UK-Led Investigation Exposes Global Crypto Money Laundering Network

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Operation Destabilise Unveils Links to Russian Espionage and European Drug Trafficking

A sweeping investigation led by the UK's National Crime Agency (NCA) has uncovered an international money laundering network enabling Russian spies and European drug traffickers to evade sanctions through cryptocurrency. The operation, spanning over 30 countries, targeted two companies—Smart and TGR—described as financial hubs for illicit activity, including espionage, ransomware funding, and organized crime.

The NCA revealed that the network facilitated money laundering for groups such as the Kinahan cartel, linked to Irish cocaine trafficking and contract killings, and supported Russian espionage operations from late 2022 to mid-2023. The investigation, dubbed "Operation Destabilise," resulted in the arrest of 84 individuals and the seizure of £20 million in cash and cryptocurrency.

Rob Jones, the NCA's director-general of operations, described the case as the most significant money laundering investigation in the agency's history, emphasizing its scale and scope. "This is a laundromat bringing together street cash and cryptocurrency, crossing into espionage, transnational organized crime, and elite money laundering," Jones stated.

Cryptocurrency at the Heart of Operations

The network primarily used the stablecoin Tether for laundering activities due to its dollar backing, which ensures value retention. Couriers collected cash in the UK and other countries, which was then exchanged for cryptocurrency and transferred across borders to avoid traditional banking scrutiny.

Tether, now a preferred cryptocurrency among criminals, has faced scrutiny due to its links to money laundering networks. The US Treasury has highlighted the growing use of digital assets by sanctioned entities to evade restrictions.

High-Profile Figures and Sanctioned Networks

Central to the network's operations was Ekaterina Zhdanova, the owner of Smart, who collaborated with TGR to move over £2 million for a Russian client circumventing property purchase checks in the UK. Zhdanova, a Moscow-based business figure, was sanctioned by the US last year and is now in custody in France. TGR, headquartered in London and Dubai, processed physical cash on her behalf, enabling large-scale laundering operations.

Zhdanova and TGR executives, including George Rossi, Elena Chirkinyan, and Andrejs Bradens, were sanctioned by the US Treasury for their roles in helping Russian elites and state-backed groups use stablecoins to bypass sanctions. Investigators found ties to Garantex, a crypto exchange linked to Russia's procurement of Western technology for its invasion of Ukraine.

Broad Implications of Crypto Laundering

The NCA highlighted how the network exemplifies increasing collaboration between hostile states and organized crime as sanctions push entities to explore alternative financial systems. The case also underscores cryptocurrency's growing role in global money laundering, with the NCA estimating up to £5 billion of illicit funds laundered through digital currencies annually in the UK alone.

In addition to criminal networks, the operation uncovered how sanctioned Russian state media and ransomware groups benefited from the laundering infrastructure, further entangling digital assets in global security concerns.

International Cooperation and Future Risks

The investigation involved international partners, including the US FBI, DEA, and law enforcement agencies from France and Ireland. Bradley T. Smith, acting undersecretary for terrorism and financial

intelligence at the US Treasury, noted how stablecoins are exploited by Russian elites to evade sanctions and fund Kremlin-backed activities.

The revelations underscore the increasing sophistication of criminal and state-backed actors leveraging cryptocurrency. As the use of digital currencies grows, authorities face mounting challenges in countering their exploitation for illicit purposes.

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