

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - x
UNITED STATES OF AMERICA :
 :
 - v. - :
 :
 JON BARRY THOMPSON, :
 a/k/a "J. Barry Thompson," :
 :
 Defendant. :
- - - - - x

INDICTMENT
19 Cr. ____

19 CRIM 698

COUNT ONE
(Commodities Fraud)

The Grand Jury charges:

Relevant Entities and Individuals

1. At all times relevant to this Indictment, Volantis Escrow Platform LLC ("Volantis Escrow") purported to be a Delaware limited liability company, but there is no record of Volantis Escrow being registered in Delaware. Volantis Market Making LLC ("Volantis Market Making") was a Delaware limited liability company. Collectively, Volantis Escrow and Volantis Market Making are referred to herein as the "Volantis Entities."

The Volantis Entities principally operated out of Pennsylvania.

2. At all times relevant to this Indictment, JON BARRY THOMPSON, a/k/a "J. Barry Thompson," the defendant, was the principal of the Volantis Entities.

3. At all times relevant to this Indictment, Company-1 was a Delaware limited liability company with offices in New York, New York and New Jersey. Company-1 conducted over-the-counter cryptocurrency transactions, i.e., Company-1 bought large amounts of cryptocurrency from, and sold cryptocurrency to, its customers who preferred to transact with Company-1 rather than buying or selling on a public cryptocurrency exchange. Company-1's goal was to profit from the spreads—the difference between the buying price and selling price—in those cryptocurrency transactions, rather than holding for itself a long term position in cryptocurrency.

Background on Cryptocurrency

4. Bitcoin is a form of cryptocurrency, which is a decentralized, peer-to-peer form of electronic currency. Cryptocurrency is a digital representation of value that can be digitally traded and functions as (1) a medium of exchange; (2) a unit of account; and/or (3) a store of value, but does not have legal tender status. Unlike "fiat currency," like the U.S. dollar and the Euro, cryptocurrency is not issued by any jurisdiction and functions only by agreement within the community of users of that particular currency.

5. Cryptocurrencies like Bitcoin are held by their owners in electronic "wallets." These wallets have unique addresses, which are designated by a string of letters and numbers. Only

an individual who possesses the unique "private key" associated with a wallet's address can access the cryptocurrency in that wallet. However, any individual can send cryptocurrency to any wallet. An individual does not have to submit any identifying information to any central authority to own a wallet, and it is therefore very easy to hold a wallet anonymously.

6. A blockchain is a public, distributed electronic ledger. Whenever someone transfers cryptocurrency between wallet addresses, it is recorded on a blockchain. The blockchain only records the movement of cryptocurrency between the addresses; it does not by itself identify the holders of the cryptocurrency. The blockchain primarily involved in this case is the Bitcoin blockchain.

7. Under Title 7, United States Code, Section 1(a)(9), a "commodity" includes "all other goods and articles . . . and all services, rights, and interests . . . in which contracts for future delivery are presently or in the future dealt in." This includes virtual currencies such as Bitcoin.

OVERVIEW OF FRAUD ON COMPANY-1

8. In or about June and July 2018, JON BARRY THOMPSON, a/k/a "J. Barry Thompson," the defendant, induced Company-1 to send the Volantis Entities over \$3 million to fund the purchase of Bitcoin after falsely assuring Company-1 that THOMPSON had the Bitcoin in hand and that Company-1's money could not be

lost. After taking Company-1's money and failing to provide any Bitcoin in return, THOMPSON lied for days about why the transaction remained uncompleted and the location of the Bitcoin at issue in the transaction. THOMPSON never provided the promised Bitcoin to Company-1 and never returned Company-1's money.

Statutory Allegations

9. From in or about June 2018 through in or about July 2018, in the Southern District of New York and elsewhere, JON BARRY THOMPSON, a/k/a "J. Barry Thompson," the defendant, as principal of Volantis Escrow, willfully and knowingly, used and employed, and attempted to use and employ, in connection with a contract of sale of a commodity in interstate commerce, 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, any manipulative device, scheme, and artifices to defraud; (2) making, and attempting to make, any untrue or misleading statement of a material fact and to omit to state a material fact necessary in order to make the statements made not untrue or misleading; and (c) engaging, or attempting to engage in any act, practice, and course of business which operates and would operate as a fraud and deceit upon any person, to wit, THOMPSON made false statements to representatives of Company-1

with respect to Company-1's attempt to purchase Bitcoin utilizing Volantis Escrow, including false statements to induce Company-1 to wire millions of dollars to Volantis Escrow and, after this wiring, false statements regarding the status of the transaction, including the location of the Bitcoin at issue.

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

COUNT TWO
(Wire Fraud)

The Grand Jury further charges:

10. The allegations contained in paragraphs 1 through 8 of this Indictment are repeated and realleged as if fully set forth herein.

11. From in or about June 2018 through in or about July 2018, in the Southern District of New York and elsewhere, JON BARRY THOMPSON, a/k/a "J. Barry Thompson," the defendant, willfully and 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 communications in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, THOMPSON, through

interstate emails and financial transfers, carried out a scheme to defraud Company-1 by making false statements to representatives of Company-1 with respect to Company-1's attempt to purchase Bitcoin utilizing Volantis Escrow, including false statements to induce Company-1 to wire millions of dollars to Volantis Escrow and, after this wiring, false statements regarding the status of the transaction, including the location of the Bitcoin at issue.

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

COUNT THREE
(Commodities Fraud)

The Grand Jury further charges:

12. The allegations contained in paragraphs 1 through 7 of this Indictment are repeated and realleged as if fully set forth herein.

OVERVIEW OF FRAUD ON COMPANY-2

13. At all times relevant to this Indictment, Company-2 was a business based in Ireland that traded in cryptocurrency.

14. From in or about March 2018 through in or about August 2018, JON BARRY THOMPSON, a/k/a "J. Barry Thompson," the defendant, induced Company-2 to send the Volantis Entities over \$4 million to fund the purchase of Bitcoin based on false representations. After receiving Company-2's money, THOMPSON sent a substantial portion of the money to a third party without

first receiving any Bitcoin in return. THOMPSON never provided Company-2 with any Bitcoin, nor did he return Company-2's money. After receiving Company-2's money, THOMPSON also lied to Company-2 about why the transaction remained uncompleted and the location of the Bitcoin at issue in the transaction.

Statutory Allegations

15. From in or about March 2018 through in or about August 2018, in the Southern District of New York and elsewhere, JON BARRY THOMPSON, a/k/a "J. Barry Thompson," the defendant, as principal of Volantis Escrow, willfully and knowingly, used and employed, and attempted to use and employ, in connection with a contract of sale of a commodity in interstate commerce, 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, any manipulative device, scheme, and artifices to defraud; (2) making, and attempting to make, any untrue or misleading statement of a material fact and to omit to state a material fact necessary in order to make the statements made not untrue or misleading; and (c) engaging, or attempting to engage in any act, practice, and course of business which operates and would operate as a fraud and deceit upon any person, to wit, THOMPSON made false statements to representatives of Company-2 with respect to Company-2's attempt to purchase Bitcoin

utilizing Volantis Escrow, including false statements to induce Company-2 to wire millions of dollars to Volantis Escrow and, after this wiring, false statements regarding the status of the transaction, including the location of the Bitcoin at issue.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.)

COUNT FOUR
(Wire Fraud)

The Grand Jury further charges:

16. The allegations contained in paragraphs 1 through 7 and paragraphs 13 through 14 of this Indictment are repeated and realleged as if fully set forth herein.

17. From in or about March 2018 through in or about August 2018, in the Southern District of New York and elsewhere, JON BARRY THOMPSON, a/k/a "J. Barry Thompson," the defendant, willfully and 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 communications in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, THOMPSON, through interstate emails and financial transfers, carried out a scheme

to defraud Company-2 by making false statements to representatives of Company-2 with respect to Company-2's attempt to purchase Bitcoin utilizing Volantis Escrow, including false statements to induce Company-2 to wire millions of dollars to Volantis Escrow and, after this wiring, false statements regarding the status of the transaction, including the location of the Bitcoin at issue.

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

FORFEITURE ALLEGATION

18. As a result of committing one or more of the offenses charged in Counts Two and Four of this Indictment, JON BARRY THOMPSON, a/k/a "J. Barry Thompson," the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses that the defendant personally obtained.

Substitute Assets Provision

19. If any of the above-described forfeitable property, as a result of any act or omission by the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

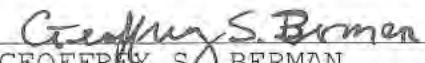
d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), and Title 28, United States Code Section 2461, to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461.)


FOREPERSON


GEOFFREY S. BERMAN
United States Attorney

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Defendant.

INDICTMENT

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(Title 7, United States Code, Sections
9(1) and 13(a)(5); Title 17, Code of
Federal Regulations, Section 180.1; Title
18, United States Code, Sections 2 and
1343.)

[REDACTED]
foreperson /

GEOFFREY S. BERMAN
United States
Attorney
