

# United States Senate

WASHINGTON, DC 20510

April 25, 2024

The Honorable Merrick Garland  
Attorney General United States  
Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, D.C. 20530

The Honorable Alejandro Mayorkas  
Secretary of Homeland Security  
Department of Homeland Security  
2707 Martin Luther King Jr Avenue, SE  
Washington, D.C. 20528

Dear Attorney General Garland and Secretary Mayorkas:

We are writing to express our concerns regarding the use of cryptocurrency in the illegal trade of child sexual abuse material (CSAM) and to obtain information about the tools needed by the Department of Justice (DOJ) and Department of Homeland Security (DHS) to end this illicit trade. The pseudonymity provided by cryptocurrency has allowed the payments for CSAM to “move quickly into the crypto world,”<sup>1</sup> and we are committed to ensuring that Congress and the Administration have the full suite of tools needed to end CSAM and punish sellers of this material.

CSAM refers to sexually explicit photos or videos of children, which are often distributed online.<sup>2</sup> A January 2024 report by Chainalysis, a blockchain analytics firm, found that “cryptocurrency-based sales of CSAM are a growing problem,” with one expert noting that “virtual currency is the dominant choice for buyers and sellers of commercial child sexual abuse content.”<sup>3</sup> And in February, the Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) published a Financial Trend Analysis of 2020-2021 data which found that “[p]erpetrators of online child sexual exploitation are increasingly using convertible virtual currency to try to avoid detection.”<sup>4</sup> FinCEN found that financial institutions filed thousands of online child sexual exploitation- (OCSE) and human-trafficking- related suspicious activity reports involving bitcoin and “identified over 1,800 unique bitcoin wallet addresses related to

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<sup>1</sup> International Centre for Missing & Exploited Children, “New Report Examines Cryptocurrency’s Role in Online Child Sexual Exploitation,” February 2021, <https://www.icmec.org/press/new-report-examines-cryptocurrencys-role-in-online-child-sexual-exploitation/>.

<sup>2</sup> Financial Crimes Enforcement Network, “Financial Trend Analysis - Use of Convertible Currency for Suspected Online Child Sexual Exploitation and Human Trafficking: Threat Pattern & Trend Information, January 2020 to December 2021,” p. 4, February 2024, [https://www.fincen.gov/sites/default/files/shared/FTA\\_Human\\_Trafficking\\_FINAL508.pdf](https://www.fincen.gov/sites/default/files/shared/FTA_Human_Trafficking_FINAL508.pdf).

<sup>3</sup> Chainalysis, “CSAM and Cryptocurrency: On-chain Analysis Suggests CSAM Vendors May Benefit from Privacy Coins like Monero and Other Obfuscation Measures,” January 11, 2024, <https://www.chainalysis.com/blog/csam-cryptocurrency-monero-instant-exchangers-2024/>.

<sup>4</sup> Financial Crimes Enforcement Network, “Financial Trend Analysis - Use of Convertible Currency for Suspected Online Child Sexual Exploitation and Human Trafficking: Threat Pattern & Trend Information, January 2020 to December 2021,” p. 2, February 2024, [https://www.fincen.gov/sites/default/files/shared/FTA\\_Human\\_Trafficking\\_FINAL508.pdf](https://www.fincen.gov/sites/default/files/shared/FTA_Human_Trafficking_FINAL508.pdf).

suspected OCSE and human trafficking offenses.”<sup>5</sup> Ninety-five percent of these reports cited CSAM specifically.<sup>6</sup> These are deeply troubling findings revealing the extent to which cryptocurrency is the payment of choice for perpetrators of child sexual abuse and exploitation.

DOJ and DHS have a history of dealing with cases involving cryptocurrency and CSAM. The Attorney General’s Cyber-Digital Task Force found in 2020 that criminals are using cryptocurrency, “often in large amounts and transferred across international borders, as a new means to fund criminal conduct, including child exploitation.”<sup>7</sup> In one 2019 case, Homeland Security Investigators helped lead investigations of a South Korean national and hundreds of other users in the United States. This resulted in their indictment by a federal grand jury in D.C. for a large dark web pornography site funded by bitcoin.<sup>8</sup> This website was one of the first to accept cryptocurrency as payment.<sup>9</sup>

Now, the use of cryptocurrency in the illicit trade of CSAM appears to be increasing. The Internet Watch Foundation (IWF) found that “the number of websites accepting cryptocurrency as payment in exchange for [CSAM] has more than doubled every year” between 2018 and 2022.<sup>10</sup> IWF reported that 1,014 sites containing child sexual abuse gave criminals the option of crypto payments in 2021, compared to 468 sites in 2020.<sup>11</sup>

FinCEN’s Financial Trend Analysis found that the number of OCSE and human trafficking related reports involving crypto increased from 336 in 2020 to 1,975 in 2021.<sup>12</sup> FinCEN notes that perpetrators of these crimes “use a variety of methods to conduct and conceal their transaction activity,” including purchasing CSAM through anonymized “darknet” marketplaces; using peer-to-peer crypto exchanges to convert crypto proceeds from CSAM sales into fiat currency; using crypto mixers and crypto ATMs to conceal payments to CSAM vendors.<sup>13</sup>

<sup>5</sup> Financial Crimes Enforcement Network, “Financial Trend Analysis - Use of Convertible Currency for Suspected Online Child Sexual Exploitation and Human Trafficking: Threat Pattern & Trend Information, January 2020 to December 2021,” p. 3, February 2024, [https://www.fincen.gov/sites/default/files/shared/FTA\\_Human\\_Trafficking\\_FINAL508.pdf](https://www.fincen.gov/sites/default/files/shared/FTA_Human_Trafficking_FINAL508.pdf).

<sup>6</sup> *Id.*

<sup>7</sup> Department of Justice, “Report of the Attorney General’s Cyber Digital Task Force: Cryptocurrency Enforcement Framework,” p. 6, October 2020, <https://www.justice.gov/archives/ag/page/file/1326061/download>.

<sup>8</sup> Department of Justice, “South Korean National and Hundreds of Others Charged Worldwide in the Takedown of the Largest Darknet Child Pornography Website, Which Was Funded by Bitcoin,” October 16, 2019, <https://www.justice.gov/opa/pr/south-korean-national-and-hundreds-others-charged-worldwide-takedown-largest-darknet-child>.

<sup>9</sup> *Id.*

<sup>10</sup> Financial Times, “Crypto use for child abuse images doubling every year, says watchdog,” Scott Chipolina and Cristina Criddle, November 1, 2022, <https://www.ft.com/content/993f4283-9fc7-4ec7-af77-ae27331961e8>.

<sup>11</sup> Internet Watch Foundation, “Websites offering cryptocurrency payment for child sexual abuse images ‘doubling every year,’” November 1, 2022, <https://www.iwf.org.uk/news-media/news/websites-offering-cryptocurrency-payment-for-child-sexual-abuse-images-doubling-every-year/#:~:text=Of%20these%2C%201%2C014%20sites%20gave,the%20IWF%20identified%20in%202020>.

<sup>12</sup> Financial Crimes Enforcement Network, “Financial Trend Analysis - Use of Convertible Currency for Suspected Online Child Sexual Exploitation and Human Trafficking: Threat Pattern & Trend Information, January 2020 to December 2021,” p. 2, February 2024, [https://www.fincen.gov/sites/default/files/shared/FTA\\_Human\\_Trafficking\\_FINAL508.pdf](https://www.fincen.gov/sites/default/files/shared/FTA_Human_Trafficking_FINAL508.pdf).

<sup>13</sup> *Id.*, p. 9.

Furthermore, the Chainalysis review found that although “the size of the crypto-based CSAM market has decreased in 2023, the sophistication of CSAM sellers and in turn their resilience to detection and takedowns has increased over time.”<sup>14</sup> Specifically, Chainalysis found that cryptocurrency CSAM sellers have exhibited an unprecedented longevity online, with a lifespan of 884 days in 2023 compared to 112 days in 2020.<sup>15</sup> Chainalysis also discovered that “[b]itcoin is by far the most widely used cryptocurrency for CSAM purchasing.”<sup>16</sup>

Existing anti-money laundering rules and law enforcement methods face challenges in effectively detecting and preventing these crimes—and we seek to ensure that Congress and the Administration are doing their part to address these challenges. We therefore request answers to the following questions by May 10, 2024.

1. What are the DOJ’s and DHS’s current assessment of the role that cryptocurrency plays in facilitating CSAM?
2. Reports indicate that “virtual currency is the dominant choice for buyers and sellers of commercial child sexual abuse content.” Is this consistent with the DOJ’s and DHS’s findings?
3. Reports indicate that “the sophistication of CSAM sellers and in turn their resilience to detection and takedowns has increased over time.” Is this consistent with the DOJ’s and DHS’s findings with regard to CSAM?
4. Does the use of cryptocurrency as payment for CSAM pose any unique challenges for the DOJ’s and DHS’s efforts to identify and prosecute these crimes?
5. What steps are the DOJ and DHS currently taking to address the use of cryptocurrency, privacy coins, and obfuscation methods by CSAM sellers?
6. What additional tools and resources do the DOJ and DHS need to address the threats posed by the illicit use of crypto by CSAM sellers?

Sincerely,



Elizabeth Warren  
United States Senator



Bill Cassidy, M.D.  
United States Senator

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<sup>14</sup> Chainalysis, “CSAM and Cryptocurrency: On-chain Analysis Suggests CSAM Vendors May Benefit from Privacy Coins like Monero and Other Obfuscation Measures,” January 11, 2024, <https://www.chainalysis.com/blog/csam-cryptocurrency-monero-instant-exchangers-2024/>.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

CC: The Honorable Andrea Gacki, Director, Financial Crimes Enforcement Network