

Secret Service Seizes \$400M in Crypto from Scammers

July 7, 2025

— Categories: *Crypto*



The United States Secret Service is best known for protecting presidents, but behind the scenes, it has quietly become one of the world's largest custodians of seized cryptocurrency. Over the past decade, the agency has confiscated nearly \$400 million in digital assets tied to online fraud and scams, according to a recent Bloomberg report.

What started as scattered investigations into shady websites and suspicious wire transfers has grown into a sophisticated global operation. At the center of this effort is the Secret Service's Global Investigative Operations Center (GIOC), where analysts use blockchain tracking tools to follow the money through the web of international crime.

The scams often begin in familiar ways: a fake investment site, a romance scheme, or a too-good-to-be-true profit promise. Victims are drawn in by sleek websites and early “earnings,” only to watch their funds vanish. Behind many of these schemes are organized networks operating across borders, often hiding behind fake profiles and encrypted platforms.

Jamie Lam, an investigative analyst with the Secret Service, describes how these fraudsters manipulate victims. “They’ll send you a photo of a really good-looking guy or girl,” Lam said during a training session in Bermuda. “But it’s probably some old guy in Russia.”

Using blockchain analysis, domain records, and occasional slip-ups by scammers, like using an unmasked VPN, the agency has traced thousands of transactions. In one case, analysts followed nearly 6,000 crypto transactions linked to a blackmail case involving an Idaho teenager. Their investigation led to a suspect arriving in Guildford, England, who was quickly arrested by British authorities.

Much of the seized cryptocurrency is now stored in a single cold-storage wallet, making the Secret Service one of the largest crypto holders in law enforcement. These assets are the result of painstaking work and international cooperation.

Leading the agency’s crypto strategy is Kali Smith, who oversees global training sessions for law enforcement agencies. Her team has worked in more than 60 countries, especially in regions where lax regulations have made it easier for scammers to operate.

“Sometimes after just a week-long training, they can be like, ‘Wow, we didn’t even realize this was happening here,’” Smith said.

Key partnerships with firms like Coinbase and Tether Limited have also helped the agency recover massive sums. In one major case, the Secret Service reclaimed \$225 million in Tether (USDT) linked to romance-investment scams.

While the idea of the Secret Service holding hundreds of millions in crypto might sound surprising, it’s a sign of how digital crime is evolving and how law enforcement is keeping pace.

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