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U.S. Secret Service Quietly Seizes \$400M in Illicit Cryptocurrency

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In one of the largest operations of its kind, the United States Secret Service has quietly seized nearly \$400 million in cryptocurrency linked to global online fraud. This massive takedown involved building one of the largest cold wallet offline storage systems for digital assets in the world. The seized funds were mostly tied to scams involving fake crypto investment platforms and other types of financial fraud carried out online.

Through its Global Investigative Operations Centre (GIOC), the Secret Service used advanced blockchain analysis tools, domain data, and even the digital mistakes of scammers like VPN errors, to follow the money trail. These tools allowed investigators to

trace thousands of transactions back to individuals and criminal networks involved in large-scale digital fraud.

One critical breakthrough came when a scammer's temporary VPN failure exposed their real IP address. That slip led to the arrest of a suspect in the United Kingdom carrying \$4.1 million worth of funds connected to scams and linked to a Nigerian passport. Another case showed how an American teenager, who was a victim of sextortion, ended up being forced into serving as a money mule, highlighting the disturbing and complex nature of these crimes.

The Secret Service has responded by not only investigating but also actively training law enforcement in over 60 countries to better detect and disrupt these criminal operations. These efforts are focused especially on areas with weak regulations or residency programs that allow scammers to hide their assets more easily.

The agency also works closely with major cryptocurrency exchanges like Coinbase and Tether, which help monitor suspicious activity and freeze wallets tied to illegal transactions. This collaboration has led to several major recoveries, including \$225 million from romance scams alone.

Online crypto scams have become the largest source of digital crime losses in the United States. In 2024, Americans reported losses of \$9.3 billion to such schemes. In just the first half of 2025, \$2.47 billion more has already been lost, marking a 3% rise from the same period last year.

By targeting crimes like romance fraud, phishing, sextortion, and so-called "rug pulls," the Secret Service is working to crack down on the dark side of digital finance. Their recent success shows that while criminals may move quickly in the digital world, law enforcement is not far behind.

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