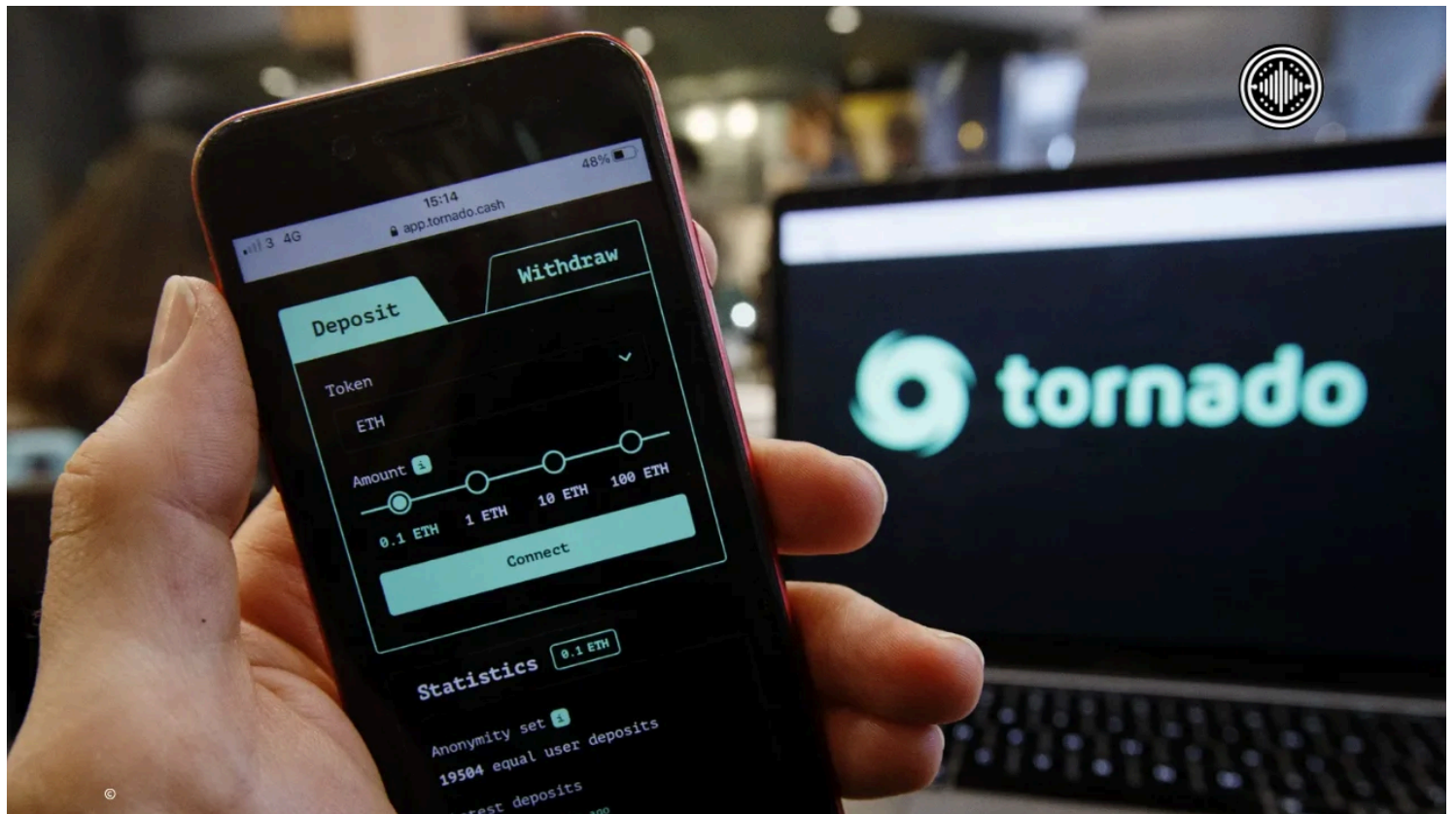


Tornado Cash Trial Highlights Crypto Control Issues

July 24, 2025

— Categories: *Crypto*



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The trial of Tornado Cash co-founder Roman Storm, now in its eighth day, has brought the contentious issue of control over cryptocurrency transactions into sharp focus. On Wednesday, an Internal Revenue Service (IRS) agent testified that Storm exerted control over funds linked to the crypto mixing service, as the US prosecution builds its case against him.

According to Inner City Press, IRS Criminal Investigation Special Agent Stephan George reviewed transaction records from exchanges like Crypto.com and Binance. George stated that Storm had authority over funds after an account tied to Binance sent cryptocurrency to Tornado Cash smart contract addresses, based on communications between Storm and co-founders Alexey Pertsey and Roman Semenov. This claim is pivotal to the prosecution's argument that Storm could have prevented illicit funds from being laundered through the platform.

Storm's legal team challenged this testimony, questioning the expertise of George and referencing earlier testimony from Hanfeng Lin, a victim of a romance scam who claimed stolen funds were sent through Tornado Cash. The defence argued that none of Lin's funds reached the mixing service, raising doubts about the prosecution's evidence. In a Tuesday filing, Storm's lawyers stated, "While accounting background may equip him to analyse transactions, it does not qualify him to trace cryptocurrency criminal proceeds or attribute control over wallet addresses to an alleged hacker." They hinted at a possible motion for a mistrial if discrepancies persist.

Another government witness was expected to address whether Storm could have altered Tornado Cash to deter criminal activity, but instead focused on the platform's response to US sanctions. Storm faces charges of money laundering, operating an unlicensed money transmitter, and violating sanctions. Prosecutors aim to conclude their case by Thursday midday, after which Storm's defence will call witnesses, including two or three doctors and potentially a Chainalysis expert, according to Inner City Press.

Meanwhile, in the crypto investment world, Asymmetric Financial's pivot from liquid trading strategies has sparked debate. In a Wednesday post on X, CEO Joe McCann admitted the firm's Liquid Alpha Fund had underperformed, stating, "Our current approach is no longer serving our LPs." McCann announced a shift to illiquid investments, following criticism from investors like Solana maximalist BigbrainSOL, who shared a screenshot on X showing a 78.37% portfolio drop, \$10 million lost from an initial \$12.89 million.

McCann assured investors that Asymmetric would allow exits despite lock-up periods or the option to redirect capital into new ventures, insisting, "Asymmetric isn't going anywhere."

The crypto space also saw a major airdrop event in November 2024, when Hyperliquid distributed its HYPE token to over 90,000 users, representing 31% of its supply and valued at \$1.2 billion initially. The token's value surged 63% within 12 hours, driving platform

growth. However, airdrops remain a double-edged sword. Scams tied to projects like Hamster Kombat and Wall Street Pepe have cost users millions, contributing to \$9.9 billion in global crypto scam losses in 2024 and 2025. These frauds often trick users into sharing private keys or signing malicious contracts.

To combat exploitation, some platforms are adopting AI-monitored, activity-based airdrops to reward genuine engagement and deter bot-driven farming. As the Tornado Cash trial and market developments unfold, the crypto industry continues to grapple with balancing innovation, security, and regulatory scrutiny.