

Montenegro says US, S.Korea seek extradition of crypto fugitive

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Cryptocurrencies have come under increasing scrutiny from regulators after a string of recent controversies.

The United States and South Korea have sought the extradition from Montenegro of fugitive cryptocurrency entrepreneur Do Kwon, the

country's minister of justice said Wednesday, just days after he was arrested in the Balkan nation.

The Terraform founder is facing mounting legal cases in both Seoul and Washington over his alleged role in fraud linked to his company's dramatic collapse last year, which wiped out about \$40 billion of investors' money and shook global crypto markets.

Kwon was arrested with a companion at the airport in the Montenegrin capital Podgorica last week after being found traveling with fake travel documents.

"A meeting was held with diplomatic representatives of Korea, after which Korea handed over an [extradition](#) demand," justice minister Marko Kovac told reporters in Podgorica, adding that "the extradition of Do Kwon was requested also by the US."

The minister did not offer any hints on where Kwon ultimately would be sent.

"We have two countries that requested extradition. We will see if there will be another country," the minister said, suggesting that another request could come from Singapore in the future.

"The citizenship of the person and other circumstances will be taken into account when deciding," he added.

Kwon, whose full name is Kwon Do-hyung, was remanded on Friday along with a companion in custody for up to 30 days over suspected document forgery "due to flight risk".

Kwon now faces two cases in Montenegro—the first involving his alleged possession of forged documents and the second regarding his

possible extradition.

Following his arrest, South Korea vowed to seek formal extradition.

The US also charged Kwon with eight counts for allegedly "orchestrating a multi-billion-dollar crypto asset securities fraud," according to the US Securities and Exchange Commission.

Kwon reportedly flew from South Korea to Singapore before his company crashed in May last year.

In September, South Korean prosecutors asked Interpol to place him on the red notice list across the agency's 195 member nations and revoked his passport.

Kwon's TerraUSD was marketed as a "stablecoin", which is typically pegged to stable assets such as the US dollar to prevent drastic fluctuations in prices.

But TerraUSD was an "algorithmic stablecoin"—not backed by assets but instead pegged only to its floating sister currency, Luna.

The two currencies went into freefall in May last year.

Questions about Kwon's whereabouts intensified after the Singapore Police Force said he was not in the country.

Montenegro authorities said Thursday that Kwon and a companion had used "falsified travel documents from Costa Rica" during passport control for a flight to Dubai.

Inspection of their luggage also revealed travel documents from Belgium and South Korea, and Interpol checks showed the Belgian documents

were forged, Montenegro's interior ministry said.

Cryptocurrencies have come under increasing scrutiny from regulators after a string of recent controversies, including the high-profile collapse of the exchange FTX.

The digital currency sector has also been hit hard by the demise of US crypto lenders Silvergate and Signature amid a string of banking failures that have rattled global markets.

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