency [market size](#) is 47.73 billion USD with an estimated growth to 69.39 billion USD by 2030. So Bitcoin, altcoins, memecoins, and new tokens issuance will likely grow in the coming years. In this matter, it becomes crucial to define a legal framework that can bring clarity to investors for making informed decisions about digital assets.

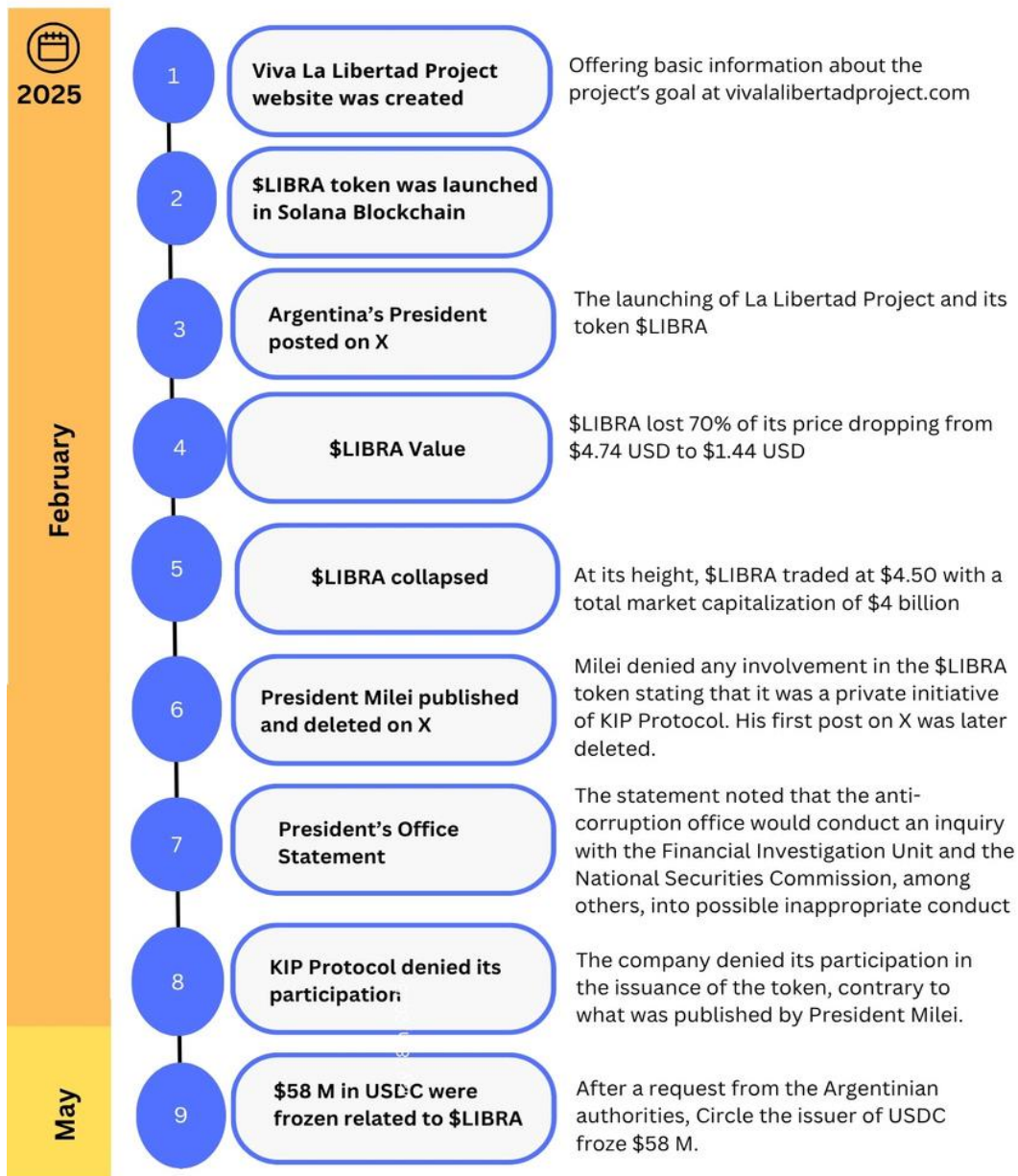
This document will discuss the \$LIBRA case, some lessons learnt, as well as provide an analysis of different legal frameworks and the identification of red flags for preventing financial crimes, such as scams in the issuance of new tokens. Finally, some recommendations for countering illicit financial flows in the sector will be provided.

WHAT IS \$LIBRA?

\$LIBRA is a token issued mainly for the purpose of promoting start-ups in Argentina. On February 14th, 2025, Javier Milei, the President of Argentina, published a [post](#) on X regarding a private project that had the purpose to increase the Argentinian economy by funding small companies and entrepreneurs. A link to the project’s information detailed that the funding was going to be through the acquisition of a virtual token called \$LIBRA.

Within five hours, President Milei [published](#) another post emphasizing that he was not involved in the \$LIBRA project. He also added that he was not aware of the project, and that was why he decided to stop sharing the information. Then, he deleted the previous post from his verified government X account.

TIMELINE OF THE \$LIBRA TOKEN ISSUANCE



While this information was published on social media and websites, many blockchain analytics companies were actively monitoring in real time the \$LIBRA token.

On May 18, the private attorney representing numerous affected victims [announced](#) that Circle, the issuer of USDC, had frozen USD 58 million linked to two crypto addresses associated with the \$LIBRA team. The plaintiff filed the case in an Argentine court, which subsequently requested that U.S. authorities freeze the funds.

WHAT IS A TOKEN, AND WHY DOES IT MATTER IN THE CONTEXT OF THE \$LIBRA CASE?

Chainalysis [reported](#) that the creator of the \$LIBRA token received their first SOL (Solana) funding from an instant swap service, a platform that allows users to quickly exchange one crypto token for another without requiring an account or a Know Your Customer verification process. [The address](#) that created the token and the address holding a large portion of the \$LIBRA supply also appear to be controlled by single private keys, rather than multi-signature setups that are more common in established token launches.

Furthermore, Lookonchain announced that eight wallets related to the \$LIBRA token team obtained 57.6 million in USDC (a stablecoin by Circle) and 49.7 million in SOL by adding and reducing liquidity and claiming fees.

Moreover, Bubblemaps, another enterprise dedicated to blockchain data, [announced](#) that 82% of \$LIBRA tokens were held in one cluster (a group of cryptocurrency addresses that is likely controlled by the same entity). They also stated that instead of selling on the market, [the developers](#) of the token were adding one-sided liquidity pools on Meteora with only \$LIBRA, while removing USDC and SOL. Finally, they noted that the \$LIBRA token was going down in price because the developers liquidated \$87 million USD worth of the token.

WAS THERE A CONNECTION BETWEEN \$LIBRA AND PRESIDENT MILEI?

In January 2025, President Milei [had a meeting](#) with Hayden Mark Devis, CEO of Kelsier Ventures. The president stated that Devis is an advisor to the government on issues related to blockchain and artificial intelligence. During the \$LIBRA timeline, Hayden Davis revealed through a post that he gained \$100 billion in USD buying the token.

Hayden Davis has denied any involvement in the issuance of the \$LIBRA token, although he has [been accused](#) of co-creating the token. A lawsuit has been filed in Argentina by Gregorio Dalbo, a private attorney representing investors who suffered losses in the acquisition of \$LIBRA. The plaintiff is seeking the issuance of an Interpol's Red Notice for the arrest and extradition of Hayden Davis, citing a flight risk as justification.

Hayden Davis is represented in Argentina by attorneys Marcos Salt and Natalia Sergi, while a separate law firm represents him in the U.S.

Later in May, the public prosecutor handling the \$LIBRA case in Argentina, requested information from the Internet Service Provider regarding President Javier Milei's cellphone, with the aim of obtaining digital evidence potentially related to the promotion of the \$LIBRA token.

Furthermore, a class action complaint was filed in March in New York against the issuers and founders of \$LIBRA, such as Hayden Davis, representatives of Meteora, Kip Protocol, and others. The complaint was filed by Burwick Law, a law firm representing investors affected by \$LIBRA. In May, a Temporary Restraining Order was issued by the court, resulting in at least \$57 million USD in USDC being frozen.

Moreover, Jonatan Baldiviezo, a private attorney, [filed a criminal complaint](#) against President Milei, alleging that he violated the Argentinian Public Ethics Law. The complaint includes [corruption charges](#) related to the issuance of the token. Argentina, a signatory to both the Inter-American Convention against Corruption and the United Nations Convention Against Corruption (UNCAC), has enacted [Public Ethics Law](#) (No. 25 188), which criminalizes the use of public resources for promoting private products, services, or enterprises.

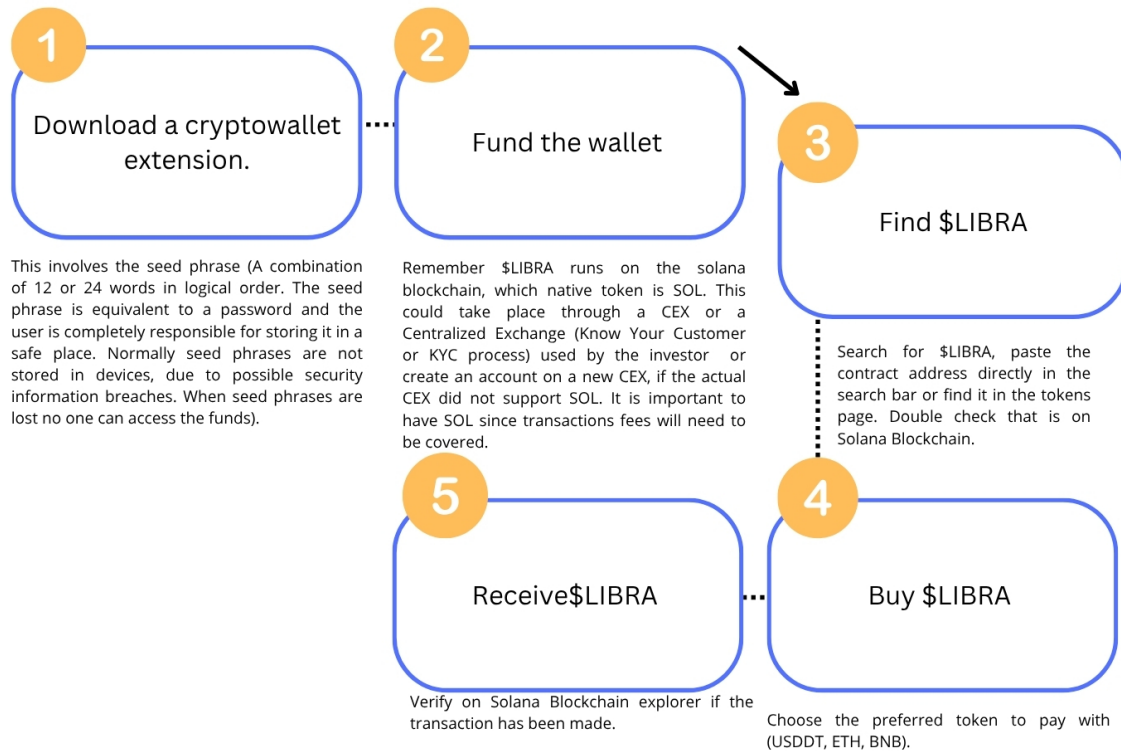
HOW DOES \$LIBRA WORK?

Before delving into the specifics of \$LIBRA it is important to understand what a smart contract is. Tokens are issued through smart contracts, which are protocols programmed on a blockchain and that can have non-fungible or fungible properties. In this specific case, a smart contract was created to issue a maximum supply of 1 billion \$LIBRA tokens with fungible characteristics.

\$LIBRA was issued in the [Solana blockchain](#) by Viva La Libertad Project, and was purportedly designed to strengthen Argentina's economy by supporting entrepreneurship and innovation. The project description published on the [Viva La Libertad website](#) stated that investors and citizens could take part in the funding in a decentralized manner, not through the traditional financial system but through crypto.

According to the project's website, the token was distributed as follows: 20% was allocated for operational costs, 30% of the total supply was intended to provide liquidity—ensuring the token could be easily bought and sold on exchanges, particularly at launch—and 50% was designated for Argentina's growth, in line with the project's objective of funding and promoting Argentine start-ups. The website also stated that the initiative was privately developed by KIP Network Inc., a Singapore-based company, which later [issued a statement distancing](#) itself from the token's launch. The next graphic shows how investors bought \$LIBRA tokens.

HOW DID INVESTORS BUY \$LIBRA?



Source: GFI with information from [OKX](#).

METEORA AND JUPITER'S ROLE IN \$LIBRA ISSUANCE

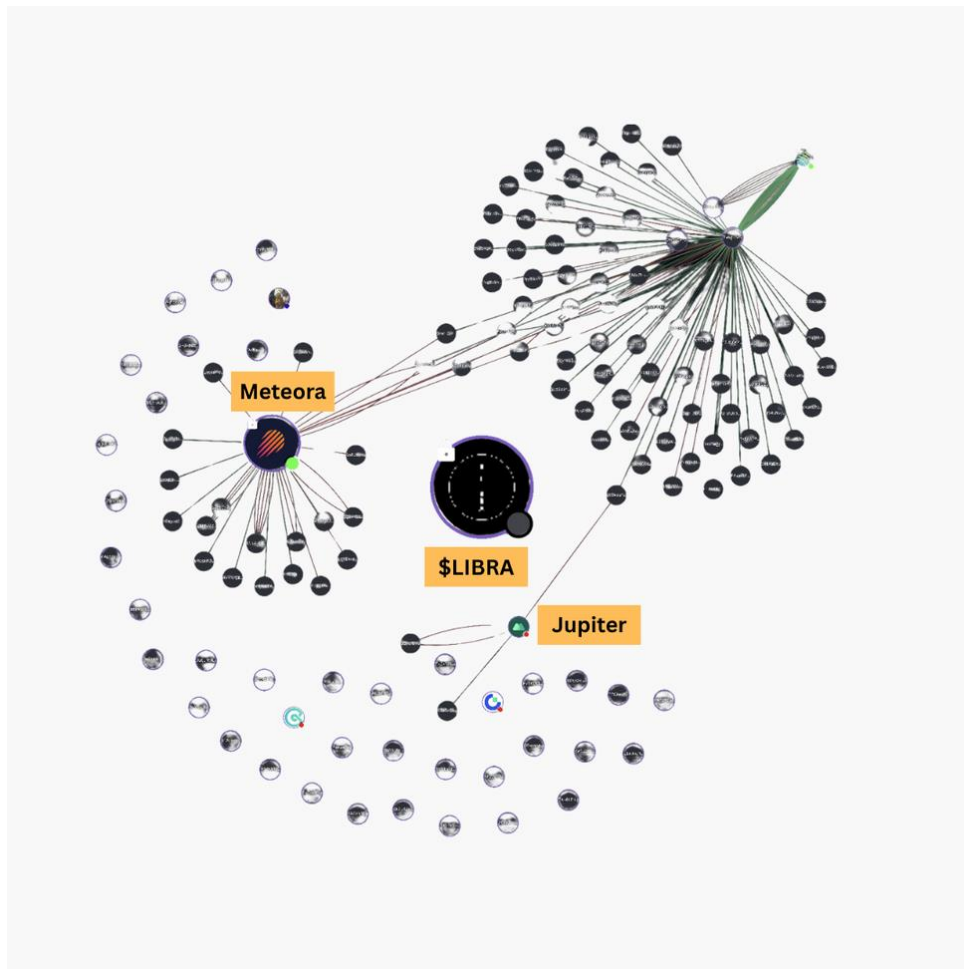
[Meteora](#) is a DEX based in Solana, designed to [provide liquidity](#). As a liquidity provider, Meteora deposits tokens into a [liquidity pool](#) which is a collection of funds locked in a smart contract on Decentralized Finance networks. The tokens can be used by traders to swap for Solana which created a product called [DLMM \(Dynamic Liquidity Market Maker\)](#) that allows liquidity providers to concentrate their funds within specific price ranges, optimizing capital efficiency and potentially earning higher fees.

According to [TRM LABS](#), a Blockchain traceability company, a single address received one million \$LIBRA tokens. This address added \$LIBRA tokens to a liquidity pool on Meteora. The

same address also sent \$LIBRA tokens to another address, which in turn added them to the same Meteora Liquidity Pool. After that, addresses potentially associated with the \$LIBRA team or the “Viva La Libertad Project” withdrew funds directly from Meteora, gradually decreasing \$LIBRA’s price. TRM also identified that \$7.8 million worth of SOL were withdrawn from the Meteora Pool and are circulating through two addresses potentially related to the \$LIBRA team.

When searching the \$LIBRA’s contract address through a blockchain analytics tools, Meteora and [Jupiter](#), enables traceability of the token as shown below:

BLOCKCHAIN ANALYTICS OF THE \$LIBRA TOKEN



Source: Arkham Intelligence. Date: March 5th, 2025.

The \$LIBRA token is in the center, represented by a white circle. The Meteora liquidity pool is represented through a red figure inside a purple circle, and Jupiter is represented by the circular green sign. The small circles around \$LIBRA are other addresses that have interacted with the token address.

Jupiter alleged that it was not involved in the cash-out of \$LIBRA tokens, although some on-chain (blockchain traceability) shows that there are certain addresses linked to the token (as in the above picture).

INVESTIGATION INTO \$LIBRA: A FINANCIAL CRIMES PERSPECTIVE

Before addressing possible financial crimes committed with the \$LIBRA case, it is important to mention that fraud or scams are not a financial crime that is native to the crypto industry. Many crimes in the traditional financial system can also affect the digital assets industry. But there are crimes which are enabled only by technology affecting devices connected to the internet, whose principal method of payment has been cryptocurrencies. Ransomware, data breaches, and any other type of malware can be mentioned in the last group.

When the \$LIBRA token was issued, [many commentators said](#) that it was a possible “Rug Pull” case. In this matter, it is important to define the different types of scams, fraud and red flags that can take place when issuing a token.

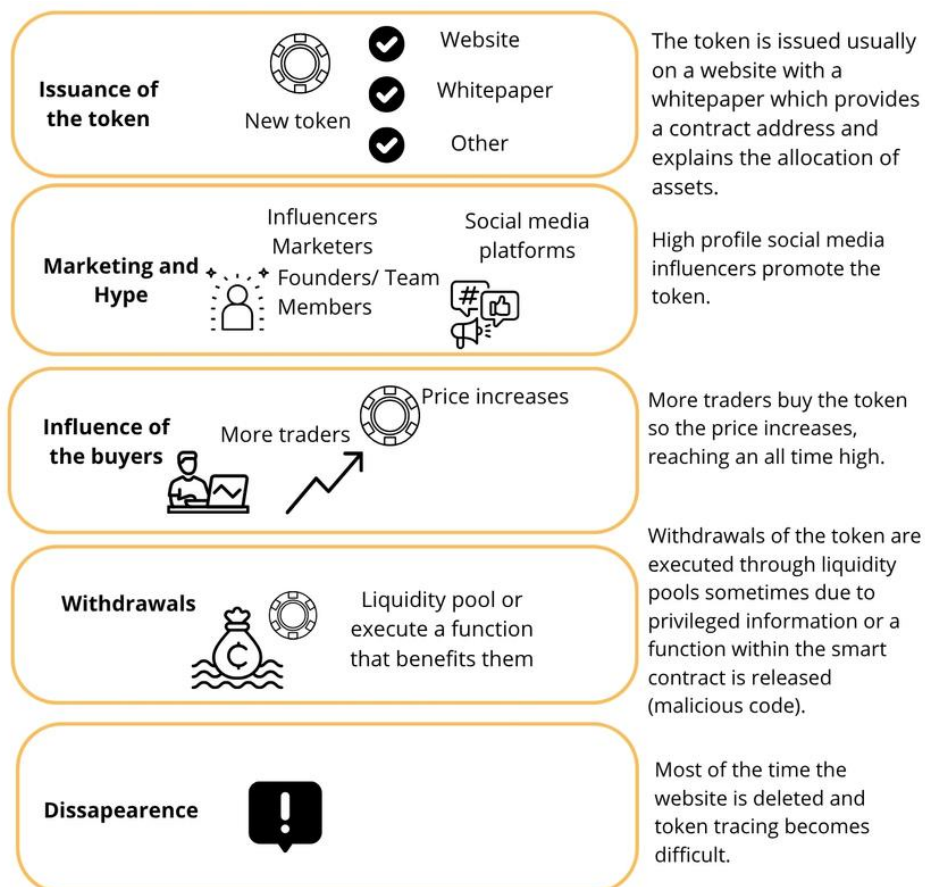
FRAUDS AND SCAMS

Frauds and scams are not the same. [The main difference](#) relies on who executed the action. In the case of fraud, the victim does not participate in the process of executing the action. For example, an unauthorized transaction can be a type of fraud. On the other hand, in a scam, the victim is participant in the transaction and is manipulated into providing information (such as credit card number) that can be used against them.

SCAMS IN THE CRYPTO INDUSTRY: RUG PULLS

In the book “There is Not Such a Thing as Crypto Crime”, the author Nick Forneaux describes a term regarding scams called a “Rug Pull” which refers to [“having the rug pulled out from under you”](#). In such a case, the investor believes that he or she is safe in an investment but then, the [“funds are withdrawn from an investment liquidity pool by the criminal, leaving the investment fund empty”](#). A Rug Pull is a type of scam, but scams can have different “modus operandi” and they can involve malicious codes or even privileged information.

ANATOMY OF A RUG PULL



Source: GFI with information from [Crypto](#) and [Coinmarketcap](#).

REMOVAL OF LIQUIDITY

In this matter, a Rug Pull requires several components or actions, such as the intention of creating a scam, the solicitation of the investment through acquiring the token, and abruptly abandoning the investment project by removing all liquidity from a pool. There has been several Rug Pull cases, for example, [“Frostie” case](#) which was prosecuted in New York.

PUMP AND DUMP

There is also another type of scam called [“pump and dump,”](#) where “the value of the token is artificially raised or pumped, and then the funds are withdrawn by the scammer, driving the remaining tokens to zero”. In this type of scam, people with privileged information can purchase a large quantity of tokens and, after the price of the token is artificially “pump” through advertisement or manipulation, to later sell all the tokens they have, which results in a dramatic drop in the token price (dump). It is popular to make announcements through social media for the investment in a token linked to a pump and dump rug pull.

MALICIOUS CODE IN SMART CONTRACTS

Other types of scams can involve a malicious code inside the smart contract that allows the issuers or the developers of the token to buy unlimited tokens, blocking the investor so they cannot sell or modify key parameters of the tokens. In this case, when the token value goes up, the scammers sell their tokens to the rest of the investors with tokens that have no value.

PONZI SCHEMES

There can also be Ponzi schemes in the crypto industry. These involve the manipulation of the victim through psychological pressure and social engineering techniques with the purpose of getting individuals to invest in a token at a high price. The issuer then sells the victim’s tokens to reap profits that are then given to earlier investors.

RED FLAGS FOR IDENTIFYING A POSSIBLE SCAM

- ❑ Some jurisdictions require that a firm is registered with the relevant government authority before a token is issued. If the issuer is not registered this may suggest that more caution is needed before purchasing tokens.
- ❑ Even though a token is offered on a website information related to the distribution of the token, its liquidity, and most importantly transparency of the legal persons behind the issuance should be available. If this information does not exist this might indicate a possible scam.
- ❑ Details are important and information security is vital. Having a non-business email address represents a lack of professionalism, and is sign that a project that is still in the process of being developed and is not ready for making an issuance.
- ❑ Many scam cases use social media channels to promote the token. This can be a sign that investors need to be wary. Verification of the information through alternate channels is important.
- ❑ If the issuance of the token hasn't been audited, this raises concerns that the launch of the token could result in losses.
- ❑ Crypto communities play an important role in preventing financial crimes. Real-time tracking of token issuances are part of the transparency of the blockchain. Searching the contract address on a blockchain explorer of the token is not enough, it needs to be audited and studied by the community. Lack of transparency can raise red flags about possible scams.

INVESTIGATION AROUND \$LIBRA: PUBLIC FIGURES AND DIGITAL ASSETS

\$LIBRA was advertised from a verified government account on the X platform. The account has more than 3.8 million followers, which can impact impressions of that specific post.

Promoting digital assets or wallets through a government account on X have been common recently. For example, when Bitcoin became legal tender in El Salvador in 2021, President Nayib Bukele published from his X account the [launch of the Chivo Wallet](#), El Salvador's government wallet, which was funded with public and private funds. Moreover, when the Chivo Wallet experienced technical difficulties, Bukele [posted](#) a Q&A through a thread specifically regarding the location of Chivo's kiosks, transactions, and other technical answers to users of the wallet. It is important to mention that in this example, the Chivo Wallet used only Fiat currency and Bitcoin and allowed the conversion between them.

Another example was the launch of the \$TRUMP meme on January 17, 2025, when President-elect Donald Trump [announced](#) that his new official Trump meme was "HERE!" from his X account. By purchasing the token, the buyers could join the Trump Community. The information of the \$Trump meme was published on [gettrumpmemes.com](#) through the smart contract address: 6p6xgHyF7AeE6TZkSmFsko444wqoP15icUSqi2jfGiPN, developed on the Solana blockchain.

The distribution of the token indicated that 200 million \$TRUMP were available on day one and that it was going to grow to a total of one billion over three years. The launch of the token took [place two days before](#) the presidential inauguration on January 20, 2025, although \$TRUMP memes can be acquired through the initial website and through well-known CEX such as Binance, OKX, and Kraken.

Even though \$LIBRA, meme coins, and BTC have been promoted by public figures such as presidents from specific countries, they also have clear differences.

COMPARISON BETWEEN BTC, \$LIBRA AND \$TRUMP

Token	Blockchain used	Type of token	Promoted by	Channel of promotion	Date of launch	Launched by
BTC	Bitcoin Blockchain	Native token on the Bitcoin Blockchain	El Salvador's President and many other public figures	Many channels like social media (X, Instagram, Tik Tok, Facebook) have been used to promote BTC.	2008	Created through the Bitcoin Whitepaper by Satoshi Nakamoto
\$TRUMP	Solana Blockchain	Meme coin	US-President elect	Official government account on X (www.gettrumpmemes.com)	2025	Creators and CIC Digital Groups
\$LIBRA	Solana Blockchain	Still in discussion to be classified as a security token or any other type of token	Argentina's President	Official government account on X (www.vivalibertadproject.com)	2025	Viva la Libertad Project

Source:

[Bitcoin Whitepaper](#)

X government accounts: [@realDonaldTrump](#), [@JMilei](#), [@nayibbukele](#)

Websites: www.gettrumpmemes.com, www.vivalalibertadproject.com

Other social media channels: IG: [@nayibbukele](#), FB: [Nayib Bukele](#), Tik Tok: [Nayib Bukele](#)

Key findings from the chart:

- **Bitcoin and meme coins are not the same.** Bitcoin operates within the Bitcoin blockchain, and its price is determined by supply and demand. However, it does not represent a collectible because it can be used for investment, payment, or as collateral for contracting a loan. Memecoins, on the other hand, have little or null utility.
- Even though the \$LIBRA token has similarities with the \$TRUMP meme, such as the blockchain used (Solana) or even the structure (distribution of the token), **the objective of both projects is different.** On one hand, the \$TRUMP meme represents support to President Donald Trump while \$LIBRA was issued with the purpose of funding Argentinian start-ups and entrepreneurs.
- Bitcoin and \$LIBRA are different. While **Bitcoin can be used as a way of payment, investment, or to convert it to other digital assets, \$LIBRA's objective is to fund startups.** Even though \$LIBRA is still in the process of being classified as a security and has been also considered as a meme coin, it's crucial to note that the token represents a participation in a project that generates a profit or benefit to the issuers. These are characteristics that are more familiar to a security token definition and not a memecoin.

MARKET MANIPULATION, CUSTOMERS, AND \$LIBRA

Many red flags could have been identified from investors through the acquisition of the \$LIBRA token. Regulation of digital assets, especially in the issuance of tokens, play an essential role in preventing market manipulation and providing customer protection.

For example, the [Markets in Crypto Assets \(MiCAs\)](#) regulation from the European Union establishes a series of requirements for the issuance of Asset Referenced Tokens (ARTs), such as the disclosure of key information about the token, including structure, governance, and potential risks. These requirements seek transparency for investors and users. Furthermore, MiCAs require that Crypto Assets Services Providers (CASPs) promote marketing and communications campaigns in a transparent manner and with information

about the issuer, the token, the underlying tech, and potential risks, for example, null liquidity.

The MiCAs also [establishes](#) monitoring of trading activities to ensure that prices or trading volumes are not being artificially influenced. This incorporates real-time transaction monitoring for detecting unusual patterns that may result in market manipulation. Moreover, it includes a market abuse reporting framework with a clear process for reporting detected incidents.

Another example can be found in El Salvador's [Digital Assets Issuance Law](#). The Law promotes the integrity of the market, with equal and efficient access to the information regarding prices, commercial practices, and the diffusion of information standards. The Law also specifies the role of the Digital Assets Service Providers (DASPs) on preventing market manipulation and, prohibiting any market manipulation practices, especially “Taking advantage of access to a traditional or electronic media outlet with the purpose of expressing an opinion about a digital asset after having conducted operations in favor of or against announced digital asset, and benefiting from the impact of the expressed opinion on the price of the announced digital asset, without simultaneously disclosing the nature of those operations and their interests”.

Many jurisdictions have protected consumer rights through robust regulation or are in the process of regulating and establishing clear rules towards digital assets. For example, the United Kingdom through the Financial Conduct Authority (FCA) and the United States of America through its Digital Assets Market Structure and Investor Protection Act, are leaders in this area.

RECOMMENDATIONS AND LESSONS LEARNED ON THE ISSUANCE OF THE \$LIBRA TOKEN

Market manipulation real-time monitoring: Real-time monitoring of the issuance of the token is a key activity for supervisors for the prevention of market manipulation and the bolstering of consumer protection. For these matters, it becomes important to determine

which information is relevant for the issuer to publish, the channels where it must be posted, as well as providing sufficient and transparent information regarding the token.

Identifying red flags for preventing scams: Investors should be aware of potential scams by searching for information on the token issuers and the issuance details, such as the initial price of the token and the underlying technology. Additionally, the process of acquiring the token, the contract address, and information about the risks should be readily available. Investors should also seek information about the issuance of the token in the digital assets' community, information regarding the issuer, such as compliance with legal obligations.

Real time investigation and countering financial crimes: Authorities should be aware of different market manipulation practices, as well as potential risks regarding digital assets. In that regard, the use of monitoring tools should be used to enable the token's traceability and behavior of the transaction, with the purpose of identifying patterns that can be related to possible scams or fraud.

Promoting Blockchain: Blockchain transparency can be the best ally for disarming antitrust, market manipulation, and nonmarket integrity. Blockchain can identify possible red flags in real time in the digital assets industry. Furthermore, the 24/7 availability for any user can be the ideal infrastructure for the issuance of digital assets supported by projects with enormous benefits for the community, but the trust of the market in Blockchain will increase when projects are well implemented.

Regulation does not substitute education: Regulation does not provide complete protection. Public registries that identify VASPs, CASPs, or DASPs, or any other actor in the issuance of a token, can be a guarantee of reliable tokens. Although regulations play an important role when it comes to protecting consumer rights and deriving any type of liability, education is one of the best ways to promote responsible adoption of technology.



GLOBAL FINANCIAL INTEGRITY