



Tookitaki

# Money laundering

## BANKS vs CRYPTOCURRENCY

A look at some of the biggest scams in the US over the past decade



BANKS

CRYPTOCURRENCY

### Present



**May 2020 — Vitalli Antonenko, NYC**  
NYC resident Vitalli Antonenko was charged in US District Court of Massachusetts with conspiracy to carry out payment card trafficking and crypto money laundering. He allegedly sold credit card information and laundered the money through Bitcoin.

\$ 40,000



**Apr 2020 — Maksim Boiko, LA**  
The FBI arrested a Russian rapper living in the US for money laundering using, among evidence, Instagram pictures including huge wads of cash, both dollars and rubles. It was discovered that he used the disgraced coin exchange BTC-e for laundering the funds.

\$ 387,964



**Aug 2019 — Kunal Kalra, LA**  
LA resident Kunal Kalra, apprehended for selling two pounds of meth to an undercover agent, pleaded guilty to running a money laundering scheme using Bitcoin.

\$ 25,000,000 \$ 25 million



**Apr 2019 — Callaway Crain & Mark Sanchez, NYC**  
In a first-of-its-kind conviction in the state of New York, 2 men pleaded guilty to running a steroid and controlled substance business laundering millions of dollars in cryptocurrency and Western Union payments.

\$ 2,800,000 \$ 2.8 million



**Feb 2019 — Randall Carter (Founder, My Big Coin)**  
Randall Crater, the principal operator of My Big Coin Pay Inc, was caught in a \$6 million scheme to defraud people. He was arrested in Florida after being charged in an indictment filed in federal court in Boston with seven counts of wire fraud and unlawful monetary transactions.

\$ 6,000,000 \$ 6 million



### 2020



**2019 — Standard Chartered Bank, NY**  
The bank has a history of continuing illegal practices and being negligent with AML protocol. Despite previous fines and warnings, the bank continued to ignore sanctions against Burma, Zimbabwe, Iran, Cuba, Sudan, and Syria. They were fined by the US Federal Reserve for their criminal oversight.

\$ 250,000,000,000 \$ 250 billion



**Oct 2018 — Matthial Krull (Former Julius Baer banker), USA - PDVSA, Venezuela**  
Matthias Krull helped launder \$1.2 billion embezzled from a state-owned body, Petróleos de Venezuela SA. He was sentenced by a US court to 10 years in prison.

\$ 1,200,000,000 \$ 1.2 billion

**July 2018 — International team of 8 individuals, Florida**  
US Attorney's Office for the Southern District of Florida charged 8 individuals (1 American, 1 German, 1 Columbian, 1 Portugese, 4 Venezuelans) with conspiracy to commit money laundering, interstate and foreign travel in aid of racketeering enterprises for their alleged involvement in a sprawling \$1.2 billion international money laundering conspiracy.

\$ 1,200,000,000 \$ 1.2 billion

**Jun 2018 — Muhammad Sohail Qasmani, Karachi-New York**  
As part of a global computer hacking and telecommunications fraud scheme, Muhammad Qasmani was sentenced to 48 months in prison for laundering more than \$19.6 million. He was persecuted by US authorities.

\$ 19,000,000+ \$ 19+ million

**Jan 2018 — Jake C Files (State Senator), Arkansas**  
Arkansas Senator Jake C Files pled guilty in the US District Court of Arkansas to one count of wire fraud, one count of money laundering, and one count of bank fraud. Between August & Dec 2016, he used his position of power to obtain the state's General Improvement Funds (GIF) through fraudulent means.

\$ 1,000,000+ \$ 1+ million

### 2019

**Jul 2018 — Lynn Tetley ("Bitcoin Maven"), California**  
Former stockbroker & real estate investor Theresa Lynn Tetley, known as the "Bitcoin Maven," was sentenced to 1 year in prison by the Central District of California. Tetley offered "bitcoin-for-cash exchange services" without registering as a money services business with the Financial Crimes Enforcement Network (FinCEN).

\$ 9,500,000+ \$ 9.5+ million

**Feb 2018 — LeadInvest, Texas**  
The Texas State Securities Board has issued an emergency cease and desist order to website Leadinvest.com, citing a failure to disclose information about its specialists and cryptocurrency mining activities, as well as fraudulently selling unlicensed securities.

\$ 177,000,000 \$ 177 million

### 2018

**Jun 2017 — Anthony R Murgio, NY**  
Anthony R Murgio was sentenced to 66 months in prison for operating an internet-based Bitcoin exchange through which he processed more than \$10 million in illegal Bitcoin transactions.

\$ 10,000,000 \$ 10 million

### 2017

**Nov 2016 — Timothy G, First Farmer Financial LLC, Florida**  
Timothy G Fisher, president & chief operating officer of First Farmers Financial LLC, a Florida-based financial firm, pled guilty to one count of money laundering in connection with the sale of \$179 million in sham loans to a Milwaukee investment company.

\$ 177,000,000 \$ 177 million

**Apr 2016 — Market Natural Trading, LLC, San Francisco**  
Sole member and investment advisor of the hedge fund Market Natural Trading, LLC was convicted of 23 counts of wire fraud, identity theft, money laundering and contempt of court. He was sentenced to 15 years in prison.

\$ 2,500,000 \$ 2.5 million

**Jan 2016 — Arthur Budovsky, Founder of Liberty Reserve, NY**  
Liberty Reserve was a digital currency platform and a predecessor to Cryptocurrency. In 2016, founder Arthur Budovsky was found guilty of money laundering by US authorities and was sentenced to 20 years in prison.

\$ 6,000,000,000 \$ 6 billion

### 2016

**Oct 2014 — Teodoro Nguema Obiang**  
Son of the President of Equatorial Guinea (and current Vice President) left the country with over \$300 million from 2004-2011, via bribery and money laundering. In 2014, he signed a US settlement and had over \$30 million of assets seized, including Michael Jackson memorabilia and a Malibu mansion bought through a shell company.

\$ 300,000,000 \$ 300 million

### 2014

**Jul 2012 — HSBC Bank, UK-USA**  
HSBC showed gross oversight of \$670 billion in wire transfers from Mexico and more than \$9.4 billion in purchases of US. Their negligence in monitoring transactions allowed Mexican and Colombian drug cartels to launder dirty money. They were later persecuted by U.S. authorities.

\$ 9,400,000,000 \$ 670,000,000,000

\$ 9.4 billion (US) and \$ 670 billion (Mexico)

### 2012

**Mar 2010 — Waschovia Bank, Miami**  
One of the largest banks in the US, Waschovia was found guilty of allowing Mexican drug cartels to launder money through the institution from 2004-2007. Apart from wire transfers, the cartels also used Waschovia's bulk cash service to ship dirty money to the US. The bank is now a part of Wells-Fargo.

\$ 390,000,000,000 \$ 390 billion

### 2010

## So, where is your money safer?



An intuitive response to this question might lead us to think that cryptocurrency poses a much higher risk. After all, it is a relatively unregulated space compared to conventional financial institutions. *Reality, however, disagrees.* As we can see from the scams in the past decade, money laundering scams carried out via traditional financial institutions is much higher than crypto scams.

Bloomberg reported that banks launder around **\$2 trillion** a year, whereas money laundered via crypto exchanges in 2019 amounted to **\$2.8 billion**.

It is clear that despite the fact that cryptocurrencies may seem like unregulated, uncharted territory for many, traditional banking institutions continue to pose a greater risk for money laundering.



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