

**FILED**

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CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA  
BY s/ charlest DEPUTY

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

August 2021 Grand Jury

UNITED STATES OF AMERICA,

Case No. '22 CR395 TWR

v.

INDICTMENT

SATISH KURJIBHAI KUMBHANI,  
aka "Vindee,"  
aka "VND,"  
aka "vndbcc,"

Title 18, U.S.C., Sec. 1349 - Conspiracy to Commit Wire Fraud; Title 18, U.S.C., Sec. 1343 - Wire Fraud; Title 18, U.S.C., Sec. 371 - Criminal Conspiracy; Title 18, U.S.C., Sec. 1960 - Operation of an Unlicensed Money Transmitting Business; Title 18, U.S.C., Sec. 2 - Aiding and Abetting; Title 18, U.S.C., Sec. 1956(h) - Conspiracy to Commit Money Laundering; Title 18, U.S.C., Sec. 982(a), and Title 28, U.S.C., Sec. 2461(c) - Criminal Forfeiture

Defendant.

At all times relevant, the Grand Jury charges:

**INTRODUCTORY ALLEGATIONS**

**Relevant Individuals, Entities, Federal Agencies, and Terms**

1. BitConnect International PLC, aka "BitConnect," aka "BitConnect Ltd.," (referenced herein as "BitConnect") was an unincorporated organization established in approximately 2016. Between 2016 and 2017, BitConnect formed several affiliated entities in the United Kingdom, including but not limited to: BitConnect Ltd. and BitConnect International PLC, which were all part of BitConnect.

2. BitConnect operated a cryptocurrency investment platform and touted its various investment programs through social media. BitConnect conducted its business principally by means of websites accessible at [www.bitconnect.co](http://www.bitconnect.co) and

1 www.bitconnectcoin.co (together referenced as the “BitConnect Website”). The BitConnect  
2 Website was accessible worldwide to the general public and was accessed by individuals  
3 within the Southern District of California and elsewhere.

4 3. Defendant SATISH KURJIBHAI KUMBHANI, aka “Vindee,” aka “VND,”  
5 aka “vndbcc,” (“Defendant KUMBHANI”), was a citizen of India who resided in Surat,  
6 India. Defendant KUMBHANI founded, managed, and controlled BitConnect. Defendant  
7 KUMBHANI used fictitious identities, including “Vindee,” “VND,” and “vndbcc” in order  
8 to conceal his identity and his control over BitConnect.

9 4. Defendant KUMBHANI directed BitConnect’s international network of  
10 affiliates, promoters, directors, managers, employees, and agents. Defendant KUMBHANI  
11 disseminated information via wire communications in the United States and globally to the  
12 general public and to BitConnect’s network of promoters and affiliates, all for further  
13 dissemination to the investing public regarding BitConnect’s various investment programs.  
14 Defendant KUMBHANI caused thousands of investors worldwide to invest in BitConnect’s  
15 cryptocurrency investment programs.

16 5. Glenn Arcaro (“Arcaro”, charged elsewhere) was a resident of the United  
17 States and served as BitConnect’s “national promoter” for the United States from in or  
18 around August 2017 to 2018 and was responsible for managing a team of United States-  
19 based promoters for BitConnect. Arcaro served as one of the most prolific and successful  
20 promoters of BitConnect.

21 6. Defendant KUMBHANI supervised, directed, and managed Arcaro as  
22 BitConnect’s national promoter in the United States, and communicated regularly with  
23 Arcaro via wire communications.

24 7. Future Money, Ltd. (“Future Money”) was a limited company established in  
25 approximately 2017 in Hong Kong. Arcaro formed Future Money with the approval of  
26 Defendant KUMBHANI as a way to lure people to invest in BitConnect. Arcaro publicly  
27 represented that Future Money was a cryptocurrency education course but, in fact, it was a  
28 sales funnel for BitConnect.

1           8.     The Financial Crimes Enforcement Network (“FinCEN”) was an agency of the  
2 United States Department of the Treasury. FinCEN was responsible for regulating financial  
3 institutions in connection with compliance with the Bank Secrecy Act and the regulations  
4 thereunder.

5           9.     A “Digital asset” or “digital token” generally referred to an asset issued and/or  
6 transferred using distributed ledger or blockchain technology, including assets referred to  
7 as “cryptocurrencies,” “virtual currencies,” “digital coins,” and “digital tokens.”

8           10.    The “blockchain” was a distributed public ledger that recorded incoming and  
9 outgoing cryptocurrency transactions.

10          11.    “Bitcoin” was a type of cryptocurrency. Bitcoin were generated and controlled  
11 through computer software operating via a decentralized, peer-to-peer network. Bitcoin  
12 could be used for purchases or exchanged for other currency on currency exchanges.  
13 Bitcoin was commonly known as “BTC.”

14          12.    A “trading bot” was computer software programmed to trade a digital asset  
15 based upon predetermined parameters.

16          13.    A “cryptocurrency wallet” was a digital wallet used to store, send, and receive  
17 digital currency like Bitcoin. Each digital wallet had a unique digital address containing  
18 letters and numbers that were used in order to send and receive cryptocurrency transactions.

19          14.    A “cluster” referred to a collection of related cryptocurrency wallets or  
20 addresses usually under the control of a single entity or affiliated individuals.

21          15.    An initial coin offering (“ICO”) was a capital raising event in which an entity  
22 offered investors a unique “coin” or “token” in exchange for consideration—most  
23 commonly in the form of established virtual currencies or fiat currency. These tokens were  
24 issued on a blockchain and were oftentimes listed on online platforms, called virtual  
25 currency exchanges, where they were tradable for virtual or fiat currencies.

26          16.    To participate in an ICO, investors were typically required to transfer virtual  
27 currencies to the issuer’s address, online wallet, or other account. During an ICO, or after  
28 its completion, the issuer would typically distribute its unique “tokens” to the participants’

1 unique address on the related virtual currency’s blockchain. Similar to stockholders in an  
2 initial public offering (“IPO”), holders of these tokens were then entitled to certain rights  
3 related to a venture underlying the ICO, such as profits, shares of assets, use of certain  
4 services provided by the issuer, and voting rights.

5 17. Under Title 7, United States Code, Section 1a(9), a “commodity” encompassed  
6 a wide range of tangible and intangible items and was broadly defined to include all goods,  
7 articles, rights, and interests in which contracts for future delivery were presently or in the  
8 future dealt. Cryptocurrencies were commodities because there could be a contract for  
9 future delivery of a specific cryptocurrency.

10 18. A money transmitting business (also referenced herein as an “MTB”) included  
11 any person doing business whether on a regular basis or as an organized business concern,  
12 including businesses operating a digital currency exchange in which such businesses  
13 exchanged one virtual currency into another virtual currency. An MTB was a financial  
14 institution and required to register as such with FinCEN under Title 31, United States Code,  
15 Section 5330 and the regulations thereunder. The failure to register an MTB with FinCEN  
16 was a federal felony offense.

17 **Relevant Factual Background regarding Defendant and BitConnect**

18 **The Formation and Management of BitConnect**

19 19. In or around 2016, Defendant KUMBHANI created BitConnect. To do so,  
20 Defendant KUMBHANI and others caused the creation of a native digital token or digital  
21 currency called the “BitConnect Coin” (“BCC”), which was based on BitConnect’s own  
22 blockchain. At BCC’s peak price, BitConnect’s market capitalization was approximately  
23 \$4.3 billion. The BitConnect Website was accessible to the public globally, including to  
24 individuals located within the Southern District of California, and provided potential  
25 investors with information about BitConnect’s investment programs and an account login  
26 link.

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1           20. From in or around November 2016 to in or around January 2017, Defendant  
2 KUMBHANI and others conducted an ICO of BCC and introduced BCC to the investing  
3 public through the BitConnect Website and other wire communications. BitConnect  
4 claimed that BCC was an open-source, decentralized cryptocurrency.

5           21. Defendant KUMBHANI recruited promoters and affiliates, including Arcaro,  
6 from Asia, Europe, North America, Australia, and elsewhere to promote BCC and the  
7 investment programs BitConnect was offering. Defendant KUMBHANI organized various  
8 events internationally to promote BitConnect's blockchain technology, investment  
9 opportunities, and investment returns to the promoters and affiliates.

10           22. During one such presentation in or around August 2017 to BitConnect's  
11 promoters, including Arcaro, Defendant KUMBHANI made various statements in response  
12 to questions, including the following:

13           a. When asked about the ownership of BitConnect, Defendant  
14 KUMBHANI stated that if the "government" knew the identity of BitConnect's owner, the  
15 government "might punish them . . . so we . . . ultimately lose our money."

16           b. When asked why one of the United Kingdom corporate registration  
17 documents for BitConnect listed "Ken Fitzsimmons," a nominee, as a corporate officer for  
18 BitConnect, Defendant KUMBHANI explained that "Fitzsimmons" was listed because of  
19 Defendant KUMBHANI's desire to remain anonymous.

20           c. When asked about tax compliance, Defendant KUMBHANI stated, "we  
21 [BitConnect] don't have any regulations . . . we are dealing only with cryptocurrency, so  
22 we are not paying any tax to the government."

23           d. When asked how many coins BitConnect issued during the 2016 ICO,  
24 Defendant KUMBHANI stated that BitConnect issued "4.8 million BCC tokens at the time  
25 of [the 2016] ICO."

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1 e. When asked how BitConnect made money, Defendant KUMBHANI  
2 stated, "I already explained you [sic]. How BitConnect is making money they are using the  
3 Volatility Software . . . they are getting the profit from there and they also already have one  
4 million BCC token [sic] so if they want to make profit, they sell it . . . you understand?"

5 f. When asked about the long-term prospects and viability of BitConnect,  
6 Defendant KUMBHANI stated, "This will not . . . shutdown by night."

7 BitConnect's Lending Program Was a Ponzi Scheme

8 23. Defendant KUMBHANI, Arcaro, and others aggressively marketed  
9 BitConnect's "Lending Program."

10 24. Defendant KUMBHANI and others touted the Lending Program's purported  
11 "Trading Bot" and "Volatility Software" as the centerpiece of BitConnect's Lending  
12 Program, while knowing that the marketing materials for the Lending Program contained  
13 multiple false and fraudulent statements. Defendant KUMBHANI and others represented  
14 that BitConnect would use investors' money as working capital to fund its own investment  
15 activity. Specifically, Defendant KUMBHANI, through BitConnect, falsely and  
16 fraudulently claimed that BitConnect's proprietary "Trading Bot" and "Volatility Software"  
17 would generate substantial profits for investors by trading on the volatility of global  
18 cryptocurrency markets.

19 25. In truth, Defendant Kumbhani ran the Lending Program as a massive Ponzi  
20 scheme. BitConnect did not use assets invested in the Lending Program for trading related  
21 to the purported Trading Bot and Volatility Software, and did not use purported profits to  
22 distribute proceeds to Lending Program investors, but rather paid earlier investors in the  
23 Lending Program with money from later investors.

24 26. By inducing investors to invest money through misrepresentations about  
25 BitConnect and the Lending Program, Defendant KUMBHANI caused BitConnect to  
26 obtain approximately \$2.4 billion from retail investors worldwide, including investors in  
27 the Southern District of California.

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1           27. In 2017, during an interview at an event organized by Defendant KUMBHANI,  
2 Defendant KUMBHANI was asked about the purported “Trading Bot” and “Volatility  
3 Software.” The interviewer asked Defendant KUMBHANI whether BitConnect would  
4 show the “Trading Bot” in action. In response, Defendant KUMBHANI avoided the  
5 question and evasively stated, among other things:

6           a. “So you ask me very hard question . . .”

7           b. “Everybody is waiting to see the Trading Bot, how it is in action . . . how  
8 we are getting the profit from the system. . . .”

9           c. “[A]nd we have shown the people and shown the promoters that there  
10 are some logics [sic] working behind the Trading Bot [during a meeting with the promoters]  
11 . . . for privacy reasons we are not disclosing anything about our last meeting.”

12           28. To obtain investments from the public, Defendant KUMBHANI and others  
13 caused BitConnect to post false and misleading information about the Lending Program’s  
14 purported daily historical rates of return on the BitConnect Website, and advertised the  
15 Lending Program on Coinmarketcap.com, a popular website in the digital asset space that  
16 tracked price, available supply, trade volume, and market capitalization of various digital  
17 tokens. These websites were accessed globally, including by individuals located within the  
18 Southern District of California.

19           BitConnect’s Exchange was an Unregistered Money Transmitting Business

20           29. To participate in the Lending Program, a prospective investor was first  
21 required to create an account on the BitConnect Website, and then transfer Bitcoin to a  
22 Bitcoin blockchain address provided to the investor and controlled by Defendant  
23 KUMBHANI and BitConnect. BitConnect then pooled the investors’ Bitcoin in a series of  
24 addresses, or digital wallets, on the Bitcoin blockchain, which Defendant KUMBHANI  
25 controlled.

26           30. The investor’s account page on the BitConnect Website would then reflect the  
27 investor’s purported Bitcoin investment in the investor’s Bitcoin wallet.

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1 31. The investor would then remit Bitcoin to BitConnect to purportedly purchase  
2 BCC tokens on the “BitConnect Exchange”—a digital currency exchange and money  
3 transmitting service engaged in the business of the transmission of funds and digital  
4 currency—and then “lend” the BCC tokens to BitConnect, which, in turn, would  
5 purportedly invest these proceeds by buying and selling automatically, and profitably, on  
6 the volatility of Bitcoin via the Trading Bot.

7 32. BitConnect charged Lending Program investors an exchange fee through the  
8 BitConnect Exchange each time they exchanged their Bitcoin for BCC or exchanged BCC  
9 back into Bitcoin.

10 33. Although Defendant KUMBHANI, through BitConnect, operated the  
11 BitConnect Exchange as an MTB in the United States, including within the Southern  
12 District of California, neither Defendant KUMBHANI, nor any other person, ever registered  
13 BitConnect or the BitConnect Exchange with FinCEN, or complied with the statutes and  
14 regulations governing an MTB under Title 31, United States Code, Section 5330 and the  
15 regulations thereunder.

16 BitConnect’s Referral Program

17 34. Defendant KUMBHANI and BitConnect also operated a Pyramid Scheme  
18 known as the “Referral Program” through which BitConnect relied on promoters, like  
19 Arcaro, to promote and direct investors to invest in BitConnect’s Lending Program.

20 35. At Defendant KUMBHANI’s direction, Arcaro and other global promoters  
21 used unique Internet hyperlinks known as “referral links” to offer the Lending Program on  
22 their personal social media pages. Investors, in turn, used the referral links to access the  
23 BitConnect Website, sell their Bitcoin in exchange for BCC, and invest in BitConnect’s  
24 Lending Program. Defendant KUMBHANI paid commissions to BitConnect’s promoters  
25 when investors invested in the Lending Program through the referral links.

26 36. Under the Referral Program, at the direction of Defendant KUMBHANI,  
27 Arcaro and other global promoters posted videos to their social media pages that contained  
28 materially false and misleading statements about the profits that they could earn from



1 investing in the Lending Program. These videos were broadcast over the Internet and were  
2 viewed by individuals throughout the world, including in the Southern District of California.

3 37. Defendant KUMBHANI, Arcaro, and others used live events to attempt to  
4 persuade individuals to invest in BitConnect's investment programs, including by investing  
5 their retirement and life savings. During one such event, BitConnect awarded Arcaro a  
6 Porsche for successfully luring investors to invest in BitConnect through the Lending  
7 Program and otherwise purchasing BCC.

8 38. On or about October 13, 2017, in a group text message, Arcaro wrote to a group  
9 of BitConnect's promoters and described how effective live events were in soliciting  
10 investments into BitConnect, stating that, "When people get to events and they actually see  
11 human flesh that only existed on a computer screen, something clicks in your head and it  
12 becomes real only at that moment. People just want to be part of something bigger than  
13 themselves. They're bored they're [sic] lives generally suck. If they feel like they belong  
14 somewhere, all the guards come down, that's when they start investing for real."

15 39. The Referral Program was essentially a Pyramid Scheme that rewarded  
16 BitConnect's promoters who successfully recruited investors. In fact, in its marketing  
17 materials, BitConnect depicted the Referral Program as a multi-level pyramid.

18 BitConnect's Development Fund

19 40. To reward promoters for successfully recruiting investors, Defendant  
20 KUMBHANI paid promoters like Arcaro and others additional income from a pool of  
21 investment proceeds known as the "Development Fund," which was essentially a slush fund  
22 of investors' money. Promoters could use these funds to market BitConnect's investment  
23 programs. National promoters for BitConnect, like Arcaro, could also use Development  
24 Fund payments for their own personal use.

25 41. Defendant KUMBHANI directed others, including Arcaro and other  
26 promoters for BitConnect, to conceal and hide the existence of the Development Fund from  
27 the public. Defendant KUMBHANI did not want the public to know how investors' money  
28 was being diverted and spent.

1           42. On or about August 25, 2017, Defendant KUMBHANI admonished Arcaro in  
2 writing for revealing the Development Fund to the public through videos posted to his social  
3 media pages. Specifically, Defendant KUMBHANI stated the following:

4           a. “You are wrongly promoting [the] development fund in public and  
5 YouTube.”

6           b. “Immediately stop promoting and delete all.”

7           c. “Requesting you to remove all related posts.”

8           d. “Stop all activities immediately.”

9 In response, Arcaro wrote to Defendant KUMBHANI, “It will not happen again” and “You  
10 have my word.”

11           43. Given the directives from Defendant KUMBHANI regarding the Development  
12 Fund, in a text message exchange on or about November 28, 2017, Arcaro directed other  
13 promoters based in the United States, who were beneath Arcaro in the Referral Program  
14 pyramid (also referred to as Arcaro’s “downline”), to conceal and mislead investors about  
15 the Development Fund. Arcaro wrote: “BitConnect honchos say don’t talk about the  
16 development fund on video. Big no no in their eyes. You’re supposed to phrase it all as if  
17 it’s coming from you. Just don’t mention that they [BitConnect] are funding.” By  
18 “BitConnect honchos,” Arcaro was primarily referring to Defendant KUMBHANI.

19           44. Similarly, in a text message exchange on November 28, 2017, Arcaro directed  
20 his downline promoters: “Don’t ever show your dev fund on camera. If you have videos  
21 showing that fund, gotta take it down.”

22           45. The concealment of the Development Fund by Defendant KUMBHANI,  
23 Arcaro, and other promoters was designed to hide from investors that up to 15% of their  
24 investment in BitConnect’s investment programs was being diverted directly into the  
25 Development (‘slush’) Fund and not invested as promised by BitConnect.

26                           BitConnect’s Relationship with Future Money

27           46. In 2017, with the support and encouragement of Defendant KUMBHANI,  
28 Arcaro created “Future Money,” which was a purported educational program for individuals

1 interested in investing in cryptocurrency. Future Money was funded with money obtained  
2 from BitConnect's investors.

3 47. Defendant KUMBHANI and Arcaro agreed to use Future Money as a sales  
4 funnel for BitConnect, which was intended to benefit Defendant KUMBHANI by  
5 identifying a larger number of potential investors for BitConnect.

6 48. Arcaro hid and concealed any financial relationship between Future Money  
7 and BitConnect from the public on the Future Money website and in any statements Arcaro  
8 made on social media.

9 49. Upon completion of the Future Money cryptocurrency course, however, Future  
10 Money directed its graduates to open accounts with BitConnect and use BitConnect's  
11 promoter network's referral links.

#### 12 BitConnect Shuts Down

13 50. As Defendant KUMBHANI's Ponzi scheme grew in size and scope,  
14 government regulators began to question the fraudulent nature and appearance of the  
15 scheme and took steps to shut down BitConnect's operation in specific states.

16 51. For example, on or about January 4, 2018, the Texas State Securities Board  
17 issued an Emergency Cease and Desist Order against BitConnect, in which the Securities  
18 Commissioner of the State of Texas concluded that BitConnect had engaged in fraud, made  
19 materially false and misleading statements to investors in Texas, and sold unlicensed  
20 securities.

21 52. Similarly, on or about January 9, 2018, the Secretary of State of North Carolina  
22 - Securities Division issued a Temporary Cease and Desist Order against BitConnect to  
23 prevent BitConnect from further violating state securities laws because the State had  
24 concluded that BitConnect's investment offerings were unregistered securities.

25 53. Facing increasing regulatory scrutiny, on or about January 16, 2018,  
26 BitConnect abruptly announced it was shutting down the Lending Program immediately.  
27 From its peak price in early January 2018 to the closing price in the aftermath of Defendant  
28 BitConnect's shutdown, the price of BCC plunged approximately 98% in value.

1           54. Shortly thereafter, in order to fraudulently manipulate and prop up the price of  
2 BCC, Defendant KUMBHANI directed BitConnect's network of international promoters to  
3 buy BCC on all cryptocurrency exchanges in order to create the false appearance of  
4 legitimate market demand for BCC.

5           55. The very next day, on or about January 17, 2018, in a group text message  
6 involving BitConnect's network of international promoters, a promoter for BitConnect  
7 based in South Korea warned Defendant KUMBHANI that, "Koreans are freaking out" and  
8 that "it was really bad [in Korea]." Another promoter for BitConnect based in South Korea  
9 further warned Defendant KUMBHANI that, "some people here are talking about  
10 committing suicide over here in Korea in many BCC chat rooms. Please please post  
11 something on bcc website so people know what's really going on" and "lots of [Korean  
12 investors] invested everything they have."

13           56. That same day, on or about January 17, 2018, a promoter for BitConnect based  
14 in Indonesia alerted Defendant KUMBHANI in a group text message that, "In Indonesia  
15 we have a problem with some member[s] want[ing] to bring us to the police, [especially]  
16 ... as a top promoter." In response, Defendant KUMBHANI wrote, "I will talk to you in  
17 private."

18           57. On or about January 21, 2018, in a group text message involving Defendant  
19 KUMBHANI and BitConnect's network of international promoters, a promoter based in  
20 Australia wrote that, "we are getting death threats . . . [and] the coin will be useless!!!!!"

21           58. After repeated warnings from BitConnect's promoters, on or about January 28,  
22 2018, Defendant KUMBHANI responded in a group text message and stated that he was  
23 not "relaxing" and that he had been "sick" for "three days," and that he had "more problems"  
24 than "you guys."

25           59. At this time, global investors in BitConnect and the Lending Program were  
26 unable to withdraw their investments after BitConnect shut down its Lending program and  
27 BCC investments became essentially worthless. Investors in BitConnect who did not cash  
28 out before the shutdown lost all or nearly all of their investments.



1 **Manner and Means of the Conspiracy**

2 64. It was a part of the conspiracy that:

3 a. Defendant KUMBHANI and his co-conspirators, using interstate and  
4 foreign wire communications, discussed the scheme to defraud over Internet chats and text  
5 messages, posted videos to social media platforms to encourage investment in BitConnect,  
6 and used the BitConnect Website to promote the scheme.

7 b. Defendant KUMBHANI and his co-conspirators made and caused  
8 others to make materially false and fraudulent pretenses, representations, and promises to,  
9 and concealed and caused others to conceal material facts from, investors and potential  
10 investors, regarding BitConnect’s Lending Program, Referral Program, Development Fund,  
11 and purported Trading Bot and Volatility Software.

12 c. Defendant KUMBHANI and his co-conspirators operated a Ponzi  
13 scheme by paying earlier investors with money from later investors in order to perpetuate  
14 the fraudulent scheme.

15 d. Defendant KUMBHANI and his co-conspirators evaded and  
16 circumvented U.S. regulations governing the financial industry in order to perpetuate and  
17 conceal the fraudulent scheme.

18 65. In total, Defendant KUMBHANI and his co-conspirators fraudulently induced  
19 investors to invest approximately \$2.4 billion in BitConnect and to deposit those funds in  
20 BitConnect’s cluster of cryptocurrency wallets.

21 All in violation of Title 18, United States Code, Section 1349.

22 **COUNT 2 - Wire Fraud**

23 **(18 U.S.C. § 1343)**

24 66. The Introductory Allegations in Paragraphs 1 through 60 of this Indictment are  
25 hereby re-alleged and incorporated herein.

26 67. Between approximately 2016 and 2018, in the Southern District of California  
27 and elsewhere, Defendant SATISH KURJIBHAI KUMBHANI, aka “Vindee,” aka “VND,”  
28 aka “vndbcc,” (“Defendant KUMBHANI”), together and with others, known and unknown

1 to the Grand Jury, including Arcaro, did knowingly and intentionally devise a scheme and  
2 artifice to defraud, and to obtain money and property by means of materially false and  
3 fraudulent pretenses, representations, and promises, knowing such pretenses,  
4 representations, and promises were false and fraudulent when made, and for the purpose of  
5 executing such scheme and artifice, transmitted and caused to be transmitted by means of  
6 wire communication in interstate and foreign commerce writings, signs, signals, pictures,  
7 and sounds.

8 All in violation of Title 18, United States Code, Section 1343.

9 **COUNT 3 - Conspiracy to Commit Commodity Price Manipulation**

10 **(18 U.S.C. § 371)**

11 68. The Introductory Allegations in Paragraphs 1 through 60 of this Indictment are  
12 hereby re-alleged and incorporated herein.

13 69. Between approximately 2017 and 2018, within the Southern District of  
14 California and elsewhere, Defendant SATISH KURJIBHAI KUMBHANI, aka "Vindee,"  
15 aka "VND," aka "vndbcc," ("Defendant KUMBHANI") knowingly and willfully did  
16 combine, conspire, confederate, and agree with others, both known and unknown to the  
17 Grand Jury, including Arcaro, to commit the following offense against the United States of  
18 America: To manipulate the price of a commodity in interstate commerce, namely BCC, in  
19 violation of Title 7, United States Code, Section 13(a)(2).

20 **The Conspiracy**

21 70. It was a purpose of the conspiracy for Defendant KUMBHANI, together and  
22 with others known and unknown to the Grand Jury, including Arcaro: (a) to submit buy  
23 orders to purchase BCC from cryptocurrency exchanges in order to artificially push up the  
24 price assessment of BCC; (b) to create the illusion of demand for BCC that did not reflect  
25 legitimate market-based forces of supply and demand; and (c) to conceal the conspiracy.

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**Overt Acts**

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2 71. In furtherance of the conspiracy and to effect its objects, Defendant  
3 KUMBHANI, together with others known and unknown to the Grand Jury, including  
4 Arcaro, did commit and cause the commission of, the following overt acts, among others:

5 a. Between in or around 2017 to 2018, Defendant KUMBHANI offered  
6 and sold BitConnect's cryptocurrency, or BCC, a commodity, to individuals within the  
7 Southern District of California and elsewhere.

8 b. On or about January 17, 2018, a day after BitConnect shutdown its  
9 Lending Program and after BCC had lost nearly all of its value, in a group text message  
10 with BitConnect's promoters, Defendant KUMBHANI instructed, "buy [BCC] from all  
11 exchanges so BCC [price] start rising again." Defendant KUMBHANI further explained  
12 that, "if we make [BCC] price [increase] up to \$100 people [will] stop panicking[.]" so "buy  
13 [BCC] slowly and make price [increase] again slowly."

14 c. On that same day, on or about January 17, 2018, in a group text message  
15 with BitConnect's promoters, Defendant KUMBHANI stated, "we are pushing BCC [price]  
16 up through buying." Defendant KUMBHANI further explained that, "For now we will start  
17 buying BCC at cheap price from [the] fund[s] we receive from the BitConnect X [ICO] . . .  
18 . People will see again price is rising and BCC will change hands over time through  
19 exchanges." In response, Arcaro stated, "I've talked to my main teammates and we are all  
20 holding BCC. Nobody is selling from my main team. In fact some are placing buy orders  
21 right now . . . ."

22 d. On or about January 18, 2018, Arcaro stated in a group text message  
23 with Defendant KUMBHANI and others, "I think we can bring back BCC to where it  
24 belongs." That same day, Defendant KUMBHANI stated in a group text message, "In 1  
25 week we will make it \$100 again" and that "BCC [was] the top gainer today." Arcaro  
26 agreed, replying that the price of BCC was "rising from the ashes."

27 All in violation of Title 18, United States Code, Section 371.

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**COUNT 4 - Operation of an Unlicensed Money Transmitting Business**

**(18 U.S.C. §§ 1960, 2)**

72. The Introductory Allegations in Paragraphs 1 through 60 of this Indictment are hereby re-alleged and incorporated herein.

73. Between approximately 2017 and 2018, within the Southern District of California and elsewhere, Defendant SATISH KURJIBHAI KUMBHANI, aka "Vindee," aka "VND," aka "vndbcc," ("Defendant KUMBHANI"), together with others, known and unknown to the Grand Jury, knowingly conducted, controlled, managed, supervised, directed, and owned all or part of a money transmitting business, which affected interstate or foreign commerce, and failed to comply with the money transmitting registration requirements under Title 31, United States Code, Section 5330 and the regulations prescribed thereunder.

All in violation of Title 18, United States Code, Sections 1960 and 2.

**COUNT FIVE - Money Laundering Conspiracy**

**(18 U.S.C. § 1956(h))**

74. The Introductory Allegations in Paragraphs 1 through 60 of this Indictment are hereby re-alleged and incorporated herein.

75. Between approximately 2017 and 2018, within the Southern District of California and elsewhere, Defendant SATISH KURJIBHAI KUMBHANI, aka "Vindee," aka "VND," aka "vndbcc," ("Defendant KUMBHANI"), together with others, known and unknown to the Grand Jury, knowingly and intentionally combined, conspired, and agreed among themselves to commit the following money laundering offense: to transport, transmit, and transfer, and attempt to transmit and transfer, monetary instruments and funds, from a place in the United States to and through a place outside of the United States, knowing that the monetary instruments and funds involved in such actual and attempted transportation, transmission, and transfer were designed in whole or part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of one or more

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1 specified unlawful activities, to wit: wire fraud in violation of Title 18, United States Code,  
2 Section 1343, all in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i).  
3 All in violation of Title 18, United States Code, Section 1956(h).

4 **FORFEITURE ALLEGATIONS**

5 **(18 U.S.C. § 982)**

6 76. The allegations set forth in Counts 1, 2, 4, and 5 are realleged herein for  
7 purposes of seeking forfeiture to the United States of America pursuant to Title 18, United  
8 States Code, Section 982(a), and Title 28, United States Code, Section 2461(c).

9 77. Upon conviction of the offense alleged in Count 1 or 2 of this Indictment,  
10 Defendant SATISH KURJIBHAI KUMBHANI, aka "Vindee," aka "VND," aka "vndbcc,"  
11 ("Defendant KUMBHANI") shall forfeit to the United States of America pursuant to  
12 Title 18, United States Code, Section 982(a)(8)(B) and Title 28, United States Code,  
13 Section 2461(c), any real or personal property used or intended to be used to commit, to  
14 facilitate, or to promote the commission of Count 1 or 2 and constituting, derived from, or  
15 traceable to the gross proceeds obtained directly or indirectly as a result of the commission  
16 of Count 1 or 2, including but not limited to \$2,400,000,000.00.

17 78. Upon conviction of the offenses alleged in Count 4 or 5 of this Indictment,  
18 Defendant KUMBHANI shall forfeit to the United States of America pursuant to Title 18,  
19 United States Code, Section 982(a)(1) and Title 28, United States Code, Section 2461(c),  
20 any property, real or personal, involved in Count 4 or 5, or any property traceable to such  
21 property, including but not limited to \$2,400,000,000.00.

22 79. In the event that any of the property described above, as a result of any act or  
23 omission of defendant:

- 24 a. cannot be located upon the exercise of due diligence;  
25 b. has been transferred or sold to, or deposited with, a third party;  
26 c. has been placed beyond the jurisdiction of the court;  
27 d. has been substantially diminished in value; or

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1 e. has been commingled with other property which cannot be divided  
2 without difficulty,  
3 the United States of America shall be entitled to forfeit substitute property up to the value  
4 of the afore-described properties pursuant to Title 18, United States Code, Section 982(a),  
5 and Title 28, United States Code, Section 2461(c).

6 DATED: February 25, 2022.  
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9

10 RANDY S. GROSSMAN  
11 United States Attorney

12 By:   
13 \_\_\_\_\_

DANIEL C. SILVA  
14 MARK W. PLETCHER  
15 LISA J. SANNITI  
16 CARL F. BROOKER, IV  
Assistant U.S. Attorneys  
17

18 JOSEPH S. BEEMSTERBOER  
19 Acting Chief  
20 U.S. Department of Justice  
Fraud Section  
21

22 By:   
23 \_\_\_\_\_

KEVIN LOWELL  
24 Trial Attorney  
25  
26  
27  
28