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# Russia's FSB Linked to $450M Bitcoin Disappearance – BBC

## Russian security services obtained the cryptocurrency for "the FSB fund," BBC investigation says.

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Customers lost up to $450 million of cryptocurrency when platform Wex froze withdrawals in 2018.
**Pixabay**

Russia's intelligence agency the Federal Security Service (FSB) could be behind the disappearance of $450 million worth of cryptocurrency from an online exchange platform, the BBC has reported.

The BBC investigation into how Wex, an online exchange for Bitcoin and other cryptocurrencies, went out of business in 2018 has revealed fresh links between the platform's demise and Russia's security services.

One of the site's co-founders told BBC News Russian he was forced to hand over information about customer's digital wallets to individuals from the FSB in 2018. That information would

enable them to seize the cryptocurrency which customers had saved on the platform — worth a total of around $450 million at the time.

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Wex was launched in 2017 as a successor to BTC-e, a crypto exchange shut down by the FBI following a money-laundering investigation in which the U.S. authorities claimed up to $4 billion of dirty money was sent around the world through the platform.

Fancy Bear, the Russian cyber espionage group behind the hacking of the U.S. Democratic Party in the run-up to the 2016 Presidential Election used BTC-e, according to earlier reports. Wex was also known to have links to top military figures from Russia-backed Donetsk People's Republic.

Now, the BBC has obtained audio recordings between individuals discussing the Wex platform, in which the outlet says Konstantin Malofeev — a pro-Kremlin Russian billionaire under U.S. sanctions for bankrolling Moscow-backed forces in Eastern Ukraine — discussed the importance of bringing Wex under the control of the FSB.

Following the phone calls, over the course of three days in April 2018, the Russian founder of BTC-e/Wex, Alexey Bilyuchenko, told the BBC he was taken to FSB offices in central Moscow and handed over flash disks with details of how to access the online wallets of Wex's customers, where around $450 million worth of cryptocurrencies were stored.

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Bilyuchenko said he was told Wex's customers' money would "go to the 'FSB Russia fund.'" Three months after he handed the details across, Wex froze customer withdrawals before completely shutting down at the end of 2018. Earlier this year, Wex's former CEO was arrested in Italy.

Telegram founder Pavel Durov, who is currently trying to launch his own cryptocurrency, was reportedly one of the customers who had lost bitcoin in the Wex scandal.

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