

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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:

UNITED STATES OF AMERICA

- v. -

RIKESH THAPA,

Defendant.

: SEALED INDICTMENT

: 22 Cr.

X  
22 CRIM 654

COUNT ONE

(Wire Fraud)

The Grand Jury charges:

RELEVANT PERSONS AND ENTITIES

1. At all times relevant to this Indictment, the "Victim Company" was a start-up technology company that was involved in using blockchain and other technology to provide a ticketing platform for live events.

2. At all times relevant to this Indictment, RIKESH THAPA, the defendant, was a co-founder and the Chief Technology Officer ("CTO") of the Victim Company.

OVERVIEW OF THE FRAUDULENT SCHEME

3. From in or about December 2017 through in or about September 2019, in the Southern District of New York and elsewhere, RIKESH THAPA, the defendant, carried out a scheme (the "Scheme") to defraud the Victim Company of United States currency, cryptocurrency, and utility tokens.

4. As part of the Scheme, THAPA, among other things, represented that he would hold approximately \$1 million of the Victim Company's money in his personal bank account while the Victim Company sought to diversify its banking relationships. Instead of safekeeping the funds, THAPA subsequently stole the entire \$1 million from the Victim Company and spent those funds on personal expenses, including nightclubs, travel, and clothing. THAPA then falsified records to conceal his theft. THAPA also embezzled cryptocurrency belonging to the Victim Company, transferring at least approximately 10 of the Victim Company's Bitcoin without authorization. THAPA later falsified records and deleted evidence to conceal his embezzlement of the cryptocurrency. In addition, THAPA transferred to a third party approximately 174,285 of the Victim Company's utility tokens without authorization.

**THEFT OF \$1 MILLION TRANSFERRED FOR SAFEKEEPING**

5. In or about 2018, the Victim Company had a banking relationship with a single bank ("Bank-1"). Around that time, the Victim Company sought to diversify its banking because of its understanding that certain financial institutions were reluctant to maintain relationships with companies, such as the Victim Company, involved in cryptocurrency transactions. As a

result, banking exclusively with a single bank exposed the Victim Company to business risk.

6. Accordingly, in or about October 2018, RIKESH THAPA, the defendant, agreed to receive and hold \$1 million of the Victim Company's money in his personal bank account (the "THAPA Account") at another bank ("Bank-2"), while the Victim Company explored other banking options. To facilitate the transfer, on or about October 18, 2018, THAPA and the Chief Executive Officer (the "CEO") of the Victim Company visited a branch of Bank-1 located in Manhattan and directed the transfer of \$1 million from the Victim Company's account at Bank-1 to the THAPA Account at Bank-2. Thereafter, THAPA repeatedly acknowledged the temporary nature of his possession of the funds. For example:

a. On or about November 28, 2018, THAPA emailed a colleague at the Victim Company (the "Colleague"), in substance and in part, "the [Bank-2] is my bank . . . Its [sic] there for safe keeping from [Bank-1 and] any other bank that may try to shut down crypto company use."

b. In or about November 2018, THAPA messaged the Colleague, explaining, in substance and in part, that the \$1 million was "a stationary 1mil in my account" that was "not touched or interacted with." THAPA further explained "we are diversifying risk incase [sic] [Bank-1] shuts us down."

7. In or about May 2019, the CEO asked RIKESH THAPA, the defendant, to provide a copy of a bank statement for the THAPA Account for the purpose of applying for a bank account on behalf of the Victim Company. In response, THAPA provided a forged bank statement, which falsely represented that THAPA held over \$21 million at Bank-2, approximately \$1 million of which was held in a particular savings account (the "Purported Account"). In fact, THAPA did not have the Purported Account at Bank-2, and held much less than \$21 million at Bank-2.

8. In or about summer 2019, the CEO directed RIKESH THAPA, the defendant, to return the \$1 million to the Victim Company. THAPA refused to return the funds, claiming, in substance and in part, that he needed to discuss potential tax consequences with an accountant and a tax attorney.

9. On or about September 3, 2019, RIKESH THAPA, the defendant, resigned from the Victim Company.

10. Following his receipt of the Victim Company's \$1 million in or about October 2018, and beginning before the above-described November 2018 communications in which RIKESH THAPA, the defendant, represented, in substance and in part, that the funds were "a stationary 1mil in my account" that was "there for safe keeping," THAPA used the funds to pay for, among other things, personal expenses, including nightclubs, travel,

and clothing. To date, THAPA has not returned to the Victim Company the \$1 million entrusted to him as the Victim Company's CTO for safekeeping.

#### THEFT OF CRYPTOCURRENCY

11. From at least in or about December 2017 through at least in or about September 2019, RIKESH THAPA, the defendant, was entrusted with controlling the Victim Company's cryptocurrency holdings, which generally consisted of Bitcoin and Ethereum. THAPA used this access to embezzle the Victim Company's cryptocurrency.

12. For example, in or about July 2018, the CEO instructed RIKESH THAPA, the defendant, to convert approximately 78 of the Victim Company's Bitcoin into dollars. Instead, on or about August 1, 2018, THAPA exchanged approximately 1,500 of the Victim Company's Ethereum for 81.75 Bitcoin (the "August 2018 Transaction"). Thereafter, THAPA diverted at least approximately one of the 81.75 Bitcoin for his own benefit, eventually selling that Bitcoin for approximately \$6,500, which amount THAPA deposited into the THAPA Account.

13. In order to avoid detection of the Scheme, RIKESH THAPA, the defendant, falsified trading records and deleted emails. On or about July 31, 2019, THAPA sent the CEO a fraudulent transaction report purportedly prepared by a

cryptocurrency brokerage (the "Cryptocurrency Brokerage"), which indicated that the August 2018 Transaction involved 78 Bitcoin instead of 81.75 Bitcoin. Approximately one month later, on or about August 30, 2018, the CEO, copying THAPA, requested a transaction report directly from the Cryptocurrency Brokerage. On or about September 3, 2019, the Cryptocurrency Brokerage emailed the CEO, copying THAPA, and attached the requested transaction report, which listed the 81.75 Bitcoins exchanged in the August 2018 Transaction. The same day, THAPA disabled the CEO's email account at the Victim Company (the "CEO Email Account"), deleted the Cryptocurrency Brokerage's email from the CEO Email Account, and then deleted the entire CEO Email Account.

14. Altogether, during the relevant period, RIKETH THAPA, the defendant, embezzled a total of at least 10 Bitcoin from the Victim Company.

#### **THEFT OF UTILITY TOKENS**

15. In or about 2017, the Victim Company created utility tokens (the "Utility Tokens"), which were, among other things, distributed to Victim Company employees and investors. In general, utility tokens are a type of cryptocurrency that can be used by the holder of the token to access particular services, products, or features.

16. In or about March 2019, the CEO was contacted by an individual ("Individual-1") who claimed to represent two investors (the "Purported Investors") interested in purchasing the Victim Company's Utility Tokens. The CEO, in substance and in part, told RIKESH THAPA, the defendant, about the inquiry and asked THAPA to assist in assessing the legitimacy of Individual-1.

17. In or about July 2019, unbeknownst to the CEO, RIKESH THAPA, the defendant, and Individual-1 set up a meeting in Italy between THAPA and the Purported Investors. Before the meeting, THAPA provided account information for the THAPA Account so that the Purported Investors could wire him funds. During the meeting, however, THAPA agreed to receive cash in exchange for Utility Tokens. After the meeting, THAPA transferred without authorization approximately 174,285 of the Victim's Utility Tokens to the Purported Investors. THAPA later determined that the cash he had received from the Purported Investors was counterfeit.

#### **STATUTORY ALLEGATIONS**

18. From at least in or about December 2017 through at least in or about September 2019, in the Southern District of New York and elsewhere, RIKESH THAPA, 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, THAPA carried out a scheme to defraud the Victim Company by fraudulently causing the transfer of the Victim Company's United States currency, cryptocurrency, and utility tokens to himself and others, and in furtherance thereof caused to be transmitted interstate and foreign wire transfers through the Southern District of New York.

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

**FORFEITURE ALLEGATION**

19. As a result of committing the offense charged in Count One of this Indictment, RIKESH THAPA, 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(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense.



Substitute Asset Provision

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

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- 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 subdivided 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(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;  
Title 21, United States Code, Section 853; and  
Title 28, United States Code, Section 2461.)

FOREPERSON

12/5/22

  
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DAMIAN WILLIAMS  
United States Attorney

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INDICTMENT

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(18 U.S.C. §§ 1343 and 2.)

DAMIAN WILLIAMS

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United States Attorney.

A TRUE BILL

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12/5/22

12/5/22 Sealed Indictment - Case Assigned to J. Castel for  
Arrest Warrant Issued

SS

Valerie Figueredo  
USMJ