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Accounting firms see more cryptocurrency business, as companies take cautious approach with decentralized money

[By Michael Puffer](#)

To many, cryptocurrency remains a dubious curiosity tied to stories of unbelievable gains and dizzying losses.

For **Justin Wilcox, a partner with Glastonbury accounting and financial consulting firm FML**, cryptocurrency accounts for about a month of his work year.

In 2017, FML had a single client who needed help accounting for crypto assets. Today, the company has one to two dozen clients with increasingly complex investments and ventures based in crypto technology, Wilcox said.

“We get more and more inquiries every year,” Wilcox said. “More and more I am assisting other partners with clients who dip their toes. It’s a trend that’s moving up positively in terms of people getting involved.”

Cryptocurrency isn't being widely used as a means of transaction in Connecticut, but leaders with major accounting firms said an increasing number of people are making it part of their investment portfolio, or establishing businesses around its exchange.

For Wilcox, crypto is also something of a private passion.

He owns two "mining" machines that perform complex calculations as part of a network of crypto miners. As the network solves complex equations and adds to the "blockchain" ledger by recording cryptocurrency history, the collective ownership is rewarded with units of cryptocurrency.

Wilcox, 33, said he first heard about cryptocurrency on internet forums around 2011 or 2012. Back then it looked to him like a spam ad. But as crypto kept cycling back into the headlines, Wilcox began to investigate.

"I said maybe now is the time to get a little more involved," Wilcox said. He found a whole community had formed around the idea of an alternate currency that was decentralized, democratized and not bound by a central authority. The more he learned, the more he wanted to help the concept gain traction.

"They didn't need me to be a coder, but a lot of people got in over their heads with tax issues and international reporting issues," Wilcox said.

Ethan Brysgel, national financial accounting and advisory services leader for Marcum LLP, said his firm went from one or two clients with cryptocurrency needs two years ago to dozens today.

Most clients hold cryptocurrencies as an asset that could gain value, Brysgel said. About eight or 10 clients need auditing help related to crypto and four or five more need help with internal financial controls for crypto businesses, Brysgel said.

Some of Marcum's clients are involved in developing new cryptocurrencies. Others have developed digital exchanges brokering crypto assets, Brysgel said.

"They are getting revenue like any other exchange based on trades happening," Brysgel said. "There has been a huge wave of evolution in the types of companies we are working with."

Out of Brysgel's 75-member team, three people work full time on crypto-related services, he said.

Cryptocurrency, in very basic terms, is units of value that can be exchanged digitally with a record rooted in blockchain technology. That record is purportedly immutable, shared out in a distributed network that shows a clear record of ownership and transfer.

For some people, the currency is attractive because it is an alternative to currency held and controlled by a centralized authority, Wilcox said. Instead, it is a "social contract" in which crypto currency units are collectively assigned a value and can be traded for goods and services, he said.

"The rules of the supply have been determined," Wilcox said. "Everyone in the network abides by those rules. Money cannot be printed whenever someone feels like it."

There are not many places to transact in cryptocurrency locally, at least not directly. One year ago, the website "Coinmap" listed six local businesses that accepted cryptocurrency payment. Now, it lists five.

One of those is a permanently-closed bar in Hartford. Staff at another listed site, a Glastonbury steak house, said they do not accept crypto currency payment.

“We all have bills to pay and right now those bills can’t be paid in crypto,” Wilcox acknowledged.

Or at least not most of those bills. Not directly.

Wilcox uses a computer application to convert crypto assets at points of sale.

“I can go with digital Bitcoin, with an intermediary, and the local coffee shop gets U.S. dollars,” Wilcox said. “I use one application to go to Dunkin’ Donuts and I have used it all around Connecticut. It buys gift cards for me at the point of sale.”

In early 2021, Essex-based Highclere Castle Spirits announced itself as the first U.S. liquor company known to conduct a Bitcoin transaction – exchanging about \$2,000 worth of the currency with a distributor in New Jersey.

Highclere Co-founder Adam von Gootkin said he made that transaction to get the industry thinking about the possibilities of digital currency. Highclere has not continued to transact in cryptocurrency, however.

Diving heavily into that economy, von Gootkin said, could prove risky for his growing company, especially given recent dramatic shifts in value. Liquor distributors that buy his gin are generally conservative in business practices and not set up to transact in crypto, he said.

Von Gootkin said he invested personal funds in XRP, one of the more common cryptocurrencies. He saw his investment rocket in value and then plummet. It settled more than 20% above his original investment value, he said.

Highclere, von Gootkin said, could be open to limited cryptocurrency transactions in the future.

“So, it’s kind of a thing as we strategize in the years ahead, keeping a small portion of our revenue in crypto is a smart thing to do, but it’s not going to be the foundation of our economics,” von Gootkin said.

David Salinas said he accepts cryptocurrency payments for rent from a couple tenants at District in New Haven, an 111,000-square-foot, high-tech office rental space. The District offers gig-speed internet, free legal and accounting services, as well as an on-site brewery and restaurant. Tenants range from one-person operations to companies of about 60 employees, Salinas said.

“We took crypto for payment before Tesla did,” Salinas said.

Salinas is a big believer in blockchain technology and cryptocurrency. He has installed a Helium hot spot at his New Haven business, allowing the company to earn Helium currency as users access the internet.

“The most exciting stuff outside of Bitcoin are utilities being publicly built on blockchain technology,” Salinas said. “Everybody owns little miners across the world. They are providing a utility, which is paid for in Helium.”

Salinas said cryptocurrency is slowly catching on. Some users will transact in nothing else. They are called “maxies.” For some, their enthusiasm is tied to libertarian ideals that favor currency decentralized away from the control of governments and banks, he said.

Salinas estimates he spent about \$5,000 on a half-dozen Helium “mining” machines and electricity to run them over the past two years. That has yielded currency valued in the range of “high six-figures,” Salinas said. But he hasn’t tapped it.

“I am a diamond hand,” Salinas said. “I will hold onto it even through the down times. I believe in cryptocurrencies and hold onto them long term.”