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Cryptocurrency is becoming a contentious asset in divorces. An attorney breaks down how it can get divvied up.

Mark Ellwood



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Sandra Radna. Brian Bogdanowich of Madison Avenue Photo

- **Sandra Radna has run her divorce law firm for 27 years on Long Island, New York.**

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- **She only recently started handling cases around crypto and other digital assets.**
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- **Radna said that just like with a safe, partners could hide their holdings in plain sight.**
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The divorce attorney Sandra Radna, 57, has run [her namesake firm](#) on Long Island, New York, for 27 years. Recently, in addition to helping ultrawealthy clients divide everything from real-estate assets to quality time with kids, she's found herself handling cases around crypto and other virtual riches.

Radna said she stumbled into divorce law after working for a sole practitioner on Long Island in 1993. She'd become disillusioned by her first job at a large law firm, which focused on medical malpractice and where she was working mostly to protect insurance companies.

"At the time, I was really young, and I thought all divorces were very petty," she said.

Her mind quickly changed after she handled a split that turned nasty. Her client was locked out by a soon-to-be ex-husband and spent the night sleeping on the front lawn of their home.

"I couldn't abandon her, and so we went to trial, and we got everything for this woman she should fairly have gotten," Radna said.

After this case, she said, she was hired by the less-moneyed spouse in a high-net-worth split — in this case, the husband — via a referral from another attorney who'd counseled the client to settle. But Radna said she read the

assets report, sensed it was incomplete, and hired a forensic accountant to investigate further. That ultimately unearthed a trove of concealed assets and proved the spouse had lied about how much she was worth.

"At trial, we ended up with a whole lot more than my client was originally going to get if he'd settled," Radna said.

Today, Radna and her team handle about 40 cases a year, and she charges \$700 an hour for her services.

Here's a look at what her job has been like since cryptocurrency, nonfungible tokens, and other digital assets entered the divorce-law sphere.

Crypto became a contentious topic in divorces 18 months ago, Radna said

It was at the end of 2020 when Radna said she started noticing crypto assets factoring into splits.

"Some industries are paying people in crypto — athletes and celebrities often choose to get paid that way — or they're maybe taking their retirement account in digital assets," she said. "So it's really important to know that they might not only be getting paid in traditional dollars."

By 2021, several of her cases involved intangible riches, especially among childless couples in their 30s.

"When you're going to be a single parent after a divorce, you're more cautious about future security and don't want to risk money going into something as seemingly volatile as crypto," she said of the reason that crypto was more commonplace among her younger clients versus those who are middle age

with established families.

Divorces among high-net-worth people have long included hard-to-reach assets — whether they're offshore accounts or a secret cash-filled safe stashed under the bed, Radna said.

"When we started to see clients come in with spouses who were high earners with low assets, that didn't make sense, and we started to become concerned that it maybe wasn't cash but it was crypto," she added. "It's so easy to buy. You could be sitting next to your spouse and buy it right from your phone, and they just think you're texting."

How divorce lawyers dig up hidden crypto — with the help of a forensic accountant

To account for this, she said, she started asking whether there had been crypto investments in brokerage accounts as part of her due diligence in vetting clients, alongside standard queries around commercial property or stocks.

"A lot of times, the answer is: 'I don't know,'" she said. "So we drill down and ask other questions — did your spouse express an interest in crypto or talk about bitcoin? Do they have a financial advisor that's different from the one they use with you and their family? It usually triggers a memory, something like, 'I remember my husband having a special computer I wasn't allowed to touch, which he said was going to be an income source for us.'"

After asking clients the tough questions, she might need to get an emergency court order freezing all marital assets, including digital ones, and ask for the preservation of all hard drives and digital wallets.

Next, she'll work with any financial advisors involved in the couple's lives.

She can usually review up to the last five years of financial data — after doing so, she'll hand it all over to a forensic accountant who can pore over the minutiae.

"They're like a dog with a scent once they're hired. If you see money going to an account you don't recognize, or see money withdrawn but not what's done with it, that leads us to crypto now," she said, adding that it's vital to work with a forensic investigator who's well versed in the universe of bitcoin and crypto. "When they're looking through emails on a hard drive, they need to know that, say, polkadot is actually a form of digital currency."

A look inside an average crypto divorce case

Most of the cases she's handled involving crypto, she said, have been heterosexual couples where the male is the moneyed spouse and the digital-asset holder. Once, the wife in a couple hired Radna to uncover whether her husband had closed down his bitcoin-mining account as they began discussing divorce.

"They were no longer living together, so through discovery, we requested the hard drives of his computer," Radna said, referencing the pretrial period of litigation when parties request disclosure of pertinent information and documents to the case. "He said, 'Oh, actually, I do still have it. I've started up again,'" she added. In fact, she said, he'd ditched much of his bitcoin holdings and plowed funds into other cryptocurrencies.

Then, there was the woman whose husband admitted to holding bitcoin. Radna and her team uncovered that he owned cryptocurrencies including ethereum, monero, and polkadot. His approach, she said, was to leverage the unpredictable value of the currency to his advantage, and he suggested that they strike a deal where he would pay his wife half the current value of his

digital wallet's holdings.

It was a canny move, as the divorce discussions were taking place during a down market, Radna said. Under Radna's counsel, his soon-to-be ex-wife countered by asking for 50% of the assets so she could hold them until the market turned and make a better return herself. It's much the same approach a divorce lawyer might traditionally have taken to dividing up stocks.

"My advice to her was that it was better to get 50% of the assets and decide what she wanted to do with them at a later date: sell, hold, or invest in something else," Radna said, adding that she included a rider to this agreement that stated if the ex-husband was found to have concealed any additional assets at a later date, he would not only forfeit 50% of the holding but also cover his ex-wife's costs and attorney fees involved in any transaction involving the newfound funds.

"People lie more about this because they can, and people think about the name crypto — it's cryptic, it's hidden," she said. "But the people who are more sophisticated in the digital-asset world know that the reality is that every transaction is right on the blockchain. You can see it. But they could pull a fast one very successfully if the spouse gets an attorney who doesn't think about how digital assets work."

As crypto assets become a mainstay of wealthy couples, bitcoin and other digital currencies are likely to become part of any prenups — or should, Radna said. These documents, she added, protect each party's finances in the event of a divorce and will typically list each person's assets, specifying bank-account numbers and balances.

"As cryptocurrency is a financial asset that does not carry a bank-account

number, the type of cryptocurrency — bitcoin, ethereum — as well as the blockchain address and public key with the value of the crypto as of the date that the prenup is signed, that should be included on the schedule of assets for each party," she said.

The topic of cryptocurrency in cases like divorce could become even bigger if the government proceeds with [plans it mooted recently to introduce a digital currency for the US](#).

"We'll all have to be paying attention, and people who stay set in their ways thinking it's never going to take off, it is. You're on Venmo, and you can buy digital currency. Every sporting event has Coinbase being advertised at it," she said. "It's here, and some regulation is needed so people aren't getting swindled out of millions of dollars."

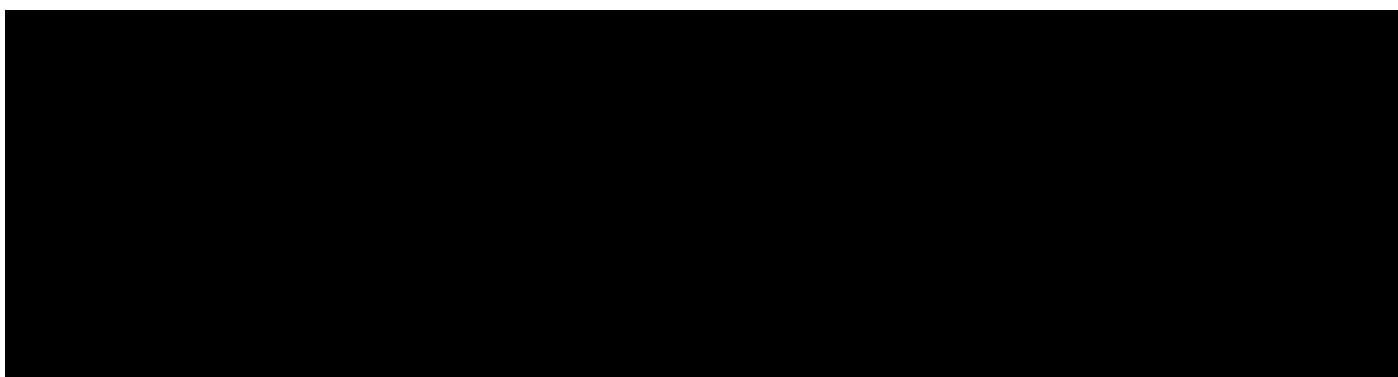
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