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CFTC Charges Randall Crater, Mark Gillespie, and My Big Coin Pay, Inc. with Fraud and Misappropriation in Ongoing Virtual Currency Scam

Defendants allegedly solicited more than \$6 million for investments in a virtual currency known as “My Big Coin”

Federal court issues restraining Order freezing Defendants’ and Relief Defendants’ assets and protecting books and records

Washington, DC – The Commodity Futures Trading Commission (CFTC) today announced the filing of a federal court enforcement action under seal on January 16, 2018, charging commodity fraud and misappropriation related to the ongoing solicitation of customers for a virtual currency known as **My Big Coin** (MBC). The CFTC Complaint charges Defendants **Randall Crater** of East Hampton, New York, **Mark Gillespie** of Hartland, Michigan, and **My Big Coin Pay, Inc.**, a corporation based in Las Vegas, Nevada, with misappropriating over \$6 million from customers by, among other things, transferring customer funds into personal bank accounts, and using those funds for personal expenses and the purchase of luxury goods.

On January 16, 2018, Judge Rya Zobel of the U.S. District Court for the District of Massachusetts, issued a restraining Order, also under seal, freezing the Defendants’ assets. The Order also freezes the assets of Relief Defendants **Kimberly Renee Benge**, **Kimberly Renee Benge** d/b/a Greyshore Advertisement a/k/a Greyshore Advertiset, **Barbara Crater Meeks**, **Erica Crater**, **Greyshore, LLC**, and **Greyshore Technology, LLC** for allegedly receiving customer funds without providing any legitimate services to clients and without any interest or entitlement to such customer funds. The court’s restraining Order also prohibits the Defendants and Relief Defendants from destroying or altering books and records.

CFTC's Director of Enforcement Comments

Director of Enforcement James McDonald, stated: "As this case shows, the CFTC is actively policing the virtual currency markets and will vigorously enforce the anti-fraud provisions of the Commodity Exchange Act. In addition to harming customers, fraud in connection with virtual currencies inhibits potentially market-enhancing developments in this area. We caution potential virtual currency customers, once again, that they should engage in appropriate diligence before purchasing virtual currencies."

Specifically, the CFTC Complaint alleges that from at least January 2014 through January 2018, the Defendants fraudulently solicited potential and existing MBC customers throughout the United States by making false and misleading claims and omissions about MBC's value, usage, and trade status, and that MBC was backed by gold. Defendants also allegedly fraudulently solicited numerous customers in the District of Massachusetts, receiving in excess of \$5 million from those customers.

As alleged in the Complaint, the MBC website, maintained and operated by the Defendants, conveyed to customers numerous solicitation materials, MBC trade data, and other materials (1) misrepresenting that MBC was actively being traded on several currency exchanges, including the MBC Exchange website, when in fact it was not; (2) misrepresenting in reports the daily trading price, when in fact no price existed because MBC was not trading; (3) misrepresenting that MBC was backed by gold, when in fact it was not; and (4) misrepresenting that MBC had partnered with MasterCard, with the promise that MBC could be used anywhere MasterCard was accepted, when in fact no such partnership existed and MBC could not be used anywhere MasterCard was accepted. In reality, as alleged, the supposed trading results were illusory, and any payouts to customers were derived from funds fraudulently obtained from other customers in the manner of a Ponzi scheme.

As customers began to raise questions about their MBC accounts, Defendants attempted to conceal their fraud by issuing additional coins to customers and falsely representing that they had secured a deal with another exchange to trade MBC, according to the Complaint. Defendants allegedly encouraged customers to refrain from redeeming their MBC holdings until MBC was active on this "new" exchange.

Misappropriated Funds Used for Personal Purchases, Including a Home, Jewelry & Travel

As further alleged in the Complaint, Defendants misappropriated virtually all of the approximately \$6 million they solicited from customers. Defendants allegedly used these misappropriated funds to purchase a home, antiques, fine art, jewelry, luxury goods, furniture, interior decorating and other home improvement services, travel, and entertainment.

In its continuing litigation, the CFTC seeks civil monetary penalties, restitution, rescission, disgorgement of ill-gotten gains, trading and registration bans, and permanent injunctions against further violations of the federal commodities laws, as charged.

This case is brought in connection with the CFTC Division of Enforcement's Virtual Currency Task Force, and CFTC staff members responsible for this case are Traci Rodriguez, Patricia Gomersall, Jonah McCarthy, Jason Mahoney, Hillary Van Tassel, John Einstman and Paul Hayeck.

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CFTC's Customer Fraud Advisory on Virtual Currencies and Bitcoin

The CFTC has issued a [Customer Advisory on the Risks of Virtual Currency Trading](#) to inform the public of possible risks associated with investing or speculating in virtual currencies or recently launched Bitcoin futures and options. The CFTC has also issued several other customer protection [Fraud Advisories](#) that provide the warning signs of fraud.

Customers can report suspicious activities or information, such as possible violations of commodity trading laws, to the CFTC Division of Enforcement via a Toll-Free Hotline 866-FON-CFTC (866-366-2382) or [file a tip or complaint](#) online.

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