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Russia's FSB Blocked Telegram Over Fears of New Cryptocurrency, RBC Reports

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A flashmob participant holds up a paper plane outside the office of Roskomnadzor **Peter Kovalyov / TASS**

Russia's security services reportedly targeted the popular Telegram messaging service over its plans to launch a virtual currency that could undermine Russia's ability to control its financial system.

Telegram launched the world's biggest initial coin offering (ICO) in 2018, raising a reported $1.7 billion for a new cryptocurrency called "Gram" since February. This week, Russian state regulators have attempted to shut down the messenger over its refusal to hand over encryption keys to private conversations, in the meantime disrupting the services of hundreds of online services.

Related article: Telegram Founder Pledges Millions to Fight Russian 'Political Censorship'

A Federal Security Service (FSB) surveillance department official's letter to colleagues obtained by the RBC business portal Friday claims that Russia's efforts to ban Telegram "aren't about the keys or terrorism."

Instead, surveillance department staffer Roman Antipkin wrote that the FSB feared that Telegram's ICO could lead to a "fully uncontrollable financial system" in the country.

"This isn't bitcoin for fringe elements, this will be simple, reliable and uncontrollable. This threatens the country's security," RBC quotes Antipkin as writing.

The outlet confirmed the letter's authenticity with an unnamed state official and an executive at a telecom provider.

According to RBC, Antipkin "often" represented the FSB surveillance department at various conferences, including on Russia's new anti-terror legislation that would significantly expand surveillance powers over online correspondence when it comes into force this summer.

Under the "Yarovaya Law," Russian telecom and Internet providers will be forced to store all user communication data for 3 years.

RBC writes that a Russian court ruling to block Telegram last week accompanied news of the Gram cryptocurrency's ICO, although the FSB has sought the app's encryption keys since a deadly St. Petersburg terrorist attack in April 2017.

Telegram founder Pavel Durov has pledged "millions of dollars" in grants paid in the popular bitcoin cryptocurrency to support companies and individuals that provide online tools to allow Russians to sidestep internet censorship.

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