

**FACT CHECK**

# Fact check: Biden's executive order will evaluate concept of a digital currency, not launch it

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## The claim: A cash-free digital currency is coming in December

President Joe Biden signed an executive order on March 9 to promote the development of digital assets and cryptocurrencies. But some social media users are misinterpreting aspects of the directive.

An Aug. 15 article from News Punch, a website that has previously published misinformation, shared to Facebook claims that Biden "is set to rollout a cash-free system this December via a newly formed central bank digital currency."

A central bank digital currency is "virtual money backed and issued by a central bank," according to the Atlantic Council, a think tank focusing on economic and political changes.

The article claims this action will take place through Biden's Executive Order 14067, which it says will give elites the power to distribute this currency "at will, steal them from you whenever they want, and shut it off if you do something they don't approve of."

The article was shared on Facebook more than 500 times in a month.

But the claim is baseless.

The executive order does nothing to eliminate the use of cash. And economists say the order simply asks federal agencies to evaluate the viability of such a central bank digital currency – it doesn't authorize or implement it.

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USA TODAY reached out to the social media users who shared the claim for comment.

## Biden's executive order won't implement a cash-free digital currency

Biden's executive order does not authorize the creation of a central bank digital currency in December or otherwise, John Rizzo, a Treasury Department spokesperson, told USA TODAY in an email.

It simply asks the Federal Reserve and other agencies to evaluate the technical feasibility as well as potential benefits and downsides of a digital dollar, according to Eswar Prasad, a senior professor of trade policy at Cornell University.

For example, the order says officials should consider the extent to which digital currency would either “enhance or impede monetary policy” or whether legislative changes are necessary to implement such a currency if it were deemed appropriate.

“At this stage, the Fed is just introducing the subject into the public debate and is weighing the options, with particular attention to how concerns about the potential loss of privacy can be balanced against the need to ensure that the digital currency is not used for illicit transactions,” Prasad said.

**Fact check:** False claim PNC Bank locations won't have coins starting in October

Experts said they are unclear who the “elites” are referenced in the article.

In any case, if a central bank digital currency were created it would be subject to all the guardrails – and likely many more – that currently exist with commercial banking and the government, Josh Lipsky, senior director of the GeoEconomics Center at the Atlantic Council, told USA TODAY in an email.

Prasad said as long as the Federal Reserve retains its independence, politicians would have no direct role in the creation or distribution of either physical or digital currency.

**Fact check:** A cashless society isn't imminent and wouldn't mean total end of cash

And such currency wouldn't lead to a “cash-free system,” either.

“Digital dollars would not be aimed at replacing cash but would serve as an alternative payment option that would be cheap and easily accessible to anyone, even those without bank accounts or credit cards,” Prasad said.

As of right now, 105 countries are exploring a central bank digital currency, according to the Atlantic Council. Out of that group, 11 countries have launched the currency and 14 countries are in the pilot stage.

## **Our rating: False**

Based on our research, we rate FALSE the claim that a cash-free digital currency is coming in December. The Treasury Department told USA TODAY no such currency will be launched in December. The Federal Reserve and other agencies are simply evaluating the feasibility of a central bank digital currency through Biden's executive order.

## **Our fact-check sources:**

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The American Presidency Project, March 9, Executive Order 14067—Ensuring Responsible Development of Digital Assets

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WCNC, Sept. 2, No, Biden executive order won't replace paper money with digital currency

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The Atlantic Council, accessed Sept. 16, Central Bank Digital Currency (CBDC) Tracker

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