



## Global Crisis Management For Targets of Large-Scale Crypto Fraud

**When crypto and blockchain companies, funds or exchanges discover they have been the target of large-scale fraud or cyber attack, they often make impulsive decisions that imperil their recovery chances and business interests. The pseudonymous and borderless nature of cryptocurrency means companies need to take a speedy, global and nontraditional approach – our Claim Monetization & Dilution team explains.**

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For targets of large-scale cryptocurrency fraud or cyber attacks – speed delivered through global coverage is key.

Regardless of whether you are a crypto/blockchain company, fund or exchange: If you find yourself the target of a sophisticated, large-scale attack, the decisions you make in those first hours and days can mean the difference between a swift, impactful return of assets and years of costly litigation.

The pseudonymous and borderless nature of cryptocurrency may mean perpetrators are difficult to identify and proceeds can be transferred, aggregated and splintered across the world within minutes. If targets are to successfully recover what belongs to them, they need to act as quickly and globally as their perpetrators – and traditional litigation-only strategies are ineffective means that will only slow them down.

However, through careful strategizing with counsel and working with a globally integrated team trained in blockchain forensics and crisis management, you can mitigate losses and achieve substantial recovery.

### A New – and Better – Path to Cross-Border Recovery

Oftentimes, acting from an urge to limit the damage, companies make impulsive decisions that end up imperiling their recovery chances: For example, they may hire local counsel instead of those capable of building and deploying a multijurisdictional strategy, instinctively reach out to law enforcement agencies before developing a compelling narrative or advocacy position, or neglect reputational concerns until it is too late.

Instead, companies need to take a globally holistic – and sometimes unorthodox – approach to address the unique issues related to the large-scale theft of digital assets, as well as take advantage of growing interest in cross-border collaboration in major jurisdictions such as the UK and Hong Kong. These include, but are not limited to:

- Taking a globally integrated approach through fast-moving development of actionable intelligence and leveraging of jurisdiction-specific tools, such as the BVI's Norwich Pharmacal relief, which can obtain key intelligence without tipping off the wrongdoer;
- Looking at cross-border insolvency laws such as the [UNICTRAL Model Law on Cross-Border Insolvency](#), which offers remedies in jurisdictions including the U.S., UK, Singapore, Brazil and the Dubai International Finance Center (DIFC);
- Considering cross-border asset tracing beyond the traditionally used liability claim;
- Deploying discreet tools, such as blockchain forensics, and reputation management strategies to protect the company's privacy; and
- Finding counsel in key jurisdictions who can boost the chances a government will use its vast sovereign powers – which can often extend across borders – in assistance.

When you realize that you have become the target of a large-scale theft or cyberattack, you need to make a quick decision on how to proceed. In many cases, deploying cross-border, nontraditional strategies aimed at recovering your specific assets in targeted, speedy and discreet ways can yield the most benefit in the shortest amount of time. Choosing a response team that includes competent counsel with cross-border reach may be key to mitigating the damage, recovering key assets and, ultimately, returning to your normal operations.

### About Kobre & Kim's Claim Monetization & Dilution Team

Kobre & Kim is a conflict-free Am Law 200 law firm focused on disputes and investigations, often involving fraud and misconduct.

# KOBRE & KIM

Our offshore asset recovery team is one of few with an acute focus on complex, cross-border asset tracing and recovery. Comprised of more than a dozen former U.S. Department of Justice investigative lawyers, as well as English solicitors, barristers and King's Counsel, our team has deep experience tracing, freezing and recovering misappropriated assets hidden in offshore structures.

Comprised of lawyers qualified in key offshore jurisdictions including the Cayman Islands and the British Virgin Islands, our team has been successful in freezing assets through both judicial and nonjudicial means to repatriate funds to victims.