

US sues cryptocurrency exchange run by Winklevoss twins

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Tyler and Cameron Winklevoss created crypto exchange Gemini Trust Co. after suing one-time Harvard classmate Mark Zuckerberg over who actually came up with the idea for Facebook.

US regulators on Thursday said they are suing the Gemini Trust

cryptocurrency exchange, which is run by Cameron and Tyler Winklevoss, for giving misleading answers in 2017 about a bitcoin project.

The Commodity Futures Trading Commission lawsuit filed in [federal court](#) in New York accuses Gemini of not being upfront about how easy it would be to manipulate a bitcoin futures project proposed at the time, the agency said in a statement.

The futures contract launched at the end of 2017 and stopped trading two years later, according to blog posts from Gemini and a partner company

Making false or misleading statements to the commission undermines its work to protect market participants, prevent price manipulation, and promote fair competition, acting director of enforcement Gretchen Lowe said in the statement.

"This enforcement action sends a strong message that the Commission will act to safeguard the integrity of the market oversight process," Lowe said.

The US agency is seeking financial penalties, the surrender of any ill-gotten gains, and an injunction forbidding Gemini from such behavior in the [future](#), it said.

Gemini defended its record when asked about the suit.

"We have an eight year track-record of asking for permission, not forgiveness, and always doing the right thing," it told AFP, adding: "We look forward to definitively proving this in court."

Cameron and Tyler Winklevoss, twin Harvard classmates of Mark

Zuckerberg, who sued him over claims he stole the idea for Facebook from them, started and run New York-based Gemini.

The brothers told Gemini employees on Thursday that about 10 percent of them were being laid off as staff is trimmed to endure a "crypto winter" likely to persist for a while, according to a copy of the email posted online by the company.

"The crypto revolution is well underway and its impact will continue to be profound, but its trajectory has been anything but gradual or predictable," the brothers said.

The industry is in a "contraction phase that is settling into a period of stasis—what our industry refers to as 'crypto winter'" compounded by macroeconomic and geopolitical turmoil, they added.

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