The Emoluments Clause Was Written to Prevent Exactly This Situation

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Four days before Donald Trump took office in January 2025, representatives of Abu Dhabi royalty signed a contract to pump $500 million into a **Trump family cryptocurrency venture**. The timing wasn't subtle. Neither was what came next.

The buyer was connected to **Sheikh Tahnoon bin Zayed Al Nahyan**, the UAE's national security advisor and brother of the country's president. He controls a government investment fund that manages the country's money—a portfolio worth roughly $1.3 trillion. His stake gave him 49 percent ownership in World Liberty Financial, the Trump family's crypto platform. Tahnoon's representatives agreed to pay $250 million upfront,

with the remainder on different terms. Based on World Liberty's ownership structure at the time, **the Trump family received approximately $187 million as their share of the upfront payment**. Another $31 million from the upfront payment was slated for relatives of Steve Witkoff, the administration's Middle East envoy and co-founder of World Liberty Financial. The remaining $32 million went to other stakeholders in the company.

Months later, **the administration approved** sending 500,000 powerful computer chips to the UAE—technology the previous administration had blocked. These were chips the Biden administration had previously withheld over concerns they might end up in China's hands.

This is the scenario the Constitution's authors wrote a constitutional rule against foreign gifts to prevent—what's formally called the Foreign Emoluments Clause. A foreign government official putting money into a president's business, then receiving favorable treatment from that president's administration.

The Secret Deal

The public didn't learn about the UAE deal until **The Wall Street Journal reported it in February 2026**—more than a year after it closed. World Liberty Financial never announced who bought the 49 percent stake. The company's ownership structure changed dramatically, but shareholders got no explanation.

When a sitting government official from a foreign state becomes the largest outside backer of a president's family business, that's information the public has a right to know. The Constitution's authors certainly thought so.

Tahnoon isn't some wealthy backer chasing crypto returns. He's the UAE's National Security Advisor. He manages the country's primary vehicles for state capital. **His position makes him precisely the kind of foreign state official** the Constitution's rule against foreign gifts was designed to regulate.

Weeks after the initial deal, another Tahnoon-controlled venture—the firm MGX—announced it would purchase $2 billion worth of World Liberty Financial's new stablecoin. **MGX and World Liberty Financial share overlapping management**, including at least two Tahnoon-affiliated executives who joined World Liberty's board.

The $2 billion transaction transformed World Liberty's financial position overnight. If deployed in U.S. Treasury bonds, those assets could generate roughly $80 million annually. For a cryptocurrency startup founded months earlier, that's not a business relationship. That's a lifeline.

The Chip Export Decision

Two weeks after MGX announced its $2 billion purchase, the administration announced a landmark agreement to provide **advanced AI semiconductors to the UAE**. The May 2025 decision reversed the previous administration's policy completely.

These aren't consumer chips. The processors authorized for export are among the most powerful AI accelerators Nvidia manufactures—the kind needed to train large language models and other frontier AI systems. The Biden Commerce Department had declined to authorize similar exports, citing national security concerns that the technology might be diverted to China through G42, an AI company also controlled by Tahnoon.

The original framework agreement allowed up to **500,000 advanced AI chips** annually to flow to the UAE, with roughly one-fifth designated for G42. Later refinements reduced that number, but the authorization still represented remarkable access to sensitive technology.

The sequence is unambiguous: foreign government money in January 2025, followed by administration approval of sensitive technology exports to that same foreign government in May 2025.

The White House insists the decisions were entirely separate. A World Liberty Financial spokesperson called any connection between the chip export and the cryptocurrency deal "100% false." The president, they say, wasn't involved in the World Liberty negotiations.

But the Constitution's authors didn't require proof of explicit quid pro quo. They prohibited the appearance of divided loyalty—the ambiguity itself about whether a president's decisions serve America or serve his private interests.

The Foreign Emoluments Clause

The Foreign Emoluments Clause appears in Article I, Section 9: "No Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State."

The language is deliberately expansive. "Of any kind whatever." The only exception: Congressional consent.

The Constitution's authors included this provision because they'd seen what happened when foreign governments offered gifts to American diplomats. Benjamin Franklin received an elaborate gold snuffbox encrusted with diamonds from the French king. Concerned about violating the Articles of Confederation, **Franklin sought and obtained Congressional approval** to keep it.

That incident troubled those who drafted the Constitution. Edmund Randolph of Virginia explained at the Constitutional Convention: "This restriction was provided to prevent corruption. An accident, which happened, operated in producing the restriction. A box was presented to our ambassador by the king of our allies. It was thought proper, in order to exclude corruption and foreign influence, to prohibit any one in office from receiving or holding any emoluments from foreign states."

The word "emolument" meant more than salary. **In the founding era, it encompassed "any profit, advantage, or benefit"** one might confer upon another. Samuel Johnson's Dictionary, published in 1755 and widely used in America, defined "emolument" as "Profit; advantage."

That expansive term was chosen deliberately. It was paired with "of any kind whatever" to ensure the prohibition would reach all conceivable methods by which foreign governments might attempt to influence American officials.

Why Enforcement Has Failed

The legal case appears straightforward. Sheikh Tahnoon is unquestionably a person holding a position under the UAE. The $500 million deal certainly constitutes a financial benefit conferred upon the president and his relatives. No Congressional consent was sought or granted.

Yet no president has ever been successfully prosecuted or impeached primarily for violations of the rule against foreign gifts. During the first administration, multiple lawsuits challenged his receipt of foreign payments through his business empire. Federal district judges initially allowed the cases to proceed. But when the administration appealed, higher courts concluded that the plaintiffs weren't the right people to sue, or the courts shouldn't get involved in political disputes.

The standing problem has proven decisive. When members of Congress sued claiming their constitutional right to vote was violated by undisclosed emoluments, courts struggled with whether individual legislators had standing to sue on behalf of Congress's collective institutional interests. **A federal appeals court ruled** that only Congress itself could challenge the president's actions—through legislative action—or another entity with concrete injury.

What makes the current situation different is timing. The $500 million World Liberty Financial deal was signed days before the inauguration. It existed from the moment the presidency began. There's no argument that the transaction occurred before holding the position and therefore falls outside the Clause's protection.

The role isn't passive ownership through a blind trust. It's active participation. Eric Trump signed the agreement on behalf of World Liberty Financial. Any payments to World Liberty translate directly into benefit to the relatives as shareholders and active participants in the business.

The Broader Pattern

World Liberty Financial fits a pattern of crypto ventures attracting foreign capital, followed by administration decisions benefiting those foreign backers.

In January 2025, cryptocurrency billionaire Justin Sun put $30 million into World Liberty Financial tokens and was named an advisor to the company. Shortly after the inauguration, **the Securities and Exchange Commission** reportedly backed off an investigation into Sun's companies that the Biden administration had initiated. Administration officials deny any connection.

Changpeng Zhao, the Chinese-born founder of the Binance cryptocurrency exchange, **pleaded guilty in November 2023** to charges that his company violated anti-money-laundering laws and enabled financial flows to terrorist organizations. He served four months in prison.

CBS News reported that Binance donated critical software to World Liberty Financial in late 2024, with a source describing the contribution as necessary to the company's functioning. The $2 billion transaction made Binance the holder of the majority of World Liberty's deposits, giving Binance substantial leverage over the platform.

In October 2025, a full and unconditional presidential pardon was granted to Zhao. The president initially claimed to have no knowledge of Zhao, later suggesting Zhao had been persecuted by the Biden administration.

The pardon of a felon who had contributed technical infrastructure to a business run by the president's relatives, while that business was receiving massive foreign government capital, presents a pattern of using presidential power to reward parties that financially benefit the relatives.

Congressional Response

Senator Elizabeth Warren demanded detailed explanations of how administration officials made the chip export decision. She suggested the decision may have been influenced by the World Liberty Financial deal and called for the export authorization to be reconsidered.

In May 2025, **House Judiciary Democrats opened an investigation** into the acceptance of a $400 million luxury jet from Qatar, another foreign government. This separate emoluments controversy involved Attorney General Pam Bondi, who had served as a registered foreign agent of Qatar before joining the administration.

The congressional response has focused on investigation and demands for documentation rather than legislative action or impeachment. Republicans control both chambers. The administration has responded to inquiries with claims that no conflicts of interest exist and that all decisions were made based on merit and national security considerations.

Constitutional Scholars' Assessment

Norm Eisen, who served as White House ethics counsel under President Obama, wrote that maintaining active ownership of a sprawling enterprise while serving as president creates "a steady stream of monetary and other benefits from foreign powers and their agents." **The World Liberty Financial deal** is precisely what the Emoluments Clause was designed to prevent.

Robert Weissman, co-president of Public Citizen, characterized the arrangement as having "no precedent in American history" and stated it "violates the Constitution's rule against foreign gifts, the most basic ethics standards and plain common sense."

At the Constitutional Convention, Edmund Randolph explained that if a president receives emoluments from foreign powers, "he may be impeached." Those who drafted the Constitution understood that presidential violation of the Foreign Emoluments Clause would constitute an impeachable offense.

Initiating impeachment requires political will in Congress. With the president's party controlling the legislative branch, such proceedings appear unlikely.

The Core Constitutional Question

Lawrence Lessig, a constitutional law professor at Harvard, observed that the situation creates a fundamental compromise of American governance: "we can't know what's the reason for the decisions that the

administration is making. Are the reasons helping America, or are the reasons helping America and also helping them privately?"

That ambiguity is what the Emoluments Clause was written to prevent. Not corruption itself, but the appearance of divided loyalty. The uncertainty about whether a president's decisions serve the nation or serve his private interests.

If a foreign government can put hundreds of millions of dollars into a presidential business venture days before inauguration, and if sensitive technology exports to that government can then be authorized without facing legal or political consequences, the Clause's core purpose appears hollow.

Those who drafted the Foreign Emoluments Clause believed such ambiguity threatens the integrity of the American political system. They believed officials should remain loyal to the United States, not susceptible to influence from foreign powers. They believed the appearance of corruption was itself corrosive, even absent proof of explicit quid pro quo.

Whether modern enforcement mechanisms prove adequate to protect against what they feared remains an open question. A $500 million deal from a foreign government official. Sensitive technology exports approved months later. A cryptocurrency venture linking the presidential relatives to foreign sovereign wealth. Congressional investigations that go nowhere. Courts that dismiss cases on procedural grounds without reaching the constitutional merits.

This is exactly the situation the Emoluments Clause was written to prevent. The question now is whether anyone has the power—or the will—to enforce it.

Historical Origins of the Emoluments Clause

The concern about foreign influence on American officials came from direct experience with European monarchies attempting to manipulate American diplomats through gifts, titles, and financial inducements. During the Revolutionary War and the years under the Articles of Confederation, **foreign powers regularly offered presents** to American representatives. France, Spain, and other nations understood that personal gifts could create obligations and influence policy decisions.

George Washington warned in his Farewell Address about "the insidious wiles of foreign influence," calling it "one of the most baneful foes of republican government." He understood that financial entanglements with foreign powers could compromise the independence that the young nation had fought to secure.

James Madison echoed this concern during the Constitutional Convention debates. He argued that the new government needed explicit protections against foreign corruption because "the Executive will have great opportunities of abusing his power; particularly in time of war when the military force, and in some respects the public money will be in his hands."

The delegates debated various formulations of what would become the Emoluments Clause. Some proposed limiting it to specific types of gifts or payments. Others suggested creating exceptions for ceremonial presents of minimal value. But the final language they adopted was sweeping: "any present, Emolument, Office, or Title, of any kind whatever."

That breadth was intentional. The founders knew they couldn't anticipate every method by which foreign powers might attempt to influence American officials. So they wrote a prohibition broad enough to cover any conceivable benefit—financial, honorary, or otherwise.

Precedent and Conflict of Interest Management

Previous presidents addressed potential conflicts through divestment or blind trusts. Jimmy Carter placed his peanut farm in a blind trust. Both George H.W. Bush and George W. Bush used blind trusts for their assets. Even presidents with substantial business interests recognized that maintaining direct control while in the White House created untenable conflicts.

The current approach represents a departure from that tradition. Rather than divesting or creating distance from business interests, the relatives are running businesses that take money from foreign governments while the president exercises the powers of his position.

This creates an ongoing conflict of interest—not a one-time questionable decision, but an ongoing arrangement where the president's relatives' financial interests are continuously intertwined with foreign governments that have business before the United States.

The UAE alone presents multiple policy areas where presidential decisions could affect the value of the World Liberty Financial stake. Arms sales, military cooperation agreements, technology export licenses, trade policy, and diplomatic support all fall within executive authority. Each decision could plausibly be made either to serve American interests or to maintain good relations with a major backer of the relatives' business.

That's the ambiguity the Emoluments Clause was designed to eliminate. By prohibiting financial relationships with foreign governments, the Constitution's authors sought to ensure that when a president makes decisions, the public can trust those decisions serve only American interests.

The Enforcement Gap

The enforcement challenge reveals a gap in the constitutional system. The founders assumed that Congress would jealously guard its prerogatives and check presidential overreach regardless of party. They didn't anticipate the rise of political parties so disciplined that legislators would consistently prioritize party loyalty over institutional authority.

When the president's party controls Congress, the primary enforcement mechanism for the Emoluments Clause—Congressional oversight and potential impeachment—becomes largely theoretical. Investigations may be launched, but they rarely produce consequences when the investigators share party affiliation with the investigated.

The judicial route has proven equally problematic. Courts have used technical legal reasons to avoid ruling on the actual constitutional question. Standing doctrine, political question doctrine, and mootness have all allowed courts to dismiss cases without determining whether the Constitution was violated.

This leaves the public with a constitutional provision that appears clear in its text but proves nearly impossible to enforce in practice. The prohibition exists. The violation appears evident. But the mechanisms that should translate constitutional text into constitutional accountability have failed to function.

Some legal scholars argue the Emoluments Clause was always meant to be enforced primarily through voters punishing presidents who violate the rule. But that argument assumes voters have access to complete information about foreign financial relationships. The World Liberty Financial deal remained secret for over a year. The connections between the chip export decision and the cryptocurrency venture only became clear through investigative journalism, not through any disclosure requirement or transparency mechanism. How can voters hold officials accountable for violations they don't know about?

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