

Insights



Michael Sherwin Unpacks Law Enforcement's Challenges When Seizing Digital Currency

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As criminals increasingly turn to cryptocurrencies, law enforcement agencies around the world have found themselves seizing more of the assets and having to learn how to handle the unique challenges of this new technology. Kobre & Kim's Michael Sherwin, a former U.S. federal prosecutor, unpacked the issues when he spoke with *Bloomberg*.

In general, the proceeds from seized crypto sold by the U.S. government go to support law enforcement if the crypto was used to facilitate crime, Mr. Sherwin said. However, if there were victims of the crime, they get the money as restitution.

The volatility of cryptocurrency, however, presents a challenge for courts. "If you have 300 tokens stolen in 2018, what's the court going to give you? Are you going to get the value of the tokens in 2018, or are they just going to give you back your tokens, which had an exponential increase?" Mr. Sherwin asked. "I think it should be the latter. You should get your property back, even if it increased in value."

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