

# Bogus 'Bitcoin killer' cryptocurrency founder pleads guilty

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Credit: Pixabay/CC0 Public Domain

A co-founder of the fraudulent cryptocurrency OneCoin, a pyramid scheme that conned billions of dollars from investors worldwide, pleaded guilty to wire fraud and money laundering charges, U.S.

prosecutors said Friday.

Touted as a "Bitcoin killer," prosecutors said the purported cryptocurrency co-founded by Ruja Ignatova and Karl Sebastian Greenwood in 2014 in Bulgaria was actually worthless. Though marketed as a cryptocurrency, it was never mined using computers and there was no public and verifiable blockchain. The value of OneCoin was not set by supply and demand, but by its operators, they said.

Greenwood, 45, was arrested at his island residence in Thailand in 2018 and extradited to the United States. He pleaded guilty Friday in [federal court](#) in Manhattan.

Greenwood, a citizen of Sweden and the United Kingdom, has been detained since his arrest.

U.S. Attorney Damian Williams said Greenwood helped operate one of the largest international fraud schemes in history. His office said victims invested more than \$4 billion.

"Greenwood's lies were designed with one goal, to get everyday people all over the world to part with their hard-earned money—real money—and to line his own pockets to the tune of hundreds of millions of dollars," Williams said in a statement.

Ignatova, nicknamed the Cryptoqueen and described as OneCoin's top leader, disappeared in October 2017 and remains at large. In June, she was added to the FBI's [Top Ten Most Wanted](#) List and there is a \$100,000 reward for information leading to her arrest.

OneCoin's growth was fueled by multilevel marketing, in which members received commissions for recruiting others to purchase [cryptocurrency](#) packages.

Though Ignatova boasted that OneCoin would be "the Bitcoin killer," she and Greenwood referred to it as "trashy coin" in email correspondence. In one email, Greenwood referred to investors as idiots.

Greenwood pleaded guilty to one count of conspiracy to commit wire fraud, one count of wire fraud and one count of conspiracy to commit [money](#) laundering. Each count carries a maximum sentence of 20 years in prison.

He will be sentenced April 5.

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