

Crypto exchange Bittrex to pay \$24M for violating sanctions

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An advertisement of Bitcoin, one of the cryptocurrencies, is displayed on a building in Hong Kong, on Nov. 18, 2021. Crypto exchange Bittrex was fined \$24 million by U.S. authorities on Tuesday, Oct. 11, 2022, for helping clients evade U.S. sanctions in places such as Syria, Iran and Crimea. Credit: AP Photo/Kin Cheung, File

Crypto exchange Bittrex was fined \$24 million by U.S. authorities on Tuesday for helping clients evade U.S. sanctions in places such as Syria, Iran and Crimea.

It is the largest penalty ever levied against a crypto currency exchange by the Office of Foreign Assets Control, the agency said.

The Treasury Department said that Bittrex allowed customers in Cuba, Syria, Iran, Sudan and the disputed region of Crimea to trade approximately \$263.5 million worth of digital currencies between 2014 and 2017. In its statement, the U.S. said that Bittrex should have been aware these customers were in sanctioned parts of the world due to their physical addresses as well as their IP addresses.

In one case, a customer in Iran gave a physical address in Iran and uploaded an Iranian passport to verify identification.

"When virtual currency firms fail to implement effective sanctions compliance controls, including screening customers located in sanctioned jurisdictions, they can become a vehicle for illicit actors that threaten U.S. national security," said OFAC Director Andrea Gacki in a statement.

The sanctions violations were quite extensive, with OFAC finding 116,421 apparent violations of U.S. sanctions programs over the three years. The company did not apparently have any internal controls in place for sanctions until October 2017.

Bittrex, based in Washington State, said it was "pleased" to settle these charges with U.S. authorities, and noted that regulators were not asking for Bittrex to make any additional changes to its money laundering systems, which had been updated after 2018.

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