



Press Release
15/02/2025

Directorate of Enforcement (ED), Ahmedabad has conducted search operations on 11/02/2025 and 15/02/2025 in the case of Bitconnect Crypto currency fraud, under the provisions of the Prevention of Money-Laundering Act (PMLA), 2002. During the search operations, Proceeds of Crime in the form of various Crypto currencies worth Rs. 1646 Crore (approx.) were recovered and seized. In addition to the said Crypto currencies, Rs.13,50,500/- in cash, one car Lexus made and a number of digital devices have also been seized.

ED initiated investigation on basis of FIRs registered by the CID, Crime, Police Station, Surat. During investigation under the PMLA, it was revealed that during the period from November, 2016 to January 2018, the accused persons conducted a fraudulent and unregistered offering and sale of securities in the form of investments in Bitconnect'spurported "Lending Program," from investors worldwide, including from investors located in India.

The founder of BitConnect, an unincorporated organization, established a worldwide network of promoters, and rewarded them for their promotional efforts by paying them commissions. To induce investors to deposit funds in the form of Cash and Bitcoins, into the purported Lending Program, BitConnect represented, among other things, that BitConnect would deploy a purported proprietary "volatility software trading bot" (the "Trading Bot") that, they claimed, would use investor funds to generate returns as high as 40% per month, and they posted fictitious returns on the BitConnect Website that amounted to, on average, 1% per day, or approximately 3,700% on an annualized basis. These claims were a sham, as the accused knew that BitConnect did not deploy investor funds for trading with its purported Trading Bot rather, they siphoned investors' funds off for their own benefit, and their associates' benefit, by transferring those funds to digital wallet addresses controlled by them.

During investigation, ED, Ahmedabad examined the complex web of transactions carried in numerous crypto wallets to unmask the origin and controllers of said crypto wallets. It was found that many transactions were carried out through Dark Web to make the transactions untraceable. However, by tracking numerous web wallets and gathering ground intelligence, ED was able to zero-in-on the wallets and the premises where the digital devices containing said crypto currencies were available. Thereafter, by conducting searches, the digital devices were recovered and said crypto currencies worth **Rs. 1646 Crore** (approx.) were seized (transferred to ED's account). In addition to the said Crypto currencies, **Rs. 13,50,500/-in cash**, one **car Lexus** made and a number of digital devices have also been seized.

Earlier, in this case, ED, Ahmedabad had also attached movable and immovable properties to the tune of **Rs. 489 Crore** (approx.).

It has also been gathered through online sources that foreign nationals also invested in BitConnect and the main accused of BitConnect case is also under investigation in the U.S.A.

Further investigation is under progress.



