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Jaipur Police Bust ₹5 Crore USDT Laundering Racket

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The Jaipur Police Cyber Crime Unit has dismantled a sophisticated cyber fraud and money laundering operation involving the conversion of illegally obtained funds into cryptocurrency. Authorities confirmed that the racket laundered approximately ₹5 crore through shell companies, converting the proceeds into USDT (Tether) before routing the funds to suspected Chinese handlers.

According to investigators, the operation was uncovered following a series of complaints related to online fraud, where victims reported being duped through investment scams and fake trading platforms. The illicit funds collected from these scams were funneled through multiple bank accounts registered under the names of shell companies. These entities were allegedly created for the sole purpose of masking the origin of the money.

Police reports indicate that the accused used a network of intermediaries and forged documentation to bypass standard Know Your Customer (KYC) procedures. The funds were systematically withdrawn in small amounts to avoid detection and then used to purchase USDT from unregulated cryptocurrency brokers. Once converted, the digital assets were transferred to crypto wallets controlled by handlers believed to be operating out of China.

Authorities have so far arrested four suspects in connection with the case. These individuals are suspected to have played key roles in the laundering chain, including account management, cryptocurrency transactions, and coordination with foreign operatives. Investigators are currently analyzing seized electronic devices, financial records, and blockchain transaction data to trace the complete network and identify additional conspirators.

Senior officials from the Jaipur Police emphasized that the case underscores a growing trend of cybercriminals leveraging cryptocurrencies for cross-border money laundering. Unlike traditional banking transactions, cryptocurrency transfers can be conducted rapidly, with minimal oversight, making them attractive for illicit activities. USDT, a stablecoin pegged to the US dollar, is particularly favored in such schemes due to its price stability and widespread acceptance in global crypto markets.

Law enforcement agencies are now working with cryptocurrency exchanges, payment gateways, and financial intelligence units to block further transactions and recover the stolen funds where possible. Coordination with international law enforcement bodies, including agencies in Southeast Asia, is also underway to track wallets linked to the operation and freeze digital assets before they can be moved or cashed out.

Police have urged the public to exercise extreme caution when engaging in online investment opportunities, particularly those promising unusually high returns or requiring cryptocurrency payments. They also stressed the importance of using regulated platforms and verifying the authenticity of companies before transferring funds.

Cybercrime experts note that cases like this highlight the urgent need for tighter regulations and monitoring mechanisms in the cryptocurrency sector. Enhanced KYC protocols, mandatory reporting of large transactions, and better cooperation between financial institutions and law enforcement could play a significant role in curbing such activities.

The investigation remains ongoing, with police indicating that more arrests are expected in the coming weeks as they work to dismantle the network and prevent similar operations in the future.