



## Insights

### Sydney Johnson with ZeroShadow on How Industry Leaders Can Change Crypto Freezes and Recovery

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Kobre & Kim's Sydney Johnson shared her expertise on recovery of stolen crypto assets with *zeroShadow* in a recent article titled "North Korea Laundered \$1 Billion of Crypto in 4 Months. How Industry Leaders Can Change Crypto Freezes and Recovery."

There is a common misconception in the crypto industry that law enforcement must be involved to freeze or recover stolen assets. While most Web3 services will freeze illicit accounts when notified, a small number refuse to freeze funds unless compelled law enforcement.

Ms. Johnson shared her insight on how this approach contradicts decades of legal precedent and reinforces an unsustainable burden on public agencies. "For assets held in traditional financial institutions, parties do not need law enforcement to preserve assets from dissipation. Instead, they can go directly to civil courts and request an order that freezes the assets and preserves them for potential judgement or to prevent their dissipation during legal proceedings."

In 2024, a cross-border team at Kobre & Kim **succeeded in recovering** assets stolen in the Wormhole Portal attack (120,000 tokens worth \$320 million at the time) by successfully requesting that the English High Court issue an injunction to seized and secure the stolen assets while the team obtained a judgment from a New York state court entitling the client to recovery of the assets (which the English court later enforced).

[Click here to read the article.](#)