



PRESS RELEASE

Long Island Man Convicted At Trial Of Participating In Multimillion-Dollar Cryptocurrency-Related Crimes

Thursday, September 26, 2024

For Immediate Release

U.S. Attorney's Office, Southern District
of New York

Defendant's Son Previously Pled Guilty and Received 4-Year Sentence for His Role in the Crimes

Damian Williams, the United States Attorney for the Southern District of New York, announced that EUGENE WILLIAM AUSTIN, JR., a/k/a "Hugh Austin" ("AUSTIN") was convicted Tuesday, September 24, 2024, of three criminal counts stemming from his participation in a conspiracy to commit wire fraud, money laundering, and the interstate transportation of stolen property. The defendant and his son, BRANDON AUSTIN ("BRANDON"), were responsible for defrauding numerous victims across the country of millions of dollars. AUSTIN was convicted after a jury trial before U.S. District Judge P. Kevin Castel. The defendant's son, BRANDON, previously pled guilty to conspiracy to commit money laundering and was sentenced principally to 4 years in prison.

U.S. Attorney Damian Williams said: "A unanimous jury has found that Hugh Austin engaged in a yearslong fraud and money laundering scheme. Austin's scheming caused millions of dollars of losses. Austin even conspired with his own son to rip off his

victims. Thanks to the hard work of the career prosecutors of this Office and our law enforcement partners, Austin's crime spree has come to an end, and he will be held accountable for his conduct."

As reflected in the Indictment, public filings, and the evidence presented at trial:

AUSTIN participated in a scheme with his son BRANDON and others to steal money from entrepreneurs, investors, and other victims by fraudulently offering to, among other things: serve as a broker for sales of large quantities of cryptocurrency; provide short-term investments in cryptocurrency for purportedly high returns; and secure investors for startups and other small businesses from their purported network of high-net-worth individuals. AUSTIN also frequently sought personal loans from friends and acquaintances in connection with AUSTIN's purported cryptocurrency and investment businesses, falsely promising to pay lenders back with interest. In each instance, investors and lenders lost their money, and AUSTIN and BRANDON frequently spent investors' funds on personal expenses, including airline travel, luxury hotels, restaurants, shopping, transfers of money to relatives, as well as nominal payments to victims to prolong the scheme. Over the course of the scheme, AUSTIN and BRANDON have caused millions of dollars in losses to numerous victims all over the country. Below are several examples of victims defrauded by AUSTIN and BRANDON.

- In or about August 2018, AUSTIN and BRANDON fraudulently induced a California-based investment firm to send an interstate wire transfer of approximately \$5 million to a Manhattan-based attorney for the purported purchase of cryptocurrency, which was never provided to the victim.
- In or about September 2018, AUSTIN and BRANDON fraudulently induced a cryptocurrency start-up company to send an interstate wire transfer of approximately \$100,000 as a short-term loan for a purported cryptocurrency transaction; instead of using the funds as promised, AUSTIN and BRANDON used the money to fund their lifestyle.
- In or about June 2020, AUSTIN and BRANDON laundered approximately \$567,000 that had been sent via an interstate wire transfer to the trust account of a New York-based real estate attorney for a purported cryptocurrency transaction.
- In or about October 2021, AUSTIN and BRANDON stole approximately \$528,000 that had been sent via an interstate wire transfer to the bank account of a Manhattan-based company for the purported purchase of Bitcoin.

* * *

AUSTIN, 62, of Port Jefferson, New York, was convicted by a jury of one count of conspiracy to commit wire fraud, which carries a maximum sentence of 20 year in prison; one count of conspiracy to commit money laundering, which carries a maximum sentence of 20 years in prison; and one count of conspiracy to receive stolen property, which carries a maximum

sentence of five years in prison. AUSTIN will be sentenced before Judge Castel on February 20, 2025.

The maximum potential sentences are prescribed by Congress and provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

Mr. Williams praised the outstanding investigative work of Homeland Security Investigations.

The prosecution of this case is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorneys Andrew Chan, Steven Kochevar, Matthew Weinberg, and Olga I. Zverovich are in charge of the prosecution, with assistance from Paralegal Specialists Chanel-Ashley Foster, Frank Mastroianni, and Christine Woods.

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Updated October 10, 2024

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FINANCIAL FRAUD

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Press Release Number: 24-301

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