USING CRYPTOCURRENCIES TO HIDE ASSETS: SPECIAL CONSIDERATIONS IN DIVORCE, TAX EVASION, AND MONEY LAUNDERING

Shaelyn Comiskey, University of North Georgia
secomi9585@ung.edu

Bryson R. Payne, University of North Georgia
Bryson.Payne@ung.edu

The objective of this research is to further investigate the evolving issues regarding investments in cryptocurrencies for the purpose of divorcing spouses to divide or hide marital assets and for the purposes of tax evasion and fraud. Cryptocurrencies are digital currencies that do not require transactional approval by a third party like a bank. Instead, users are assigned a random, encrypted pseudonym that allows them to store and trade currency for goods and services in an anonymous and unregulated manner. Since the introduction of the first cryptocurrency, Bitcoin, in 2009, cryptocurrencies have significantly and revolutionarily altered the process of hiding assets. Hiding funds via Bitcoin has captured the international attention of divorce lawyers, digital forensic experts, the IRS, the FBI, and even the US Treasury. The constantly fluctuating value, anonymity, and rapid transfer of Bitcoin have posed significant problems for law enforcement. Because the use of cryptocurrencies is a comparatively new way to finance crimes, fund illicit activities, and hide assets from spouses, law enforcement agencies, and governments, there are relatively few rules and regulations governing the use of cryptocurrencies for these purposes. This poster presents research still in progress, with more results to be presented at the conference.