

OFFSHORE ALERT vGLOBAL

Dec 07-11, 2020

Live Streamed

Crypto Swindle Kings
The Emergence of Cryptocurrency Fraud

Presented by

Ken Gamble, Executive Chairman, IFW Global

IFW
GLOBAL

Investigations | Intelligence | Recovery

Sydney | Manila | Bangkok
Hong Kong | London | Miami

Who is IFW Global?



Licensed & Regulated by the NSW Police Force and State of Florida USA

- *International intelligence group specializing in fraud, cybercrime, asset recovery*
- *Strategic alliances with law enforcement globally*
- *History of arrests, prosecutions, recoveries*
- *Extensive worldwide networks of informants/sources*

www.ifwglobal.com



Ken Gamble
Executive Chairman



Allan Watson
Director of Global Investigations



Alana Maurushat
Director



Michael Nasca
Director of US Operations



Chloe Marshall
Business Operations Manager

About the speaker

Professional Background

- 32 years experience in fraud investigations & surveillance (15 years cybercrime)
- Expert witness in Australian courts
- Worked in over 40 foreign countries (lived in 5)
- Recipient of 3 law enforcement awards (Philippines National Police, Anti-Cybercrime Group)
- Strategic alliances with many foreign based LEs
- Australian Chair of International Association of Cybercrime Prevention (IACP)
- Numerous arrests and prosecutions of cyber fraudsters



Today's talk

- Inside look at the multibillion-dollar crypto investment fraud industry
- Who is profiting from these frauds?
- How well organized is it?
- Why can't they be stopped?



Albanian gangs take up cryptocurrencies: 'We need a new approach' say police

Balkan organized crime groups in the UK are using fintech for money-laundering schemes.



Ukraine arrests gang who ran 20 crypto-exchanges and laundered money for ransomware gangs

Gang is believed to have laundered more than \$42 million in criminal proceeds.

Scotland Yard pleads for help as foreign gangs turn to crypto

How is crypto crime becoming increasingly white collar?

Types of crypto scams

1. Fraudulent ICOs
2. Fraudulent cryptocurrency exchanges
3. Crypto Ponzi schemes
4. Honeypot Crypto trading
5. Fake Crypt wallets
6. Fake Airdrops (steals private credentials)
7. Bitcoin “Wealth Creation” scams
8. Great impersonators (John McAfee, Elon Musk, etc.)



International Cybercrime Organizations

- Criminal masterminds compartmentalize their operations across various countries to target victims
- State-of-the-art digital marketing techniques
- Massive securities, forex frauds and other cybercrimes
- Billions of US dollars in criminal profits
- Involved in cyber hacking, identity theft etc.
- Global network of money launderers
- Close links to govt. & political figures





Cryptocurrency fraudsters often target specific personality profiles

- Prospective target (victim) data is collected by criminal groups to profile their victims and understand the best methods of reaching them
- Fraudsters study foreign government publications on crime trends and statistical data to identify the most vulnerable victims
- Specific campaigns designed

Facebook celebrity Bitcoin scams



- Heavily marketed on Facebook
- Cold calls made from call centers
- Text messaging (link to platform)
- Direct email notification
- Media adverts (TV, Radio, News)
- Fake news articles (ABC, CNN)

SCAM

SPECIAL REPORT: Dick Smith's Latest Investment Has Experts in Awe And Big Banks Terrified

Australia citizens are already raking in millions of dollars from home using this "wealth loophole" - but is it legitimate?

APRIL 15, 2020



Dick Smith comes out with new secret investment that's making hundreds of people in Australia very

READER RESULTS
PROFIT: AU\$5,452



"I've been using Bitcoin Evolution for just over 2 weeks. I've taken my initial deposit from AU\$350 to AU\$5,802. That is far more than I make at work."

Kyle McLennan
Subiaco, WA
PROFIT: AU\$9,200

LATEST ROUNDS OF CRYPTO SCAMS

POWER PLAYERS

Billionaire Richard Branson: Scammers are pretending to be me to steal your money

Published Tue, Jul 9 2019 1:12 PM EDT • Updated Wed, Jul 10 2019 12:33 PM EDT

Catherine Clifford
@CATCLIFFORD

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Sir Richard Branson. Cameron Costa | CNBC

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Facebook celebrity Bitcoin scams

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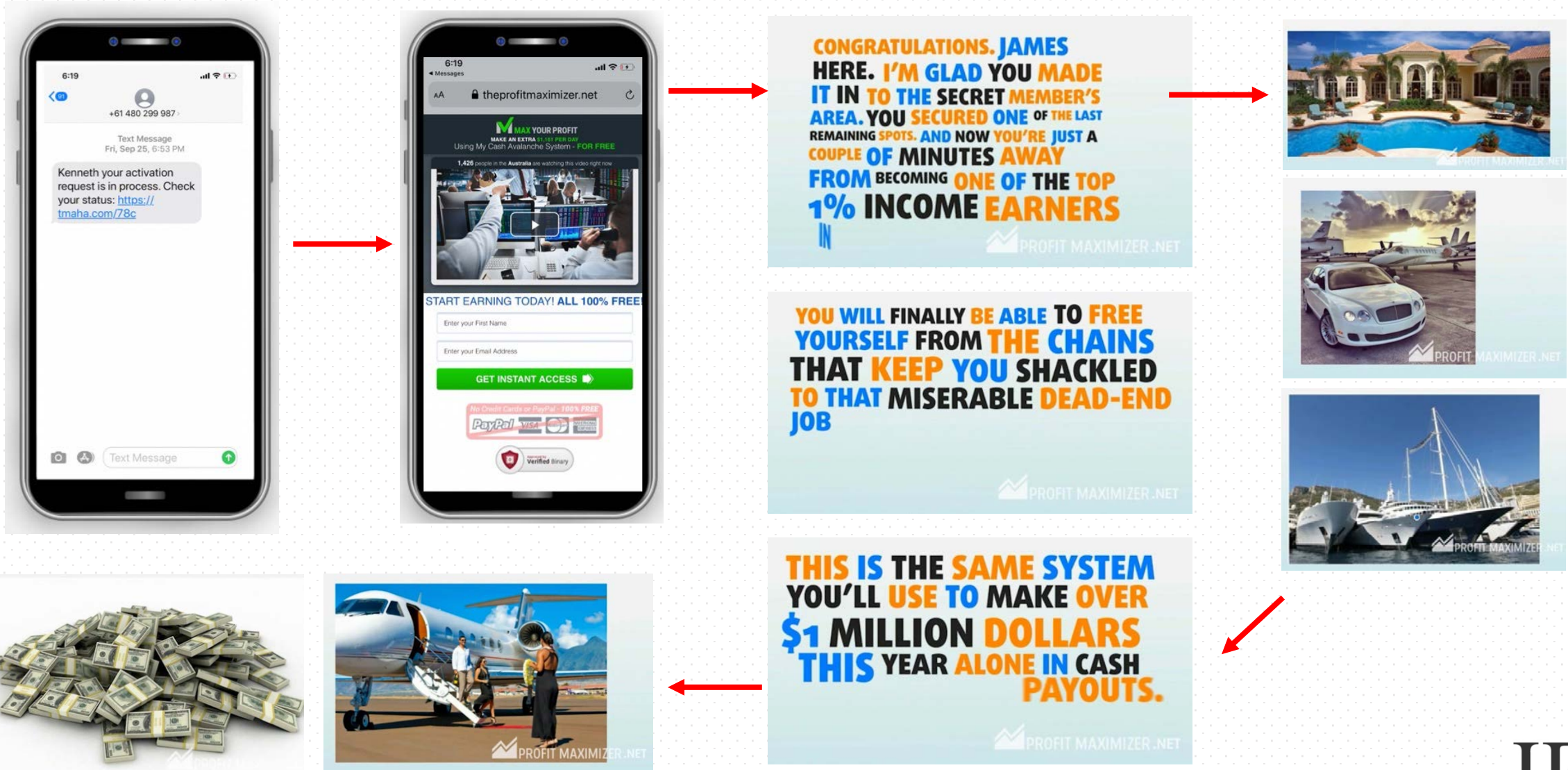
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Auto generated text messaging is used to lure victims across the world to the scam websites



Auto generated text messaging is used to lure victims across the world to the scam websites



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BE MANAGED BY OUR RECOMMENDED
BROKER. AGAIN, IT'S 100% FREE TO USE.
SO ALL OF THE MONEY YOU
MAKE IS YOURS AND CAN BE
TRANSFERRED DIRECTLY TO
YOUR BANK ACCOUNT WITHIN
24 HOURS!
PROFIT MAXIMIZER.NET**

The invested money is immediately stolen and cleared through money remitters & crypto exchanges in eastern Europe, controlled by the criminal masterminds and their global money laundering network



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DailyProfit traced by IFW to Israeli kingpins in Ukraine



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Join Us and Start Getting Rich



IFW has uncovered a University of fraud in Ukraine

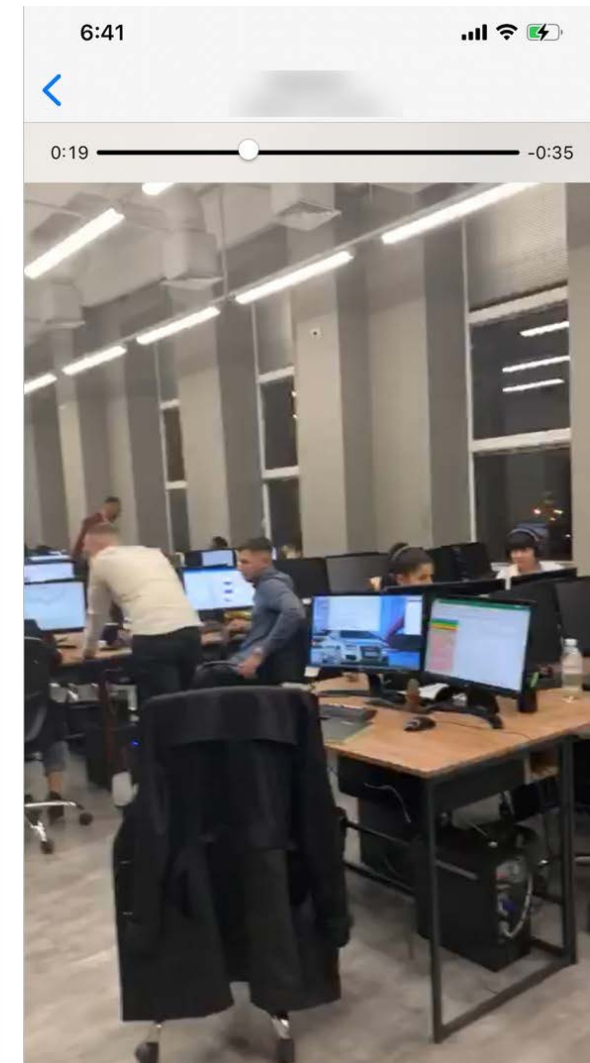
- 100 trainees a week being trained to deceive on crypto platforms
- Many recruits are from Africa
- Salaries from USD400 a month
- Protected by local crime bosses
- Heavily targeting victims worldwide



Above: Building occupied by Israeli crime group running call centre

IFW operatives have infiltrated call centers in Ukraine

- Ukraine has become a global HQ for Israeli crime groups operating forex & crypto scams across the world
- Russian organized crime groups involved
- Call centers are franchised and spread across the country



Actual images from inside Ukraine scam operation

How the money is laundered across the world

- The funds are not traded on the platform as alleged
- Money is paid to approved payment remitters or Crypto Exchanges and then sent overseas
- Money is then laundered through company accounts usually set up in offshore locations (Marshall Islands, BVI, Isle of Mann, Hungary, Cayman Islands, Singapore, Hong Kong etc.)
- Funds wired through several accounts before being distributed (sometimes in cash) to the master beneficiaries (crime bosses)
- Fraud masterminds share the profits



Large scale organized cybercrime in the Philippines, targeting Australia, raided in 2018



Money Talks

Not one single Israeli was convicted of any crimes

8 Israelis arrested in Philippines for multi-million dollar online scam

Local Cybercrime Unit raids offices in Angeles after citizens from New Zealand, Russia, Australia and South Africa are duped in online racket into investing huge sums of money for no gains; 'I had to sell my house for my children.'

Itamar Eichner | Published: 06.07.18 , 20:20



The Cybercrime Unit of the Philippine Police has arrested eight Israelis who are suspected to have been behind a huge Bitcoin currency and online investments fraud scheme worth millions of dollars.

7 June 2018

Exclusive: Filipino Authorities Free Israelis Arrested in Call Center Raid

The state prosecutor said the eight individuals were "not committing any offence" when arrested



[David Kimberley](#) | [Brokers \(Retail FX\)](#) | Thursday, 14/06/2018 | 13:37

GMT+2

14 June 2018

The wolves of Tel Aviv: Israel's vast, amoral binary options scam exposed

An industry turning over hundreds of millions of dollars, employing thousands of people, is cynically cheating naive would-be investors worldwide via a range of corrupt practices. It is doing terrible harm to its victims, and it risks doing the same to Israel's reputation

By SIMONA WEINGLASS | 23 March 2016, 12:06 pm | 43

     23,181 shares



Who are behind these massive digital crypto frauds?

*“Organised crime in Israel grown to **“monstrous proportions”** as a result of online investment fraud”*



*Left: Police Superintendent Gabi Biton at an August 2, 2017 Knesset panel devoted to a proposed law to ban Israel's binary options industry. (The law passed in October.) Biton told the panel that organized crime in Israel had grown to **“monstrous proportions”** as a result of online investment fraud.*

(Source: Simona Weinglass/Times of Israel)

In a bombshell speech, a senior Israel Police officer told a Knesset panel on Wednesday that **Israeli crime kingpins** are behind the binary options industry and that **organized crime** in the country has been **massively enriched** and **strengthened** as a result of **law enforcement's failure** for many years to grasp the **vastness** of the problem.



High Profit - Low Risk Transnational Organised Criminal Enterprise

- **Israeli Securities Head Samuel Hauser:** “Binary options are like those blood diamonds, in that the mining process in Africa has exploited and harmed so many people. We must expand our enforcement capabilities in order to eliminate binary options trading. The common belief of tens of countries around the globe is that the Israeli authorities are turning a blind eye towards binary options and are reluctant to solve the problem.” **June 13, 2017**

State-of-the-art **Israeli** crime gangs have now switched from Binary Options to Crypto fraud



Cryptocurrencies may be the next big Israeli scam, top regulator warns

Shmuel Hauser also says Israel Securities Authority cannot get binary options victims' money back, but may help with legal fees; it is up to police to arrest the fraudsters

By SIMONA WEINGLASS

12 November 2017, 4:28 pm | 11



Israel Securities Authority chairman Shmuel Hauser at a Finance Committee meeting in the Knesset on September 11, 2017. (Miriam Alster/FLASH90)

ISRAELI CRIME BOSSES EXPOSED

Israeli binary options operative Lee Elbaz convicted in US in \$145 million fraud

Elbaz oversaw fleeing of clients worldwide as CEO of Yukom Communications, one of 100+ binary options firms that ran from Israel until industry was banned after ToI reporting

By SIMONA WEINGLASS
7 August 2019, 7:24 pm | 9



In this photo from July 16, 2019, Lee Elbaz arrives at federal court for jury selection in her trial in Greenbelt, Md. (AP Photo/Jose Luis Magana, File)

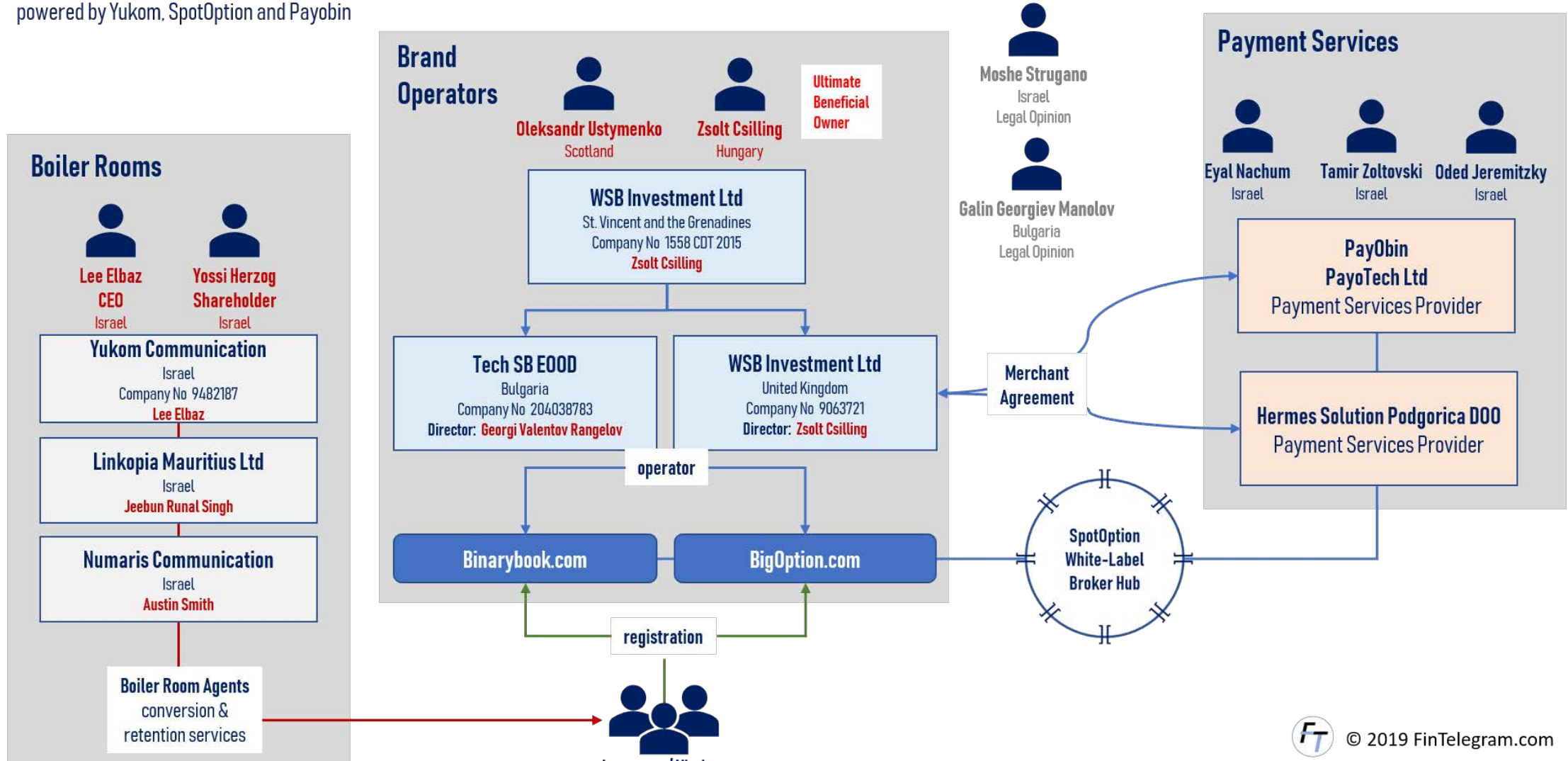
GREENBELT, Maryland — Israeli binary options operative Lee Elbaz was found guilty by a Maryland jury on Wednesday on three counts of wire fraud and one count of conspiracy to commit wire fraud in connection with



Lee Elbaz became the shameful public face of the Israeli Binary Options crimewave, receiving a 22-year sentence in the USA after being arrested by the FBI

The Yukom Binary Options Broker Scheme

powered by Yukom, SpotOption and Payobin



ISRAELI CRIME BOSSES EXPOSED



Yossi Herzog, Israeli citizen, was indicted by a US grand jury in February 2019, and again in a superseding indictment issued in September 2019. He was indicted together with his business partner **Yakov (Kobi) Cohen** and 13 of their employees. **Herzog** is now a fugitive believed to be hiding in a country with no US extradition treaty

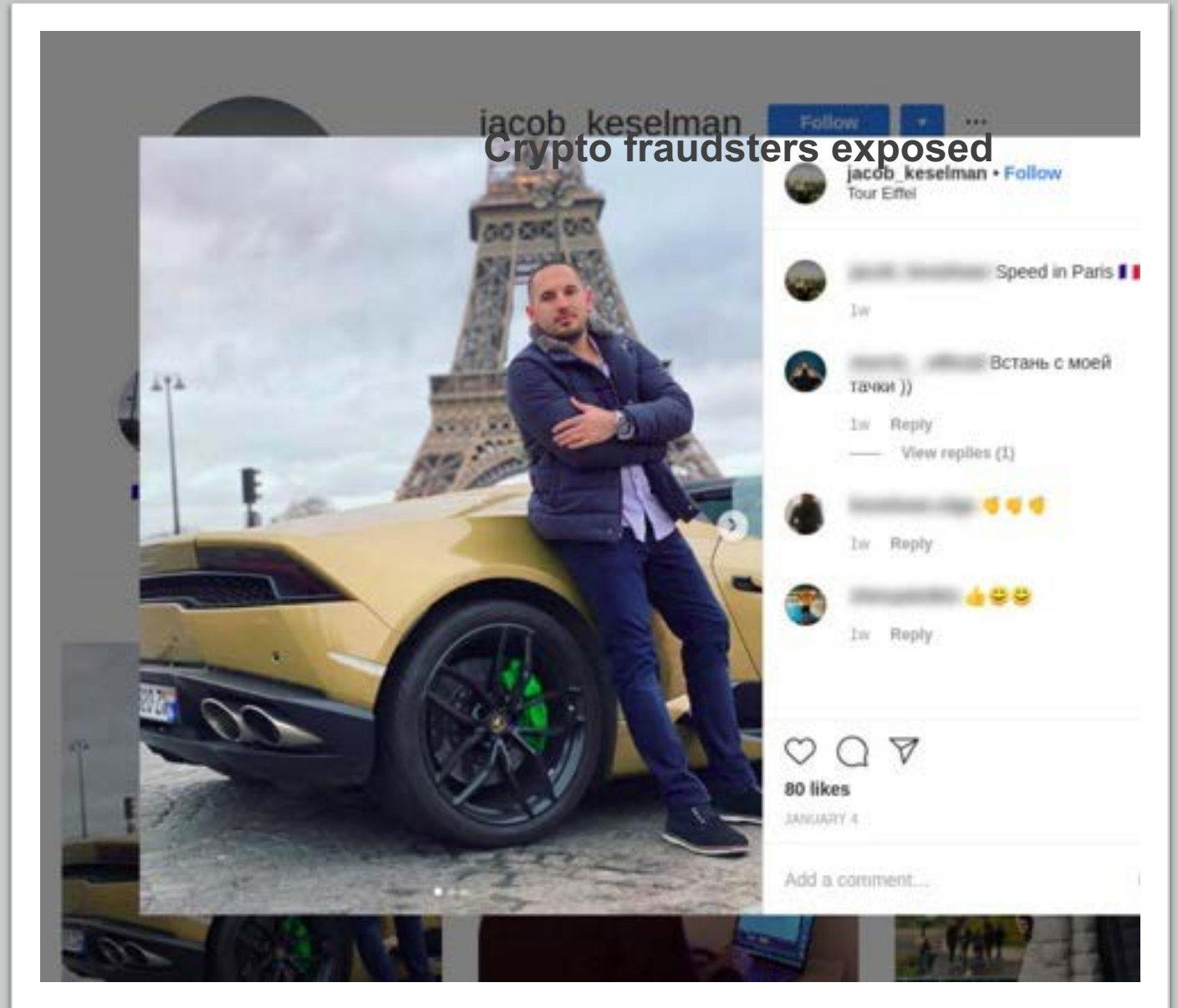
ISRAELI CRIME BOSSES EXPOSED

Israeli Yakov 'Kobi' Cohen was the owner of a Binary Options empire indicted by the FBI

"The indictment alleged that between 2014 and 2017 Herzog and the other defendants had used the websites BinaryBook.com and BigOption.com to conspire together to obtain the maximum deposits from binary options investors and make sure investors lost the money in their accounts or could not withdraw it. They allegedly did this through systematic misrepresentations and lies".



- Kyiv call centre took in a massive 65 million euros in sales in 2019
- Milton Group CEO Jacob Keselman accused of masterminding crypto scam platforms
- Online credit-card payments were handled by a Cyprus-based company called Naspay, which bills itself as a “state-of-the-art payment gateway” and is owned by David Todua



Law Enforcement Dilemma

- Out of our jurisdiction
- How can you prove fraud?
- No resources to pursue this type of cross border fraud
- Not our problem
- No budget for overseas operations
- Victim's money has gone overseas
- Offenders are overseas
- Our hands are tied





Victim shame

'Anger, stress and embarrassment'

Almost a third of elderly victims of crypto fraud have been too embarrassed to tell their own families or friends what happened to them, say researchers.

Feelings of shame often prevent victims from reporting their frauds



Better cooperation between Police & Private Sector is critical

- **GOVT-PRIVATE-LEGAL** partnerships would enhance law enforcement's ability to identify, trace and prosecute those involved in all types of investment frauds worldwide
- **GOVT-PRIVATE-LEGAL** partnerships would help close gaps and shortcomings in evidence gathering
- **GOVT-PRIVATE-LEGAL** partnerships would greatly enhance recovery efforts



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global
cybercrime
investigation
agency

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