

# Bitcoin Fog

**How the forensics of  
Blockchain analytics led  
to conviction**



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# Who is Bitcoin Fog

Bitcoin Fog is a cryptocurrency mixer founded by Roman Sterlingov in 2011 which allowed users to mix Bitcoin. Mixers, or blenders, are meant to increase the anonymity of the transaction for the user. A user will deposit the crypto with one address and after some time, they are able to withdraw their funds under a different address.



**2011**

Company founded

**1.2 million**

Number of  
Bitcoin moved

**2021**

Company shut down

**\$400 million**

Estimated dollar amount  
mixed



# The Charges

1

Money  
Laundering

2

Money  
Transmission  
without License

3

Operating an  
Unlicensed Money  
Transmitting  
Business

Due to these charges, including money laundering conspiracy and sting money laundering, Sterlingov is going to face the maximum penalty of 20+ years in prison.

# The Technology

Evidence was gathered by investigating the blockchain, transactions, and addresses. Along with the private key, it was possible to track down the transactions tied to illicit activities.

## Junk Science?

The use of a blockchain analytics company in order to gather the evidence was being fought and labeled as “junk science.”

The argument is because there are no regulations for this type of forensic analysis, the evidence presented using such methods should not be admissible in court.





# FORENSICS

## Crypto Forensics

With the judge ruling that the forensics completed are admissible and valid, this is a step forward for the validity of Crypto Forensics in cases. Not only will this assist law enforcement in creating a stronger case for all crypto related investigations but this could mean more efforts will go towards making the technology more robust.

Just as forensics on a crime scene first experienced push back and not trusted in the courtroom so to is crypto forensics experiencing growing pains. But with the admission of crypto forensics being valid evidence for this case, future cases will be able to do the same making it easier for law enforcement.

## Crypto in Fiction

The increased frequency of crypto cases in everyday news, crypto being written about in books or other fictional media was bound to happen.

In a book by Andy Greenburg, *Tracers in the Dark: The Global Hunt for the Crime Lords of Cryptocurrency*, he writes about crypto from the side of law enforcement; despite not all facts being correct.

With increased awareness comes increased scrutiny, and hopefully validity, in how crypto forensics should be used in crypto court cases.





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