

Foreign National Charged for International Money Laundering Conspiracy and Role in Operation of Unlicensed Digital Currency Exchange BTC-e

[justice.gov/opa/pr/foreign-national-charged-international-money-laundering-conspiracy-and-role-operation](https://www.justice.gov/opa/pr/foreign-national-charged-international-money-laundering-conspiracy-and-role-operation)



Press Release

Thursday, February 1, 2024

For Immediate Release

Office of Public Affairs

An indictment was unsealed on Tuesday charging a Belarusian and Cypriot national with money laundering conspiracy and operation of an unlicensed money services business.

According to the indictment, between 2011 and July 2017, Aliaksandr Klimenka, 42, allegedly controlled BTC-e, a digital currency exchange, with Alexander Vinnik and others. Klimenka also allegedly controlled Soft-FX, a technology services company, and FX Open, a financial company.

The indictment alleges BTC-e was a significant cybercrime and online money laundering entity that allowed its users to trade in bitcoin with high levels of anonymity and developed a customer base heavily reliant on criminal activity. BTC-e allegedly facilitated transactions for cybercriminals worldwide and received criminal proceeds from numerous computer intrusions and hacking incidents, ransomware scams, identity theft schemes, corrupt public officials, and narcotics distribution rings, and allegedly was used to facilitate crimes ranging from computer hacking to fraud, identity theft, tax refund fraud schemes, public corruption, and drug trafficking. BTC-e's servers, maintained in the United States, were allegedly one of the primary ways in which BTC-e and its operators effectuated their scheme. Those servers were allegedly leased to and maintained by Klimenka and Soft-FX.

Despite doing substantial business in the United States, BTC-e allegedly was not registered as a money services business with the U.S. Department of Treasury, had no anti-money laundering process, no system for appropriate “know your customer” or “KYC” verification, and no anti-money laundering program as required by federal law.

Klimenka was arrested in Latvia on Dec. 21, 2023, at the request of the United States and made his initial appearance in San Francisco yesterday. He is currently being held in custody.

If convicted, Klimenka faces a maximum penalty of 25 years in prison.

Acting Assistant Attorney General Nicole M. Argentieri of the Justice Department’s Criminal Division, U.S. Attorney Ismail J. Ramsey for the Northern District of California, Special Agent in Charge William Mancino of the U.S. Secret Service (USSS) Criminal Investigative Division, Assistant Director Michael D. Nordwall of the FBI’s Criminal Investigative Division, Chief Jim Lee of IRS Criminal Investigation (IRS:CI), and Special Agent in Charge Tatum King of Homeland Security Investigations (HSI) San Francisco made the announcement.

The USSS; FBI; IRS:CI Oakland Field Office and Cyber Crime Unit in Washington, D.C.; and HSI are investigating the case.

Trial Attorney C. Alden Pelker of the Criminal Division’s Computer Crime and Intellectual Property Section and Assistant U.S. Attorney Claudia Quiroz for the Northern District of California, both members of the National Cryptocurrency Enforcement Team (NCET), and Assistant U.S. Attorney Katherine Lloyd-Lovett for the Northern District of California are prosecuting the case.

The Justice Department’s Office of International Affairs worked with the Latvian government to secure the arrest of Klimenka.

The NCET was established to combat the growing illicit use of cryptocurrencies and digital assets. Within the Criminal Division’s Computer Crime and Intellectual Property Section, the NCET conducts and supports investigations into individuals and entities that are enabling the use of digital assets to commit and facilitate a variety of crimes, with a particular focus on virtual currency exchanges, mixing and tumbling services, and infrastructure providers. The NCET also works to set strategic priorities regarding digital asset technologies, identify areas for increased investigative and prosecutorial focus, and lead the department’s efforts to collaborate with domestic and foreign government agencies as well as the private sector to aggressively investigate and prosecute crimes involving cryptocurrency and digital assets.

An indictment is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Updated February 1, 2024

Topic

Cybercrime

Press Release Number: 24-130