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Top Republicans denounce justice department's criminal probe into Fed chair Jay Powell

Backlash builds as Trump administration's prosecutors target head of US central bank

Lauren Fedor in Washington

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Donald Trump faces a growing backlash on Capitol Hill after his federal prosecutors launched a criminal probe into Federal Reserve chair Jay Powell, with top Republican lawmakers delivering rare rebukes of the president.

At least two Senate Republicans are prepared to hold up Trump's next nominations to the central bank over the investigation, and Fed insiders said they expected the numbers to rise in the coming days amid mounting anger at the Department of Justice's move.

Thom Tillis, a Republican senator from North Carolina who sits on the powerful Senate banking committee, has accused Trump administration officials of “actively pushing to end the independence of the Federal Reserve”. He vowed to oppose the confirmation of any nominee for the [Fed](#) until the “legal matter is fully resolved”.

Alaska Republican Senator Lisa Murkowski on Monday applauded Tillis’s stance, saying he was “right” to block any Fed nominees unless the probe was dropped.

“The stakes are too high to look the other way: if the Federal Reserve loses its independence, the stability of our markets and the broader economy will suffer,” Murkowski said.

The anxiety among Republicans on the Hill about the Fed’s autonomy came as global markets weighed Trump’s latest attacks on Powell, whom he has repeatedly disparaged and attacked for not cutting [interest rates](#) quickly enough.

“We need this like we need a hole in the head,” John Kennedy, a Louisiana senator who is also on the banking committee, said on Monday evening. “I know chairman Powell pretty well. I would be stunned if he had done anything wrong,” he told reporters.

Murkowski said she had spoken directly with the Fed chair earlier on Monday. It was unclear how many other lawmakers had been in touch with Powell since he said late on Sunday that the Fed had [received grand jury subpoenas](#) and a threat of criminal indictment from the justice department.

John Thune, the Republican majority leader in the Senate, called for the matter to “be resolved quickly” on Monday, telling reporters: “The Fed’s role and the Fed’s independence in shaping monetary policy in the country is something we need to ensure proceeds without political interference.”

French Hill, the Republican congressman who chairs the influential House financial services committee, also issued a lengthy statement praising the Fed chair and describing the DoJ probe as an “unnecessary distraction”.

Hill described Powell — who he worked with in the Treasury department during George HW Bush's administration — as a “man of integrity with a strong commitment to public service”.

“Pursuing criminal charges relating to his testimony on building renovations at a time when the nation’s economy requires focus creates an unnecessary distraction,” Hill said. “This action could undermine this and future administrations’ ability to make sound monetary policy decisions.”

Powell has strongly rejected the “unprecedented action”, and described it as part of a series of threats and pressure from a White House that wants rates to be set lower.

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Fed chair Jay Powell: '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'
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Trump, who has for months lambasted Powell for refusing to cut rates, has denied any involvement in the DoJ investigation.

The president has largely enjoyed the overwhelming loyalty of Republican lawmakers since he returned to the White House last January. But the backlash over his administration's pressure campaign against the Fed is just the latest recent example of members from his own party looking to rein him in.

Last week, five Republican senators crossed party lines to back a measure that would stop the president from taking further military action in Venezuela without congressional approval. Republican senators including former Senate majority leader Mitch McConnell and Kansas Republican Jerry Moran have also recently criticised the administration's threats to seize Greenland.

Tillis's membership on the Senate banking committee gives him a crucial vote over whether to advance hearings for important Fed posts including the chair, vice-chairs and governors.

If he joined all Democrats on the committee in opposing Trump's nominees, the panel would split 12-12, leaving the president's picks unable to advance to a full Senate confirmation vote.

That could have significant consequences for Trump as he gets ready to announce his nominee to replace Powell — whose second term as Fed chair is set to end in May — in the coming weeks. His pick will need the support of the majority of the banking committee as well as the majority of the 100-member Senate to be confirmed.

Ellen Meade, a former special adviser to the Fed board, said that if the election of a new chair was held up by Senate Republicans, Federal Open Market Committee members could, in a show of solidarity, choose to re-elect Powell as chair when his term ends.

“It could really backfire,” said Meade, now a professor at Duke University. “If you get enough people on the Senate banking committee — and it doesn’t take many — to say we’re not going to move nominations forward, you could end up with Powell running the FOMC for longer, rather than getting him out by May.”

Other Republican lawmakers also expressed unease with the move on Monday — even as they criticised the Fed chair, who was appointed by Trump in his first term.

Kevin Cramer from North Dakota, another Republican member of the Senate banking committee, described Powell as a “bad Fed chair who has been elusive with Congress, especially regarding the overruns of the elaborate renovations of the [Fed] building”.

But Cramer said he did not “believe” Powell was a “criminal”, saying he hoped the investigation would be “put to rest quickly along with the remainder of Jerome Powell’s term”.

Mike Crapo, another Republican member of the banking committee who also chairs the Senate finance committee, also called for the probe to be “resolved as quickly as possible”.

“I have long said the Federal Reserve, as an independent body, should remain free of political influence,” Crapo said in a statement Monday night.

Other allies of the president defended the Trump administration’s tactics.

Mike Johnson, the Republican House Speaker, told reporters that the justice department was “not being weaponised” as he urged people to “reserve judgment” and “let the process play out”.

Florida Republican Anna Paulina Luna, who has accused Powell of lying under oath to Congress and misrepresenting facts to Trump administration officials, was more combative.

“Unelected bureaucrats do not get a free pass. This is exactly why oversight exists, and I am thankful the DoJ is taking this seriously,” Luna wrote on X. “No one is above the law.”

Additional reporting by Claire Jones in London and Myles McCormick in Washington

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