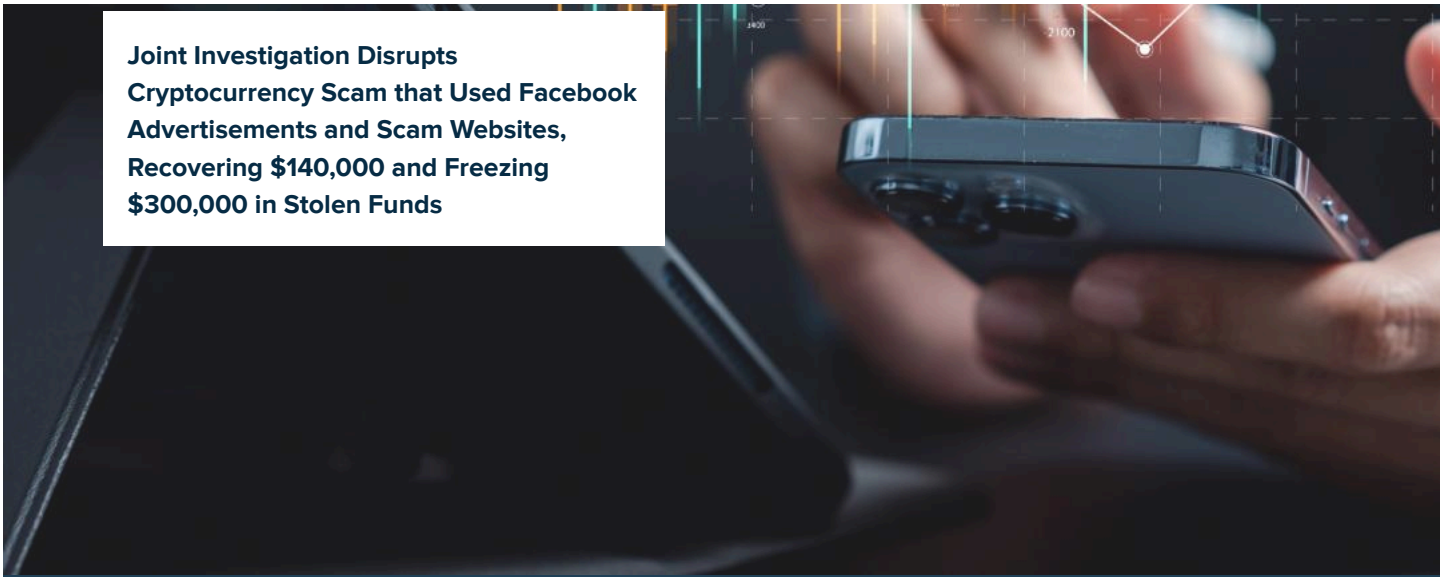
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Joint Investigation Disrupts Cryptocurrency Scam that Used Facebook Advertisements and Scam Websites, Recovering $140,000 and Freezing $300,000 in Stolen Funds



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)isrupts Cryptocurrency Scam that Used Facebook Advertisements and Scam Websites, Recovering $140,000 and Freezing $300,000 in Stolen Funds

Scammers Used Deceptive Facebook Ads to Lure Russian-Speaking New Yorkers into Investing with Fake Cryptocurrency Trading Platforms

Over 100 Fraudulent Domains Seized; Some Victims Were Warned Early, Others to Be Made Whole

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June 18, 2025

Brooklyn District Attorney Eric Gonzalez, together with New York State Attorney General Letitia James and Superintendent of the New York State Department of Financial Services Adrienne Harris, today announced that a multi-agency long-term investigation resulted in the disruption of a fraudulent cryptocurrency investment scam that targeted members of the Russian community in Brooklyn and across the country. Stolen cryptocurrency was sent to domain registrars as payment to create fake cryptocurrency investment domains and to Meta as payment for Facebook advertisements that promoted fraudulent cryptocurrency investment opportunities. After learning of the investigation, Meta shut down more than 700 accounts associated with the “Black Hat” advertiser promoting the scam. Court orders have led to the seizure of $140,000 worth of cryptocurrency, the freezing of approximately $300,000 worth of cryptocurrency, and the dismantling of a cluster of scam websites and registrar accounts.

District Attorney Gonzalez said, “As crypto scams continue to proliferate, it is crucial for law enforcement agencies to work together in order to stop them. That’s what happened in this case, with the fraudulent network being shut down, victims warned to stop investing and some of the stolen money getting recovered. I am grateful for the partnership with the Attorney General’s Office and the Department of Financial Services that led to this successful outcome. My office will continue to investigate every reported scam in Brooklyn and to educate residents about how to protect themselves from these dangerous frauds.”

“Hundreds of New York investors thought they were putting their hard-earned money in safe, high-return investments, only to be defrauded out of millions of dollars,” **said Attorney General James**. “These scammers targeted Russian speakers on Facebook with enticing ads and my office together with DFS and the Brooklyn District Attorney’s office took action to stop these scammers and protect New Yorkers. I urge all New Yorkers to be vigilant of online cryptocurrency investment ads.”

New York State Department of Financial Services **Superintendent Adrienne Harris said**, “Through partnership and collaboration with the Brooklyn District Attorney and New York Attorney General, hundreds of thousands of dollars were returned to victims and these criminals were held accountable for their deplorable actions. As a preeminent global regulator of cryptocurrency, banks, insurers, and other financial services providers, the Department will continue to work every day to build a more equitable, transparent, and resilient financial system for all New Yorkers.”

The investigation began in October 2024 when NYDFS became aware that a fake cryptocurrency investment website was displaying what looked like a BitLicense certificate, purportedly issued by the agency (these certificates are issued to legitimate virtual currency businesses operating in New York to ensure compliance with state laws, consumer protection and transparency). The first site NYDFS identified was WhalesTrade.com and further investigation revealed that the domain name was linked to a large network of related domains and accounts that were part of a scam campaign targeting Russian-speaking residents of Brooklyn and across the state and country.

The scammers involved in this scheme lured victims with deceptive social media ads, many in Russian and primarily on Facebook, featuring popular names and personalities. Once victims showed interest in investing, scammers responded and moved the conversation to encrypted private messaging apps like WhatsApp and Telegram. After the victims made an initial investment on the fraudulent platforms, scammers then falsely showed the victims that their investment accounts were increasing in value and encouraged victims to send more money. After making more investments, sometimes totaling hundreds of thousands of dollars, victims were unable to withdraw their funds and were told they needed to pay more in false withdrawal fees or taxes. Eventually, the scammers cut off contact with the victim and pocketed their money.

In the course of the investigation, more than 300 victims were identified, and many were personally contacted by Brooklyn District Attorney and New York State Department of Financial Services investigators and alerted to the fraud so that they would stop sending funds to fake investment platforms. It’s estimated that the scheme caused over $1 million in losses in Brooklyn alone. To disrupt the scheme and prevent future harm, the DA’s Office executed a series of warrants that resulted in the seizure of over 100 domains and 17 registrar accounts; terminated scammers’ access to their web-based email, effectively disconnecting their communications with victims; seized $140,000 that was stolen from victims that can now be returned; and was able, with NYDFS, to monitor blockchain activity in real time and warn dozens of victims who had just started engaging with the scammers, preventing the future loss of funds. In addition, DA Gonzalez appeared in Russian media to explain these types of frauds and advise community members on how to protect themselves.

The scammers targeted Russian speakers by launching a campaign of advertisements on Facebook which promised high returns on cryptocurrency investments. To avoid revealing their real identity to Facebook and to evade restrictions on misleading and fraudulent advertisement, the scammers paid individuals based in Vietnam for “Black Hat” advertising services. “Black Hat” advertising on Facebook refers to deceptive online tactics used to promote services that violate Facebook’s advertising policies. The investigation revealed that the scammers used over a million dollars’ worth of cryptocurrency stolen from victims to pay “Black Hat” advertisers for the placement of the deceptive advertisements.

The Office of the Attorney General joined the investigation, focusing on the payment of funds to the “Facebook Black Hat” advertisers. Their investigation revealed that a “Black Hat” advertiser was converting Bitcoin sent by victims into local Vietnamese currency, which was used to purchase more fraudulent ads on Facebook.

The OAG successfully obtained a court order to freeze $300,000 in cryptocurrency accounts linked to the “Black Hat” advertisers.

Residents of New York who want to verify the legitimacy of a cryptocurrency exchange or file a complaint about a cryptocurrency company, product, or service can visit the DFS website, visit dfs.ny.gov/complaint or call (800) 342-3736. DFS continues to set the bar for prudential regulation of virtual currency, protecting consumers; preserving markets; and rooting out financial crimes like money laundering and terrorist financing.

New Yorkers who have been affected by deceptive conduct in cryptocurrency markets should also report the conduct to OAG by filing an online complaint. Brooklyn residents who believe they’ve been scammed are encouraged to report to the DA’s Office by calling 718-250-2340. Attorney General James also encourages workers in the cryptocurrency industry who may have witnessed misconduct or fraud to file an online whistleblower complaint, which can be done anonymously.

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