



**ANONYMITY FOR SALE:
THE THRIVING BLACK MARKET
OF CRYPTO-TO-FIAT MULES**

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INTRODUCTION

In the previous report by Transparency International Russia, *From Moscow-City With Crypto*,¹ we showed how illicit money could be transferred from Russia to the UK by using stablecoins. In that research, we found crypto exchanges operating in Moscow International Business Center that were willing to exchange customers' USDT stablecoins for cash in pounds sterling in the UK. We showed that it was possible to get any amount of money delivered in London and that the crypto exchanges showed a distinct lack of curiosity about the identity of their customers.

The scheme looked pretty convenient for organised crime groups and others who want to avoid any AML checks when transferring money across the border. The problems with the aforementioned scheme are that it requires an intermediary to provide the money in another country, and that this money will be in cash. The recipient of this money will still have to find ways to deposit it into the local bank system. Buying expensive goods with cash will likely raise suspicions of money laundering, and in many cases, large cash transactions are either not accepted in the UK or subject to AML checks. Similarly, depositing large amounts of cash at a UK bank will be a red flag for money laundering, and prompt the bank to ask questions about the source of the funds.

By the end of 2021, there were 295 million crypto-asset owners in the world. Each year their number is rapidly growing.² According to the German platform Statista which specializes in data gathering, the amount of identity-verified crypto asset users equalled 425 million in December 2022.³ This substantial growth in users has driven demand for payment systems that can transfer value stored in crypto assets into fiat currencies. In response to this demand, there are now several systems which allow the seamless transfer of cryptocurrencies to bank accounts in Europe via a simple app and provide their clients with a crypto-enabled card.

In this new report, Transparency International Russia describes how these services can be used as a route for anonymous conversion of suspicious funds in cryptocurrencies into fiat money. As we have discovered, there is a dark market offering verified accounts registered with the providers of such services in the name of someone else. The supply of these accounts for sale, which provides the buyers with a fake identity linked to a fiat bank account, is abundant. These nominal account holders are akin to *money mules*, the individuals who help illegally move money across borders.⁴ So if somebody needs to transfer illicit money from an anonymous non-custodial crypto wallet, one way to keep their privacy and stay anonymous is to buy a fake verified account of a system that links crypto money with fiat money that could be deposited on a bank account.

¹ <https://transparency.org.ru/en/news/from-moscow-city-with-crypto-a-step-by-step-guide-to-receiving-cash-from-russia-anonymously-in-london>

² https://assets.ctfassets.net/hfgyiq42jmx/5i8TeN1QYJDjn82pSuZB5S/85c7c9393f3ee67e456ec780f9bf11e3/Cryptodotcom_Crypto_Market_Sizing_Jan2022.pdf

³ <https://www.statista.com/statistics/1202503/global-cryptocurrency-user-base/>

⁴ <https://www.fbi.gov/how-we-can-help-you/safety-resources/scams-and-safety/common-scams-and-crimes/money-mules>

In our research, we looked at the advertisements from sellers of such verified accounts which were in Russian language and were specifically marketed to Russian-speaking audiences. In particular, we looked at their offers to set-up money mule accounts at Wirex, a company that enables transfers from crypto to fiat bank accounts within an app with the option of access to a debit card. After investigating these offers of money mule accounts and Wirex's business, our opinion is that AML supervisors in the UK and EU should give closer scrutiny to Wirex's operations. We do not suggest that Wirex themselves are operating illegally, but we do recommend that they need to tighten up their monitoring processes.

The intention of this research is to highlight vulnerabilities in the financial system that provide an excellent opportunity for criminals to integrate the proceeds of unlawful conduct into a traditional bank system via crypto.

RECOMMENDATIONS

Based on our research, we recommend Wirex and other crypto-to-fiat service providers include the following signs as red flags in their financial monitoring processes, which should help identify and report potential money mules to the relevant country's financial intelligence unit:

- > **long absence of any operations after account registration by an individual, and then a sudden change of password and contact phone number right before the account starts to perform transactions,**
- > **a change of password and contact phone number right after account registration,**
- > **accounts registered to refugees or individuals of one country with transactions taking place in a completely different jurisdiction,**
- > **any clients with an identifiable connection to those selling money mule accounts on the dark web.**

We also recommend close coordination between AML supervisory and law enforcement agencies in the UK and EU to counter the threat posed by money mules with accounts at crypto-to-fiat transfer services.

METHODOLOGY

Our research consisted of three steps.

First, we identified sites where the advertisements of nominee accounts with major providers of crypto-to-fiat transfers for sale were published. Experts at Transparency International Russia studied these dark market advertisements and revealed that there were at least four main specialized web forums providing this kind of service: *BHF*,⁵ *Zelenka.Guru*,⁶ *Dark2Web*,⁷ and *Club.Link*.⁸ These forums are Russian-language, and the vendors usually had presence on each of them.

In the course of our research, we found that specialized websites offering verified accounts with different systems for sale can also be found on the Web, such as websites VCM Verified Center⁹ and Seller Hub.¹⁰ However, the advertising of accounts for sale on these websites is less widespread than advertisements on web forums.

Second, we picked up fresh advertisements from the web forums mentioned above and studied the number of crypto-to-fiat providers whose accounts were offered for sale. In general, there are a variety of crypto-to-fiat payment system accounts to choose from. Among those proposed were Wirex, Trastra, Embily, CryptoPay, Advcash, Crypto.com, Coinbase, Blackcatcard, and Uphold.

In order to get detailed information on how this market works, analysts of Transparency International Russia contacted the sellers and pretended that they wanted to acquire an account registered with one of these systems, namely the UK-registered company Wirex, which was registered to a nominal account holder.

Wirex advertises itself as a seamless provider between crypto and fiat currencies¹¹, and has more than 5 million customers worldwide, with a large part of its customer base in the UK.¹² Also *Wirex* was the first company in the world to offer a crypto-enabled card to its clients, and in February 2023, the company announced that it had established a global partnership with Visa which gave it the ability to directly issue crypto-enabled debit and prepaid cards in over 40 countries.¹³ Hence, we chose to ask the vendors for the account with Wirex, and the offers of this kind were widespread.

5 <https://bhf.gg>

6 <https://zelenka.guru/forums/817/>

7 <https://dark2web.com/>

8 <https://www-club.link/index.php>

9 <https://v-center.cc/>

10 <https://sell-hub.com/>

11 <https://wirexapp.com/>

12 <https://ffnews.com/newsarticle/wirex-becomes-global-partner-of-visa-and-makes-strong-moves-in-apac/>

13 <https://wirexapp.com/blog/post/weve-signed-a-long-term-global-strategic-partnership-with-visa-0720>

All the communication between the client and the seller of the account usually goes via Telegram, which is very convenient in this case, as it allows both sides to stay anonymous.

As the third step of our research, we looked at the background of Wirex and revealed that despite having a UK-based holding company and being regulated as an electronic money institution by the UK's Financial Conduct Authority, its operations span multiple jurisdictions with different legal entities, and its key crypto-related payment services in the UK and EEA are being routed through Croatia. We also found out that at the end of June 2023, a third-party company acting as Wirex's Lithuanian provider of fiat currency services lost its license because of poor AML controls.

Below, we outline our findings, including profiles of those offering crypto-to-fiat accounts registered to nominees.

PURCHASING A WIREX ACCOUNT REGISTERED WITH A MONEY MULE

Transparency International Russia examined the possibility of purchasing a Wirex account registered with someone else's identity, who would act as a money mule — allowing payments to be made without the bank knowing the true identity of those really moving the money. In order to get knowledge of how the market works, we contacted seven sellers to understand the conditions on which they offer their services and prices.

Although buying a verified account is illegal, we found it to be a simple procedure. Based on our correspondence with the sellers, we found that the accounts were registered in the names of citizens of Latvia, Estonia, Poland, Czech Republic, Bulgaria, Spain and Ukraine. There was also one offer to sell verified accounts registered to Ukrainian refugees with residence permits in Germany, Poland and Italy.

The price varied from USD 30 for an account registered to a Ukrainian citizen to USD 220 for an account in the name of a Czech citizen. The most widespread was the offer of accounts for sale registered to the citizens of the Baltic states, such as Latvia and Estonia.

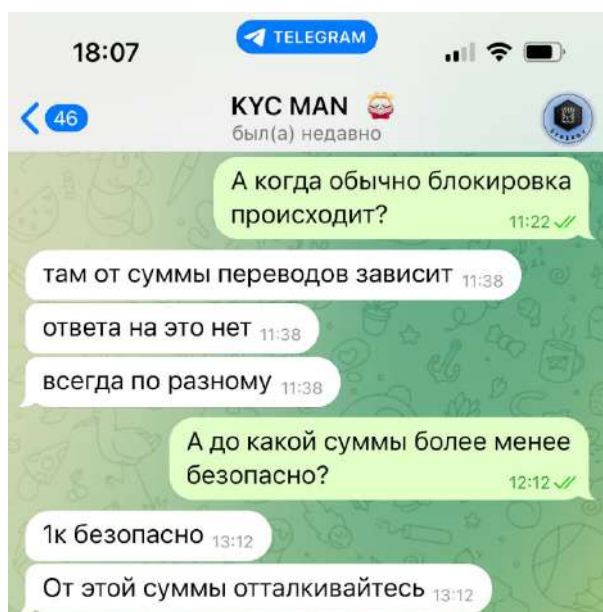
Each seller stated that original identification documents were used for registration with Wirex, and that they could contact the money mules and ask them to provide a photo or video proof of identity in case some additional verification was requested by the system.



A sample advertisement offering verified accounts for sale in different systems

The customer is instructed to change the password and the contact phone number to the purchased account as soon as he gets access to it. This is to minimize the risk that the money mule will try to restore the access to the account registered in their name. As we were assured, such risk is minimal, yet sometimes that happens, and the seller usually guarantees a refund if this occurs during a stated period of time after the purchase.

In order to avoid getting blocked by Wirex, it is advised to transfer sums not exceeding USD 1,000 so that the transactions do not get on the Wirex's AML monitoring system. The sum may seem not so big, but considering that most sellers are ready to provide wholesale supply of accounts and it is possible to order as much as 60 from some of them, transfers of big amounts of money from crypto to fiat may be split into parts — a practice known as 'smurfing'.



- *When does blocking usually happen?*
- *It depends on the sum of the transfer, but there is no answer to this question, it's always different*
- *Up to what amount is it safe to make transfers?*
- *1k [USD 1,000], from this amount*

Below are the sellers whom we contacted in our search for a Wirex account, a summary of their offers, and more details on their services and our correspondence with them.

Name of the service	Price per account	Citizenship of the nominal account holders
VCM Verified Center	USD 210	Latvia, Estonia, Spain Ukrainian refugees with residence permits in Germany, Poland, Italy
Seller Hub	USD 215	Latvia, Estonia
Graver Shop	RUB 2,800 (USD 34.14)	Ukraine
	USD 140	Latvia
VerifBerry Service	USD 180	Latvia, Estonia
	USD 200/220	Czech Republic
Black Gross	USD 165	Poland, Czech Republic
TOP Verification	USD 140	Latvia
Synergy	USD 30	Ukraine
	USD 120	Bulgaria, Spain

1) VCM Verified Center, Seller Hub

VCM Verified Center has a website.¹⁴ As shown on the print screen of the website page, which was taken in May 2023 at the time of communication, VCM Verified Center offered for sale a wide range of verified accounts in different systems, including Wirex.

Screenshot of VCM Verified Center's website advertising the advantages of verified accounts: 'removal of withdrawal limits', 'increase of trust', 'enabling the use of fiat', 'Lead time between 1 hour and 7 business days. 100% advance payment'

The screenshot shows a web browser window with the URL v-center.cc/product/kripto-birzhi-predzakaz/. The page has a navigation bar with tabs: "Описание" (selected), "Доставка и оплата", "FAQ", and "Отзывы (0)". Below the navigation bar, the heading "Описание" is followed by the text "Срок исполнения: от 1 часа до 7 рабочих дней. Предоплата 100 %". Underneath, it lists "Преимущества верификации: Снятие лимитов на вывод. Повышение доверия и возможность работать с фиатом." Below this text is a grid of logos for various cryptocurrency exchanges and services.

PAXFUL	Coinmama	BINANCE	EXMO	POLONIEX	BITTREX GLOBAL
KUCOIN	Liquid	OKEX	LiteForex	OKCOIN	kraken
БИТЕКBOOK	BTC-Alpha	CEX.IO	WIREX	uphold	mercuryo
Aximetria	bitzlatо	koinal	COINGATE	HitBTC	Huobi Global
Bibox	gate.io	LocalBitcoins.com	И ДРУГИЕ		

The chat operator said that they did not have ready-made accounts for sale but registered them on request. The cost of a verified Wirex account was USD 210.

It was possible to pick the nationality of the nominal account holder, which included Germany, Latvia, Poland, Spain, Italy and Estonia. Whereas Latvian, Estonian and Spanish accounts could be registered to the citizens of these countries, we were told that German, Polish or Italian accounts would be registered not to the domestic citizens but to the Ukrainian refugees who had residence permits in these countries.

After the registration of a Wirex account, the client would be provided with photos of the money mule's documents, such as his passport. We were also assured that the money mules stayed in touch with

¹⁴ <https://v-center.cc/>

VCM Verified Center in case the account was blocked and some additional verification procedures would be required by Wirex.

In general, money mules were described as safe to use and under control. However, we were told that recently there was an accident where one of them was sent to prison for 8 years with robbery charges. But the chat operator added that this person was still in use, as he had a cell phone and internet access in prison.

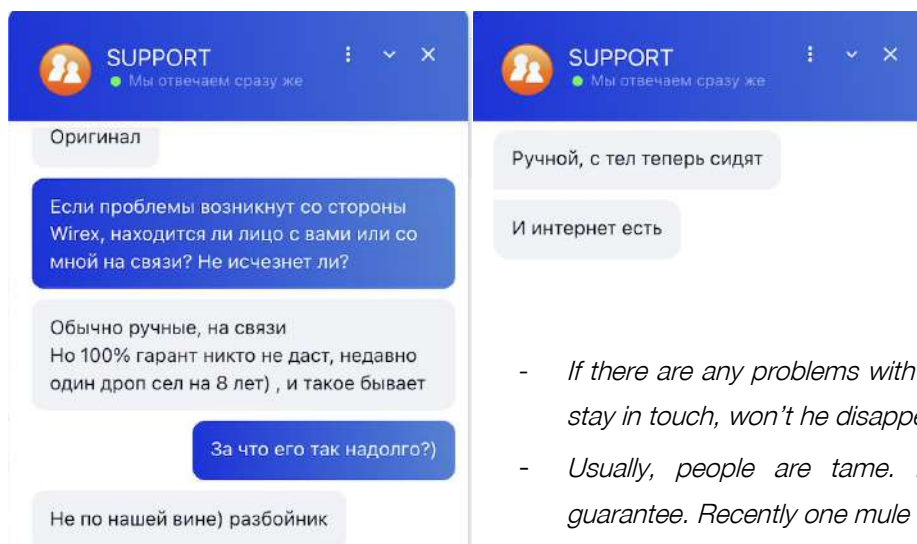
Wholesale supply of mules was also not a problem, as we asked for the possibility to buy 20 verified accounts and the chat operator told us that it was ok and we would be provided with five new accounts per day.

It should be noted that issuance of physical cards in large quantities and their delivery could turn out problematic for buyers of verified accounts. However, that could be solved by issuing a virtual card that is now available in the UK, EEA and Australia and, as Wirex claims, has the same functionality as the physical card.¹⁵

Payment for the Wirex account would be made in USDT (TRC20) stablecoins to the address [THR8hkYaAYM4JUfdyi1DvS4XMnjvYsgYwX](https://tronscan.org/show-address?address=THR8hkYaAYM4JUfdyi1DvS4XMnjvYsgYwX)

After asking about other options for payment, we were also offered a USDC (ERC20) wallet, which, as we later found out, was used much less than the aforementioned USDT (TRC20) wallet.

The chat operator of the VCM Verified Center said that he was located in Russia, somewhere beyond the Urals.

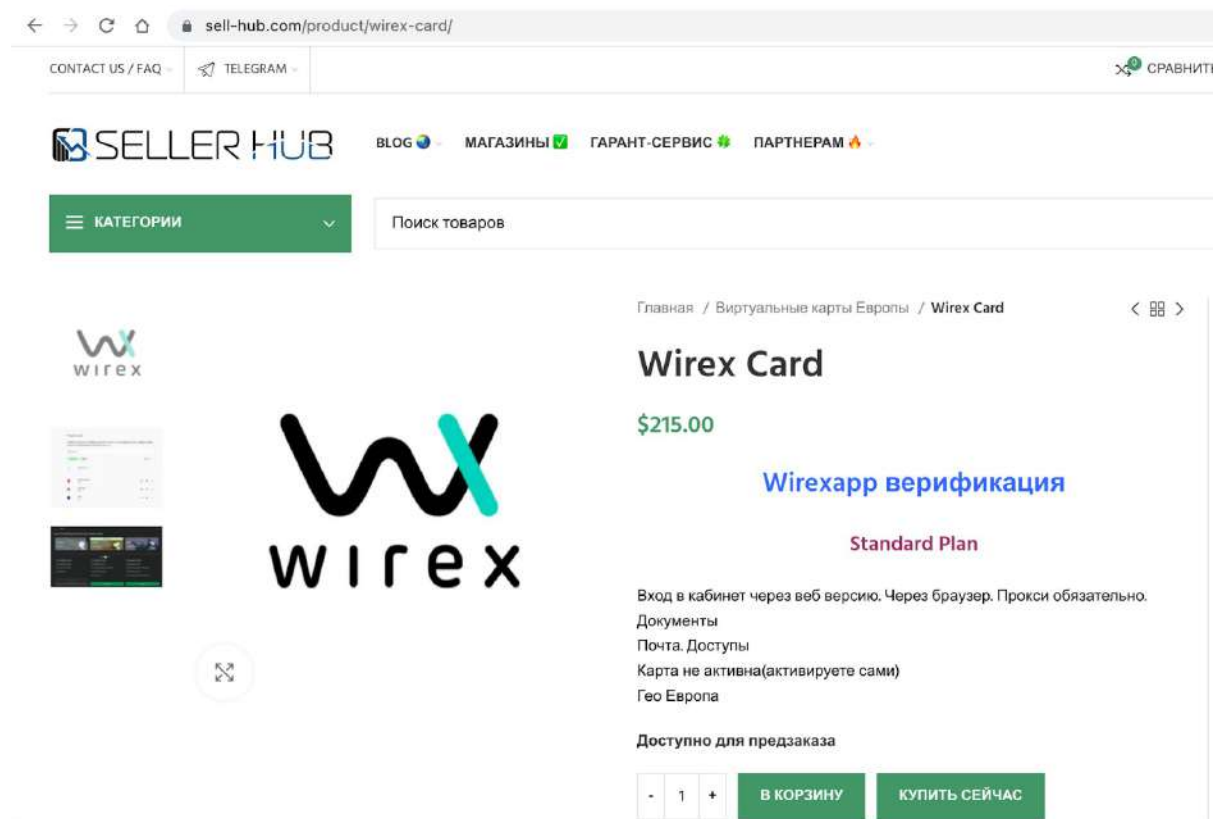


- *If there are any problems with Wirex, does your person stay in touch, won't he disappear?*
- *Usually, people are tame. But there is no 100% guarantee. Recently one mule was put in jail for 8 years. These things happen*
- *Why was he sentenced?*
- *Not our fault, he is a robber.*

¹⁵ <https://wirexapp.com/blog/post/weve-launched-virtual-cards-0722>

It is worth mentioning that there is another website that seems to be connected with the VCM Verified Center. The service name is Seller Hub.¹⁶ It offers a verified Wirex account registered in the names of Latvian and Estonian mules for USD 215.¹⁷ When negotiating the terms of sale for verified accounts, we established that the chat operator of Seller Hub was the same person as the chat operator of VCM Verified Center.

Screenshot of the page on Seller Hub's website offering a verified Wirex account for sale with a non-activated card



When we contacted VCM Verified Center and Seller Hub for comment, they deleted their adverts for Wirex accounts and claimed to no longer sell them.

¹⁶ <https://sell-hub.com/>

¹⁷ <https://sell-hub.com/product/wirex-card/>

2) Graver Shop

Graver Shop has a website¹⁸ and a bot shop¹⁹ in Telegram which is ready to provide customers with verified accounts. If the client has any questions, the shop owner²⁰ or support service²¹ are ready to help.



Screenshot of a message in Graver Shop's Telegram bot and the offer to buy a Wirex account registered to a Ukrainian citizen for RUB 2,800 (USD 34.14):

"Choose the amount:

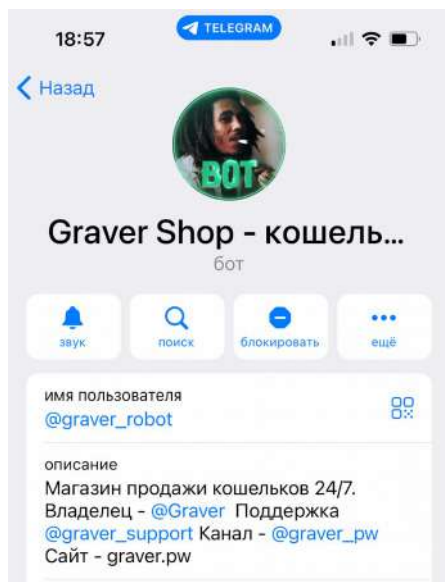
Item: Wirex UA

In stock: 2 pieces

Price: RUB 2800 / USD 34.14

Description: Verified account with wirexapp.com to a CIS drop [i.e. a money mule from the Commonwealth of Independent States]. You will need to change the contact info to your SIM card. IBAN is not provided

Contact @graver_support with any questions related to these accounts"



Screenshot of Graver Shop bot's profile in Telegram

"Username @graver_robot

Description

Wallet shop 24/7. @Graver is the owner. Support at @graver_support. Channel @graver_pw Site graver.pw"

¹⁸ <https://graver.pw/en/>

¹⁹ https://t.me/graver_robot

²⁰ <https://t.me/Graver>

²¹ https://t.me/graver_support

Wirex accounts registered to Ukrainian and Latvian citizens were available for purchase at the bot shop. Shop administrator said that there was an option of buying an account registered to a Ukrainian citizen at the price of RUB 2,800, and to a Latvian citizen at the price of USD 140. We were assured that the account would be registered with the original documents of a Ukrainian or Latvian person and that photos of these documents would be sent to us.

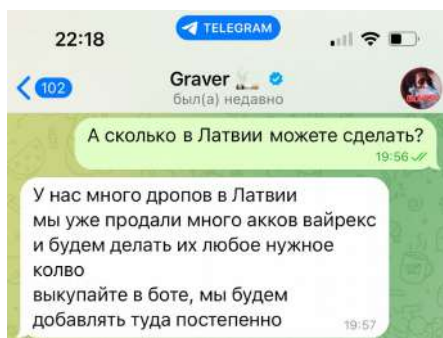
The seller also said that at the moment of request there was only one account available for purchase, which was registered in the name of a Latvian mule. However, Graver noted that he had many Latvian mules at his disposal and had a lot of experience in creating verified Wirex accounts. So potentially, Graver was ready for a wholesale operation.



- *Hello, do you have a verified Wirex account on sale?*
- *Hello, yes, we have European accounts and Ukrainian.*
- *How much will it cost to buy a European and how much for Ukrainian?*
- *EU - \$140, Ukraine - RUB 2,800*



- *Which European countries do you have?*
- *We have Latvia. However, the phone number rent has expired, and we will need some time to change it via Wirex support*
- *And Latvians, are they Latvian citizens or Ukrainian refugees with a residence permit?*
- *Latvian*



- *How many Latvians can you make?*
- *We have lots of mules in Latvia, and we have already sold many Wirex accounts, and we are ready to make any necessary quantity. You can buy them in the Bot shop, and we will add them there gradually.*

Buying a Wirex account registered to a Ukrainian citizen may be less appealing despite its cheapness, as the functionality of Wirex is limited for Ukraine. (The contact person at Graver Shop confirmed this during the conversation with us.) For example, it is not possible to issue either a physical or virtual debit card for Ukrainian users in Ukraine.²²

Payment for the purchase of a verified account was possible via USDT (TRC20) stablecoins, Bitcoin, Litecoin and Monero. There was also an option of paying via YooMoney or Qiwi, Russian e-payment services.

When we contacted Graver Shop for comment, they said they were a small team from Ukraine, and that those who provided nominee account services were doing so willingly and without coercion and were paid for their work. They said that while Wirex was not aware of their activities, they only provided these nominee accounts on a small scale, which is why they only have one or two available at any point in time.

Graver Shop claimed they did not know what purposes the accounts were used for, but that they did not cooperate with or sell accounts to scammers, drug dealers, carders, money launderers and other criminals. Their terms and conditions also include prohibiting the use of nominee accounts for criminal purposes. They said their services were only sold to Russian speakers, and were intended to help Russians and Belarussians make payments online because citizens of these countries cannot obtain Wirex accounts directly themselves.

They suggested their services were better protected against financial crime than crypto-to-cash services in most countries which do not have know your customer requirements, and went on to cite other intermediaries providing similar products on Telegram.

²² <https://wirexapp.com/help/article/supported-countries-1189>

3) VerifBerry Service

This service does not have a website; however, it advertises itself on BHF,²³ Darkclub.cc,²⁴ HTM²⁵ and more than 20 other forums. VerifBerry also has a news channel in Telegram where it posts news about the service's activity.²⁶

The seller's contact²⁷ was ready to offer accounts for sale registered in the names of money mules with Latvian and Estonian citizenship for the price of USD 180. He said that it was also possible to find Czech mules but they would be more expensive, at around USD 200–220.

The seller was ready to make 20 verified accounts. We were assured that the accounts would be registered with the original documents of European citizens. However, the seller asked for an extra USD 15 payment for a set of registration documents (such as photos of passport and a selfie of the mule with a passport) per person if we wanted them to be provided to us. The explanation was that these images of documents would give us an opportunity to create our own fake accounts in other services.

We were told that usually the mules stayed in touch but that was not guaranteed.



- *Hello, mules from which countries are available now?*
- *Hello, for what purposes?*
- *For Wirex, do you have?*
- *We'll find, what countries do you need?*
- *What countries do you have and how much?*
- *Latvia and Estonia for USD 180.*
- *And will it be Latvian and Estonian people or Ukrainian refugees?*
- *Latvian and Estonian*

Payment for the account would be made in USDT (TRC20) stablecoins to the address
THGiXxVxHf2ZnSTWMIr9a4PvKG7Bm1Qs3g

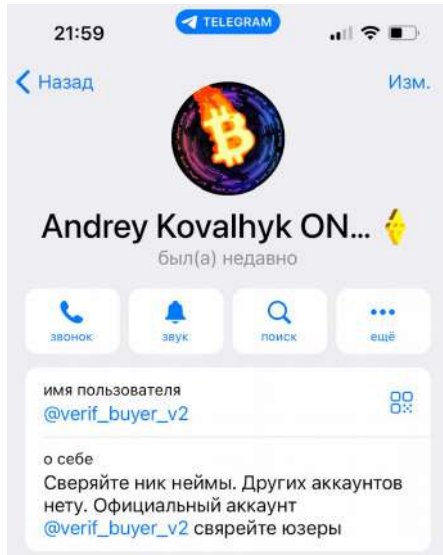
²³ <https://bhf.gg/threads/660732/>

²⁴ <https://darkclub.cc/threads/verifberry-service-magazin-akkauntov-ru-kz-ua-eu-akkaunty-binance-i-dr.3074/>

²⁵ <https://hard-tm.su/threads/12016/>

²⁶ <https://t.me/verifb>

²⁷ https://t.me/verif_buyer_v2



Screenshot of VerifBerry Service contact person's profile in Telegram

"has been online recently"

Username @verif_buyer_v2

Description

Check the nicknames. There are no other accounts. Official account @verif_buyer_v2 check the usernames"

When contacted for comment, VerifBerry claimed they were not involved in money laundering because no money passed through them. They denied offering to set-up 20 verified accounts at Wirex on demand.

4) Black Gross

The service advertises itself on Dark2Web,²⁸ WWH,²⁹ and BHF forums.³⁰ Black Gross has a channel on Telegram where it posts news about its activity.³¹

The seller's contact³² was ready to offer accounts registered in the names of money mules with Polish and Czech citizenship for the price of USD 165. We were assured that these accounts would be registered with the original documents of European citizens and a set of registration documents, such as photos of passport and selfie of the mule with a passport, would be provided to us.

The seller was ready to make 1–2 accounts per day. We were told that after registration, the mules would stay in touch in case it would be needed to provide additional confirmation to Wirex.

The payment for the account would be made in USDT (TRC20) stablecoins to the address TR8Uu2u6zEaziP6ZwfbB4pBDkMTW44tYmb



- *Hello, do you have Wirex verified accounts for sale?*
- *Hello, yes, 165.*
- *Citizens of which countries?*
- *Poland and the Czech Republic*
- *Will it be citizens or Ukrainians with a residence permit?*
- *Citizens*
- *Will you send a photo of the documents and a selfie with a passport?*
- *Yes*
- *Great! And will the documents be original or fake?*
- *Original documents*
- *And do money mules stay in touch in case there is a request for any additional verification from Wirex?*
- *Yes, they stay in touch.*

Black Gross did not respond to our request for comment.

²⁸ <https://dark2web.com/threads/159452/page-3>

²⁹ <https://wwh-club.link/index.php?threads/personalnye-i-biznes-scheta-ot-black-gross.162639/page-13#post-2343574> (Registration required)

³⁰ <https://bhf.gg/threads/671953/page-2#post-7325675> (Registration required)

³¹ <https://t.me/joinchat/S0PjwbFRwzZkFmPl>

³² https://t.me/AUTOMATIC_SUPPORT

5) TOP Verification

The service advertises itself on Dark2Web,³³ WWH,³⁴ BHF,³⁵ and Zelenka.Guru forums.³⁶ Top Verification also has a channel on Telegram where it posts news about its activity.³⁷

The seller's contact³⁸ was ready to offer accounts registered in the names of money mules with Latvian citizenship for the price of USD 140. We were assured that these accounts would be registered with the original documents of Latvian citizens and a set of registration documents, such as photos of passport and a selfie of a mule with a passport, would be provided to us.

The seller was ready to make 20 verified accounts.

We were told that after registration, the mules would stay in touch in case the service demanded additional confirmation.

The payment for the account would be made in USDT (TRC20) stablecoins to the address [TXjqcpwwuSQ5vzH36w2EihmSQja5biirjT](https://trc20.com/tx/TXjqcpwwuSQ5vzH36w2EihmSQja5biirjT)

This was the only proposed option for payment.

TOP Verification did not respond to our request for comment.

33 <https://dark2web.com/threads/159717/>

34 <https://wwh-club.link/index.php?threads/birzhi-banki-ehps-i-prochee-top-verification-nadezhnyj-servis-verifikacij.256245/#post-2335392> (Registration required)

35 <https://bhf.gg/threads/670909/>

36 <https://zelenka.guru/threads/4228395/> (Registration required)

37 https://t.me/top_verification_official

38 https://t.me/top_verification

6) Synergy

The service advertises itself on Dark2Web,³⁹ WWH,⁴⁰ BHF,⁴¹ and Zelenka.Guru forums.⁴² It seems to be especially big in comparison with the others, as it has several different chat operators in Telegram as contacts given in different advertisements. We were able to confirm there were at least 3 different people working for Synergy as chat operators.

The seller's contact⁴³ was ready to offer accounts registered in the names of money mules with Ukrainian, Bulgarian and Spanish citizenship. The price for a Ukrainian account was USD 30, and the price for an EU country account was USD 120.

We were assured that the account would be registered on the original documents of a citizen of the chosen country and a set of registration documents, such as photos of passport and a selfie of the mule with a passport, would be provided to us.

We were told that after registration, the mules stayed in touch in 70% of cases to provide additional confirmation to the service, such as a photo or a video of them, if the service demanded it. The price for additional verification services was USD 30.

The seller was ready to make 60 accounts per week. In case of purchasing an EU account, the seller was also ready to discuss the possibility of shipment of physical cards across Europe. However, he said that an extra charge of USD 100 would be required. The chat operator told us that he was located in Ukraine.



Screenshot of Synergy contact person's profile in Telegram

"has been online recently"

Username @Synergy_KYC_ACCS"

³⁹ <https://dark2web.com/threads/159021/>

⁴⁰ <https://wwh-club.link/index.php?threads/prodazha-verifikacija-akkauntov-kyc-servis-svoi-dropy-eu-ukraina-sale-account-verification-kyc-service-own-drops-eu-ukraine.249079/#post-2316507> (Registration required)

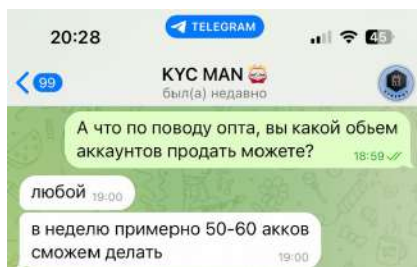
⁴¹ <https://bhf.gg/threads/672975/>

⁴² <https://zelenka.guru/threads/5706152/#post-40909212> (Registration required)

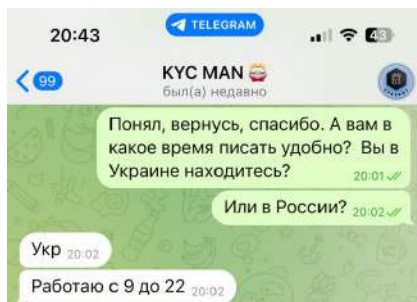
⁴³ https://t.me/Synergy_KYC_ACCS



- Hello, do you have a verified Wirex account for sale?
- Hello, yes, we do. Do you need Ukrainian or EU?
- How much for the EU and how much for the Ukrainian?
- 30\$ Ukraine and 120\$ EU, how many do you need?
- Are the Ukrainians those with residence permits in the EU or in Ukraine?
- In Ukraine
- And the EU, will they be EU citizens, not Ukrainians with residence permits?
- Only EU citizens
- Which EU countries do you have?
- Bulgaria and Spain



- What about wholesale options, how many accounts can you sell?
- We can make approximately 50-60 accounts per week



- Ok, I will be back, thank you. Which time is it ok to write to you? Are you located in Ukraine? Or in Russia?
- Ukraine. Working hours from 9 to 22.

The payment for the account would be made in USDT stablecoins or other cryptocurrencies, such as BTC, Lightcoin, Ethereum.

The USDT (TRC20) address was [TLY6SKciRt68cVNqgCd3y8qmWTH3dV8ckr](https://tronscan.org/show-address?address=TLY6SKciRt68cVNqgCd3y8qmWTH3dV8ckr)

Synergy did not respond to our request for comment.

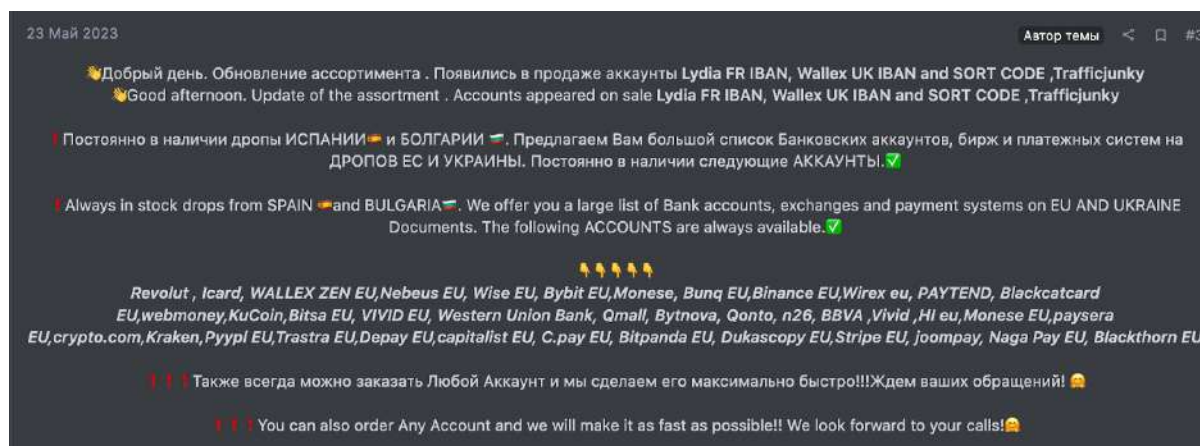
Analysis of the Synergy crypto wallet

As of mid-June 2023, among the sellers of verified accounts whom we contacted, the biggest amount of stablecoins had been moved via the wallet belonging to Synergy. We analysed their crypto wallet to help estimate the scale of their activities, and the number of potential nominee accounts they were selling.

Synergy's USDT wallet⁴⁴ was created on 3 February 2023. From 3 February 2023 until 12 June 2023, the inflow of USDT stablecoins amounted to USD 380,354.17, or an average monthly inflow of USD 95,088. In theory, this amount of money could equal hundreds, if not thousands, of money mule accounts per month.

However, we note that Synergy sells not only verified accounts in crypto-to-fiat payment systems, but also accounts in money application Revolut, payment system Wise and many others.

Below is the part of the Synergy advertisement mentioning some services accounts in which the seller also offers



⁴⁴ <https://tronscan.org/#/address/TLY6SKciRt68cVNqgCd3y8qmWTH3dV8ckr>

WIREX'S OPERATIONS AND ASSOCIATED RISKS

Wirex Limited was registered in the UK in December 2014.⁴⁵ In 2015, the company crowdfunded USD 165,821 at an online investment platform Bnktothefuture from 88 investors.⁴⁶ ⁴⁷ In the fundraising announcement, the enterprise described itself as an online platform linking Bitcoin with traditional finance and offering Bitcoin debit cards. The brand name then was E-Coin; however, in February 2016, it was rebranded to WireX.⁴⁸

Wirex Limited has Russian owners. The Certificate of Incorporation states that a UK company Wirex Limited was founded in December 2014 by Dmitry Lazarichev, a Russian national.⁴⁹ From April 2016 to May 2020, apart from Mr Lazarichev, another co-owner of the company was a Russian individual named Pavel Matveev. And from May 2020, the sole owner of Wirex Limited has been Wirex Holdings Limited incorporated in the UK in November 2019.⁵⁰

From November 2019 to April 2020, Wirex Holdings Limited solely belonged to Dmitry Lazarichev, and since April 2020, Mr Matveev, who is currently the sole owner of the company, was registered as another person with significant control in Wirex Holdings Limited.

Both of them, Mr Lazarichev and Mr Matveev, have been the directors of Wirex Holdings Limited since November 2019.

For a short period of time from 20 January 2022 till 25 November 2022, another of the company's directors was a Russian businessman, Viacheslav Aleksandrovich Taran, founder of Forex Club company, which provides services of trading in the foreign exchange market.⁵¹

Forex Club⁵² is a group of companies that was founded in 1997;⁵³ one of its companies, Forex Club International LLC, is registered at Saint Vincent and the Grenadines.⁵⁴ In December 2018, the Central Bank of Russia annulled the license of Forex Club,⁵⁵ and in September 2020, Roskomnadzor (the Russian federal executive agency responsible for monitoring, controlling and censoring the internet) blocked the company's website in Russia at the request of the Prosecutor General's Office of the

⁴⁵ <https://find-and-update.company-information.service.gov.uk/company/09334596>

⁴⁶ <https://www.newsbtc.com/all/bitcoin-debit-card-firm-e-coin-raises-160000/>

⁴⁷ <https://app.bnktothefuture.com/pitches/wirex-formerly-e-coin>

⁴⁸ <https://cointelegraph.com/news/e-coin-rebrands-as-wirex>

⁴⁹ <https://find-and-update.company-information.service.gov.uk/company/09334596/filing-history?page=3>

⁵⁰ <https://find-and-update.company-information.service.gov.uk/company/12323130>

⁵¹ <https://ria.ru/20221128/taran-1834707997.html>

⁵² https://www.fxclub.org/about_mission

⁵³ <https://web.archive.org/web/20150221010713/http://www.kommersant.ru/factbook/88209>

⁵⁴ <https://www.lei-lookup.com/record/253400H7X368NPS5WN70/>

⁵⁵ https://www.cbr.ru/rbr/rbr_fr/doc/?id=15978#highlight=%D1%84%D0%BE%D1%80%D0%B5%D0%BA%D1%81%7C%D0%BA%D0%BB%D1%83%D0%B1

Russian Federation.⁵⁶

For ten years, Viacheslav Taran lived in Monaco. He died in a strange helicopter crash in Monaco when flying home from Lausanne, Switzerland, on 25 November 2022.⁵⁷ The flight was operated by Monacair. The media reported that there was also an unidentified VIP person who was also expected to join Viacheslav but pulled out at the last minute.⁵⁸

Ukrainian media agency UNIAN claimed that Viacheslav Taran worked for a Russian intelligence service and was allegedly responsible for laundering cash from Russia via crypto operations.⁵⁹ Russian Telegram channel Politjoystic, owned by Marat Bashirov, former Chairman of the Council of Ministers of the Lugansk People's Republic and a Russian professor at the HSE University,⁶⁰ stated that Taran's death was a 'cleanup' operation.⁶¹ However, neither UNIAN nor Politjoystick provided any evidence for their claims. Viacheslav's wife, Olga, has categorically denied he had any connection to the Russian intelligence service saying these claims were 'an absolute and utter lie'.⁶²

As for the owners of Wirex, Dmitry Lazarichev⁶³ and Pavel Matveev, the former came from the finance and consulting industry, and the latter had an IT background.⁶⁴ There is no suggestion that either has connections with Russian intelligence or that they have knowledge or involvement in any alleged controversy surrounding Taran's death.

Wirex is often mentioned by the media as a London-based digital firm⁶⁵ or a London-based crypto firm.⁶⁶ However, while Wirex Limited is a business registered in the UK⁶⁷ with its controlling company, Wirex Holdings Limited,⁶⁸ also registered at Companies House, it is registered for regulated financial activities in several jurisdictions.

Since August 2018,⁶⁹ Wirex Limited has been registered with the UK Financial Conduct Authority (FCA) as an Electronic Money Institution (EMI).⁷⁰ The FCA authorises their activities as an EMI and supervises their compliance with the Electronic Money Regulations 2011 (EMR2011), which imposes minimum capital requirements and includes protections for customers' funds. However, Wirex is not registered as

⁵⁶ <https://vc.ru/offline/156415-roskomnadzor-zablokiroval-sayt-foreks-kluba-po-trebovaniyu-genprokuratury>

⁵⁷ <https://www.dailymail.co.uk/news/article-11480711/Russian-billionaire-53-killed-helicopter-crash-near-Monaco-latest-crypto-mystery-death.html>

⁵⁸ <https://economictimes.indiatimes.com/news/international/us/russian-crypto-billionaire-vyacheslav-taran-dies-in-mysterious-helicopter-crash-as-another-passenger-cancels/articleshow/95865036.cms>

⁵⁹ <https://www.unian.net/russianworld/v-aviakatastrofe-pogib-finansist-russkoy-razvedki-12060111.html>

⁶⁰ <https://www.hse.ru/org/persons/793700188>

⁶¹ <https://t.me/politjoystic/29882>

⁶² <https://www.dailymail.co.uk/news/article-11486179/Widow-Russian-killed-helicopter-crash-says-involved-charity-helping-Ukrainians.html>

⁶³ <https://www.linkedin.com/in/dmitrylazarichev/>

⁶⁴ <https://www.linkedin.com/in/pmatveev/>

⁶⁵ <https://news.bitcoin.com/uk-payments-company-wirex-becomes-visa-global-partner-extends-crypto-card-program-reach-to-over-40-countries/>

⁶⁶ <https://www.coindesk.com/business/2023/02/13/crypto-payments-firm-wirex-and-visa-expand-partnership-to-40-countries/>

⁶⁷ <https://find-and-update.company-information.service.gov.uk/company/09334596>

⁶⁸ <https://find-and-update.company-information.service.gov.uk/company/12323130>

⁶⁹ <https://wirexapp.com/blog/post/wirex-earns-fca-e-money-licence-0034>

⁷⁰ <https://register.fca.org.uk/servlet/servlet.FileDownload?file=015b0000006CWmx>

a crypto asset company with the FCA, which also supervises cryptocurrency exchange and wallet providers for anti-money laundering (AML) purposes.⁷¹

Before 2020, there was no supervision imposed on crypto asset businesses at all. Since 10 January 2020,⁷² they have been brought under the scope of the Money Laundering Regulations (the MLRs).⁷³ These require regulated firms to have systems and processes in place to identify, monitor and mitigate money laundering risks, including know your customer policies and procedures, money laundering risk assessments, and record-keeping requirements.⁷⁴

And now, qualifying crypto asset companies need to be registered with the FCA, which maintains a list of registered crypto businesses in the UK.⁷⁵ Wirex is not on that list. Due to recent legal changes, this means Wirex cannot advertise cryptoasset services or investments to UK clients, which can only be promoted by those registered with the FCA for this kind of product.⁷⁶ From a review of its website on 10 October it still provides crypto related products to UK customers. However, Wirex's global website includes a legal disclaimer stating that not all of its adverts and products are suitable for UK residents.

From January 2020 until March 31, 2022,⁷⁷ there was a transition period when a Temporary Registration Regime (TRR) allowed companies created before January 2020 to continue to provide crypto services.⁷⁸ Right at the end of this period, on the 28 of March 2022, Wirex withdrew its application to register with the FCA for AML purposes.⁷⁹ There was no explanation of why Wirex decided not to be registered as an AML regulated crypto asset company in the UK.

As of mid-October 2023, cryptocurrency services in the UK and EEA were provided by Wirex Digital d.o.o. from Croatia,⁸⁰ and traditional currency services were provided in the UK by UK-registered Wirex Limited⁸¹ and in EEA by UAB Wirex from Lithuania.⁸²

Such diversification of companies processing operations of Wirex's clients means that when an individual sends money from their external cryptowallet to Wirex cryptowallet, the transaction is processed by Wirex Digital d.o.o., and when a Wirex user in the UK or EEA sends their fiat funds outside via a bank transfer, the transaction will be processed by Wirex Limited or UAB Wirex respectively.

71 <https://www.gov.uk/government/publications/economic-crime-and-corporate-transparency-bill-2022-factsheets/fact-sheet-cryptoassets-technical#how-are-cryptoassets-regulated-in-the-uk>

72 <https://www.fca.org.uk/cryptoassets-aml-cf-regime/register>

73 On 10 January 2020 the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 came into effect, and the crypto-asset sector became considered a 'regulated entity' and subject to AML rules and legislation.

74 <https://www.legislation.gov.uk/ukdsi/2017/692/regulation/14A>

75 <https://register.fca.org.uk/s/search?predefined=CA>

76 <https://www.legislation.gov.uk/ukdsi/2023/9780348246490/contents>

77 <https://www.fca.org.uk/news/press-releases/temporary-registration-regime-extended-cryptoasset-businesses>

78 <https://www.fca.org.uk/news/press-releases/fca-establishes-temporary-registration-regime-cryptoasset-businesses>

79 <https://www.pymnts.com/cryptocurrency/2022/crypto-payments-firm-wirex-withdraws-from-fca-registry/>

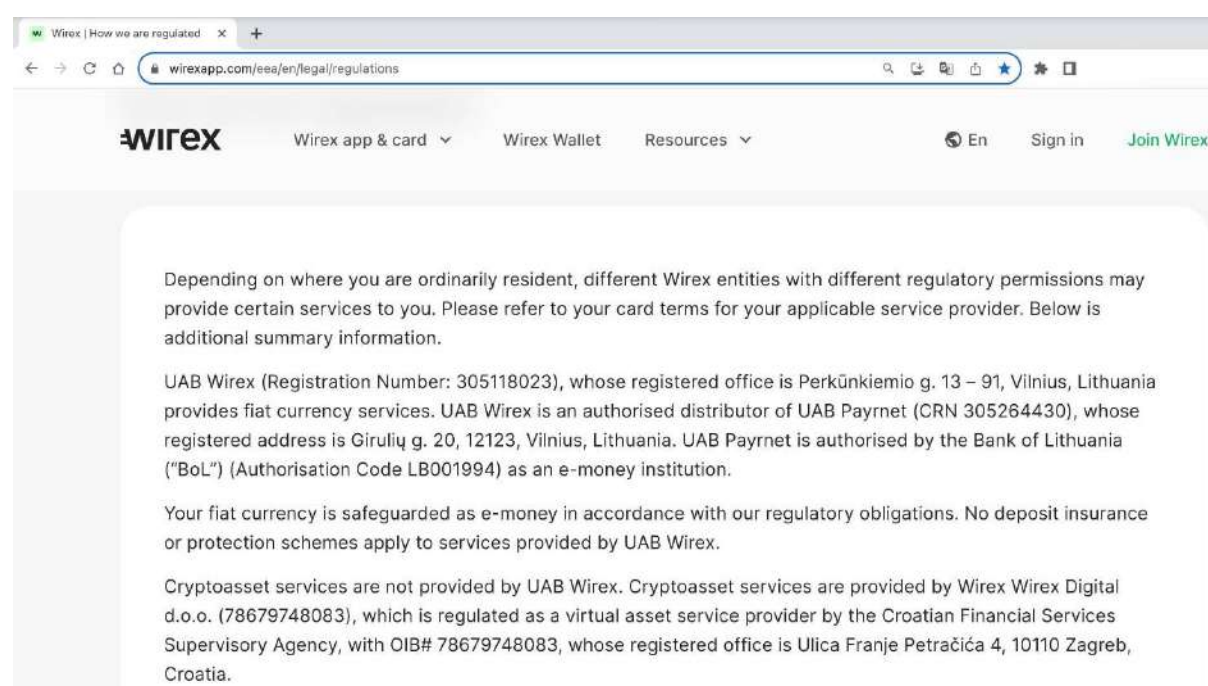
80 <https://wirexapp.com/legal/row-cryptoassets-terms>

81 <https://wirexapp.com/gb/en/legal/regulations>

82 <https://wirexapp.com/eea/en/legal/regulations>

According to the Wirex website, UAB Wirex acts as an authorised distributor of UAB Payrnet, a separate Lithuanian company operating as an e-money institution.⁸³ In February 2023, UAB Payrnet faced an investigation initiated by the Bank of Lithuania over concerns of gross and systematic violation of money laundering and terrorist financing laws.⁸⁴ In June 2023, the Bank of Lithuania revoked the licence of the electronic money institution UAB Payrnet for serious, systematic and multiple violations of legal acts.⁸⁵ The Bank of Lithuania found that the institution violated the Republic of Lithuania Law on Electronic Money and Electronic Money Institutions, the Law on the Prevention of Money Laundering and Terrorist Financing, as well as the Law on Payments. The Bank of Lithuania said it would apply to the court to initiate bankruptcy proceedings against UAB Payrnet.

Below is a screenshot of a page with the relevant information on Wirex's website



Of additional concern, UAB Payrnet was a wholly-owned subsidiary of a UK fintech startup Railsr,⁸⁶ formerly known as Railsbank.⁸⁷ In March 2023, Railsr announced that it went into bankruptcy protection and changed its owners.⁸⁸

⁸³ Ibid.

⁸⁴ <https://www.finextra.com/newsarticle/41821/railsr-unit-faces-lithuanian-investigation-into-money-laundering-failures>

⁸⁵ <https://www.lb.lt/en/news/licence-of-uab-payrnet-revoked-for-serious-violations-bankruptcy-proceedings-to-be-initiated>

⁸⁶ <http://web.archive.org/web/20230327132715/https://www.railsr.com/payrnet>

⁸⁷ <https://www.railsr.com/company>

⁸⁸ <https://techcrunch.com/2023/03/09/railsr-off-the-rails-embedded-finance/>

Both Wirex Limited (UK)⁸⁹ and Wirex Holdings Limited (UK)⁹⁰ have failed to submit their latest accounts on time, and these accounts are still overdue for publication. Their previous audit opinions were qualified because auditors *'were unable to obtain sufficient appropriate audit evidence relating to the existence of the inventory of cryptocurrency assets held in the company's Irish subsidiary, Wirex Ireland Limited'* totalling £11,288,823 in value.⁹¹

When we contacted them for comment, Wirex stated that it is factually inaccurate to claim regulatory non-compliance by parts of the Wirex Group, and that these claims are unsubstantiated.

Regarding its relationship with Viacheslav Taran, Wirex said it undertook due diligence on the past business dealings of Mr. Taran before he invested in less than 10 per cent of Wirex Holdings and took a non-executive seat on the board. Based on their due diligence, they understood that Forex Club's license revocation was politically motivated and not due to other reasons. They offered to put us in contact with Mr. Taran's legal representative but failed to do so after our repeated requests.

Wirex stated there is no regulatory non-compliance within UAB Wirex, and never has been, and that no one, including the Bank of Lithuania, has suggested otherwise.

We asked Wirex to comment on the robustness of its AML compliance programme and its confidence that it would not be subject to similar actions as those taken against Paynet. It did not respond to this point. Wirex also did not challenge our analysis of their accounting records.

⁸⁹ <https://find-and-update.company-information.service.gov.uk/company/09334596>

⁹⁰ <https://find-and-update.company-information.service.gov.uk/company/12323130>

⁹¹ Wirex Holdings Limited, *Financial statements for the year ended 30 June 2021* (p. 8):

<https://find-and-update.company-information.service.gov.uk/company/12323130/filing-history/MzM1MDI3NjQ2NmFkaXF6a2N4/document?format=pdf&download=0>

CONCLUSIONS

In our report, we have looked at money laundering risks in the crypto card providers market. We have found that there is a large supply of fake verified accounts in these systems that provide their users with an opportunity to stay anonymous and get their cryptocurrency to be integrated into the bank system and even use a bank card. We looked in particular at the offer of accounts at Wirex, a major player in the crypto-to-fiat payments market.

Wirex has operations spanning multiple jurisdictions with different legal entities. This is important because a key partner in its European business operations, Payrnet, lost its licence due to money laundering concerns — specifically concerns over its poor management of money laundering risk with authorised distributors, which included Wirex. Our research has found intermediaries on the dark web offering money mule accounts at Wirex for a fee, specifically to Russian language speakers. The UK's National Crime Agency (NCA) also highlights increased observations of Russian money launderers using crypto related payment systems, with *'the ability to move significant volumes of funds'*.⁹² Additionally, Wirex's latest annual accounts are overdue for publication, with its most recent ones qualified because of a significant amount of un-auditable assets. We make no allegation that Wirex is knowingly laundering the proceeds of crime, or failing its legal obligations to report suspicious activity to relevant law enforcement agencies. However, our findings and the context of heightened risks around crypto-to-fiat payments justify increased scrutiny of Wirex's operations by AML supervisors in the UK and EU.

The Financial Action Task Force (FATF), a global money laundering and terrorist financing watchdog, stated the importance of customer due diligence (CDD) for virtual asset providers in its *Updated Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers* published in 2021.⁹³

However, as we showed in our report, the CDD procedure can be evaded by using nominal account holders.

Transparency International Russia showed that there is a dark market of verified accounts for sale registered in the names of the citizens of Ukraine, Latvia, Estonia, Poland, Czech Republic, Bulgaria and Spain.

We specifically asked for the possibility of creating a Wirex account, as the company is quite popular and was the first enterprise to offer a crypto-enabled card to its clients.

We found that the price for a Wirex account started from USD 30 for an account registered to a

⁹² National Crime Agency, *Red alert: financial sanctions evasion typologies: Russian elites and enablers*, 0697-NECC (July 2022), p. 4:

<https://nationalcrimeagency.gov.uk/who-we-are/publications/605-necc-financial-sanctions-evasion-russian-elites-and-enablers/file>

⁹³ <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-rba-virtual-assets-2021.html>

Ukrainian citizen and went up to USD 220 for an account registered to a Czech citizen. The most frequent offer was for the accounts of citizens of Baltic states.

The sellers of the accounts said that they used original documents of people, not fake ones. We were told that usually, poor people agree to become money mules in the search of fast and easy money.

The interesting thing is that the sellers were willing to provide a bulk supply of accounts and were ready to make as many as 60 per week. This ability to provide a wholesale supply gives an opportunity for *smurfing*, which is a practice of money laundering when large sums of money are split into small transactions for transferring in order to avoid attention of AML controllers.⁹⁴ Smurfing allows those who launder criminal funds to circumvent transaction monitoring tools aimed at identifying suspicious transactions.

The payment for these accounts would usually be accepted in USDT stablecoins. The biggest service that we were able to find was Synergy. The analysis of its cryptowallet showed that it had a monthly inflow of approximately USD 95,088. In theory, this amount of money could equal hundreds, if not thousands, of money mule accounts per month.

However, we understand that in our report, we were able to show only the tip of the iceberg, and the scale of the problem could be much bigger. For example, Europol, Eurojust, INTERPOL and the European Banking Federation, together with law enforcement from 25 countries, arrested 2,469 money mules worldwide from September to November 2022 during the operational phase of European Money Mule Action (EMMA).⁹⁵

⁹⁴ <https://www.investopedia.com/terms/s/smurf.asp>

⁹⁵ <https://www.europol.europa.eu/media-press/newsroom/news/2-469-money-mules-arrested-in-worldwide-crackdown-against-money-laundering>



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