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Tornado Cash: What is Crypto Mixer and Is Crypto Mixer Legal?

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Tornado Cash is one of the most commonly discussed topics in crypto, but what are they really? What is Crypto Mixer and Is Crypto Mixer Legal? In this guide, we take an in-depth look at it.

Since its inception in 2019, the [Tornado Cash](#) crypto mixer has been used to launder over \$7 billion worth of bitcoin, leading to a prohibition on its use by the United States Department of the Treasury. The United States government has received much criticism for its decision to ban mixers. The US government claims it is solely used for money laundering and illegal acts, but privacy activists label it a “anonymity weapon.” Today, we’ll break down how these mixers work technologically and how they’re put to use in illegal financial transactions like money laundering.

Coin mixers

Tornado Cash (Tornado) is a coin mixer that can be used to exchange for other [cryptocurrencies](#) on the [Ethereum](#) network. Because it is so difficult to track cryptocurrency wallets, it enables anonymous transactions. The mixer gets thousands of transactions, mixes them, and then sends the final result to a specific wallet.

So, let’s imagine you want to move some Bitcoin from one wallet to another. These monies will first be distributed to hundreds or perhaps thousands of wallets in small amounts using mixers before they reach the intended recipient. It makes deducing the final crypto wallet address extremely difficult.

Users can connect their own cryptocurrency wallets, such as MetaMask or Walletconnect, to Tornado Cash and select a network for making deposits and withdrawals. ETH, DAI, cDAI, USDC, USDT, and WBTC are all acceptable tokens for deposits.

Most services that allow you to exchange coins do not act as custodians, or keep your money. These services are neutral since they do not involve a middleman in the exchange of information. Because of this, organizations like Larazus Group are frequently used by cybercriminals to launder stolen cryptocurrency.



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Privacy Advocates Against Their Ban

Supporters of individual privacy say that by outlawing currency mixers, authorities are demonstrating their respect for people's need for privacy. The Coin Center, a cryptocurrency support group, has stated that it is considering legal action against the United States government. They are "still looking at the legal and constitutional issues," Coin Center co-founders Jerry Brito and Van Valkenburgh wrote.

Spending restrictions are being enacted with the help of sanctions legislation, and they apply to more than only those who have been convicted of a crime or are under suspicion of terrorism. Brito stated on her blog that this is a restriction on anyone who wants to use her own money and a publicly available software program to protect her privacy, even if she were doing so for perfectly legitimate reasons.

Cryptocurrency enthusiast Jeff Coleman wrote a message on Twitter outlining the legal anonymity benefits of Tornado Cash. To him, the desire to protect his or her own financial information was as compelling as his want to donate to Ukraine. You may not want the Russian government to know every aspect of your conduct, even if they have complete support from the government where you live.

"The ultimate goal of sanctions is not to punish, but to bring about a positive change in behaviour," the United States government remarked at the same time.