Federal Reserve Chair Jerome Powell Under Criminal Investigation

Federal Reserve Chair Jerome Powell said Sunday he is facing a criminal investigation, framing the probe as part of a tug of war with President Donald Trump for control of the Federal Reserve.

However, in July, Rep. Anna Paulina Luna, a Republican from Florida, had made a criminal referral to the Department of Justice claiming Powell lied to the Senate Banking Committee concerning $2.5 billion in renovations to the Federal Reserve’s offices.

“On Friday, the Department of Justice served the Federal Reserve with grand jury subpoenas, threatening a criminal indictment related to my testimony before the Senate Banking Committee last June. That testimony concerned in part a multi-year project to renovate historic Federal Reserve office buildings,” Powell’s statement said.

> *Video message from Federal Reserve Chair Jerome H. Powell:*
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> *— Federal Reserve (@federalreserve) January 12, 2026*

“I have deep respect for the rule of law and for accountability in our democracy. No one — certainly not the chair of the Federal Reserve — is above the law. But this unprecedented action should be seen in the broader context of the administration’s threats and ongoing pressure,” the statement added.

“This new threat is not about my testimony last June or about the renovation of the Federal Reserve buildings. It is not about Congress’s oversight role; the Fed through testimony and other public disclosures made every effort to keep Congress informed about the renovation project. Those are pretexts,” Powell said.

“The threat of criminal charges is a consequence of the Federal Reserve setting interest rates based on our best assessment of what will serve the public, rather than following the preferences of the President. This is about whether the Fed will be able to continue to set interest rates based on evidence and economic conditions — or whether instead monetary policy will be directed by political pressure or intimidation,” he added.

“I have served at the Federal Reserve under four administrations, Republicans and Democrats alike. In every case, I have carried out my duties without political fear or favor, focused solely on our mandate of price stability and maximum employment. Public service sometimes requires standing firm in the face of threats. I will continue to do the job the Senate confirmed me to do, with integrity and a commitment to serving the American people,” he said.

As noted by ABC News, Trump has continually pushed for lower interest rates and also sparred with Powell about the cost of the $2.5 billion building project.

A representative for Attorney General Pam Bondi said, “The Attorney General has instructed her U.S. Attorneys to prioritize investigating any abuse of taxpayer dollars.”

Tim Lauer, a representative of U.S. Attorney Jeanine Pirro, said, “We do not comment on ongoing investigations.”

Trump said he was not pushing to have Powell charged.

“I don’t know anything about it, but he’s certainly not very good at the Fed, and he’s not very good at building buildings,” Trump remarked, according to NBC News.

Trump said he doubted the subpoena had any connection to interest rates.

“No. I wouldn’t even think of doing it that way. What should pressure him is the fact that rates are far too high. That’s the only pressure he’s got,” Trump said.

“He’s hurt a lot of people,” Trump said. “I think the public is pressuring him.”

In July, Luna had announced that she made a criminal referral of Powell to the Justice Department, according to her website.

Powell was not telling the truth when he “denied the inclusion of luxury features — such as a VIP dining room, premium marble, water features, and a roof terrace garden — in the controversial $2.5 billion renovation of the Federal Reserve’s Eccles Building,” the release said.

“These are not minor misstatements,” Luna said. “Chairman Powell knowingly misled both Congress and executive branch officials about the true nature of a taxpayer-funded project. Lying under oath is a serious offense — especially from someone tasked with overseeing our monetary system and public trust.”

“The American people deserve transparency — not deception — especially when billions of dollars and institutional integrity are at stake,” Luna said.

Powell will serve as Fed chair until his term ends in May and will remain on the Federal Reserve’s Board of Governors until 2028, according to ABC News.

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