

VLADIMIR PUTIN PLACES A BET IN THE CRYPTOCURRENCY SHADOW BROKERS ISN'T USING

Back on June 1, I asked why Shadow Brokers had picked a new cryptocurrency to not make a profit with rather than Bitcoin. For its new leak of the month club, it started by asking for payment in Zcash, a currency with better privacy features. I speculated three possibilities:

First, currencies have been bouncing around in response to some of this stuff. So it's possible this is an attempt to flood the market.

Certainly, too, the invocation of DARPA seems about increasing distrust, just as SB did in its efforts to increase the distrust between Microsoft and the government.

More interestingly, though, perhaps this is SB's way of adding to the risk to NSA of any releases. While some people believe NSA has already disclosed all the vulnerabilities it believes SB to have (indeed, SB's last post suggested as much as well), if there's any doubt about that, by using a more secretive currency, it will add the risk to NSA of not knowing who has anything SB sells.

My first suggestion wasn't very coherent: I meant it was possible SB's backers were trying to drive up the value of one currency versus the other.

After I wrote that first post, SB decided to add Monero to its currencies of choice – though the way in which SB asked for payment here was even

more fucked up than normal (if you're assuming the goal is to actually obtain anonymous payment). As has been explained to me, the way SB asked for funds would leave the payment ID visible to the blockchain.

In any case, given that SB has now used three different currencies, all in ways that seem designed not to make any money, I find it very interesting that Vladimir Putin was sidling up to the founder of yet another cryptocurrency this week, talking about adopting it as a national model.

Putin met Ethereum founder Vitalik Buterin on the sidelines of the St. Petersburg Economic Forum last week and supported his plans to build contacts with local partners to implement blockchain technology in Russia, according to a statement on Kremlin's website.

"The digital economy isn't a separate industry, it's essentially the foundation for creating brand new business models," Putin said at the event, discussing means to boost growth long-term after Russia **ended** its worst recession in two decades.

Virtual currencies could help the economy by making transactions happen more quickly and safely online.

[snip]

Russia's central bank has already deployed an Ethereum-based blockchain as a pilot project to process online payments and verify customer data with lenders including Sberbank PJSC, Deputy Governor Olga Skorobogatova said at the St. Petersburg event. She didn't rule out using Ethereum technologies for the development of a national virtual currency for Russia down the road.

VEB, the bank that was cozying up to Jared Kushner, has also apparently integrated Ethereum into its business model.

Remember, too, SB hasn't necessarily promised exploits. They've also suggested they might release more details on NSA's hacking of SWIFT-related facilities, a financial regime that has been used to pressure Russia.

Along with all the other functions that SB seems to serve, is one of them about degrading potential competitor currencies?