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December 5, 2021

SDNY Victim and Witness Coordinator  
United States Attorney's Office  
One St. Andrew's Plaza  
New York, New York 10007

Copies to:

US Department of Justice  
Office for Victims of Crime  
Director, Kristina Rose  
810 Seventh Street NW., Second Floor  
Washington, DC 20531

Hon. Edgardo Ramos  
Thurgood Marshall  
United States Courthouse  
40 Foley Square  
New York, NY 10007

Re: USDC SDNY Case 1:17-cr-00630-ER  
USA v. Ruja Ignatova  
USA v. Konstantin Ignatov  
USA v. Karl Sebastian Greenwood  
USA v. David R. Pike  
USA v. Mark S. Scott

In the Matter of:  
Victim Rights under Crime Victims' Rights Act, 18 U.S.C. § 3771 ("CVRA") and  
provision of services under the Victims' Rights and Restitution Act of 1990, 42  
U.S.C. § 10607 ("VRRRA")

I represent several victims of the massive multibillion dollar OneCoin Pyramid scheme of which the above referenced defendants are the admitted and alleged masterminds and control persons.

My clients are:

Christine Grablis (USA)  
Ryan Myers (USA)  
Estere Crisona (USA)  
Duncan Malcolm Arthur (UK)  
Christopher Dewey (UK)  
Alexander Schilling (Germany)  
Sabine Bredemeyer (Germany)  
Steve Scriha (Australia)  
Jacqueline Scriha (Australia)  
Errol Turner (Australia)  
Bradley Durkin (Australia)  
Crypto Currency Resolution Trust (Bahamas)  
Martin Rutte (Canada)

All these individuals are victims who have suffered significant direct physical, emotional, or pecuniary harm as a result of the commission of a crime. . . .” (42 U.S.C. § 10607(e)(2)(A). Victims include foreign nationals and also include a witness who was subjected to threats of violence and a physical assault in England. I also represent certain other witnesses and whistleblowers who choose to remain anonymous for fear of retaliation but have a reputational and pecuniary stake in the outcome of these cases.

I am unaware of any attempts by the SDNY Victim and Witness Coordinator to notify or contact OneCoin victims or coordinate with foreign authorities. The victims’ services and rights laws apply to foreign nationals meeting the definitions of victim under the VRRRA and CVRA, regardless of whether they reside in the United States. I am unaware of any attempt to register the victims of OneCoin who may number as many as 3 million according to the SDNY USAO:

“OneCoin Ltd. has claimed to have more than 3 million members worldwide, including victims living and/or working within the Southern District of New York. OneCoin continues to operate to this day.” (USAO SDNY, March 9, 2019, updated April 30, 2020. <https://www.justice.gov/usao-sdny/pr/manhattan-us-attorney-announces-charges-against-leaders-onecoin-multibillion-dollar>)

I am further unaware of any attempts to secure or recover OneCoin assets for the benefit of the victims despite having provided significant information to the authorities or involvement of the US Trustee Program.

The ongoing Bulgarian based criminal enterprise OneCoin is the world's largest known pyramid investment scheme. OneCoin will encompass eventual losses of more than \$20 billion according to Fortune Magazine. (Morris, David. Is OneCoin the Biggest Financial Fraud in History? Fortune Magazine, November 6, 2019)

The defendants named in USDC SDNY Case 1:17-cr-00630-ER are some of the ringleaders and founders of the OneCoin pyramid. However, the public face of OneCoin, Ruja Ignatova, is a fugitive and while her mother Veska Ignatova remains in Bulgaria and continues to operate the pyramid scheme with impunity.<sup>1</sup> Others OneCoin figures: Mimoun Madani, Sheikh Saoud bin Faisal Al Qassimi, Issa Bin Haider, Mohammed Bani Hashem, and Ahmed Abdo Hajj Mohammed Aldubaili hold powers of attorney from Greenwood, Ignatova and One Coin Ltd. allowing them to control OneCoin assets. OneCoin Independent Marketing Affiliates (IMAs) who were affiliates at the upper level of the pyramid scheme have cashed out with hundreds of millions of dollars of victims' funds in the United States and worldwide. Yet others, including law firms and real estate and financial companies have been unjustly enriched and should disgorge the profits gained through questionable, fraudulent, and corrupt dealings with OneCoin upper management and guiding lights.

The Ignatovas (mother and daughter), the OneCoin criminal enterprise, Greenwood and their proxies in Bulgaria, the United Arab Emirates and other countries currently control moveable and immoveable property, investments, cryptocurrency, bank accounts and cash exceeding €12.5 billion. Evidence of this wealth includes 230,000 Bitcoins and bank account details which have been provided to the relevant US authorities (SEC and USAO SDNY). Konstantin Ignatov, OneCoin CEO from 2017-2019, has provided testimony in the SDNY case regarding many additional specifics of OneCoin assets, affiliates, and operations.

I am inquiring as to the rights of OneCoin victims worldwide which appear to have been neglected. There is no listing or information specific to OneCoin provided on the SDNY Victim and Witness Coordinator website while there are listings for similar high profile cases involving Ghislaine Maxwell, Bernard Madoff, and Jeffrey Epstein.<sup>2</sup> There is also no parallel SEC enforcement action or US trustee appointed as would be the usual practice for a multi-billion dollar pyramid scheme on the scale of Madoff or the Stanford Group in order to collect and claw back the missing billions of victim funds and assets from defendants and relief defendants. Seemingly, restitution for the largest pyramid scheme in history with millions of victims

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<sup>1</sup> Law Office of Jonathan Levy, OneCoin documents available at <http://www.jlevy.co/2021/05/12/148/>

<sup>2</sup> SDNY Victim Witness Services, <https://www.justice.gov/usao-sdny/programs/victim-witness-services>

worldwide is being disregarded even though the criminal cases have been active since 2019 and one of the ringleaders, Konstantin Ignatov, is a cooperating witness.<sup>3</sup>

On the other hand, the defendants have been afforded their rights and have even taken liberties to the detriment of victims:

1. OneCoin former CEO Konstantin Ignatov although having plead guilty, has allegedly committed perjury and is facing decades in prison but has been released on unsecured bail. Protection may also have been provided to his wife and child. Ignatov also had access to a cell phone while incarcerated in 2019-2020 which contained 10.1 GB of data.<sup>4</sup>

2. Mark Scott similarly has been released on bail pending sentencing or motion for new trial.

3. Karl Sebastian Greenwood has moved millions of dollars of victim assets and money in the United Arab Emirates with a contraband cell phone from his jail cell.<sup>5</sup> Although a cell phone was apparently confiscated in late February 2021<sup>6</sup> - Greenwood was still able to remotely execute a notarized power of attorney to gold and diamond dealer Ahmed Abdo Hajj Mohammed Aldubaili on March 14, 2021.<sup>7</sup>

4. DOJ OIA (Office of International Affairs) has not coordinated with the Bulgarian government to take concrete measures to cease OneCoin operations or seize and secure assets and as a result the victims represented herein have had to file a misfeasance complaint with the Bulgarian Constitutional Ombudsman.<sup>8</sup>

5. Likewise DOJ OIA is not coordinating the United Arab Emirates and as a result bank accounts worth as much as \$250 million are falling into the hands of Greenwood and Ignatova proxies while Greenwood has been appearing remotely in court proceedings there.

6. Ruja Ignatova remains at large with potentially billions in cash and cryptocurrency as do many other OneCoin functionaries who have been unjustly enriched.

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<sup>3</sup> SDNY Victim Witness Services are particularly relevant as an attempt at a class action lawsuit by victims in the SDNY has collapsed, see: *Grablis v. One Coin Ltd. et al*, SDNY 1:2019cv04074.

<sup>4</sup> Case 1:17-cr-00630-ER Document 422 Filed 10/29/21

<https://storage.courtlistener.com/recap/gov.uscourts.nysd.482287/gov.uscourts.nysd.482287.422.0.pdf>

<sup>5</sup> <http://www.jlevy.co/2021/11/24/crypto-pyramid-mastermind-moves-millions-from-his-jail-cell/>

<sup>6</sup> Case 1:17-cr-00630-ER , Document 417, Filed 10/16/21 [courtlistener.com/docket/7829201/417/united-states-v-scott/](http://courtlistener.com/docket/7829201/417/united-states-v-scott/)

<sup>7</sup> Power of Attorney, <http://www.jlevy.co/wp-content/uploads/2021/11/Exhibit-8.pdf>

<sup>8</sup> Petition of Jonathan Levy: <http://www.jlevy.co/wp-content/uploads/2021/11/Petititon-16162021-J-Levy.pdf>

7. Veska Ignatova and confederates openly continue the criminal OneCoin operations from Bulgaria and have access to victims' identity and financial documents.

### **The Crime Victims' Rights Act**

The estimated three million (3,000,000) OneCoin victims have certain rights under the Crime Victims' Rights Act, 18 U.S.C. § 3771 ("CVRA"). The CVRA gives victims in criminal cases eight rights that are enforceable in federal courts. According to DOJ's own guidelines<sup>9</sup>:

"Department officers and employees engaged in the detection, investigation, or prosecution of crime shall make their best efforts to see that crime victims (as defined in Article III.C.) are notified of, and accorded, the rights contained in the CVRA (18 U.S.C. § 3771(c)(1)) as early in the criminal justice process as is feasible and appropriate.

Crime victims, as in this instance, are entitled to the advice of an attorney with respect to the CVRA rights. (18 U.S.C. § 3771 (c)(2)) and may appeal to the Office of the Victims' Rights Ombudsman (VRO) if their rights are not respected or enforced or may seek direct enforcement of their rights in the district court.

CVRA rights include:

**The Right to be Reasonably Protected from the Accused.** (18 U.S.C. § 3771(a)(1)).

OneCoin is a violent organized crime group that continues to operate from Bulgaria and the United Arab Emirates under the direction of Karl Sebastian Greenwood, Veska Ignatova and Ruja Ignatova's proxies. Greenwood has been issuing directions to lawyers and powers of attorney in the United Arab Emirates and beyond from his New York jail cell.<sup>10</sup> The Bulgarian based OneCoin operation continues unabated and held a well-publicized conference in Plovdiv, Bulgaria in July 2021.<sup>11</sup>

OneCoin has been linked by the government of Kuwait to terrorism funding.<sup>12</sup> In 2018, the Bulgarian State Prosecutor's Office stated that there were suspicions that organized crime groups and terrorist organizations are funded through the OneCoin scheme.<sup>13</sup> Konstantin Ignatov in his various testimonies indicated that he believed

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<sup>9</sup> [https://www.justice.gov/sites/default/files/olp/docs/ag\\_guidelines2012.pdf](https://www.justice.gov/sites/default/files/olp/docs/ag_guidelines2012.pdf) pg.35

<sup>10</sup> Kuwait Ministry of Interior, 2015 <http://www.jlevy.co/wp-content/uploads/2021/05/Exhibit-K-1.pdf>

<sup>11</sup> Video of Plovdiv Event - <https://fb.watch/9jrBq7hTIP/>

<sup>12</sup> Kuwait Ministry of Interior, 2015 <http://www.jlevy.co/wp-content/uploads/2021/05/Exhibit-K-1.pdf>

<sup>13</sup> Bulgaria State Prosecutor, Специализираната прокуратура участва в неутрализиране на международна група за пране на пари чрез виртуалната валута уанкойн. January 19, 2018

his life was in danger from organized crime. Ignatov testified that he had been abducted on at least two occasions and threatened twice at gunpoint by criminal gangs involved with OneCoin including the Hell's Angels in Zurich and Bulgarian organized crime in Sofia. As part of his plea agreement with the United States, Ignatov seeks to enter the witness protection program along with his girlfriend and child.

One of the Petitioner's clients, Mr. Duncan Arthur, a former employee of OneCoin controlled RavenR, reports he was physically assaulted and his life was threatened on numerous occasions after he cooperated with law enforcement. He also received a letter from OneCoin's German law firm seeking to silence him. OneCoin's Dubai lawyers have also issued legal threats to Mr. Arthur and this office. Credible sources indicate that Ruja Ignatova was involved with known mafia kingpins in Bulgaria and Dubai including alleged money launderers, drug traffickers and VAT swindlers. In June 2020, two OneCoin promoters were kidnapped, suffocated, and stuffed into suitcases in Mexico.<sup>14</sup> In another well documented case, a woman in the United Kingdom received several threats of death and sexual violence after she spoke out publicly to the BBC about the OneCoin pyramid.<sup>15</sup>

As a consequence of the above, victims and witnesses are constrained and intimidated from asserting their claims as well as continually victimized by ongoing OneCoin operations from Bulgaria which has possession and use of victim identity documents.

### **Right to Reasonable, Accurate, and Timely Notice**

A crime victim has the right to reasonable, accurate, and timely notice of any public court proceeding, or any parole proceeding, involving the crime or of any release or escape of the accused. (18 U.S.C. § 3771(a)(2); see also Fed. R. Crim. P. 60(a)(1)).

Unlike other high profile cases being handled by the SDNY; there is no central link for victims to obtain information as to the status of the many OneCoin defendants. This is especially pertinent as Ruja Ignatova remains at large and others have been granted bail.

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<http://web.archive.org/web/20180119164134/https://www.prb.bg/bg/news/aktualno/speciali-ziranata-prokuratura-uchastva-v-neutrali-2/>

<sup>14</sup> Sinclair, Sebastian. Promoters of Crypto Ponzi Scheme OneCoin Murdered in Mexico. CoinDesk, Jul 15, 2020

updated Sep 14, 2021. <https://www.coindesk.com/markets/2020/07/15/promoters-of-crypto-ponzi-scheme-onecoin-murdered-in-mexico/>

<sup>15</sup> Picken, Andrew. Death threats for cryptocurrency 'scam' whistleblower. Scotland BBC October 15, 2019.

<https://www.bbc.com/news/uk-scotland-glasgow-west-50041579>

This may be easily corrected if the OneCoin cases are handled in the same manner as Maxwell, Epstein, and Madoff cases. DOJ guidelines suggest victim notice may be provided by publication, website, email, and call center.<sup>16</sup>

### **The Right Not To Be Excluded From Court**

Victims also have the right not to be excluded from court. Given the large number of victims and their dispersal throughout the world and the circumstances of the current pandemic; OneCoin related proceedings should be made available via Zoom or other secured means of transmission to victims. DOJ has the ability to make such a request of the court under 8 U.S.C. § 3771(d)(2).

### **Reasonable Right to Confer with the Prosecutor**

A crime victim has the reasonable right to confer with the attorney for the government in the case. (18 U.S.C. § 3771(a)(5)). Defendant Pike was granted a lenient plea bargain agreement but victims were not consulted. Victims are concerned that such leniency may be extended to Konstantin Ignatov or others who were responsible for a great deal of their suffering.

DOJ guidelines suggest that: “In cases where the large number of victims makes individual consultation impractical, Department employees may nonetheless provide victims with information and seek their input through the use of alternative means such as Web sites, e-mails, conference calls, legal representatives, and town hall meetings.<sup>17</sup>”

DOJ has provided no such meetings or opportunities for victim input even though by its own count there may be as many as three million victims.

### **The Right to Full and Timely Restitution as Provided in Law.**

Restitution is mandatory – regardless of the defendant’s ability to pay – for most federal crimes. (See 18 U.S.C. § 3663A (2006) Prejudgment Restraint of Assets is particularly relevant in pyramid schemes involving cryptocurrencies and lawyer designed shell companies. Defendants will try to dissipate or hide their ill-gotten gains as time passes. An asset freeze therefore is appropriate under 18 U.S.C. § 1345 (2006) especially as the whereabouts of significant assets has been revealed including real estate, yachts, cryptocurrency, bank accounts, and even thoroughbred horses. This office stands ready to assist to DOJ in any recovery efforts.

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<sup>16</sup> Attorney Guidelines for Victim and Witness Assistance. May 2012.

[https://www.justice.gov/sites/default/files/olp/docs/ag\\_guidelines2012.pdf](https://www.justice.gov/sites/default/files/olp/docs/ag_guidelines2012.pdf) pg.38.

<sup>17</sup> Attorney Guidelines for Victim and Witness Assistance. May 2012.

[https://www.justice.gov/sites/default/files/olp/docs/ag\\_guidelines2012.pdf](https://www.justice.gov/sites/default/files/olp/docs/ag_guidelines2012.pdf) pg. 42.

According to DOJ guidelines: “Prosecutors and victim witness personnel should help assure that the probation office receives accurate information about victim names, addresses, and amounts subject to restitution. (See 18 U.S.C. § 3664(d)(1) (2006) “[T]he attorney for the government, after consulting, to the extent practicable, with all identified victims, shall promptly provide the probation officer with a listing of the amounts subject to restitution.”).<sup>18</sup>

The prosecution of OneCoin masterminds and ringleaders began in earnest in 2019 however there is no indication that the SEC or DOJ is seriously pursuing restitution. This office has passed several detailed whistleblower reports to SEC and USAO regarding OneCoin assets. There is no lack of information about OneCoin operations in Bulgaria or the identity of individuals and firms who have been unjustly enriched in the United States and elsewhere. The USAO itself is possession of detailed banking information regarding OneCoin money laundering operations. However, until such time basic steps are taken such as registering victims and seeking their information; it is doubtful their rights can be enforced.

While the efforts of the USAO to prosecute the OneCoin defendants is exemplary and precedential; OneCoin assets are even now being laundered, concealed, and evidence spoliated. Law firms continue to assist the OneCoin organization despite an order by Judge Ramos that the crime fraud exception applies.<sup>19</sup>

Under the **Victims’ Rights and Restitution Act of 1990, 42 U.S.C. § 10607 (“VRRRA”)**, OneCoin victims should have access to certain services that accompany the rights conferred by the Crime Victims’ Rights Act. These services appear to be nonexistent at present and inadequate resources allocated to notice, take a census of victims, and serve the millions of victims eligible.

## **Conclusion**

The SDNY USAO has undertaken to prosecute the largest cryptocurrency pyramid swindle in history. Unlike law enforcement in other countries which have for the most part ignored the criminal OneCoin operations, the FBI and IRS launched an investigation and the USAO had the foresight in 2018 to seek indictments. A strong precedent has been set that cryptocurrency cannot be used a screen for criminal activities.

However, to date virtually nothing has been done for the millions of victims. Similar to other large pyramid schemes, the OneCoin assets may be traced and claw backs and disgorgement sought. Unlike other criminal pyramid schemes, OneCoin

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<sup>18</sup> Ibid. [https://www.justice.gov/sites/default/files/olp/docs/ag\\_guidelines2012.pdf](https://www.justice.gov/sites/default/files/olp/docs/ag_guidelines2012.pdf) pg. 44.

<sup>19</sup> Case 1:17-cr-00630-ER, Document 142, Filed 10/09/19



continues operations. There is a legal obligation of restitution to the victims of OneCoin that is not being met. My office and its clients have information that indicates that delay is resulting in OneCoin assets being dispersed, laundered, or concealed. Unfortunately, no process currently exists to coordinate our efforts – I therefore urge the SDNY Victim and Witness Coordinator, DOJ OIA, and DOJ Office for Victims of Crime to allocate the appropriate resources to address the largest pyramid scheme in history.

I am ready to assist, coordinate, or accept appointment to pursue restitution on behalf of OneCoin victims. DOJ however first must commence to ensure victim rights under the CCRA and allocate the necessary resources to provide VVRA services.

Warmest regards,

A handwritten signature in blue ink, appearing to read "Jonathan Levy", is written over a circular blue professional seal. The seal features a central scale of justice and the text "JONATHAN LEVY" at the top and "SOLICITOR" at the bottom.

Dr. Jonathan Levy  
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Solicitor (England & Wales)