

Presented to the Court by the foreman of the
Grand Jury in open Court, in the presence of
the Grand Jury and FILED in the U.S.
DISTRICT COURT at Seattle, Washington.

October 5th 20.22
By Ravi Subramanian, Clerk
[Signature] Deputy

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

DOUVER T. BRAGA,

Defendant.

NO. **CR22-169 TL**

INDICTMENT

The Grand Jury charges that:

COUNTS 1-12
(Wire Fraud)

A. The Scheme to Defraud

1. Beginning at a time unknown, but no later than January 2017, and continuing until in or about November 2021, in Snohomish County, within the Western District of Washington, and elsewhere, DOUVER T. BRAGA, and others known and unknown, devised and intended to devise a scheme to defraud various victims, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

2. The essence of the scheme and artifice to defraud was to persuade investors to entrust BRAGA and others with funds by representing that the funds would be

1 | invested in a cryptocurrency trading platform called Trade Coin Club (TCC) to earn
2 | profits for the investors, when in fact there was no trading, and BRAGA and others
3 | misappropriated a significant amount of the invested funds for their personal benefit.

4 | **B. Manner and Means**

5 | 3. It was part of the scheme and artifice to defraud that TCC was a business
6 | name used by Aegis Corporate Services Limited, which was incorporated in Belize on or
7 | about February 16, 2005, with “A.F.” identified as Director and Shareholder.

8 | 4. It was further part of the scheme and artifice to defraud that, in or about
9 | December of 2016, BRAGA met in Las Vegas, Nevada, with others --including “J.P.,”
10 | “R.P.,” and “P.H.” -- to discuss the plan for TCC’s operations. BRAGA and the others
11 | agreed to promote TCC as a cryptocurrency investment vehicle that would supposedly
12 | allow investors to profit in two ways. First, investors would supposedly profit by
13 | contributing bitcoin that would be invested on TCC’s trading platform. TCC had
14 | purportedly created a sophisticated software program that would reap profit from
15 | fluctuations in the prices of various cryptocurrencies by making numerous, high-speed
16 | trades of funds from one form of cryptocurrency to another. Second, investors (also
17 | referred to as “members”) would supposedly profit by earning bonuses for recruiting
18 | other investors, a practice known as multi-level marketing (MLM).

19 | 5. It was further part of the scheme and artifice to defraud that, shortly after
20 | the December 2016 meeting, TCC began promoting its platform and soliciting investors.
21 | BRAGA was described as a founder and “Master Distributor.” Other Master Distributors
22 | included J.P., R.P., and P.H. Braga and the other Master Distributors promoted TCC and
23 | solicited investors, who in turn were expected to recruit additional investors.

24 | 6. It was further part of the scheme and artifice to defraud that BRAGA and
25 | others promoted TCC in a variety of ways, including a website (tradecoinclub.com),
26 | social media campaigns, marketing presentations, promotional videos, and events for
27 | potential investors in several countries, including a March 2017 event in Thailand, a May
28 |

1 | 2017 event in Nigeria, and a May 2017 event in Macau. BRAGA appeared in
2 | promotional videos and attended overseas events.

3 | 7. It was further part of the scheme and artifice to defraud that, in these
4 | various forms of promotion, BRAGA and others repeatedly made material false
5 | statements and representations, and omitted material facts. For example, BRAGA and
6 | others claimed that the funds contributed by investors would be invested in a
7 | cryptocurrency trading platform, when in truth, as BRAGA knew, TCC did not invest any
8 | investor funds. BRAGA and others claimed that TCC used sophisticated trading
9 | software, when in truth, as BRAGA knew, TCC did not use any trading software.
10 | BRAGA and others claimed that investors were protected by a “stop loss” feature, when
11 | in truth, as BRAGA knew, there was no such feature to protect investors against loss.
12 | BRAGA and others deliberately failed to tell investors the material fact that, because
13 | there would be no profit from investments, any supposed earnings for investors would be
14 | taken from funds deposited by other investors. BRAGA and others also deliberately
15 | failed to tell investors the material fact that they intended to withdraw, and did in fact
16 | withdraw, investor funds for their personal benefit. BRAGA and others also deliberately
17 | failed to tell investors the material fact that – as an attorney had informed BRAGA on or
18 | about June 9, 2017 – TCC’s operations violated United States laws requiring licensing
19 | and registration in connection with the sale of securities. BRAGA and others also
20 | deliberately failed to tell investors the material fact that – as the attorney had informed
21 | BRAGA on or about June 9, 2017 – TCC’s operations violated anti-pyramid laws
22 | regulating MLM schemes. BRAGA and others also deliberately failed to tell investors
23 | the material fact that the attorney had advised BRAGA on or about June 9, 2017, to
24 | immediately cease all operations in the United States.

25 | 8. It was further part of the scheme and artifice to defraud that the false
26 | statements and representations included the following:

27 | a. At a webinar on or about February 17, 2017, J.P. stated that TCC
28 | investors would earn a daily profit from investment activity of at least 0.35%;

1 b. At a promotional event called a “Grand Launch” in Macau on or
2 about May 26, 2017, BRAGA and J.P. made presentations stating that TCC was a
3 software trading platform. BRAGA also stated that TCC already had 126,000 members
4 from 231 different countries;

5 c. At a promotional event in Thailand on or about November 10, 2017,
6 BRAGA stated that TCC had been operational and successful for over a year, and that
7 investors would continue to earn money. BRAGA also stated that TCC had automated
8 trading software, which he referred to as “robots.” BRAGA also appeared with A.F., and
9 identified A.F. as the head of another purported trading platform called Trade by Trade
10 (TBT). BRAGA stated that the TBT service, which purportedly included automated
11 trading, would be available to TCC investors; and

12 d. TCC’s public website included information slides and a business
13 plan video stating that funds invested into TCC would be traded using TCC’s software
14 program.

15 9. It was further part of the scheme and artifice to defraud that, based on these
16 and other false representations and omissions, BRAGA and others induced tens of
17 thousands of investors in the United States and elsewhere to entrust over 82,000 bitcoin
18 valued at over \$290 million at the time of deposit to TCC during a period beginning in or
19 around December 2016 and continuing until in or around November 2021.

20 10. It was further part of the scheme and artifice to defraud that BRAGA and
21 others continued to make false representations to investors even after they had entrusted
22 funds to TCC. These false representations were designed to encourage existing investors
23 to entrust further funds to TCC, create positive word-of-mouth about TCC, and avoid
24 detection of the fraudulent scheme. For example, TCC gave investors access to its online
25 portal which supposedly showed the activity of their investment accounts. The portal
26 reported fictional trading data to the investors, creating the illusion that the investors were
27 earning money based on trading. TCC provided investors with a record called a “Daily
28 Receipt Trade” that purported to show the daily results of each investor’s trading activity.

1 TCC provided investors with records of over 26 million Daily Receipt Trades, of which
2 only 5 showed a loss on a trading day. In truth, as BRAGA knew, the Daily Receipt
3 Trade reports were fictional and there was no trading.

4 11. It was further part of the scheme and artifice to defraud that, when investors
5 exercised their right to withdraw funds from their accounts, any earnings provided to
6 investors were obtained from deposits by other investors, rather than by profits from
7 trading.

8 12. It was further part of the scheme and artifice to defraud that, in or around
9 February of 2017, TCC retained an attorney to review documents related to TCC's
10 business operations. In communications with the attorney, BRAGA provided, and was
11 responsible for providing, false information, including the false claims that TCC would
12 use investor funds for trading and that TCC had a software trading program. By hiring
13 the attorney, BRAGA intended to further the scheme in various ways, including by
14 having the attorney review and prepare documents that would be necessary for TCC's
15 business. On or about June 9, 2017, the attorney told BRAGA in an email and a
16 memorandum that TCC's business model was illegal because it violated anti-pyramid
17 statutes and securities laws. The attorney advised BRAGA and TCC to immediately stop
18 operating in the United States, and the attorney ended the representation.

19 13. It was further part of the scheme and artifice to defraud that BRAGA and
20 others withdrew and misappropriated investor funds. Beginning in approximately
21 December of 2016, and continuing until approximately July of 2019, approximately
22 8,000 of the over 82,000 bitcoin deposited by investors was transferred to accounts at
23 cryptocurrency exchanges that BRAGA personally controlled. The total value of the
24 funds transferred to BRAGA's accounts was over \$50 million at the time of transfer.

25 14. It was further part of the scheme and artifice to defraud that the transfers to
26 BRAGA and others generally did not take place through TCC's typical process for
27 investor withdrawals. Ordinarily, a withdrawal would occur after an investor submitted a
28 request to the TCC platform, and the TCC platform would log and track the request and

1 any resulting transfer, including the amount of the transfer and the bitcoin address that
2 funds were sent to. TCC placed limits on withdrawals based on the amount of
3 investment, purported earnings, and fees charged by TCC. In BRAGA's case, however,
4 the bitcoin was transferred to him in approximately 120 separate transactions. Only one
5 of those transactions, in the amount of 0.427 bitcoin, was logged in the TCC database.
6 The remainder of the bitcoin was transferred to BRAGA outside of TCC's system. This
7 allowed BRAGA to circumvent the withdrawal limits. In several instances, notations in
8 the TCC database indicate that BRAGA directed or authorized the transfer of funds to his
9 accounts. For example, a notation in connection with the transfer of approximately 100
10 bitcoin on or about January 30, 2017, states that "DB" requested the transfer.

11 15. It was further part of the scheme and artifice to defraud that, in the latter
12 part of the scheme, BRAGA and others made false representations, and omitted material
13 facts, in communications with investors to conceal the true nature of TCC's operations,
14 and to conceal the misappropriation of investor funds by BRAGA and others. By late
15 2017 and early 2018, an increasing number of TCC investors were having problems
16 accessing their online accounts or withdrawing funds.

17 16. It was further part of the scheme and artifice to defraud that TCC eventually
18 required investors to withdraw funds in the form of T-coin, a new cryptocurrency created
19 by TCC. In approximately November of 2017, TCC publicly announced the creation of
20 T-coin and promoted it as another investment opportunity. Shortly after, however, TCC
21 told investors that they could only withdraw funds – including their initial investments
22 and any supposed earnings – in the form of T-coin. A feature on TCC's online platform
23 allowed investors to convert the bitcoin held in their TCC accounts to T-coin. Having
24 converted their funds to T-coin, investors could then only convert their T-coin into
25 dollars or another widely-used currency by using the services of a currency exchange,
26 such as TBT (the company run by A.F.). TBT, however, only allowed people with an
27 address outside the United States to use its exchange platform. This restriction made it
28 difficult for some TCC investors to convert their T-coin. Even if investors were able to

1 convert their T-coin to dollars or another currency, they often lost value due to the
2 unfavorable exchange rate.

3 17. It was further part of the scheme and artifice to defraud that, in
4 approximately January 2018, TCC emailed investors residing in the United States and
5 announced that it was ceasing operations in the United States and cancelling their
6 accounts. The email stated that TCC was taking this action because of regulatory
7 problems. In truth, BRAGA and others had long known that TCC was not legally
8 permitted to operate in the United States. The purpose of the email was to conceal the
9 fact that TCC had failed to invest funds as promised, was unable to deliver the promised
10 earnings, and that BRAGA and others had misappropriated investor funds. TCC made
11 other false representations, and omitted other material facts, to conceal this information
12 from investors, many of whom never recouped their initial investments or the promised
13 earnings.

14 18. It was further part of the scheme and artifice to defraud that BRAGA
15 continued to misappropriate investor funds even during the period when many investors
16 were unable to withdraw funds from their accounts.

17 19. It was further part of the scheme and artifice to defraud that BRAGA
18 concealed his income from the scheme on his federal income tax returns. BRAGA
19 received bitcoin worth approximately \$30.5 million in 2017, \$13.1 million in 2018, and
20 \$10 million in 2019. On his federal Form 1040 income tax returns, BRAGA reported
21 total income of \$152,298 for 2017, \$73,473 for 2018, and \$72,870 for 2019. BRAGA
22 did not report his income from the scheme in order to conceal both the fraudulent scheme
23 and his misappropriation of investor funds.

24 **C. Execution of the Scheme to Defraud**

25 20. On or about the dates set forth below, in Snohomish County, within the
26 Western District of Washington, and elsewhere, DOUVER T. BRAGA, for the purpose
27 of executing this scheme and artifice, did knowingly cause to be transmitted by wire
28 communication in interstate and foreign commerce writings, signs, signals, pictures, and

sounds, each transmission of which was a transmission between the Western District of Washington and a location outside the State of Washington, and each transmission of which constitutes a separate Count of this Indictment.

Count	Date	Sender	Recipient	Wire Transmission
1	10/5/17	P.K.	TCC	Initiation of deposit of approximately 1.12 btc
2	10/5/17	A.T.	TCC	Initiation of deposit of approximately 1.05 btc
3	10/9/17	W.F.	TCC	Initiation of withdrawal of approximately 10.02 btc
4	10/10/17	R.H.	TCC	Initiation of deposit of approximately 2.55 btc
5	10/15/17	R.H.	TCC	Initiation of withdrawal of approximately .176 btc

1	6	10/21/17	S.B.	TCC	Initiation of
2					deposit of
3					approximately
4					.371 btc
5	7	10/22/17	S.B.	TCC	Initiation of
6					deposit of
7					approximately
8					.200 btc
9	8	10/23/17	S.B.	TCC	Initiation of
10					deposit of
11					approximately
12					.539 btc
13	9	11/5/17	P.K.	TCC	Initiation of
14					deposit of
15					approximately
16					1.04 btc
17	10	11/23/17	V.B.	TCC	Initiation of
18					withdrawal of
19					approximately
20					.237 btc
21	11	1/8/18	D.M./B.M.	TCC	Initiation of
22					deposit of
23					approximately
24					.472 btc
25	12	3/9/18	S.B.	TCC	Initiation of
26					deposit of
27					approximately
28					.109 btc

1 All in violation of Title 18, United States Code, Sections 1343 and 2.

2 **COUNT 13**

3 **(Conspiracy to Commit Wire Fraud)**

4 21. Beginning at a time unknown, but no later than January 2017, and
5 continuing until on or about November 2021, in Snohomish County, within the Western
6 District of Washington, and elsewhere, DOUVER T. BRAGA and others known and
7 unknown did knowingly and willfully conspire to commit the offense of Wire Fraud, in
8 violation of Title 18, United States Code, Section 1343, as charged in Counts 1 through
9 12 of this Indictment.

10 22. The Grand Jury realleges and incorporates Paragraphs 1 through 20 of this
11 Indictment as if fully set forth herein.

12 **A. The Object of the Conspiracy**

13 23. The object of the conspiracy is set forth in Paragraphs 1 through 2 of this
14 Indictment.

15 **B. Manner and Means**

16 24. The manner and means of the conspiracy are set forth in Paragraphs 3
17 through 20 of this Indictment.

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

19 **FORFEITURE ALLEGATION**

20 The allegations contained in Counts 1-13 of this Indictment are hereby realleged
21 and incorporated by reference for the purpose of alleging forfeiture. Upon conviction of
22 an offense alleged in Counts 1-13, DOUVER T. BRAGA shall forfeit to the United States
23 any property constituting, or derived from, proceeds the defendant obtained directly or
24 indirectly, as a result of the offense. All such property is forfeitable pursuant to Title 18,
25 United States Code, Section 981(a)(1)(C), by way of Title 28, United States Code,
26 Section 2461(c), and includes but is not limited to a sum of money reflecting the proceeds
27 the defendant obtained as a result of the offense.
28

1 **Substitute Assets.** If any of the above-described forfeitable property, as a result of
2 any act or omission of the defendant,

- 3 a. cannot be located upon the exercise of due diligence;
4 b. has been transferred or sold to, or deposited with, a third party;
5 c. has been placed beyond the jurisdiction of the Court;
6 d. has been substantially diminished in value; or,
7 e. has been commingled with other property which cannot be divided without
8 difficulty,

1 it is the intent of the United States to seek the forfeiture of any other property of the
2 defendant, up to the value of the above-described forfeitable property, pursuant to Title
3 21, United States Code, Section 853(p).

6 A TRUE BILL:

8 DATED: 10-5-2022

10 *Signature of Foreperson redacted pursuant*
11 *to the policy of the Judicial Conference of*
12 *the United States.*

12 FOREPERSON

13
14
15 NICHOLAS W. BROWN
United States Attorney

16
17
18 ANDREW FRIEDMAN
Assistant United States Attorney

19
20
21 MICHAEL DION
Assistant United States Attorney

22
23
24 PHILIP KOPCZYNSKI
Assistant United States Attorney