

Hits keep coming for JPMorgan - 'London Whale' fines - FHFA wants JPM to cough up billions

LAWSKY'S OFFICE PUSHES BACK ON BITCOIN — Yesterday, M.M. ran a snippet from our conversation with members of the Bitcoin Foundation who complained that “some regulators” — cough cough, Ben Lawsky — are instilling uncertainty and doubt about Bitcoin by associating it with other currencies that don't have any relation to it. “They talk about terrorism and money laundering without any factual basis,” said Jim Harper, director of information policy studies at the Cato Institute and a foundation member. “Even if they're trying to be balanced, that kind of press release poisons the environment.”

Lawsky, the head of New York's Department of Financial Services, referred to virtual currencies as a “Wild West for narcotraffickers and other criminals” earlier this month when he sent subpoenas to 22 companies and investors involved in Bitcoin.

Lawsky's office isn't backing off either. In an email yesterday, a DFS source had this to say about Harper's complaint: “That was an interesting comment given that literally the same week Superintendent Lawsky issued his public notice on virtual currencies — a purported key figure in the black market drug website Silk Road said in an interview that laundering money through Bitcoin was essential to that site's illegal narcotics trafficking business.”

Indeed, the man who goes by the name the Dread Pirate Roberts told Forbes's Andy Greenberg, “We've won the State's War on Drugs because of Bitcoin.” If you missed the interview, it's well worth a read: <http://onforb.es/16N1bSW>