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Russia Opens Criminal Case Against Cryptex, UAPS Payment System Creators

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Russian Investigative Committee

Russian law enforcement agencies have opened a criminal case against the creators of the Universal Anonymous Payment System (UAPS) and the cryptocurrency exchange Cryptex.

UAPS and other anonymous payment systems are believed to provide money transfer and laundering services directly to cybercriminals, while Cryptex gives its users anonymity by allowing them to register without providing personal details needed to meet know-your-customer compliance requirements.

The defendants were charged with the organization of and participation in a criminal association, illegal access to computer information, unlawful circulation of a means of payment and illegal banking activities, the Investigative Committee, which probes major crimes, said Wednesday.

Investigators said that the defendants, who were not named, used their knowledge of banking to create UAPS, Cryptex and 33 other related services in 2013.

“[They] carried out illegal activities on currency exchange, cryptocurrency, delivery and acceptance of cash, sale of bank cards and personal accounts,” the Investigative Committee said. “The main clients of these services were cybercriminals and hackers who used the services to legalize their criminal income.”

An investigation found that turnover from the group’s services in 2023 amounted to 112 billion rubles ($1.18 billion), including an unlawful income of 3.7 billion rubles ($38.9 million) to the defendants.

Authorities have carried out 148 searches in 14 regions of Russia and detained 96 people as part of the case, the Investigative Committee said.

Footage of the raids published by law enforcement shows bundles of cash, a helicopter, a Cybertruck, another Tesla car and a Mercedes.

Last week, the U.S. sanctioned Cryptex and announced that it was charging two Russian nationals in connection with “operating billion-dollar money laundering services.”

One of them, Sergey Ivanov, was charged with a host of internet-related crimes.

“The two Russian nationals charged today allegedly pocketed millions of dollars from prolific money laundering and fueled a network of cybercriminals around the world, with Ivanov allegedly facilitating darknet drug traffickers and ransomware operators,” Deputy U.S. Attorney General Lisa Monaco said.

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