

CAPABILITY STATEMENT

CRYPTOCURRENCY-RELATED SERVICES

At Nardello & Co, we help our clients navigate the challenge of dealing with cryptocurrency transactions and counterparties through expert fact finding, investigations, and advice in the most complex matters.

The use of blockchain technology is moving quickly into the mainstream of commercial and consumer business, and the inherent anonymity of transacting on the blockchain poses a new spectrum of challenges. At Nardello & Co., we help clients deal with the technical complexities, as well as the regulatory and reputational risk of engaging with assets that trade on the blockchain.

Our team's extensive, practical experience on both sides of the regulatory equation provides clients with the facts needed to make informed judgements about working with blockchain transactions, including cryptocurrencies and other cryptoassets.

We focus on key issues such as:

- Identity and reputation of key stakeholders and exchanges in cryptocurrency related payments,
- Potential exposure to international financial crime risk, such as proceeds of crime and trade sanctions,
- Regulatory enforcement, litigation and disputes involving the use of digital assets.

We draw on our diverse backgrounds as former federal cybercrime and financial crime investigators, federal prosecutors, in-house counsel, intelligence operatives, research analysts, journalists, compliance professionals, and forensic accountants to provide a comprehensive picture of

Our Services

With Nardello & Co. as your best kept secret, we've got you covered with worldwide capabilities working in your best interest:

- Due Diligence
 - Third-Party Agent & Intermediaries
 - Board & C-Suite Vetting
- Anti-Corruption & Fraud Investigations
 - Foreign Corrupt Practices Act
 - UK Bribery Act Investigation
 - Fraud Investigation Services
 - Forensic Accounting Services
- Litigation & Arbitration Support
 - White Collar Criminal Defense
 - Civil Litigation Support
 - Arbitration Support
- Asset Tracing
- Activist Defense
- Political Risk & Strategic Intelligence
- Digital Investigations & Cyber Defense
- Monitorships & Independent Investigations
- Compliance

cryptocurrency-related risk. We are highly focused on fast-moving technological and law enforcement trends to ensure that our work is focused on the areas of greatest potential exposure to our clients.

Managing the realities of crypto risk is not just a technology exercise: it requires a multidisciplinary approach between technology, investigative analysis, and regulatory experience. We excel when clients are challenged to understand the facts in the most complex cases and jurisdictions.

We offer a broad range of capabilities focused on the practical realities of managing cryptocurrency-related risks, from pre-transaction diligence to in-depth global investigations, litigation support and regulatory compliance. Our services include:

- Pre-transactional due diligence on cryptocurrency exchanges and their related companies
- Multidisciplinary investigations into cryptocurrency-driven fraud and theft scenarios such as ransomware, wallet hacks and cyber scams
- Know Your Transaction (KYT) investigations focused on assessing counterparty risk (money laundering and terrorist financing, trade sanctions, official corruption) in blockchain currency and asset transactions;
- Asset tracing in disputes and litigation involving cryptocurrency and other blockchain assets such as NFTs
- White collar and regulatory defense related to cryptocurrency-related business activities
- Regulatory compliance services to enhance financial crime and risk management controls for businesses engaging in cryptocurrency transactions

Why risk it?

Whether you have an urgent situation today or something looming on the horizon, whenever, wherever you need us, we'll work with you to develop custom solutions to meet your needs.

SELECT CRYPTOCURRENCY-RELATED EXPERIENCE



Case Study | **Documenting a Crypto Exchange's Efforts to Evade Regulatory Guidelines**

Nardello & Co. was engaged by an international law firm on behalf of a client who believed that a crypto-related company gained a competitive advantage through illegal business practices. Conducting extensive research (including, *inter alia*, a review of corporate records, business directories, and domain registrations) in numerous jurisdictions, we were able to document links between related companies that showed that the target company had engaged in a scheme that allowed it to conduct business in certain jurisdictions without exposure to those jurisdictions' regulatory guidelines. Through extensive testing on the target company's site, we also established that the target company's "know your customer" checks and geo-blocking policies (intended to block access to the company's site for individuals from regulated jurisdictions) — checks and policies that the company claimed were robust — were in reality limited and ineffective and served solely as window dressing to appease regulators' calls for tighter access controls. Our findings formed the basis for a referral to regulatory authorities.



Case Study | **Regulatory Defense for Crypto Clients**

On behalf of defendants charged in connection with a series of cryptocurrency transactions, Nardello & Co. conducted interviews in an effort to disprove the allegations and conducted a background investigation on an associate whose actions may have sparked the enforcement action. Investigators conducted litigation support research on a global basis, to produce, *inter alia*, background intelligence on potential witnesses, "red flag" memoranda on certain subjects, critical reports on government experts, social media analysis, and research papers on technical topics of interest. Our work contributed to our clients securing a reduced penalty from the government.



Case Study | **Investigating Crypto-Driven Money Laundering**

Nardello & Co. experts managed a global money laundering investigation utilizing cryptocurrency transactions, focused on a money laundering organization (MLO) operating within the United States and abroad. The investigation revealed the current methodologies utilized by the MLO and blockchain analysis was used to identify individuals, companies, bank accounts, and various forms of cryptocurrency. The investigation also identified various members of the MLO who were traveling internationally and utilized cryptocurrency to conceal funds.



Case Study | **Crypto Exchange Investigation**

Nardello & Co. was engaged by an US client who was defrauded by a foreign cryptocurrency exchange and network of related companies. This probe included a thorough investigation of the company and its business practices, as well as deep background investigations of its owners. Our work developed evidence and intelligence that confirmed the client's suspicion that their experience was not a one-off event, and that the exchange was a bad actor with a long history of malfeasance. Intelligence and evidence developed in this investigation was used to inform the client's legal strategy.

WHAT SETS US APART

Nardello & Co.'s adherence to core values has led clients to retain us time and again on matters of the utmost importance and sensitivity. Our relationships are built on:

- **Integrity.** Acting ethically and legally is of paramount importance to us. We respect the laws of the countries and the jurisdictions in which we work. We regard our clients' confidences as sacrosanct and we rigorously screen for conflicts.
- **Analysis. Creativity. Thoroughness.** We don't believe in menu-driven investigations or a democracy of facts. Our investigations are exhaustive but focused. We are adept at teasing out inferences, providing corroboration, and separating "information" from evidence.
- **Responsiveness. Hands-on management.** We focus on our clients' objectives and tailor our investigative strategies accordingly. There are no layers between the professionals who do the work and the clients we serve.
- **Client focus.** We communicate with our clients clearly, succinctly, and in real time. We respect budgets and deadlines.
- **Independence. Collaboration.** We are independently owned and answer only to our clients—not to investors, not to shareholders. Instead of competing, our offices collaborate to provide our clients with seamless service.

No parachutes needed

We're already on the ground with in-country resources worldwide. We speak the language, we're on top of the politics, we understand the regulatory environment, and we know the key players.

About our firm

Nardello & Co. is a global investigations firm whose experienced professionals handle a broad range of issues including due diligence, anti-corruption and fraud investigations, civil and white collar criminal litigation and arbitration support, asset tracing, activist defense, political risk and strategic intelligence, digital investigations and cyber defense, monitorships and independent investigations, and compliance.

Our clients include the world's leading law firms and financial institutions, Fortune 500 and FTSE 100 companies, high-net-worth individuals and family offices, governments, NGOs, sports organizations, and academic institutions.

With offices in New York, London, Washington DC, Hong Kong, Tokyo, and Dubai, Nardello & Co. maintains a professional staff that includes former US federal prosecutors, US and international lawyers, former law enforcement personnel and intelligence operatives, licensed investigators, research analysts, former journalists, financial crime specialists, forensic accountants, and computer forensic experts.

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