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Binance CEO Facing Possible Money Laundering Charges

By KEVIN GEORGE Published December 12, 2022





Horacio Villalobos / Getty Images

U.S. prosecutors may charge [Binance](#), the largest [cryptocurrency exchange](#), and its top executives with money laundering and sanctions violations, the latest twist in a probe that began in 2018 and gained traction during the FTX collapse that shocked the industry.

Founder [Changpeng "CZ" Zhao](#) is among executives who may be targeted, Reuters reported, citing people familiar with the matter. Department of Justice officials are split, however, about whether to proceed, and some want more time to review evidence.^[1]

KEY TAKEAWAYS

- U.S. federal prosecutors are said to be looking at filing money laundering charges in a years-long investigation of major crypto exchange Binance.
- Such a development in the long-running Binance case could add further downside to a rattled crypto industry, if it were to occur.
- Binance CEO Zhang dismissed the talk as fear, uncertainty, and doubt, known as "FUD."

Zhao Defends Crypto Exchange's Operations

According to reports, three Justice Department offices are involved, the Money Laundering and Asset Recovery Section (MLARS), the US Attorney's Office for the Western District of Washington in Seattle, and the National Cryptocurrency Enforcement Team. Binance's defense attorneys have met with DOJ officials about possible plea deals, per the report.

In a thinly veiled tweet on Dec. 12, Zhao, 45, said: "Ignore FUD. Keep building!"^[2] The exchange also tweeted a communication shared with Reuters, saying their reporters "had it wrong again."^[3] Binance also said in a blog statement that it was "possibly even the strongest in the entire financial sector" in terms of security.^[4]

Binance's Role in the Crypto World

Binance and its CEO have been instrumental in reacting to the recent [collapse of the FTX exchange](#), which rocked the industry. First, as rumors of FTX's insolvency began to circulate, Binance pulled the plug on [\\$529 million in FTX](#) token holdings, a move that undermined its now-bankrupt rival. Zhao has been a leader in trying to bring further transparency and guidance to other industry participants.^[5]