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CFTC Charges Bogus Digital Asset Platform with Fraud and Misappropriation in an Online Romance Scam

Five Victims Lost \$2.3 Million to Con Targeting Asian Americans

January 19, 2024

Washington, D.C. — The Commodity Futures Trading Commission today announced it filed a civil enforcement action in the U.S. District Court for the District of Arizona against **Debiex**. The complaint alleges Debiex used popular romance scam tactics to fraudulently misappropriate \$2.3 million in customer funds intended for digital asset commodity trading.

The CFTC's complaint alleges Debiex's unidentified officers and/or managers cultivated friendly or romantic relationships with potential customers by communicating falsehoods to gain trust, and then solicited them to open and fund trading accounts with Debiex. From approximately March 2022 through the present, it's alleged Debiex accepted and misappropriated approximately \$2.3 million from approximately five customers as part of this scheme.

The complaint also names **Zhāng Chéng Yáng** (Zhang) as a relief defendant because Debiex used his digital asset wallet to misappropriate at least one customer's funds, which, as alleged, suggests he may have acted as a money mule for Debiex.

"This case is an example of the Division of Enforcement's core mission—bringing justice for victims, rooting out misconduct, and holding accountable those who violate the anti-fraud provisions of the CEA," said Director of Enforcement Ian McGinley.

In its continuing litigation against Debiex, the CFTC seeks restitution to defrauded customers, disgorgement of ill-gotten gains, civil monetary penalties, trading bans, and a permanent injunction against further violations of the Commodity Exchange Act (CEA) and CFTC regulations.

Case Background

As alleged in the complaint, Debiex operated publicly accessible internet domains located at <https://www.debiex.com> (<https://www.debiex.com>) and/or <https://www.debiex.net> (<https://www.debiex.net>), which were created around March 12, 2022 and are accessible to customers in the United States. Debiex used the websites to target Asian Americans with a sophisticated fraudulent scheme involving purported digital asset commodity trading. As detailed in the complaint, the scheme involved the coordinated efforts of three groups (1) “solicitors,” who contacted customers via at least one U.S.-based social media platform and pretended to befriend or romance the customers to solicit them to open and fund trading accounts with Debiex; (2) “customer service,” which purported to set up and service Debiex trading accounts on behalf of the customers; and (3) “money mules,” such as, but not limited to, Zhang, whose digital asset wallets were used by Debiex to accept and/or misappropriate customer funds. Money mules are people who, at someone else’s direction, receive and move money obtained through fraud or other crimes.

As further alleged, instead of using the funds to trade on behalf of the customers, as promised, Debiex misappropriated the customers’ digital assets. Unbeknownst to the customers, and as alleged, the Debiex websites merely mimicked the features of a legitimate live trading platform and the “trading accounts” on the websites were a complete ruse. No actual trading took place on the customers’ behalf.

The Division of Enforcement (DOE) thanks the FBI’s Phoenix Office for its assistance in this matter.

The DOE staff responsible for this case are Dmitriy Vilenskiy, Jenny Chapin and Joan Manley. Additional DOE staff who assisted include Jennifer Diamond, Mary Lutz, and Elizabeth Padgett.

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CFTC’s Romance Scam Fraud Advisory

The CFTC has issued several customer protection Fraud Advisories and Articles (<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/index.htm>), including Avoid Forex, Precious Metals, and Digital Asset Romance Scams (https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/CustomerAdvisory_RomanceScam.html), which warns users of online dating and social media platforms about an increase in scams that lure victims into sending their money to fraudulent websites that claim to trade foreign currency exchange (forex) contracts, precious metals contracts, and/or digital assets.

The CFTC also strongly urges the public to verify a company’s registration with the CFTC before committing funds. If unregistered, a customer should be wary of providing funds to that entity. A company’s registration status can be found using NFA BASIC (<http://www.nfa.futures.org/basicnet>).

Customers and other individuals can report suspicious activities or information, such as possible violations of commodity trading laws, to the Division of Enforcement via a toll-free hotline 866-FON-CFTC (866-366-2382) or file a tip or complaint online (<http://www.cftc.gov/ConsumerProtection/FileaTiporComplaint/index.htm>) or contact the Whistleblower Office (<https://www.whistleblower.gov/>). Whistleblowers may be eligible to receive between 10 and 30 percent of the monetary sanctions collected, paid from the Customer Protection Fund financed through monetary sanctions paid to the CFTC by violators of the CEA.

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