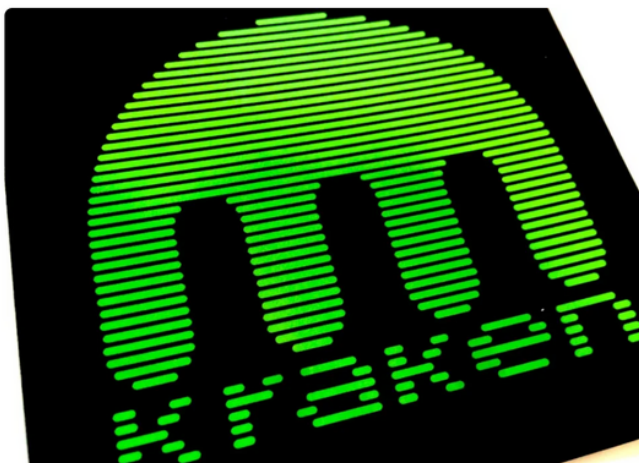


 CoinDesk

Ex-Kraken Employee Alleges ‘Unethical and Illegal Tactics’ in Discrimination Lawsuit

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Kraken, the U.S.-based cryptocurrency exchange, is being sued by an ex-employee who alleges the company unfairly fired him for raising serious issues with its business practices.

The [case](#) – filed Nov. 26 in California– has been brought by Nathan Runyon, a military veteran with disabilities. While he seeks damages related to harassment at work, discrimination and breach of contract, some of the claims made against Kraken (Payward Inc.) suggest wrongdoing at the exchange, if true. So far, the veracity of the allegations has not been determined.

In March 2018, Runyon was hired by the exchange as a financial analyst, according to the filing. In his role under Kaiser Ng, Kraken’s chief financial officer (who is also being sued), Runyon claims he was ultimately fired for repeatedly raising issues of concern within the company.

Among other allegations, he states that he was asked by Ng to produce information to help pass an audit regardless of whether that information was accurate. He also says he found stock options grant vesting schedules had been quietly changed from what was declared in board meeting minutes, and that he'd been told to ignore it after attempting to correct the matter.

Runyon also makes the serious allegation that Kraken had earned income illegally from sanctioned nations and firms on the Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List. This Runyon says he knew because he was provided with a list of revenue streams. Runyon said he expressed concerns "multiple times" but was ignored.

Another concerning allegation is that Runyon says he was asked by Ng to help reconcile customer and operating account balances with the firm's bank balances. Runyon says he discovered the bank accounts held less than they should have, to the tune of "millions of dollars."

The ex-employee claims he brought the issue to the attention of Ng fearing a hack or embezzlement, but was "immediately removed" from working on those accounts.

Oddly, Runyon further claims that he was pressured to let Kraken rent a room in his house in order to be able to use his home address for company purposes, but was never paid the agreed rent.

Runyon's contract was terminated on Aug. 1, 2019, he claims, because he had discovered that Ng "was defrauding Kraken employees" over their stock options.

Discussing the case in a [blog post](#), blockchain author and journalist David Gerard says he spoke to Runyon's attorney, Claire Cochran, who said the plaintiff's address was still being listed by Kraken as that of its CFO, Ng.

The exchange told CoinDesk it could not comment on "pending legal matters."