

## Tornado Cash Co-Founder Convicted in US Trial

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Roman Storm, co-founder of the cryptocurrency platform Tornado Cash, has been convicted on one federal charge after a high-profile trial in Manhattan.

A jury found Storm guilty of conspiracy to operate an unlicensed money transmission business, a charge that carries a maximum penalty of five years in prison. The verdict came after the jury was unable to reach a unanimous decision on two other charges: conspiracy

to commit money laundering and conspiracy to violate North Korean sanctions. Storm was acquitted on both counts due to the deadlock.

Tornado Cash, launched in 2019, is a cryptocurrency mixing service designed to obscure the origins and destinations of digital asset transactions. Users deposit cryptocurrency into the platform, which then combines funds from multiple sources before sending them to designated addresses, making it difficult to trace transactions.

Prosecutors argued that Tornado Cash was used to launder over \$1 billion in illicit funds, including proceeds from cyberattacks allegedly linked to North Korean hacking groups. The prosecution claimed Storm knowingly facilitated these transactions by continuing to operate the service without implementing controls to prevent criminal use.

Storm's defence team maintained that Tornado Cash was open-source software and that Storm could not control how the technology was used. They argued that the platform was intended to protect user privacy in legitimate transactions, a principle that is valued in parts of the cryptocurrency community.

The case has drawn global attention as a potential landmark in how U.S. authorities regulate privacy-focused blockchain tools. Legal experts say the outcome could influence how developers of decentralised finance (DeFi) applications are held accountable for illegal activity conducted on their platforms.

Some in the cryptocurrency sector have warned that the conviction might discourage innovation in privacy technology, while others believe it underscores the need for stronger compliance frameworks.

The guilty verdict on the money transmission charge signals increased regulatory scrutiny of blockchain services that allow anonymous transactions. With the U.S. Treasury Department already imposing sanctions on Tornado Cash in 2022, this conviction may strengthen enforcement actions against similar platforms.

Beyond the courtroom, cryptocurrency markets saw significant movement. Tokenised stocks, digital representations of shares in traditional companies, experienced notable growth in trading volumes, reflecting a surge in investor interest. Meanwhile, Ethereum-based treasury management firms have seen increased demand, with more projects using these services to manage reserves and operational funds.

Analysts suggest that these developments demonstrate the sector's rapid diversification, even as regulatory challenges persist. While privacy-oriented services like Tornado Cash face mounting legal pressure, other segments such as tokenised assets and blockchain-based corporate finance tools continue to attract capital and innovation.

Roman Storm is scheduled to be sentenced later this year. While the acquittals on the two major charges represent a partial legal win for the defence, the conviction ensures that his legal battle is far from over. The final sentencing decision will depend on federal guidelines and the judge's assessment of the case.