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How the US Secret Service Became a Global Force Against Crypto Scams

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Once known mainly for protecting presidents, the United States Secret Service is now leading an unexpected but vital mission in fighting global cryptocurrency fraud. From fake investment websites to online sextortion schemes, digital crimes are rising fast, and the Secret Service is using technology, training, and teamwork to push back.

It often starts with a simple message: a stranger reaches out, builds trust, and lures a victim to what looks like a legitimate crypto investment site. Early profits seem real, encouraging larger deposits and even loans. But suddenly, the money vanishes, the platform goes dark, and the victim is left in shock.

“That’s how they do it,” said Jamie Lam, an investigative analyst with the Secret Service, during a recent workshop in Bermuda. “They send a picture of an attractive person, but it might be a scammer halfway around the world.”

Lam is part of the agency’s Global Investigative Operations Center (GIOC), a team that specializes in uncovering digital financial crimes. They don’t carry badges or guns; their tools are software, blockchain analytics, and old-fashioned persistence. This quiet but powerful team has helped seize nearly \$400 million in digital assets, most of it now secured in one of the world’s most valuable cold-storage wallets.

Leading the strategy is Kali Smith, a lawyer who has directed the Secret Service’s approach to cryptocurrencies. Her team has trained law enforcement in over 60 countries, helping them uncover crimes that often hide behind complex digital transactions.

“Sometimes after just a week of training, local police realize these scams are happening right under their noses,” Smith said.

In Bermuda, where crypto firms are welcomed under strong legal frameworks, officials are learning that open doors can also invite risk. That’s why the Secret Service is offering its training for free, hoping to build local capacity before fraudsters strike.

One case highlighted during the training involved a teenager from Idaho who was tricked into sending intimate images. The scammer demanded payment and rerouted money through another American teen, who had been coerced into acting as a money mule. Eventually, British police arrested the suspected extortionist in England.

With online scams surging, the numbers are staggering. In 2024, Americans lost over \$9.3 billion to cryptocurrency-related fraud, according to the Federal Bureau of Investigation. Elderly victims were hit hardest, often falling for fake investment platforms.

Sometimes, the crime spills into the real world. In one case, investors kidnapped a friend to access his crypto wallet. In another, a teenager’s parents were abducted over stolen Bitcoin.

The Secret Service now works with platforms like Coinbase and Tether to freeze wallets and track transactions. A major success involved recovering \$225 million in Tether linked to online romance scams.

“We’ve been following the money for 160 years,” said Patrick Freaney, head of the agency’s New York office. “This is simply the next chapter.”

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