

Press Release

SEC Nearly Doubles Size of Enforcement's Crypto Assets and Cyber Unit

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Washington D.C., May 3, 2022 — The Securities and Exchange Commission today announced the allocation of 20 additional positions to the unit responsible for protecting investors in crypto markets and from cyber-related threats. The newly renamed Crypto Assets and Cyber Unit (formerly known as the Cyber Unit) in the Division of Enforcement will grow to 50 dedicated positions.

"The U.S. has the greatest capital markets because investors have faith in them, and as more investors access the crypto markets, it is increasingly important to dedicate more resources to protecting them," said SEC Chair Gary Gensler. "The Division of Enforcement's Crypto Assets and Cyber Unit has successfully brought dozens of cases against those seeking to take advantage of investors in crypto markets. By nearly doubling the size of this key unit, the SEC will be better equipped to police wrongdoing in the crypto markets while continuing to identify disclosure and controls issues with respect to cybersecurity."

Since its creation in 2017, the unit has brought more than 80 enforcement actions related to fraudulent and unregistered crypto asset offerings and platforms, resulting in monetary relief totaling more than \$2 billion. The expanded Crypto Assets and Cyber Unit will leverage the agency's expertise to ensure investors are protected in the crypto markets, with a focus on investigating securities law violations related to:

- Crypto asset offerings;
- Crypto asset exchanges;
- Crypto asset lending and staking products;
- Decentralized finance ("DeFi") platforms;
- Non-fungible tokens ("NFTs"); and
- Stablecoins.

In addition, the unit has brought numerous actions against SEC

registrants and public companies for failing to maintain adequate cybersecurity controls and for failing to appropriately disclose cyber-related risks and incidents. The Crypto Assets and Cyber Unit will continue to tackle the omnipresent cyber-related threats to the nation's markets.

"Crypto markets have exploded in recent years, with retail investors bearing the brunt of abuses in this space. Meanwhile, cyber-related threats continue to pose existential risks to our financial markets and participants," said Gurbir S. Grewal, Director of the SEC's Division of Enforcement. "The bolstered Crypto Assets and Cyber Unit will be at the forefront of protecting investors and ensuring fair and orderly markets in the face of these critical challenges."

The infusion of 20 additional positions into the Crypto Assets and Cyber Unit will bolster the ranks of its supervisors, investigative staff attorneys, trial counsels, and fraud analysts in the agency's headquarters in Washington, DC, as well as several regional offices.

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