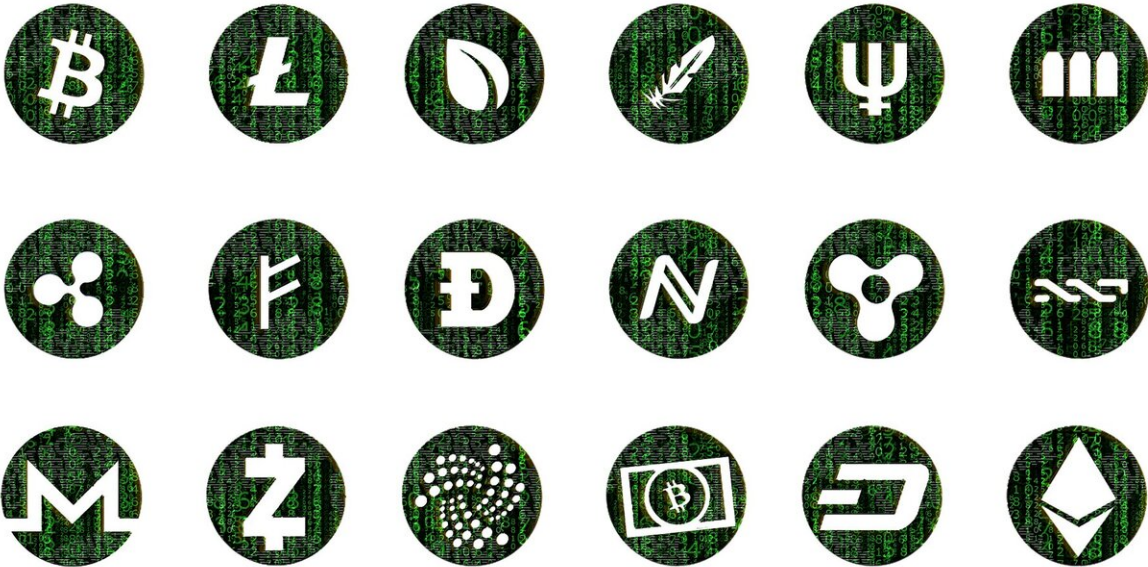


6 indicted in cryptocurrency and NFT fraud schemes that netted more than \$130 million

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Credit: Pixabay/CC0 Public Domain

Six people have been indicted in four separate cryptocurrency fraud cases involving more than \$130 million in losses, including the single largest NFT scheme charged to date, federal prosecutors said this week.

That scheme, prosecutors said, involved a group called the Baller Ape Club that claimed to sell NFTs, or nonfungible tokens, in the form of cartoon images of apes.

A group with a similar theme, the Bored Ape Yacht Club, is one of the world's most popular NFT distributors, with endorsements from Snoop Dogg, Tom Brady and other celebrities. Its NFTs have sold for hundreds of thousands of dollars, though prices have dropped sharply in recent weeks.

Le Anh Tuan, 26, of Vietnam was charged in California with one count each of conspiracy to commit wire fraud and conspiracy to commit international money laundering in connection with the Baller Ape Club scheme.

Shortly after Baller Ape Club's public sales began, Tuan and unnamed co-conspirators "rug-pulled" investors, deleting the group's website and taking \$2.6 million in investments, according to the U.S. attorney's office for the Central District of California.

Tuan and the others laundered the money, prosecutors said, by moving it through cryptocurrencies and cryptocurrency services.

If convicted, Tuan faces up to 40 years in prison.

In a separate case, the founder and former chief executive of Titanium Blockchain Infrastructure Services was charged with one count of securities fraud in connection with the company's [initial coin offering](#).

New cryptocurrency projects use ICOs to raise funds, similar to an initial public offering of a company's stock.

Federal prosecutors in California said CEO Michael Alan Stollery, 54, of Reseda falsified paperwork sent to prospective investors testifying to the project's purpose and falsely claimed that his business had relationships with the U.S. Federal Reserve Board and companies such as Apple, Disney and Pfizer.

The ICO raised about \$21 million from investors.

Stollery faces up to 20 years in prison if convicted.

In a third case, a Las Vegas man was charged in California with four counts of wire fraud and one count each of obstruction of justice, conspiracy to commit wire fraud and conspiracy to commit commodities fraud.

David Saffron, 49, used his cryptocurrency investment platform Circle Society to raise about \$12 million from investors to a fraudulent crypto fund that purported to trade on the futures and commodity markets, prosecutors said.

Saffron allegedly told investors he used a "trading bot" to generate returns up to 600%. He held [investor](#) meetings at homes in the Hollywood Hills and traveled with armed security guards to "create the false appearance of wealth and success," prosecutors said.

"In reality, Mr. Saffron was operating an illegal Ponzi scheme to defraud victim investors and used the funds for his own personal benefit," said Ryan L. Korner, special agent in charge of the IRS' Los Angeles criminal investigation field office.

Saffron faces up to 115 years in prison if convicted.

The fourth case announced by prosecutors this week was charged in the Southern District of Florida.

Emerson Pires and Flavio Goncalves, both of Brazil, and Joshua David Nicholas of Stuart, Fla., were charged with one count each of conspiracy to commit securities fraud and conspiracy to commit wire fraud in connection with a crypto-Ponzi scheme that prosecutors said defrauded

about \$100 million from investors. Pires and Goncalves, both 33, were also charged with conspiracy to commit international money laundering.

Pires and Goncalves, founders of crypto investment platform EmpiresX, worked with "head trader" Nicholas, 28, to promote the platform using false guarantees of returns for investors, prosecutors said.

"Blockchain analytics shows that Pires and Goncalves then laundered investors' funds through a foreign-based cryptocurrency exchange and operated a Ponzi scheme by paying earlier investors with money obtained from later EmpiresX [investors](#)," the U.S. attorney's office said.

If convicted, Nicholas faces up to 25 years in prison; Pires and Goncalves each face up to 45 years.

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