Pig Butchering – How Financial Institutions Can Strengthen Their Compliance Programs to Mitigate Potential Liability

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Cryptocurrency-related scams pose a growing risk to financial institutions and their customers. Cryptocurrency investment fraud, commonly known as "pig butchering," represents the largest individual category of financial loss.

Pig butchering scams are attracting considerable attention from federal agencies. The Federal Bureau of Investigation, the DOJ, and D.C. prosecutors have launched the Scam Center Strike Force—a task force focused on prosecuting cryptocurrency scams. Other regulators are also warning financial institutions and consumers about these scams. In addition, President Trump recently issued an Executive Order directing federal agencies to review how their departments can combat scam centers and cybercrimes committed by transnational criminal organizations.

Cahill's client alert explains the growing risk that pig butchering poses to financial institutions and their customers and offers practical guidance on how financial institutions can strengthen compliance programs to prevent pig butchering and mitigate potential liability in customer lawsuits and government enforcement actions.

Read the full client alert below.

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