



# CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

## Trends in CFTC Virtual Currency Enforcement Actions

2015–2021

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# Executive Summary

The U.S. Commodity Futures Trading Commission (CFTC) is one of the main regulators engaged in the cryptocurrency space. This update to our previous report shows that, between 2015 and 2021, the CFTC brought 60 actions against virtual currency market participants, including traders, exchanges, and service providers.

- Three-quarters of the actions brought by the CFTC since 2015 occurred in 2020 or 2021. This uptick was largely driven by two groups of simultaneous actions against multiple entities for alleged failure to register with the CFTC.
- Of the 60 actions between 2015 and 2021, 22 were litigated in U.S. district courts. The other 38 actions did not progress to the courts—12 were resolved as simultaneous CFTC orders and settlements while the remaining 26 were CFTC complaints and notices that do not appear to have progressed further.
- The majority of actions—41 out of 60—involved alleged failure to register with the CFTC.
- Additionally, 23 of the 60 actions involved an allegedly fraudulent scheme, while 10 of the actions involved allegedly illegal off-exchange commodity transactions.
- Of the 22 cases litigated in U.S. courts, nearly half occurred in the state of New York.

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*In 2021, fines and restitution amounts ordered by the CFTC or U.S. district courts totaled over \$765 million.*

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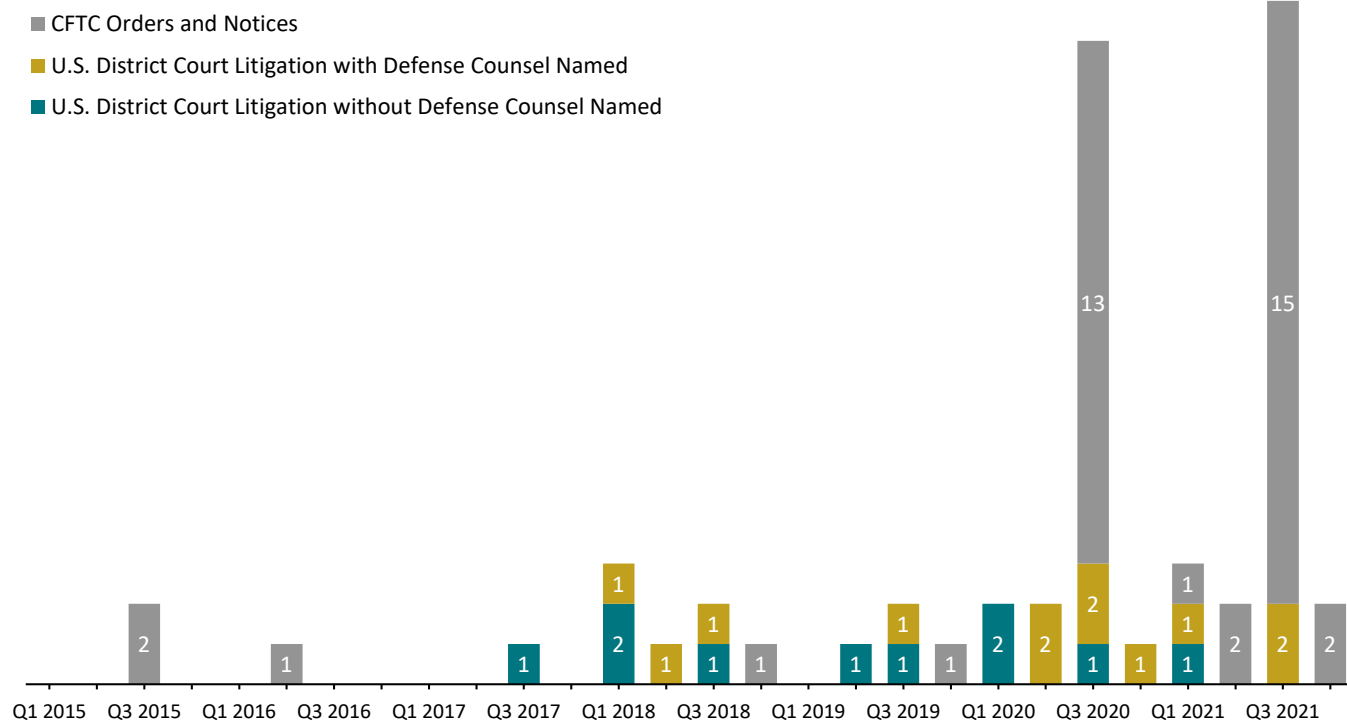
- As of May 1, 2022, 12 of the 22 litigated cases had reached a resolution. Another three cases had reached partial settlements or remained under appeal.
- The median time from the date of the complaint filing to the case resolution was 323 days.
- In 2021, fines and restitution amounts ordered by the CFTC or U.S. district courts totaled over \$765 million across 12 cases.

# Virtual Currency Enforcement Action Overview

- In 2021, the CFTC brought 24 actions, compared with 21 actions in 2020 and a total of 15 actions between 2015 and 2019.
- Of the 60 actions between 2015 and 2021, 22 were litigated in U.S. district courts. The other 38 did not progress to the courts—12 were resolved as simultaneous CFTC orders and settlements while the remaining 26 were CFTC complaints and notices that do not appear to have progressed further.
- Almost all actions involving virtual currencies concerned transactions in Bitcoin alone or in combination with other virtual currencies.<sup>1</sup>

*Of the 22 cases litigated in U.S. district courts, 12 of these have defense counsel named.*

Figure 1: Number of CFTC Virtual Currency Enforcement Actions 2015–2021



Source: cftc.gov

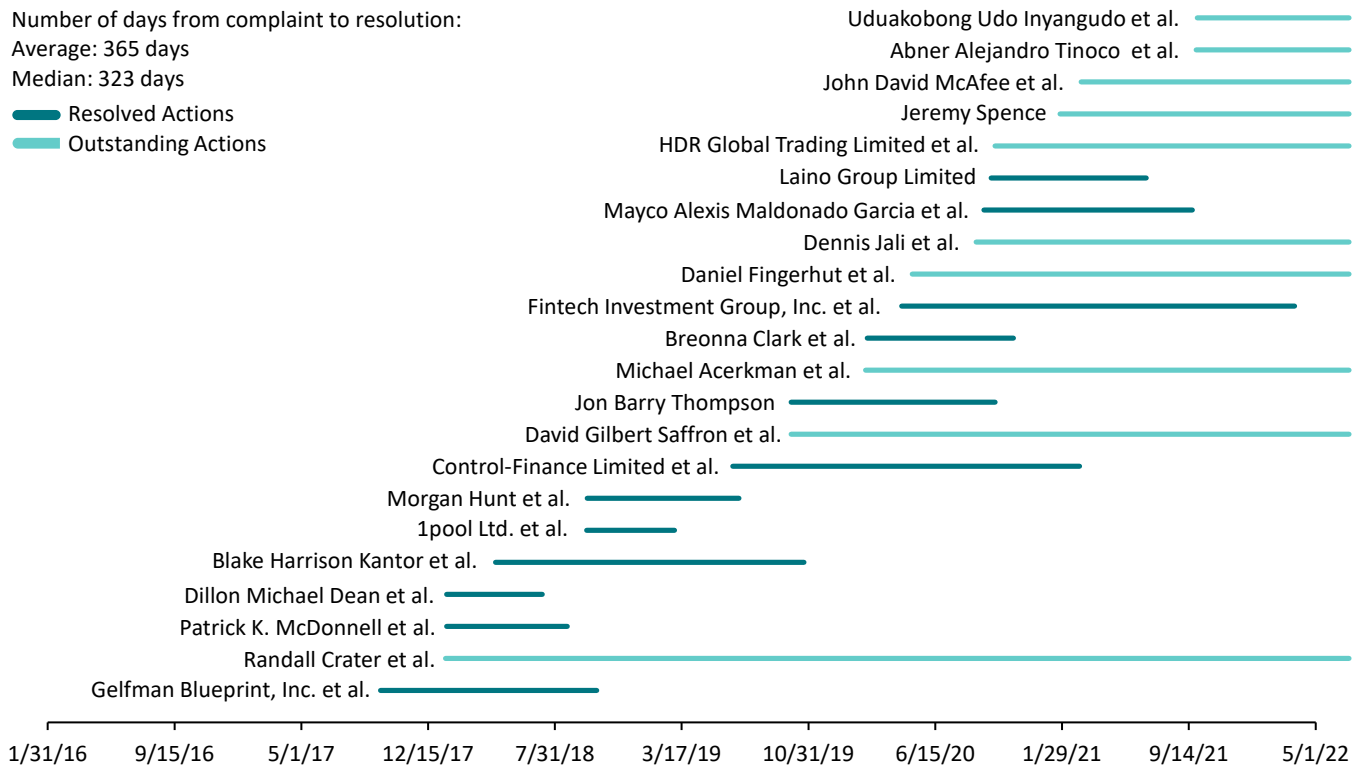
Note: Dates for CFTC orders and notices represent the date of the final order of settlement (for actions classified as simultaneous order and settlement) or the date of the initial CFTC complaint and notice (for actions that did not appear to have progressed beyond the initial CFTC complaint). Dates for U.S. district court litigation actions represent the date of the complaint filing.

# Case Duration

- As of May 1, 2022, 12 of the 22 actions litigated in U.S. district courts had reached a resolution.
- The median time from the date of the complaint filing to the case resolution was 323 days.
- The 10 actions for which no resolution has been reached have a median time outstanding of 594 days as of May 1, 2022.

*Between Q3 2017 and May 1, 2022, the median number of days from complaint to resolution was 323 days.*

Figure 2: Time from U.S. District Court Complaint to Resolution of CFTC Virtual Currency Enforcement Actions Q3 2017–May 1, 2022



Source: cftc.gov

Note: Out of 22 litigations, 10 actions are outstanding as of May 1, 2022, and have been excluded from the calculations of average and median number of days from complaint to resolution. As of May 1, 2022, these outstanding actions had an average time outstanding of 654 days with a median time outstanding of 594 days.

# Venue

- Of the 22 actions litigated in U.S. district courts, nearly half occurred in the state of New York, with seven in the Southern District of New York and three in the Eastern District of New York.
- Outside of New York, multiple actions were litigated in Texas (four), Massachusetts (two), and Florida (two).
- The 22 litigations were presided over by 19 different judges across 12 U.S. district courts.

*Nearly half of the actions litigated in U.S. district courts occurred in the state of New York.*

Figure 3: Courts and Presiding Judges of CFTC Virtual Currency Enforcement Actions 2015–2021

U.S. District Court	Number of Actions	Actions Resolved	Judges
Southern District of New York	7	3	Mary Kay Vyskocil (2 cases), John G. Koeltl (2 cases), Loretta A. Preska, P. Kevin Castel, and Naomi Reice Buchwald
Eastern District of New York	3	3	Sandra J. Feuerstein (2 cases) and Jack B. Weinstein
Southern District of Texas	2	2	Sim Lake and David Hittner
District of Massachusetts	2	–	Richard G. Stearns and Rya W. Zobel
District of Colorado	1	1	Daniel D. Domenico
District of Columbia	1	1	Trevor N. McFadden
Middle District of Florida	1	1	Wendy W. Berger
Northern District of Texas	1	1	Reed O'Connor
District of Maryland	1	–	George Jarrod Hazel
District of Nevada	1	–	Jennifer A. Dorsey
Southern District of Florida	1	–	Darrin P. Gayles
Western District of Texas	1	–	David Guaderrama
Not Applicable	38	–	–
<b>Total</b>	<b>60</b>	<b>12</b>	<b>19</b>

Source: cftc.gov

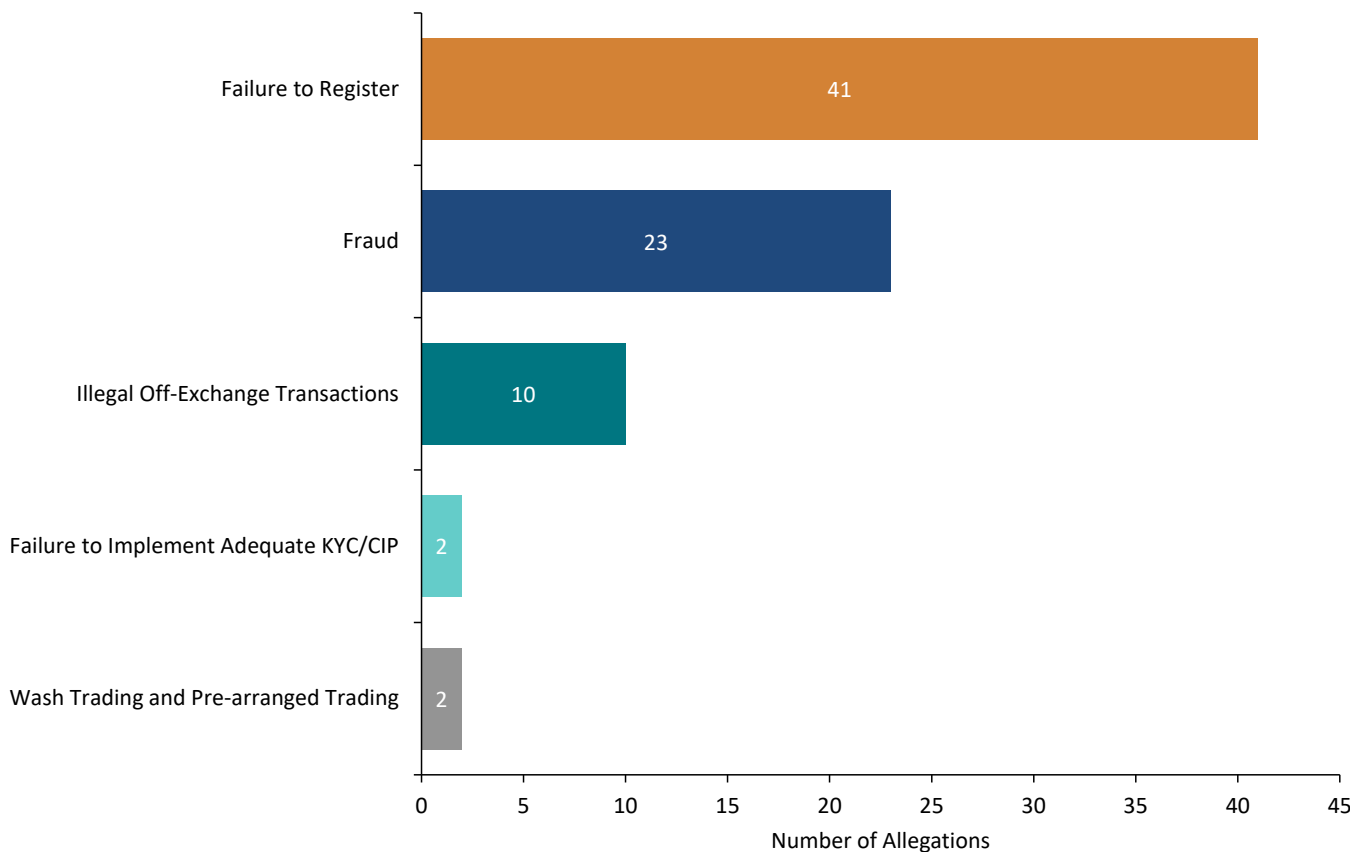
Note: Actions identified as occurring in a “Not Applicable” court represent actions maintained with the CFTC (see CFTC orders or notices).

# Allegations

- The majority of actions—41 out of 60—involved an alleged failure to register with the CFTC.
- The next most common action involved allegedly fraudulent schemes, with 23 of the 60 actions involving allegations that investors were misled in the trading of commodities, commodity futures contracts, or options. Among the fraudulent schemes, 10 cases alleged Ponzi-like schemes.<sup>2</sup>
- There were 10 cases that involved allegedly illegal off-exchange transactions.

Approximately 68% of actions involved an alleged failure to register with the CFTC.

Figure 4: CFTC Virtual Currency Enforcement Actions by Type of Allegation 2015–2021



Source: cftc.gov

Note: Allegations in the 60 actions are taken from the litigation complaints and CFTC orders and notices. An action may be associated with more than one alleged violation. KYC/CIP refers to the Know Your Customer and Customer Identification Program requirements.

# Recent Virtual Currency Enforcement Actions

- In 2021, fines and restitution amounts ordered by the CFTC or U.S. district courts totaled over \$765 million across 12 cases (including partial settlements and cases currently under appeal).
- Four of these 12 cases resulted in fines and restitution amounts exceeding \$10 million each. The largest of these is *CFTC v. Control-Finance Limited and Benjamin Reynolds*, where the Honorable Mary Kay Vyskocil of the Southern District of New York levied over \$571 million in fines and restitution.
- In September 2020 and then again in September 2021, the CFTC filed simultaneous charges against a large set of entities that either made false registration claims or failed to register with the CFTC. A total of 26 entities classified as virtual currency market participants were charged in these two simultaneous actions.

*In 2021, fines and restitution amounts ordered by the CFTC or U.S. district courts totaled over \$765 million.*

- See Appendix for all CFTC virtual currency enforcement actions.

Figure 5: Cumulative CFTC Enforcement Amounts 2015–May 1, 2022

Year	Enforcement Amount	Cumulative Enforcement Amount
2015	\$0	\$0
2016	\$75,000	\$75,000
2017	\$0	\$75,000
2018	\$7,315,994	\$7,390,994
2019	\$5,740,624	\$13,131,618
2020	\$8,482,332	\$21,613,950
2021	\$765,736,703	\$787,350,653
2022	\$1,800,000	\$789,150,653

Source: cftc.gov

Note: Enforcement Amounts are shown for each year and include partial settlements and enforcement amounts under appeal.



# Methodology

- The CFTC enforcement action website was used to identify actions relevant to financial technologies. See “Enforcement Actions,” CFTC, <https://www.cftc.gov/LawRegulation/Enforcement/EnforcementActions/index.htm>.
- Enforcement actions with a release date between January 1, 2015, and December 31, 2021, were reviewed for a series of financial technology relevant phrases.
- Actions were identified as relevant if the enforcement action released by the CFTC contained phrases such as “bitcoin,” “blockchain,” “crowdfunding,” “crypto,” “decentralized autonomous organization,” “digital currency,” “digital token,” “ethereum,” “initial coin offering,” “ripple,” “virtual currency,” or a number of other related phrases.
- Allegations in the enforcement actions were taken from the litigation complaints and CFTC orders and notices.
- Resolution date of an action and/or enforcement amount were recorded if they took place on May 1, 2022, or earlier.

## Endnotes

- <sup>1</sup> A total of 31 cases involve Bitcoin alone, and another 11 cases involve Bitcoin in combination with at least one other virtual currency. Only five cases involve specific virtual currencies but do not involve Bitcoin. These cases involve ATM Coin (two cases), Compcoin, My Big Coin, and USDt. The full list of virtual currencies involved in cases includes ATM Coin, Bitcoin, Bitcoin Cash, Compcoin, Dogecoin, Ethereum, Litecoin, My Big Coin, Reddcoin, Verge, and USDt.
- <sup>2</sup> The 10 litigation actions alleging that defendants ran a Ponzi-like scheme are: *CFTC v. Gelfman Blueprint Inc. and Nicholas Gelfman*; *CFTC v. My Big Coin Pay Inc. et al.*; *CFTC v. Dillon Michael Dean and The Entrepreneurs Headquarters Limited*; *CFTC v. Control-Finance Limited and Benjamin Reynolds*; *CFTC v. David Gilbert Saffron a/k/a David Gilbert and Circle Society Corp.*; *CFTC v. Michael Ackerman et al.*; *CFTC v. Venture Capital Investments Ltd. and Breonna S. Clark*; *CFTC v. Dennis Jali et al.*; *CFTC v. Jeremy Spence*; and *CFTC v. Abner Alejandro Tinoco and Kikit & Mess Investments LLC*.

# About the Authors

## **Abe Chernin**

Vice President, Cornerstone Research

Abe Chernin has extensive experience with FinTech, asset-backed securities, private equity and venture capital, corporate and asset valuation, and general damages. In support of Cornerstone Research's FinTech capabilities, Mr. Chernin leads matters related to crypto token categorization, cryptocurrency exchanges, initial coin offerings, and other forms of equity crowdfunding, peer-to-peer lending, and commercial uses for blockchain technology.

## **Nicole Moran**

Principal, Cornerstone Research

Nicole Moran is an economist who provides financial and economic analysis in litigation and regulatory proceedings. Dr. Moran leads Cornerstone Research's FinTech practice on cryptocurrency exchanges, derivative contracts, and initial coin offerings. She has extensive expertise in derivative markets for both exchange-traded and over-the-counter products that involve trading activity, order book data, and evaluation of market designs. Prior to joining Cornerstone Research, Dr. Moran was a research economist at the CFTC, where she conducted analyses on derivative markets.

## **Mitchell Allen**

Associate, Cornerstone Research

Mitchell Allen provides financial and economic analysis in all phases of commercial litigation and regulatory proceedings. Mr. Allen focuses on a range of finance topics, including market manipulation, FinTech, market microstructure, commodities, asset valuation, and asset-backed securities.

The views expressed herein are solely those of the authors, who are responsible for the content, and do not necessarily reflect the views of Cornerstone Research.

# Appendix

## CFTC Virtual Currency Enforcement Actions 2015–2021

CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission In the Matter of Coinflip Inc. doing business as Derivabit and Francisco Riordan  CFTC Orders Bitcoin Options Trading Platform Operator and Its CEO to Cease Illegally Offering Bitcoin Options and to Cease Operating a Facility for Trading or Processing of Swaps without Registering	CFTC Docket No. 15-29	9/17/15	9/17/15	Failure to Register	Bitcoin	N/A	\$0
Commodities Futures Trading Commission In the Matter of TeraExchange LLC  CFTC Settles with TeraExchange LLC for Failing to Enforce Prohibitions on Wash Trading and Prearranged Trading in Bitcoin Swap	CFTC Docket No. 15-33	9/24/15	9/24/15	Wash Trading / Prearranged Trading	Bitcoin	N/A	\$0
Commodities Futures Trading Commission In the Matter of BFXNA Inc. doing business as Bitfinex  CFTC Orders Bitfinex to Pay \$75,000 for Offering Illegal Off-Exchange Financed Retail Commodity Transactions and Registration Violations	CFTC Docket No. 16-19	6/2/16	6/2/16	Failure to Register; Illegal Off-Exchange Transactions	Bitcoin; Litecoin	N/A	\$75,000
Commodities Futures Trading Commission v. Gelfman Blueprint Inc. and Nicholas Gelfman  Federal Court Orders Trading Firm and CEO to Pay More than \$2.5 Million for Fraudulent Bitcoin Ponzi Scheme	S.D.N.Y. 1:17-cv-07181	9/21/17	10/15/18	Fraud	Bitcoin	\$600,000	\$3,078,300
Commodities Futures Trading Commission v. Randall Crater; Mark Gillespie; John Roche; Michael Kruger; My Big Coin Pay Inc.; and My Big Coin Inc.; and relief defendants Kimberly Renee Benge; Kimberly Renee Benge doing business as Greyshore Advertisement also known as Greyshore Advertiset; Barbara Crater Meeks; Erica Crater; Greyshore LLC; and Greyshore Technology LLC  Federal Court Finds That Virtual Currencies Are Commodities	D. Mass. 1:18-cv-10077	1/16/18		Fraud	My Big Coin	\$6,000,000	Not Provided

CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission v. Patrick K. McDonnell, and Cabbagetechnology Corp., doing business as Coin Drop Markets  CFTC Wins Trial against Virtual Currency Fraudster	E.D.N.Y. 1:18-cv-00361	1/18/18	8/23/18	Fraud	Bitcoin; Litecoin	\$457,394	\$1,161,717
Commodities Futures Trading Commission v. Dillon Michael Dean and The Entrepreneurs Headquarters Limited  Federal Court Orders Commodity Pool Operator and Its Principal to Pay More than \$1.9 Million for Bitcoin and Binary Options Fraud Scheme	E.D.N.Y. 2:18-cv-00345	1/18/18	7/9/18	Failure to Register; Fraud	Bitcoin	\$432,185	\$1,929,977
Commodities Futures Trading Commission v. Blake Harrison Kantor also known as Bill Gordon, Nathan Mullins, Blue Bit Banc, Blue Bit Analytics Ltd., G. Thomas Client Services, and Mercury Cove Inc.  Federal Court Orders Defendants to Pay More than \$4.25 Million for Fraud and Misappropriation	E.D.N.Y. 2:18-cv-02247	4/16/18	10/23/19	Failure to Register; Fraud; Illegal Off-Exchange Transactions	ATM Coin	\$618,810	\$4,251,740
Commodities Futures Trading Commission v. 1pool Ltd. and Patrick Brunner  Foreign Trading Platform and Its CEO to Pay \$990,000 for Illegal Bitcoin-Related Transactions with U.S. Customers	D.D.C. 1:18-cv-02243	9/27/18	3/4/19	Failure to Implement Adequate KYC/CIP Procedures; Failure to Register; Illegal Off-Exchange Transactions	Bitcoin	N/A	\$991,000
Commodities Futures Trading Commission v. Morgan Hunt doing business as Diamonds Trading Investment House and Kim Hecroft doing business as First Options Trading  Federal Court Permanently Enjoins Defendants and Orders Them to Pay Penalties and Restitution for Bitcoin Solicitation Fraud, Impersonating a CFTC Investigator, and Sending Forged CFTC Documents	N.D. Tex. 4:18-cv-00807	9/28/18	6/28/19	Fraud	Bitcoin	N/A	\$395,989
Commodities Futures Trading Commission In the Matter of Joseph Kim  CFTC Orders Former Virtual Currency Trader to Pay More than \$1.1 Million for Fraudulent Bitcoin and Litecoin Scheme	CFTC Docket No. 19-02	10/29/18	10/29/18	Fraud	Bitcoin; Litecoin	\$601,000	\$1,146,000

CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission v. Control-Finance Limited (Control-Finance) and its principal, Benjamin Reynolds  Federal Court Orders UK Man to Pay More than \$571 Million for Operating Fraudulent Bitcoin Trading Scheme	S.D.N.Y. 1:19-cv-05631	6/17/19	3/2/21	Fraud	Bitcoin	\$147,000,000	\$571,986,589
Commodities Futures Trading Commission v. Jon Barry Thompson  Federal Court Orders Pennsylvania Man [to] Pay \$7.4 Million in Restitution for Multi-Million Dollar Bitcoin Fraud	S.D.N.Y. 1:19-cv-09052	9/30/19	10/1/20	Fraud	Bitcoin	\$7,000,000	\$7,431,728
Commodities Futures Trading Commission v. David Gilbert Saffron aka David Gilbert and Circle Society Corp  Federal Court Orders Nevada Company and Its Owner to Pay More than \$32 Million for Cryptocurrency Fraud and Misappropriation Scheme	D. Nev. 2:19-cv-01697	9/30/19		Failure to Register; Fraud	Bitcoin	\$11,000,000	\$32,141,375 – Case Ongoing Due to Appeal
Commodities Futures Trading Commission In the Matter of XBT Corp. SARL d/b/a First Global Credit (FGC)  CFTC Charges Foreign Trading Platform for Failing to Register with the CFTC	CFTC Docket No. 20-04	10/31/19	10/31/19	Failure to Register	Bitcoin	N/A	\$101,895
Commodities Futures Trading Commission v. Michael Acerkman, Q3 Holdings LLC, and Q3 I LP  CFTC Charges Company and Its Principal in \$33 Million Fraudulent Digital Asset Scheme	S.D.N.Y. 1:20-cv-01183	2/11/20		Fraud	N/A	\$33,000,000	Not Provided
Commodities Futures Trading Commission v. Breonna Clark and Venture Capital Investments Ltd.  Federal Court Orders Colorado Company and Its Principal to Pay over \$900,000 for Digital Asset and Forex Ponzi Scheme	D. Col. 1:20-cv-00382	2/14/20	11/3/20	Failure to Register; Fraud	Bitcoin	\$534,829	\$900,604
Commodities Futures Trading Commission v. Fintech Investment Group Inc., Compcoin LLC, and Alan Friedland  CFTC Charges Florida Man and His Companies in Fraudulent Forex and Digital Asset Scheme	M.D. Fla. 6:20-cv-00652	4/16/20	3/24/22	Fraud	Compcoin	\$1,600,000	\$1,800,000

CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission v. Daniel Fingerhut; Digital Platinum Inc.; Digital Platinum Ltd.; Huf Mediya LTD; Itay Barak; Tal Valariola; Aicel Carbonero  Federal Court Orders Florida Man and Foreign Defendants to Pay \$7 Million for Role in Fraudulent Binary Options and Digital Asset Scheme	S.D. Fla. 1:20-cv-21887	5/5/20		Fraud	Bitcoin; Ethereum	\$20,000,000	\$7,000,011 – Partial Settlement, Case Ongoing
Commodities Futures Trading Commission In the Matter of Plutus Financial Inc. (d/b/a Abra) and Plutus Technologies Philippines Corp. (d/b/a Abra International)  CFTC Sanctions Two Firms Offering Digital Asset-Based Swaps for Illegal Off-Exchange Trading and Registration Violations	CFTC Docket No. 20-23	7/13/20	7/13/20	Failure to Register; Illegal Off-Exchange Transactions	Bitcoin	N/A	\$150,000
Commodities Futures Trading Commission v. Dennis Jali, Arley Ray Johnson, John Frimpong, 1st Million LLC, Smart Partners LLC, and Access to Assets LLC  CFTC Charges Multiple Individuals and Entities in \$28 Million Ponzi Scheme That Targeted Churchgoers	D. Md. 8:20-cv-02492	8/28/20		Failure to Register; Fraud	Bitcoin	\$28,000,000	Not Provided
Commodities Futures Trading Commission In the Matter of Bitfx24option.com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-30	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Fidelityfxtrade.Com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-31	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Granttradefx.com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-32	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of iMarketsserviceFX.com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-33	9/1/20		Failure to Register	N/A	N/A	Not Provided

CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission In the Matter of Toptradecapitalfx.Com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-34	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Westtechtrade.com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-35	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Westintrade.com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-36	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Yobcryptotrade24.com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-37	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Zenithoptiontrade.net  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-38	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Zenithtradermarkets.Com  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-39	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of United Financial Limited  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-46	9/1/20		Failure to Register	N/A	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of ESOM also known as ESO MM LLC  CFTC Charges 20 Entities for Making False Registration Claims	CFTC Docket No. 20-49	9/1/20		Failure to Register	N/A	N/A	Not Provided

CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission v. Mayco Alexis Maldonado Garcia, Cesar Castaneda, Joel Castaneda Garcia, and Rodrigo Jose Castro Molina, jointly d/b/a Global Trading Club  Federal Court Orders Texas and Florida Men to Pay Nearly \$1.75 Million in Digital Assets Scheme	S.D. Tex. 4:20-cv-03185	9/11/20	9/21/21	Fraud	Bitcoin	\$989,550	\$2,499,278
Commodities Futures Trading Commission v. Laino Group Limited d/b/a Paxforex  Federal Court Permanently Bans and Imposes an over \$300,000 Penalty against Foreign Trading Platform for Offering Illegal Leveraged Transactions in Ether, Litecoin, Bitcoin, and Precious Metals	S.D. Tex. 4:20-cv-03317	9/24/20	6/30/21	Failure to Register; Illegal Off-Exchange Transactions	Bitcoin; Ethereum; Litecoin	N/A	\$374,864
Commodities Futures Trading Commission v. HDR Global Trading Limited, 100x Holdings Limited, ABS Global Trading Limited, Shine Effort Inc. Limited, HDR Global Services (Bermuda) Limited, Arthur Hayes, Ben Peter Delo, and Samuel Reed  Federal Court Orders BitMEX to Pay \$100 Million for Illegally Operating a Cryptocurrency Trading Platform and Anti-Money Laundering Violations	S.D.N.Y. 1:20-cv-08132	10/1/20		Failure to Implement Adequate KYC/CIP Procedures; Failure to Register; Illegal Off-Exchange Transactions	Bitcoin; Ethereum; Litecoin	N/A	\$100,000,000 – Partial Settlement, Case Ongoing
Commodities Futures Trading Commission v. Jeremy Spence  CFTC Charges New York Man in Multi-Million Dollar Digital Asset Ponzi Scheme Involving Bitcoin and Ether	S.D.N.Y. 1:21-cv-00699	1/26/21		Fraud	Bitcoin; Ethereum	\$5,000,000	Not Provided
Commodities Futures Trading Commission v. John David McAfee and Jimmy Gale Watson Jr.  CFTC Charges Two Individuals with Multi-Million Dollar Digital Asset Pump-and-Dump Scheme	S.D.N.Y. 1:21-cv-01919	3/5/21		Fraud	Bitcoin; Ethereum; Verge; Dogecoin; Reddcoin	\$2,000,000	Not Provided
Commodities Futures Trading Commission In the Matter of Coinbase Inc.  CFTC Orders Coinbase Inc. to Pay \$6.5 Million for False, Misleading, or Inaccurate Reporting and Wash Trading	CFTC Docket No. 21-03	3/19/21	3/19/21	Wash Trading / Prearranged Trading	Bitcoin; Litecoin	N/A	\$6,500,000



CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission In the Matter of Glenn Olson  CFTC Orders New York Man to Pay More than \$1 Million for Role in Fraudulent Binary Options Scheme	CFTC Docket No. 21- 05	4/6/21	4/6/21	Failure to Register; Fraud; Illegal Off-Exchange Transactions	ATM Coin	\$846,406	\$1,087,476
Commodities Futures Trading Commission In the Matter of J Squared Invest LLC and Jozef Gherman  CFTC Orders Florida Man and His Company to Pay over \$397,000 in Connection with a Digital Assets Solicitation Scheme	CFTC Docket No. 21-06	4/19/21	4/19/21	Fraud	Bitcoin; Bitcoin Cash; Ethereum	\$300,000	\$397,110
Commodities Futures Trading Commission v. Abner Alejandro Tinoco and Kikit & Mess Investments LLC  CFTC Charges El Paso Resident and His Firm in Ongoing \$3.9 Million Forex and Cryptocurrency Fraud and Misappropriation Scheme	W.D. Tex. 3:21-cv-00237	9/28/21		Fraud; Illegal Off-Exchange Transactions	Bitcoin	\$3,900,000	Not Provided
Commodities Futures Trading Commission In the Matter of Payward Ventures Inc. (d/b/a Kraken)  CFTC Imposes a \$1.25 Million Penalty against Kraken for Offering Illegal Off-Exchange Digital Asset Trading and Failing to Register as Required	CFTC Docket No. 21-20	9/28/21	9/28/21	Failure to Register; Illegal Off-Exchange Transactions	Bitcoin	N/A	\$1,250,000
Commodities Futures Trading Commission In the Matter of TradingForexPay  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-32	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Cryptofxtrader  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-23	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Bitfxprofit  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-22	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Globalnationfx  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-25	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided

CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission In the Matter of BinanceFxTrade  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-21	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of MaxForexOption  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-26	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of ProCryptoMinners  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-28	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of ProFx-Capitals  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-29	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Smarter Signals  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-30	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Prime Expert Trade  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-27	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Star Fx Pro  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-31	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Excotradeonptions  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-24	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission In the Matter of Climax Capital FX  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-33	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided

CFTC Actions and Headlines	Action Number	Date of Complaint	Resolution Date	Allegations	Virtual Currency Involved	Reported Size of Allegation	CFTC Enforcement (\$ Fine / Restitution)
Commodities Futures Trading Commission In the Matter of Digitalexchange24.com  CFTC Charges 14 Entities for Failing to Register as FCMs or Falsely Claiming to Be Registered	CFTC Docket No. 21-34	9/29/21		Failure to Register	Bitcoin	N/A	Not Provided
Commodities Futures Trading Commission v. Uduakobong Udo Inyangudo a/k/a Alexander Uti Basse, Vanessa B. Okocha, Amen M. Okundaye, Charles A. Ochi, Diego I. Okeh, Daniell N. Liggins, Victor O. Edeh, and Tochukwu Edeh  CFTC Charges Nigerian and American Citizens Operating as PrimeFX with Forex and Bitcoin Fraud and Misappropriation	D. Mass. 1:21-cv-11615	9/30/21		Fraud	Bitcoin	\$1,200,000	Not Provided
Commodities Futures Trading Commission In the Matter of Tether Holdings Limited, Tether Operations Limited, Tether Limited, and Tether International Limited  CFTC Orders Tether and Bitfinex to Pay Fines Totaling \$42.5 Million	CFTC Docket No. 22-04	10/15/21	10/15/21	Fraud	USDt	N/A	\$41,000,000
Commodities Futures Trading Commission In the Matter of iFinex Inc., BFXNA Inc., and BFXWW Inc.  CFTC Orders Tether and Bitfinex to Pay Fines Totaling \$42.5 Million	CFTC Docket No. 22-05	10/15/21	10/15/21	Failure to Register; Illegal Off-Exchange Transactions	Bitcoin; Ethereum; Litecoin; USDt	N/A	\$1,500,000

Source: cftc.gov

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