

Pursuing crypto fraud recoveries: Better to work with law enforcement or file a lawsuit?

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Reasons to File a Lawsuit Rather Than Working with Law Enforcement

1. **Faster** – Criminal matters with law enforcement can take years to play out, if it even gets to that stage. Civil legal proceedings aren't faster, but they are usually faster
2. **Financial Recovery is the Goal** – the job of your attorney is typically to help obtain financial restitution for their client. The primary job of law enforcement is to tackle crime and make sure laws are enforced. Justice, as well as accountability for those who break the law are also primary goals.
3. **Better at holding third parties accountable** – If there is a third party that may not be criminally liable for an incident, it may be such that a third party played a key role that helped to facilitate the incident for which they could still be financially liable.
4. **Fewer dependencies out of the victim's control** – In civil proceedings, the victim hires a lawyer to represent them – the victim has control over who they hire. In contrast, when working with law enforcement, a victim must rely on law enforcement and a prosecutor to pursue a matter. But law enforcement and prosecutors do not work for victims per se, and certainly aren't hired by victims.
5. **Can be a better option when there are seizable assets** – In some cases, a lawyer may be in a better position to obtain an injunction or warrant more quickly to freeze and seize assets who can then try to ensure their client is the beneficiary of any seized assets.
6. **Better when matter is not a clearly identifiable crime** – If what happened may not actually be a crime, but still results in financial liability, civil action is likely a better option.

Reasons to Avoid Filing a Lawsuit and Rely on Law enforcement Instead

1. **Costs / Expensive** – Lawsuits started by a victim result in very high legal fees that victims would otherwise not incur if relying on help from law enforcement
2. **Challenges Collecting** – While there are mechanisms that can be used to try and enforce a monetary judgment in a civil case if the defendant is uncooperative, enforcement and collection can sometimes still prove to be an issue, meaning relying on action law enforcement may be a better option.
3. **Asset Seizure from in another jurisdiction** – Trying to seize assets from a party in another country is generally something that law enforcement may be better equipped to handle
4. **If no Defendant Can be Identified, working with law enforcement may be a better option** – if the perpetrator(s) of a fraud is anonymous, there either needs to be a way to identify them relatively quickly or a John Doe case would need to be initiated, which is generally only worthwhile if there are frozen and/or seizable assets
5. **Jurisdictional challenges can be more problematic** – Lawyers are only able to practice in their jurisdiction, and courts do not have authority outside of their jurisdiction. A foreign entity may be more inclined to be

cooperative with a foreign law enforcement agency even if they aren't appropriately served locally.
