



All FinCEN has issued an alert warning of a virtual currency investment scam called “pig butchering.” In the scams, bad actors use fake identities to build personal relationships with victims they call “pigs” so they can steal their assets. In many cases, the “butchering” phase of the scam involves convincing victims to invest in virtual currency to defraud them of their investments.

“Pig butchering scams are largely perpetrated by criminal organizations based in Southeast Asia who use victims of labor trafficking to conduct outreach to millions of unsuspecting individuals around the world,” FinCEN said in the alert. “Multiple U.S. law enforcement sources estimate victims in the United States have lost billions of dollars to these scams and other virtual currency investment frauds.”

The alert explains the pig butchering scam methodology, provides red flag indicators to assist with identifying and reporting related suspicious activity, and reminds financial institutions of their reporting requirements under the Bank Secrecy Act, FinCEN said.

You can access the alert [here](#).

CCI suggests sharing this information with your BSA officer. As always, CCI is available for any compliance-related questions.