

# Europol Report on Criminal Use of Cryptocurrencies



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European Law Forum: Prevention • Investigation • Prosecution

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**News**

At the end of January 2022, Europol published a new [report](#) containing an overview of the illicit use of cryptocurrencies. The report provides core definitions, case examples, and details of the challenges authorities face in combating the illicit use of such digital currencies.

In its findings, the report clears up a series of myths surrounding the criminal use of cryptocurrencies. It disproves the idea that cryptocurrencies have become the payment method of choice for criminals, as the overall number and value of cryptocurrency transactions related to criminal activities still make up only a small amount of the criminal economy when compared to cash and other forms of transaction.

In addition, the report clarifies that the criminal use of cryptocurrencies is not limited to cybercrime activities but also relates to all types of crime that require the transmission of a monetary value, including fraud and drug trafficking. It reveals that illicit funds increasingly pass through a multi-step process involving financial entities, many of which are new and not yet part of standardised, regulated financial and payment markets and thus do not flow straight from wallet to wallet, as often assumed.

Lastly, the report underlines that cryptocurrencies are not anonymous but rather offer law enforcement access to substantially more information than cases involving cash, given that every single transaction is logged onto a blockchain. Most blockchains are publicly available, making transactions traceable.

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