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# 'Extraordinary Person' Gets 12½ years For Crypto Laundering

By **Jared Foretek**

Law360 (November 8, 2024, 10:45 PM EST) -- Roman Sterlingov, the Russian and Swedish citizen convicted of money laundering for operating the world's largest cryptocurrency mixing service, was sentenced to 12½ years in prison Friday, even though the D.C. federal judge said it was "painful to see" an "extraordinary person" in such circumstances.

The 36-year-old Sterlingov, who federal prosecutors say ran a crypto laundering service that obscured money used to buy drugs and child pornography, will get credit for the 41 months he's already served. He was **convicted** in March.

In handing down the sentence, which comes with a **\$395 million forfeiture** order for the amount the government says Bitcoin Fog processed, U.S. District Judge Randolph D. Moss said guidelines enhanced by the amount of money laundered in the scheme were of almost no use, as they recommended a sentence of life in prison. Judge Moss said that kind of sentence would have been excessive.

Sterlingov was also a "young kid" when he started the platform, and had proven himself to be an "extraordinary person" of immense intelligence who will likely make a contribution to others both from prison and upon release, Judge Moss said.

At the same time, the judge said, the difficulty of catching criminals in the world of black markets and crypto laundering made it more important that those who are caught face serious consequences as a deterrent.

"This is an area where general deterrence is important. It's hard to catch people," Judge Moss said. "People need to understand that ... the consequences are grave."

And while Bitcoin Fog didn't itself serve as a market for drugs or child pornography, Sterlingov likely knew that his crypto mixing service was used to launder money that would ultimately be used for those things on sites like Silk Road.

"Even small amounts of that kind of transaction," Judge Moss said, referring to the about \$18,000 that prosecutors say was processed through Bitcoin Fog to ultimately buy child pornography, "is devastating in its seriousness."

Sterlingov's attorney, Tor Ekeland — who throughout Sterlingov's monthlong trial maintained that his client not only hadn't started Bitcoin Fog but had never operated the service at all — called the sentencing just the "halfway point" and promised to file an appeal with the D.C. Circuit focused largely on issues with the government's expert witnesses and venue. According to Ekeland, neither Sterlingov nor Bitcoin Fog had any connection to the District of Columbia, where the case was tried.

"This entire case is based on circumstantial evidence," Ekeland said, calling the sentencing guidelines that recommended a life sentence "absurd." "This is a classic case of junk science, and we're going to press those points and hopefully we'll get some traction at the Court of Appeals."

Ekeland also said that he was pleased to hear that President-elect Donald Trump had promised to commute the life sentence Ross Ulbricht received for running Silk Road and was "hopeful" that Sterlingov's attorneys could "talk to this incoming administration and get some sanity."

The government had asked for Sterlingov to receive a 30-year sentence, arguing that millions of dollars his platform processed went to buy cocaine, methamphetamine and fentanyl that undoubtedly "interrupted and destroyed" lives through addiction and overdoses.

And while Sterlingov's lawyers said the case was similar to that of Firoz Patel — who was sentenced to three years in prison for laundering over \$250 million worth of cryptocurrency through his company Payza — the government said that was a poor comparison, because not only was that the result of a plea deal, the government now accuses Patel of continuing to launder bitcoin in the time between receiving his sentence and reporting to prison.

Arguing for the government, Christopher Brown said Patel's sentence wasn't "a great example of deterrence."

"This is a criminal activity of a staggering scale over a prolonged period of time," Brown said, referring to Bitcoin Fog. "And the scale of the harm that was facilitated by the defendant ... is also staggering in its scale."

Sterlingov also addressed the court, discussing the depression he dealt with growing up in Russia and then Sweden without a father figure, and the struggle of moving to a new place at a young age. He said he was most sorry for being incarcerated and unable to help his stepfather, the only father figure he'd ever had, as he died recently.

"I am sorry for any harm that may have come from my actions," Sterlingov, who took the stand during trial and professed his innocence, said at Friday's sentencing. "I'm also sorry for the pain I have caused those who relied on me."

According to Ekeland, Sterlingov's attorneys plan to request that he be transferred to Sweden so that he could be closer to his remaining family and his mother. Prosecutors told Judge Moss on Friday that they couldn't say whether the U.S. Department of Justice would oppose such a transfer request, or whether Sweden would be interested in taking Sterlingov.

Either way, both sides agreed that a supervised release sentence was unnecessary, as Sterlingov would likely be deported after serving his sentence.

The government is represented by Christopher B. Brown of the U.S. Attorney's Office for the District of Columbia and Catherine Pelker and Jeffrey Pearlman of the U.S. Department of Justice.

Sterlingov is represented by Tor Ekeland and Michael Hassard of Tor Ekeland Law PLLC, Marc Fernich of the Law Office of Marc Fernich and Maksim Nemtsev of Maksim Nemtsev Law.

The case is U.S. v. Sterlingov, case number 1:21-cr-00399, in the U.S. District Court for the District of Columbia.

--Editing by Emily Kokoll.