

Remarks by Deputy Secretary of the Treasury Wally Adeyemo on Action Against Russian Illicit Finance

January 18, 2023

WASHINGTON – Today, the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) issued an order identifying the virtual currency exchange Bitzlato Limited (Bitzlato) as a “primary money laundering concern” in connection with Russian illicit finance pursuant to section 9714(a) of the Combatting Russian Money Laundering Act, as amended.

Deputy Secretary of the Treasury Wally Adeyemo announced the action at a press conference at the Department of Justice.

As Prepared for Delivery

Thank you, Lisa, and thanks to your colleagues who have been excellent partners on this. It’s clear from those gathered here today that the U.S. takes a whole-of-government approach to countering illicit finance.

Today as part of the US government’s actions against the virtual currency exchange Bitzlato, Treasury’s Financial Crimes Enforcement Network – FinCEN – has taken steps that expose and disrupt Russian cybercriminals and their enablers.

FinCEN is officially identifying Bitzlato as a “primary money laundering concern” in connection with Russian illicit finance.

This is a unique step that has only been taken a handful of times in Treasury’s history for some of the most egregious money laundering cases, and is the first of its kind specifically under new authorities to combat Russian illicit finance.

Bitzlato has repeatedly facilitated transactions for Russian-affiliated ransomware groups, including Conti, a Ransomware-as-a-Service group that has links to the Russian government and to Russian-connected darknet markets.

Two thirds of Bitzlato’s top receiving and sending counterparties are associated with darknet markets or scams, and Bitzlato received virtual currency worth almost half a billion dollars from illicit activity between 2019 and 2021.



Nearly 50 percent of all known Bitzlato transactions during that time involved Russian illicit finance or otherwise risky sources.

Bitzlato is particularly active in facilitating illicit activity, but it is ultimately part of a larger ecosystem of cybercriminals that are allowed to operate with impunity in Russia.

Russia is a haven for cybercriminals, where the government often enlists them for its own malicious purposes. The majority of ransomware incidents reported to FinCEN in the second half of 2021 were conducted by Russia-related ransomware variants.

At a time when Russia is waging a brutal and unjust war in Ukraine, and as it seeks to circumvent sanctions and governance controls to fill its coffers and sustain its violence, we have no tolerance for criminal enterprises enriching Russia's malicious interests.

Because of its significant operations in, and connection to, Russia and Russian illicit finance, Bitzlato threatens U.S. national security, the integrity of the U.S. and international financial sectors, and businesses and institutions worldwide.

Identifying Bitzlato as a "primary money laundering concern" effectively renders the exchange an international pariah.

It imposes special measures on covered financial institutions, prohibiting them from transmitting funds to or from Bitzlato, or from any account or wallet administered by or on behalf of Bitzlato.

Treasury's action today sends a clear message that we are prepared to take action against any financial institution – including virtual asset service providers – with lax controls against money laundering, terrorist financing, or other illicit finance.

And we will not hesitate to expose and hold accountable virtual asset service providers, darknet markets, or anyone else facilitating cybercrime.

Thank you.

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