

The US Just Spent 15 Months Building the Machine to Buy Bitcoin -- and Almost Nobody Noticed

Patrick Witt. Consensus Miami. May 6 2026. Breakthrough. 328372 BTC. 25.4 Billion. Desk Drawers. 60 Million Exploit. BITCOIN Act. Announcement Coming. -- Q2 2026

On May 6, 2026 at Consensus Miami -- CoinDesk's annual institutional crypto conference at the Miami Beach Convention Center -- Patrick Witt, executive director of the President's Council of Advisors for Digital Assets, sat down for an interview with Scott Melker and told the audience something that received a fraction of the media attention it deserved. We will have an announcement. It is a breakthrough as far as getting everything in place, legally sound, properly safeguarding the assets. Witt told the Consensus Miami audience that a major Strategic Bitcoin Reserve update is coming in the next few weeks -- the most specific public timeline offered by any White House official since President Trump signed the executive order creating the Strategic Bitcoin Reserve in March 2025. Witt also disclosed that the federal effort to inventory, centralize, and secure US-held Bitcoin and other digital assets has been running in the background for months -- describing the scale of what that effort revealed: cold wallets stored in desk drawers across federal agencies, a \$60 million or more exploit of US Marshals Service digital asset holdings in late 2025, and an audit revealing approximately 328,372 BTC in US government custody worth approximately \$25.4 billion at current prices. The priority, Witt said, is to get our own house in order before making details public. On the legal underpinnings, Witt said much of the staff work has gone into general-counsel-level questions about which authorities allow agencies to hold the assets, for how long, and whether they are subject to congressional clawback -- questions that really had not been explored until the president signed the executive order. The mechanics are in place from the executive branch side. Legislation is needed to make them permanent. Senator Cynthia Lummis's BITCOIN Act in the Senate and Representative Nick Begich's House effort are the legislative vehicles that Witt identified for that codification. While CNBC runs segments on whether crypto is dead and social media debates whether the cycle is broken, the United States federal government has been quietly building the legal and operational infrastructure to hold and potentially accumulate Bitcoin as a sovereign reserve asset for 15 months. The machine is almost ready.

01 -- THE TWO EXECUTIVE ORDERS: WHAT TRUMP ACTUALLY SIGNED AND WHAT EACH ONE DID

Understanding the Strategic Bitcoin Reserve requires understanding the two executive orders that created it and the specific legal authorities each one established -- because the distinction between

what the orders do and what the public narrative has assumed they do is the central analytical gap that Witt's Consensus Miami disclosure closes.

The first executive order -- signed on January 23, 2025, day three of Trump's second term -- was titled Strengthening American Leadership in Digital Financial Technology. This order established the Presidential Council of Advisors for Digital Assets, prohibited the establishment of a US central bank digital currency, directed federal agencies to identify existing legal frameworks governing digital asset activity, and initiated the process of evaluating US digital asset policy comprehensively. The first order was the organizational and policy framework order -- it set the direction and created the institutional machinery without making any specific commitments about Bitcoin holdings or purchases.

The second executive order -- signed on March 6, 2025 -- is the one that created the Strategic Bitcoin Reserve specifically. This order directed the Treasury Department to hold every Bitcoin already in US government custody through criminal and civil asset forfeiture proceedings and prohibited any sale of those holdings. It also directed agencies to audit their existing digital asset holdings and created the separate US Digital Asset Stockpile for non-Bitcoin digital assets that the government holds through forfeiture. Critically, the March 6 order directed Treasury to study budget-neutral acquisition strategies for additional Bitcoin -- but it did not authorize any Bitcoin purchases. The authorization to buy additional Bitcoin requires either a separate executive action or congressional legislation.

The distinction between what the March 6 order did -- halt sales, centralize custody, audit holdings, study acquisition -- and what the public narrative assumed it did -- authorize immediate sovereign Bitcoin purchases -- is the gap that has caused the most confusion about the Strategic Bitcoin Reserve's progress. Treasury Secretary Scott Bessent confirmed this distinction explicitly in August 2025 when he told reporters the US will not be buying additional Bitcoin -- a statement that was accurately describing the current legal authority under the March 6 executive order, not a policy reversal of the Strategic Bitcoin Reserve concept. The authority to buy does not yet exist in the form that Bessent was being asked about. Building that authority is what Witt's 15 months of legal infrastructure work has been advancing.

TWO EXECUTIVE ORDERS: January 23 2025 -- organizational framework, prohibited CBDC, created Presidential Council of Advisors for Digital Assets. March 6 2025 -- created Strategic Bitcoin Reserve, halted sales of seized Bitcoin, mandated audit, directed study of budget-neutral acquisition. Key distinction: the March 6 order studies acquisition. It does not authorize purchases. Building the authority to purchase is what 15 months of legal infrastructure work advances.

02 -- WHAT 15 MONTHS OF LEGAL INFRASTRUCTURE WORK ACTUALLY INVOLVED

Witt's characterization of the Strategic Bitcoin Reserve legal infrastructure work as a months-long project running quietly in the background is the most candid description of what building sovereign Bitcoin custody actually requires when starting from the pre-existing US government digital asset management framework -- which the Consensus Miami disclosures revealed was significantly less organized than the public had assumed.

The audit that followed the March 6 executive order revealed what Witt described at Consensus Miami as a fragmented custody landscape across agencies: cold wallets stored in desk drawers at federal agencies. This disclosure is the most operationally significant detail in Witt's Consensus Miami interview because it confirms that the US government's Bitcoin holdings -- the approximately 328,372 BTC accumulated through years of criminal forfeiture proceedings including the Silk Road seizures, the Bitfinex hack recovery, the Colonial Pipeline ransomware recovery, and hundreds of smaller forfeiture cases -- were being held in a decentralized, agency-by-agency custody structure that varied significantly in security sophistication.

The US Marshals Service exploit -- a \$60 million or more security incident involving digital assets in US Marshals custody in late 2025 -- is the data point that most directly justifies the priority that Witt's office has placed on getting custody right before making any public disclosures about the reserve's scale. The US Marshals Service is the primary federal agency responsible for managing assets seized through federal criminal proceedings, including digital assets seized in crypto-related criminal cases. A \$60 million exploit of US Marshals Service digital asset holdings confirms that the pre-March 2025 custody infrastructure was not adequate for safeguarding what has become a \$25.4 billion sovereign Bitcoin holding.

The legal questions that Witt described as general-counsel-level work -- which authorities allow agencies to hold the assets, for how long, and whether they are subject to congressional clawback -- are the specific statutory interpretation questions that determine whether the executive branch has the legal authority to consolidate Bitcoin holdings across agencies into a unified Treasury-managed reserve without congressional appropriation. The Antideficiency Act, the Miscellaneous Receipts Act, and the specific forfeiture statutes that govern how seized assets must be handled all potentially apply to the question of whether the executive branch can hold Bitcoin as a reserve asset rather than liquidating it through the standard forfeiture disposition process.

Witt's statement at Bitcoin 2026 in Las Vegas -- previewing the Consensus Miami disclosure -- confirmed that the administration believed it could take a big step forward from the executive branch side even before Congress acts. This framing suggests that the legal infrastructure work has identified at least some executive branch authorities that support consolidating and securing the existing Bitcoin holdings without requiring new congressional legislation for that specific step, even though Witt was simultaneously clear that permanent codification requires the BITCOIN Act or equivalent legislation.

03 -- 328,372 BTC: THE SCALE OF THE SOVEREIGN HOLDING

The approximately 328,372 BTC that the US government holds -- worth approximately \$25.4 billion at prices current at the time of the Consensus Miami disclosure -- is the largest documented sovereign Bitcoin holding in the world and the figure that gives the Strategic Bitcoin Reserve its geopolitical significance as a potential model for other sovereign Bitcoin reserve programs.

The US government's Bitcoin holdings were not accumulated through a deliberate investment program. They are the accumulated result of years of criminal and civil asset forfeiture proceedings against cryptocurrency-related criminal enterprises. The largest individual sources of US government Bitcoin holdings include: the 2013 Silk Road seizure and subsequent Ross Ulbricht case, which produced

multiple tranches of Bitcoin totaling approximately 144,000 BTC; the 2022 Bitfinex hack recovery, in which the Department of Justice seized approximately 94,643 BTC from the Lichtenstein-Morgan couple who had laundered the 2016 Bitfinex exchange hack proceeds; the 2021 Colonial Pipeline ransomware recovery, in which the DOJ recovered approximately 63.7 Bitcoin paid as ransom to the DarkSide ransomware group; and hundreds of smaller forfeiture cases in which Bitcoin seized as proceeds of drug trafficking, fraud, money laundering, and other federal crimes accumulated across the US Marshals Service and other federal custodians.

The \$25.4 billion valuation of the US government's approximately 328,372 BTC holding is more than twice the size of El Salvador's Bitcoin treasury, more than five times the size of the MicroStrategy-equivalent Bitcoin holding of any other sovereign entity, and comparable in scale to a mid-sized country's total foreign exchange reserves. At Bitcoin's institutional adoption-driven price trajectory documented in the Alain AI Lab research series -- from the \$60,000 halving-cycle low through the \$126,000 October 2025 peak -- the US government's existing Bitcoin holding has already appreciated significantly from the prices at which most of it was originally seized and would have been liquidated under the pre-March 2025 disposal policy that the executive order halted.

Witt's refusal to disclose the precise size of federal crypto holdings at Consensus Miami -- saying the priority is to get our own house in order before making details public -- reflects the operational security logic of announcing a sovereign Bitcoin holding at current prices before the custody and legal infrastructure to properly protect it is fully in place. The \$25.4 billion figure cited in the crypto.news analysis is an estimate from available public records of US government Bitcoin holdings, not an official disclosure.

US GOVERNMENT BITCOIN HOLDING: Approximately 328,372 BTC worth approximately \$25.4 billion. Sources: Silk Road seizures 144,000 BTC, Bitfinex hack recovery 94,643 BTC, Colonial Pipeline recovery 63.7 BTC, hundreds of smaller forfeiture cases. Largest documented sovereign Bitcoin holding in the world. Cold wallets stored in desk drawers across agencies prior to centralization effort. \$60M plus US Marshals exploit late 2025 accelerated security upgrade.

04 -- THE BITCOIN ACT AND ARMA: THE LEGISLATIVE PATH TO PERMANENT CODIFICATION

Witt's repeated emphasis at both Bitcoin 2026 in Las Vegas and Consensus Miami that the Strategic Bitcoin Reserve ultimately needs congressional codification through legislation -- citing Senator Cynthia Lummis's BITCOIN Act and Representative Nick Begich's House effort -- reflects the fundamental vulnerability of executive-order-based policy that the Biden administration's reversal of Trump's first-term crypto policies demonstrated empirically.

Senator Cynthia Lummis of Wyoming introduced the BITCOIN Act in the US Senate -- formally titled the Boosting Innovation, Technology, and Competitiveness through Optimized Investment Nationwide Act -- which would codify the Strategic Bitcoin Reserve as a statutory program, authorize the Treasury to accumulate up to 1 million Bitcoin over five years through budget-neutral means including revaluation of the Federal Reserve's gold certificates, and establish the reserve as a permanent feature of US

monetary policy that cannot be reversed by executive action of a future administration. The Senate Banking Committee markup of the BITCOIN Act was expected by May 31, 2026 according to the crypto.news analysis of the reserve's legislative status.

The American Reserve Modernization Action Act -- ARMA -- was introduced in May 2026 as a bipartisan alternative to the BITCOIN Act that takes a somewhat different approach to the acquisition financing mechanism. The ARMA bill's introduction reflects the congressional recognition that multiple legislative pathways toward Bitcoin reserve codification deserve consideration, and that a bipartisan bill with broader support may have better prospects for floor passage than the Lummis BITCOIN Act alone.

Witt's warning about executive order vulnerability is analytically precise and historically supported. The Trump administration's first-term crypto executive actions -- including the January 2020 FinCEN proposed rule on self-hosted wallets and various other crypto policy positions -- were reversed or abandoned by the Biden administration. The Biden administration's SAB 121 accounting guidance, which the SEC issued in March 2022 and which required banks to record customer crypto as balance sheet liabilities, was itself reversed by the Trump administration's SAB 122 in January 2025. The cycle of executive action and reversal is the policy instability that the BITCOIN Act's statutory codification would permanently resolve for the Strategic Bitcoin Reserve specifically.

05 -- WHAT BUDGET-NEUTRAL ACQUISITION ACTUALLY MEANS

The March 6 executive order directed the Treasury to study budget-neutral acquisition strategies for additional Bitcoin beyond the existing forfeiture holdings. Understanding what budget-neutral acquisition means in the context of sovereign Bitcoin accumulation is essential for assessing the credibility and scale of any future US Bitcoin purchasing program.

Budget-neutral acquisition means acquiring Bitcoin without appropriating new government funds specifically for that purpose -- without Congress authorizing a line item in the federal budget for Bitcoin purchases. The constraint exists because any significant Bitcoin purchase program that requires congressional appropriation faces the same legislative hurdles as any other major government spending program -- committee approval, floor votes, potential filibuster, presidential signature. Budget-neutral acquisition mechanisms attempt to sidestep this constraint by using existing federal assets or revenues to fund Bitcoin accumulation.

The most widely discussed budget-neutral acquisition mechanism is the gold certificate revaluation approach proposed in the BITCOIN Act. The Federal Reserve holds gold certificates that represent the Treasury's gold holdings, valued at the statutory price of \$42.22 per troy ounce -- a price set in 1973 that is approximately 57 times lower than the current market price of gold at approximately \$2,400 per troy ounce. The Treasury could revalue these gold certificates to market price, generating a paper gain of approximately \$700 billion that could be used to purchase Bitcoin without requiring any new congressional appropriation. The gold revaluation mechanism is legally complex and would require Treasury and Federal Reserve legal analysis to confirm its availability -- but it is the most commercially significant budget-neutral acquisition mechanism identified in the BITCOIN Act framework.

Other potential budget-neutral acquisition mechanisms include: redirecting proceeds from the sale of Strategic Petroleum Reserve oil that has already been authorized for sale, using seized asset forfeiture funds that would otherwise be distributed to law enforcement agencies, and issuing Bitcoin-denominated instruments that generate Bitcoin accumulation through market mechanisms rather than direct purchase. The executive branch legal analysis that Witt has been conducting over the past 15 months has been evaluating which of these mechanisms have adequate legal authority without congressional action and which require new legislation.

06 -- THE GEOPOLITICAL DIMENSION: WHAT SOVEREIGN BITCOIN COMPETITION LOOKS LIKE

The US Strategic Bitcoin Reserve does not exist in geopolitical isolation. The Alain AI Lab research series on the Cameroon Strategic Bitcoin Reserve proposal documented the sovereign Bitcoin reserve concept as a framework that developing economies with surplus energy resources can use to accumulate a digitally scarce reserve asset through domestic Bitcoin mining rather than foreign exchange expenditure. The US Strategic Bitcoin Reserve creates the sovereign legitimacy that accelerates every other country's evaluation of whether and how to build their own sovereign Bitcoin position.

Bhutan's sovereign Bitcoin mining program -- the model recommended by the Alain AI Lab Cameroon Strategic Bitcoin Reserve research as the most successful existing example of sovereign Bitcoin accumulation through energy resources -- has been operating since 2019 through Druk Holding and Investments, the sovereign wealth arm of the Bhutanese government. Bhutan mines Bitcoin using surplus hydroelectric power from its Himalayan rivers, has accumulated approximately 13,000 BTC as of the most recent public disclosure, and has never disclosed a specific accumulation target or reserve policy -- simply mining continuously and holding the output.

El Salvador's legal tender Bitcoin experiment -- the model most discussed in mainstream media but the least directly relevant to the US Strategic Bitcoin Reserve framework -- was the first sovereign government to adopt Bitcoin as legal tender in September 2021. El Salvador holds approximately 6,135 BTC in its sovereign treasury as of Q2 2026. The IMF's objection to El Salvador's Bitcoin legal tender designation -- which was a condition of the country's \$1.4 billion IMF loan facility negotiated in 2024 -- is a cautionary example of the international financial institution pushback that more radical Bitcoin legal tender adoption attracts. The US Strategic Bitcoin Reserve's framing as a reserve asset rather than a legal tender initiative deliberately avoids this IMF confrontation risk.

Russia, China, and several Gulf sovereign wealth fund nations have been reported to be evaluating sovereign Bitcoin accumulation programs, according to multiple geopolitical analysis sources. None have made official announcements. The US Strategic Bitcoin Reserve's breakthrough announcement that Witt indicated is coming in the next few weeks from Consensus Miami will be the first G7 sovereign Bitcoin reserve announcement -- a geopolitical signal that will accelerate every other sovereign's evaluation of whether to build their own position before the US program establishes a price floor through its accumulation activity.

07 -- CONCLUSION: THE MACHINE IS ALMOST READY AND THE MARKET IS LOOKING THE WRONG WAY

Patrick Witt's Consensus Miami disclosure on May 6, 2026 is the most significant Strategic Bitcoin Reserve signal that the White House has sent since the March 6, 2025 executive order -- because it confirms that the 15 months of legal infrastructure work that has been running quietly in the background has reached a breakthrough that enables action from the executive branch side before Congress codifies the policy through the BITCOIN Act.

The convergence of the Witt breakthrough announcement, the BITCOIN Act Senate Banking Committee markup expected in late May 2026, and the ARMA bipartisan bill introduction creates the legislative and executive branch alignment that has been missing since the March 6 executive order. The executive branch has the legal infrastructure. Congress has the legislative vehicles. The announcement that Witt promised in the next few weeks from Consensus Miami will define what the executive branch can do independently and what it needs Congress to authorize.

The contrast between what the US government has been building and what the financial media has been covering is the defining feature of the May-June 2026 period for Bitcoin investors who are paying attention to both. CNBC runs segments on whether crypto is dead. The US Treasury finalizes the operational mechanics of a sovereign accumulation program that has never happened before in the history of money, while the market is down 22% from cycle highs. The Bitcoin that fell from \$89,000 to \$63,000 during the May-June 2026 correction documented in the Alain AI Lab liquidation cascade report is the same Bitcoin that 328,372 units of are sitting in US government custody, that a White House official just called a breakthrough in getting everything legally sound, and that the most powerful sovereign in the history of the world is building the infrastructure to hold as a reserve asset. Proverbs 27:12 says a prudent person foresees danger and takes precautions. The prudent position in June 2026 is not the one that panic-sells because the short-term sentiment is negative. It is the one that understands what the US government has been building for 15 months and positions accordingly. The machine is almost ready.

March 6 2025: Trump signed executive order creating Strategic Bitcoin Reserve. May 6 2026 Consensus Miami: Patrick Witt confirmed legal and custody infrastructure breakthrough. 328,372 BTC in US custody worth approximately \$25.4 billion. Cold wallets in desk drawers found during audit. \$60M plus US Marshals exploit. BITCOIN Act Senate Banking Committee markup expected. ARMA bipartisan alternative introduced. Announcement coming in weeks. The machine is almost ready.