

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

26 MAG 2020

UNITED STATES OF AMERICA

v.

MICHELE SPAGNUOLO,
a/k/a “AlphaRaccoon,”

Defendant.

COMPLAINT

Violations of 7 U.S.C. §§ 9(1), and
13(a)(5); 17 C.F.R. § 180.1; and 18 U.S.C.
§§ 1343, 1956, 3238, and 2

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

Special Agent Brandon Racz, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation (“FBI”), and charges as follows:

COUNT ONE
(Commodities Fraud)

1. From at least in or about October 2025 up to and including at least in or about December 2025, in the Southern District of New York and elsewhere outside of the jurisdiction of any particular State or district of the United States, MICHELE SPAGNUOLO, a/k/a “AlphaRaccoon,” the defendant, willfully and knowingly, directly and indirectly, used and employed, and attempted to use and employ, in connection with a swap, a contract of sale of a commodity in interstate commerce, and for future delivery on and subject to the rules of a registered entity, a manipulative and deceptive device and contrivance, in contravention of Title 17, Code of Federal Regulations, Section 180.1, by: (1) using and employing, and attempting to use and employ, a manipulative device, scheme, and artifice to defraud; (2) making, and attempting to make, an untrue and misleading statement of a material fact and omitting to state a material fact necessary in order to make the statements made not untrue and misleading; and (3) engaging, and attempting to engage in an act, practice, and course of business which operates and would operate as a fraud and deceit upon a person, to wit, SPAGNUOLO, knowing that he had obtained material nonpublic information in breach of a duty, used it to execute swap transactions for personal gain.

(Title 7, United States Code, Sections 9(1), 13(a)(5); Title 17, Code of Federal Regulations, Section 180.1; and Title 18, United States Code, Sections 3238, and 2.)

COUNT TWO
(Wire Fraud)

2. From at least in or about October 2025 up to and including at least in or about December 2025, in the Southern District of New York and elsewhere outside of the jurisdiction of any particular State or district of the United States, MICHELE SPAGNUOLO, a/k/a “AlphaRaccoon,” the defendant, knowingly having devised and intending to devise a scheme and

artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, SPAGNUOLO, knowing that he had misappropriated valuable confidential business information, which was subject to a duty of confidentiality, used that information to obtain cryptocurrency in breach of his duties.

(Title 18, United States Code, Sections 1343, 3238, and 2.)

COUNT THREE
(Money Laundering)

3. From at least in or about December 2025 up to and including at least in or about April 2026, in the Southern District of New York and elsewhere outside of the jurisdiction of any particular State or district of the United States, MICHELE SPAGNUOLO, a/k/a “AlphaRaccoon,” the defendant, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, conducted and attempted to conduct such a financial transaction, which transaction affected interstate and foreign commerce and involved the use of a financial institution which was engaged in, and the activities of which affected, interstate and foreign commerce, and which in fact involved the proceeds of specified unlawful activity, to wit, proceeds derived from the offense alleged in Count Two of this Complaint, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity.

(Title 18, United States Code, Sections 1956, 3238, and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

Overview

4. Based on my review of documents, interviews with witnesses, and the information described herein, I have learned that MICHELE SPAGNUOLO, a/k/a “AlphaRaccoon,” the defendant, a staff software engineer at Google, misappropriated confidential and valuable nonpublic information from his employer and used that information to place a series of Google-related bets on Polymarket, a prediction market platform. Unlike the counterparties to his trades, SPAGNUOLO knew the outcome of these wagers before the trading public did because he had accessed Google’s confidential, commercially valuable internal data. SPAGNUOLO personally profited more than approximately \$1,200,000 from his trades based on nonpublic information. Once he won, SPAGNUOLO then took deliberate steps to conceal his unlawful use of nonpublic information by attempting to obscure the source and ownership of his unlawful proceeds.

SPAGNUOLO’s Access to Google’s Confidential Commercial Data

5. Based on my review of documents provided by Google, and interviews with Google personnel, I have learned the following, among other things:

a. Since in or around 2014, MICHELE SPAGNUOLO, a/k/a “AlphaRaccoon,” the defendant, has been a software engineer at Google. Google’s core business is search, and the substantial majority of its revenue derives from advertising products that depend on user engagement with its search platform. Google’s search data—including data reflecting which terms, topics, people, and events trend on its platform—is commercially valuable proprietary information central to that business, the product of Google’s significant ongoing investment in technology, infrastructure, and personnel, and it directly informs Google’s advertising products, marketing strategy, and relationships with content partners and brand advertisers. Each year, Google invests substantial financial and personnel resources in a coordinated marketing campaign called “Year in Search,” in which it publicly releases curated data reflecting the top trending searches from that year. The campaign involves driving user interest and engagement by building momentum before announcing the top searches of the year and making a “splash” with the announcement. The release of the top trending search results serves multiple commercially significant functions: it drives substantial user traffic to Google’s platforms; it generates media coverage and brand engagement that Google monetizes through increased advertising demand; it reinforces Google’s market position as the authoritative barometer of public interest and cultural trends; and it serves as a high-profile vehicle through which Google demonstrates the reach of its search platform to advertisers and partners.

b. Because the commercial impact of the campaign depends on the element of surprise and the coordinated nature of its public reveal, the top-trending search information is valuable, and maintaining its confidentiality is important to Google’s ultimate commercial objective. Accordingly, Google maintains strict confidentiality over its Year in Search results—and the underlying search trend data from which those results are derived—until the moment of public release. Even within the company, access to Year in Search results is restricted to only a limited number of employees. Premature disclosure of Year in Search data could reduce or eliminate anticipated user engagement, undercut the media interest that drives brand value, diminish advertiser revenue tied to the launch, and deprive Google of the competitive benefit of a coordinated release. As in prior years, the 2025 Year in Search results were confidential until they were publicly released.

c. SPAGNUOLO had access to Google’s internal data systems, including a particular Google internal software tool that provided him access to confidential, nonpublic Year in Search data. Based on image captures of that tool, which I have reviewed, I have learned that the software tool bore a banner that stated, in part, “Google Confidential” in red text.

Relevant Background on Polymarket Google Year in Search Markets

6. Based on my review of documents provided by Polymarket, interviews with Polymarket personnel, and my review of Polymarket’s website, I have learned the following, among other things:

a. Polymarket is a prediction marketplace operated by Blockratize, Inc., and headquartered in Manhattan, New York. Polymarket offers hundreds of “markets”—referred to as binary event contracts, or “shares”—that allow users to wager on the outcome of future events across categories including current events, politics, sports, and pop culture. Markets, including those relevant here, are created by Polymarket personnel before being published. Each market is framed as a Yes/No question such as “Will X happen?” and pairs a YES share with a NO share. At

resolution, the share on the correct side pays \$1.00; the other pays \$0.00. At all times relevant to this Complaint, shares are priced in the cryptocurrency “USDC.e,” a stablecoin pegged 1:1 to the U.S. dollar, and trade between \$0.00 and \$1.00, with the share price reflecting the market’s real-time assessment of the probability that an event will occur. For example, if the market perceives a 75% probability, the YES share will trade at approximately \$0.75 and the NO share at approximately \$0.25, and the prices adjust as counterparty supply and demand shift. Polymarket’s website is accessible via the internet throughout the world, including in the Southern District of New York.

b. In or about October 2025, Polymarket began offering binary event contracts related to whether certain individuals would or would not be the most “searched” individuals on Google for 2025. On or about October 14, 2025, Polymarket posted a market offering event contracts regarding whether any of approximately 24 individuals would, or would not, be the “#1 Searched Person on Google this year [i.e. 2025].” On or about October 20, 2025, Polymarket posted a market offering event contracts related to whether approximately 24 individuals would or would not be the “Top 5 Most Searched People on Google 2025.” Both of those markets would resolve based on what was published on Google’s “Year in Search 2025” website, which reported the top “trending” people for 2025 based on Google search data.

c. Based on my review of Google’s website, and communications with Google personnel, I have learned that on or about December 4, 2025, Google publicly revealed their Year in Search results on its Year in Search website.¹ As reported by the that website, the Global Top 5 Trending People for 2025 are: d4vd, Kendrick Lamar, Jimmy Kimmel, Tyler Robinson, and Pope Leo XIV. Based on my review of Polymarket’s website, I have learned that shortly thereafter the markets regarding Year in Search resolved.

SPAGNUOLO’s Polymarket Account

7. Based on documents provided by Polymarket, FBI personnel’s review of information available on cryptocurrency blockchains, my review of Polymarket’s website, and publicly available Polymarket data, I have learned the following, among other things:

a. A particular Polymarket account, which was once named “AlphaRaccoon” was created in or about May 2024.

b. Based on cryptocurrency tracing analysis performed by FBI personnel, I have learned the following, among other things, the Alpharaccoon Polymarket account was funded by a particular cryptocurrency wallet (“Wallet-0xAf6”). Specifically, (i) on or about October 13, 2025, October 27, 2025, November 11, 2025, and November 29, 2025, the AlphaRaccoon Polymarket account bridged approximately \$300,000, \$100,000, \$999,337, and \$2.4 million worth of USDC to USDC.e, respectively; (ii) following each bridge, a commensurate amount of USDC.e. was transferred from Wallet-0xAf6 to a particular cryptocurrency wallet (“Wallet-0x3D8”); (iii)

¹ Based on interviews with Google personnel, the Google Year in Search website went live between approximately five and six hours earlier than anticipated. This issue was caught by Google at on or about December 4, 2025, at approximately 03:45 UTC. The site was subsequently taken offline, and the website was republished at approximately 08:00 UTC.

from on or about October 13, 2025 through November 29, 2025, in a total of 16 transfers, Wallet-0x3D8 transferred a total of approximately 3.84 million USDC.e to the AlphaRaccoon account; (iv) on or about December 10, 2025, the AlphaRaccoon Polymarket account sent approximately 5.045 million USDC.e, to Wallet-0xAf6; and (v) on or about January 5, 2026, the AlphaRaccoon Polymarket account sent approximately 30,000 USDC.e to Wallet-0xAf6. Based on my training and experience, because Wallet-0xAf6 funded, and received proceeds from, the AlphaRaccoon account, on several occasions, Wallet-0xAf6 and the AlphaRaccoon Polymarket account appear to be used and controlled by the same person(s).

c. Based on cryptocurrency tracing analysis performed by FBI personnel, I have learned the following, among other things: on or about November 12, 2025, and November 13, 2025, in a total of approximately three transactions, Wallet-0xAf6 sent a total of approximately \$149,980 of cryptocurrency to particular cryptocurrency swapping service (“Swapping Service-1”).^{2,3} Based on documents from Swapping Service-1, I have learned that shortly after those three transactions, Swapping Service-1 sent approximately \$149,980 of cryptocurrency to a particular cryptocurrency payment processor (“Payment Processor-1”). Based on documents from Payment Processor-1, I have learned that the November 12 and 13, 2025 transactions were received by account in the name of “Michele Spagnuolo,” and that an Italian Government identification card was used to open the account at Payment Processor-1. A copy of that identification card, which I have reviewed, appears to be a government identification card for MICHELE SPAGNUOLO, a/k/a “AlphaRaccoon,” the defendant.

d. Accordingly, I believe that the AlphaRaccoon Polymarket account is used and controlled by SPAGNUOLO because that account received assets from, and sent assets to, a cryptocurrency wallet, which sent assets to an account registered in SPAGNUOLO’s name.

SPAGNUOLO’s Trades Based on Confidential, Nonpublic Information

8. Based on documents provided by Polymarket, FBI personnel’s review of information available on the Polygon blockchain, my review of Polymarket’s website, my review of Google records, and my review of records from cryptocurrency services companies, I have learned the following, among other things:

a. Between in or about September and on or about November 7, 2025, Google’s internal software tool reflected that “Kendrick Lamar” was the current top trending person in 2025.

² A cryptocurrency swapping service allows its users to convert their cryptocurrency from one type of cryptocurrency to another for a fee.

³ This transfer was from Wallet-0xAf6 on the Ethereum blockchain. Based on my training and experience, and conversations with other FBI personnel, I have learned that the Polygon blockchain is built on the Ethereum blockchain, and as such, there are wallets on the Ethereum blockchain and the Polygon blockchain that have the same unique wallet address. Because wallet addresses are cryptographically generated based on a user’s private key (which is essentially the password a user needs to move assets out of a wallet address) the fact that an Ethereum wallet and a Polygon wallet have the same wallet address means that they have the same private key, which also means that both wallets are used and controlled by the same individual(s) that have access to that private key.

b. On or about October 15, 2025, at approximately 21:25 Coordinated Universal Time (“UTC”) MICHELE SPAGNUOLO, a/k/a “AlphaRaccoon,” the defendant, accessed Google’s confidential 2025 Year in Search data using Google’s internal software tool. The next day, on or about October 16, 2025, SPAGNUOLO’s AlphaRaccoon account wagered approximately \$403 on the YES side of the question “Will Kendrick Lamar be the #1 searched person on Google this year,” at average implied probability of approximately 3%; and approximately \$10,807 on the “NO” side on the question “Will Pope Leo XIV be the #1 searched person on Google this year.” Over the next several weeks, SPAGNUOLO continued placing bets on Google Year in Search 2025 markets using the AlphaRaccoon account.

c. On or about November 27, 2025, at approximately 21:27 PM UTC, SPAGNUOLO again accessed Google’s confidential Year in Search 2025 data. By this time, Google’s internal Year in Search data reflected that “d4vd” had replaced Kendrick Lamar as the “#1 searched person on Google” for 2025. Approximately three hours later, SPAGNUOLO used the AlphaRaccoon account on Polymarket to wager approximately \$381.12 on the “YES” side of “Will d4vd rank in Google’s Top 5 Most Searched People of 2025,” at average implied odds of approximately 18%. Later that same day, SPAGNUOLO’s AlphaRaccoon account wagered approximately \$5 on the “YES” side of “Will d4vd be the #1 searched person on Google this year,” at average implied probability of only slightly higher than 0%. Based on my training and experience, at the time SPAGNUOLO placed that bet on d4vd, the market assigned a near-zero probability to d4vd being “the #1 searched person on Google this year.”

d. There appears to have been limited liquidity in the d4vd Year in Search 2025 markets. SPAGNUOLO’s AlphaRaccoon account placed larger wagers on other individuals in the Year in Search 2025 markets, where there appears to have been more liquidity. In certain of those bets, SPAGNUOLO’s AlphaRaccoon account wagered substantial sums on the outcome of higher probability events. For example, in total, SPAGNUOLO’s AlphaRaccoon account wagered: approximately \$937,688 on the “NO” side of “Will Bianca Censori be the #1 searched person on Google this year?” at average implied probability of approximately 85%; approximately \$613,587 on the “NO” side of “Will Pope Leo XIV be the #1 searched person on Google this year?” at average implied probability of approximately 56%; approximately \$509,149 on the “NO” side of “Will Donald Trump be the #1 searched person on Google this year?” at average implied probability of approximately 90%; and approximately \$171,612 on the “NO” side of “Will Donald Trump rank in Google’s Top 5 Most Searched People of 2025?” at average implied probability of approximately 66%. In total, from on or about October 15, 2025, through on or about December 4, 2025, SPAGNUOLO’s AlphaRaccoon account risked approximately \$2,754,092 on approximately 25 Google Year in Search 2025 outcomes that the market treated as unlikely.

e. Google officially and publicly announced its Year in Search 2025 results on or about December 4, 2025. Soon after it did so, SPAGNUOLO’s AlphaRaccoon account, profited approximately \$1.2 million on his Google Year in Search 2025-related bets.

SPAGNUOLO Attempted to Conceal His Unlawful Proceeds
and His Association to Accounts Used in His Scheme

9. Based on documents provided by Polymarket, FBI personnel’s review of information available on cryptocurrency blockchains, my review of and my review of records from

cryptocurrency services companies and their websites, and my review of public Discord and X (f/k/a Twitter) communities, I have learned the following, among other things:

a. From on or about December 4, 2025 through on or about December 10, 2025, when the Polymarket markets regarding Google's Year in Search resolved, the software released approximately 3,914,362 million USDC.e to the AlphaRaccoon Polymarket account.

b. On or about December 10, 2025, the AlphaRaccoon Polymarket account sent approximately 5.045 million USDC.e, to Wallet-0xAf6.⁴ This transfer emptied the AlphaRaccoon account at that time, except for one pending trade, which had not yet resolved. Once the proceeds were returned to the Ethereum side of Wallet-0xAf6, a series of transactions transpired including at least approximately two cryptocurrency swaps with a decentralized cryptocurrency swapping service, and a transfer to a cryptocurrency transfer service that holds itself out as a service which adds privacy protection to cryptocurrency transactions through removal of wallet addresses from the blockchain, among other things.

c. In or about early December 2025, after Discord and X communities discussed AlphaRaccoon, and speculated its user was a Google insider, the "AlphaRaccoon" username was removed from the Polymarket account, reverting the username to an alphanumeric wallet address.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of MICHELE SPAGNUOLO, a/k/a "AlphaRaccoon," the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

Brandon Racz
Special Agent
Federal Bureau of Investigation

Sworn to me through the transmission of
this Complaint by reliable electronic
means (telephone), this ____ day of May, 2026.

THE HONORABLE SARAH NETBURN
United States Magistrate Judge
Southern District of New York

⁴ The additional approximately 1,30,638 USDC.e. appear to be proceeds of other profitable Polymarket trades made by the AlphaRaccoon Polymarket account.