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STOPPING THE "SLAUGHTER": RECENT DEVELOPMENTS IN THE FIGHT AGAINST PIG BUTCHERING

"Pig butchering" schemes — transnational fraud operations that combine prolonged emotional manipulation with theft, all facilitated with cryptocurrency — caused more than $8 billion in reported U.S. losses in 2025. But the cross-border structure and reliance on rapidly laundered proceeds associated with these schemes have made prosecuting the perpetrators exceedingly difficult. In this article, the authors first examine recent enforcement efforts by the U.S. government, including by the Department of Justice's Scam Center Strike Force, Financial Crimes Enforcement Network, and Office of Foreign Assets Control. The article then turns to the growing body of civil litigation and regulatory scrutiny directed not at the criminals responsible for pig butchering but at the financial institutions, social media platforms, cryptocurrency exchanges, and telecommunications and internet service providers whose products and services these schemes exploit. The authors conclude with suggestions for mitigating the risk from these new developments aimed at third parties.

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In the online criminal underworld, the phrase "pig butchering" has come to be associated with a fraud scheme designed to extract every dollar from a victim before discarding them. That colorful label developed from the Chinese phrase "sha zhu pan" — which roughly translates to "snout to tail" — refers to the practice of rendering an animal entirely, wasting nothing. Online, the "pig" refers to the victim of the scheme, and the scam involves efforts to systematically identify, cultivate, and financially destroy its targets.

In 2025, according to the FBI, losses from pig-butchering schemes exceeded $8 billion.[1] Despite the scale of these losses, bringing the perpetrators of pig-butchering schemes to justice has proven challenging. The operations are often transnational — run from scam compounds across Southeast Asia and staffed by trafficking victims — placing the principal actors well beyond the practical reach of U.S. authorities. The illicit proceeds are likewise difficult to trace, as victim funds are often rapidly converted to cryptocurrency and moved across borders. These jurisdictional and practical barriers can make prosecution of the primary offenders difficult.

Perhaps because of the difficulty in reaching these primary perpetrators, attention has increasingly shifted toward the third-party intermediaries whose products and services these schemes exploit. Financial

[1] Federal Bureau of Investigation, Internet Crime Complaint Center, *2025 Internet Crime Report* (2026).

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