

2 Chinese nationals charged in \$100M cryptocurrency scheme

March 2 2020, by Michael Balsamo

Two Chinese nationals were charged Monday with laundering over \$100 million in cryptocurrency that had been stolen by North Korean hackers, U.S. prosecutors said.

Tian Yinyin and Li Jiadong were charged in an indictment unsealed in Washington with money laundering conspiracy and operating an unlicensed money transmitting business.

Prosecutors allege the North Korean hackers gained access to a virtual currency exchange in 2018 and stole nearly \$250 million worth of virtual currency before laundering the cryptocurrency through several transactions. The hackers used doctored photographs and fake identification to avoid scrutiny and used the stolen money to pay for tools used in other North Korean hacking campaigns, the Justice Department said.

Authorities charge that between December 2017 and April 2019, Yinyin and Jiadong were responsible for laundering over \$100 million in cryptocurrency. They also allege the two did business in the U.S. and failed to register with the Treasury Department, as required by law.

The U.S. also alleges that North Korean co-conspirators are "tied to the theft of approximately \$48.5 million worth of virtual currency from a South Korea-based virtual currency exchange in November 2019." Prosecutors said those hackers laundered the stolen money through hundreds of automated transactions.

"The hacking of virtual currency exchanges and related money laundering for the benefit of North Korean actors poses a grave threat to the security and integrity of the global financial system," said Timothy Shea, the U.S. attorney in the nation's capital.

In addition to the indictment, prosecutors also filed a civil forfeiture complaint to recover the stolen funds, which names 113 virtual [currency](#) accounts and addresses that they say were used by Yinyin and Jiadong and their alleged co-conspirators. Authorities say a portion of the stolen [money](#) has already been recovered.

The Treasury Department also imposed sanctions on Yinyin and Jiadong, along with numerous [cryptocurrency](#) addresses.

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