



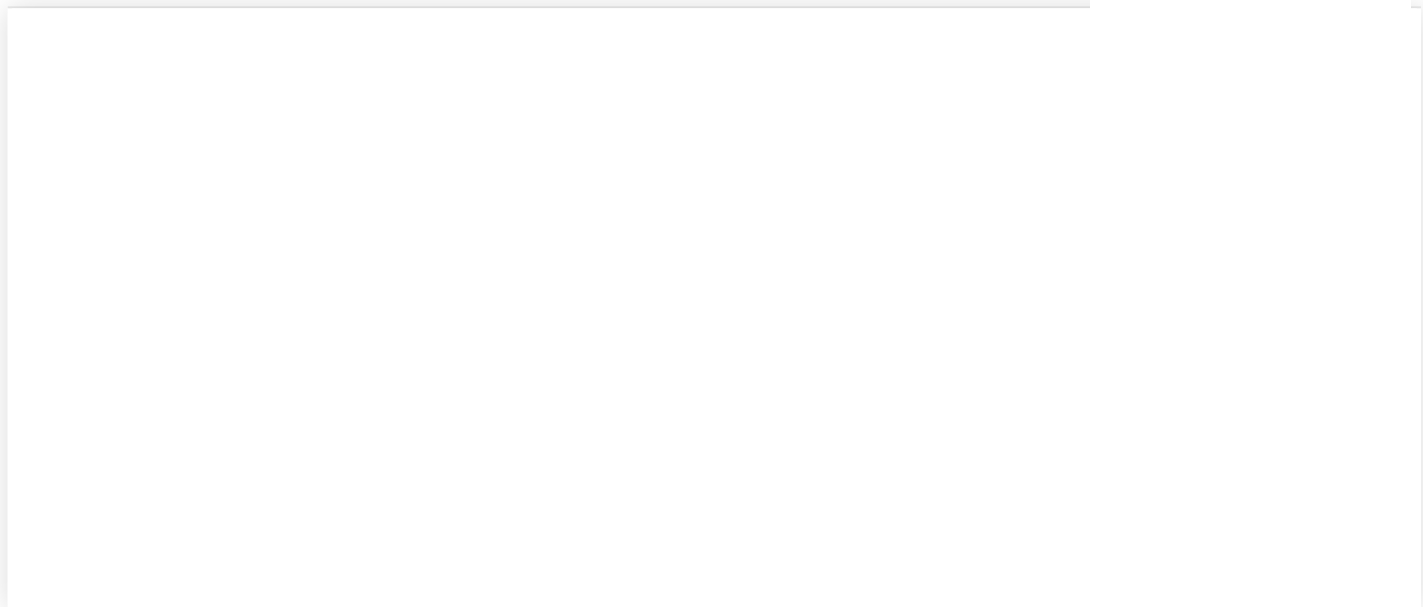
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# Who Gets the Crypto? Divorces Take New Turn in the Bitcoin Era

Crypto is playing a growing role in divorce cases—and law firms are getting better at tracking it down.

By [Jeff John Roberts](#)

4 min



When a couple gets divorced, spouses are supposed to divide up the assets—but some choose to hide them instead. Asset hiding is an age-old problem, but lately it's taken on a new twist as spouses (typically husbands) try to dodge divorce bills by stashing money in secret cryptocurrency wallets <sup>?</sup>.



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attorney is currently representing several clients whose once rich partners are inexplicably pleading poverty.

"In one case, the husband was a high-wage earner who made over \$1 million as an investment manager but claimed all he had was a retirement account with \$200,000. The wife knew he had assets but didn't know where they were," says Radna.

The missing money, it turned out, was parked in crypto <sup>?</sup> accounts, which Radna was able to find it by means of forensic investigations and court orders.

Her success in tracking down the funds is notable because it reflects how the legal and accounting professions are getting wise to crypto. While stories about divorce and crypto are not new—headlines about Bitcoin and marriage began popping up in 2018—more ex-spouses are now getting their hands on crypto stashes that they and their lawyers once assumed were out of reach.

A big reason for this is people like Mark DiMichael. A forensic specialist with the accounting firm Citrin Cooperman, DiMichael helps companies root out fraud, but also helps divorce lawyers locate assets. In the past, he says, greedy spouses hid their money in Swiss bank accounts or even secret piles of cash but, as crypto grew in popularity, more have turned to digital wallets instead—not least because they can whisk away money without even leaving their home.

But while crypto transactions can be highly anonymous, DiMichael says many would-be divorce cheats fail to take the steps required to cover their tracks.



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cracked subpoena.

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[Editor's note: This article has been updated from its original version, published January 6, to note that divorce paperwork has been officially filed.] According to...

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Even spouses who take more care to conceal their crypto transactions are not in the clear. According to Radna, the Long Island divorce lawyer, she has obtained court orders in order to seize computers and conduct forensic audits to search for crypto-related activity—including for mentions of privacy-centered currencies like Dash or Monero.

Meanwhile, DiMichael says he has built his own software to parse various **blockchains** <sup>?</sup>, meaning that discovering even a single transaction can be enough to locate a spouse's hidden crypto fortune.

"As long as you have a wallet address you have somewhere to start," says DiMichael, adding that he advises spouses who are still in the marital home to be on the lookout for hardware wallets or paper wallets containing Bitcoin keys that might be lying around the house.

He adds, though, that it will not always be possible to trace crypto assets, especially if a spouse has managed to move them directly to an overseas exchange such as Binance, which typically ignores U.S. subpoenas.



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...that two dozen calls about tracing crypto in divorce cases, notes that husbands' asset-hiding schemes can come undone because they can't help boasting about their activities.

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"A woman called me to say her husband has been telling all his friends he's a crypto whale and has been in it for years," said DiMichael, who added the husband was a former professional athlete, and that the case is ongoing.

And just as lawyers and judges are catching up to crypto-stashing schemes in divorce cases, so too are judges. While five years ago, many judges might have been befuddled by Bitcoin, Radna says the New York judiciary in particular—which has long been an authority when it comes to complex financial cases—is now fluent in crypto.

The bottom line is that, when a marriage goes south, there's now a good chance that one partner will own cryptocurrency they are obliged to share with their ex—and that, unlike in the past, divorce lawyers now know that they have a good chance of tracking it down.

"The big misconception in divorce cases is that if a person has invested in



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