

Cryptocurrency company founder sentenced for defrauding Massachusetts victims

“The founder of “My Big Coin,” a purported cryptocurrency and virtual payment services company headquartered in Las Vegas, Nev., was sentenced today in federal court in Boston for marketing and selling fraudulent virtual currency and operating an unlicensed virtual currency exchange.

Randall Crater, 52, of Lake Mary, Fla., was sentenced by U.S. District Court Judge Denise J. Casper to 100 months in prison and three years of supervised release. Crater was also ordered to pay forfeiture of \$7,668,317 and restitution in an amount that will be determined at a later date. In July 2022, Crater was convicted by a federal jury of four counts of wire fraud, three counts of unlawful monetary transactions and one count of operating an unlicensed money transmitting business.

“For nearly four years, Mr. Crater perpetrated a brazen fraud scheme that preyed on investors and customers who put their faith in him and his fake business, resulting in victim losses of over \$7.5 million. He saw the growing crypto marketplace as an opportunity to create the illusion of My Big Coin as a legitimate service from which investors would yield a profit.

His lies and deception inflicted real trauma, pain and hardship on the lives of 55 individual victims and their families who funneled their money into bank accounts Mr. Crater controlled and used to finance his extravagant lifestyle,” said United States Attorney Rachael S. Rollins. “I hope today’s sentence sends a strong message that fraudsters – in any market – who seek to exploit others will be found and

brought to justice.”

“Spreading outright lies, Randall Crater defrauded dozens of victims out of more than \$7.5 million, convincing them their cryptocurrency investments were backed by gold when in reality their hard-earned money went to funding his lavish lifestyle,” said Joseph R. Bonavolonta, Special Agent in Charge of the Federal Bureau of Investigation, Boston Division. “The harm done here was significant—delayed retirement, tuition money lost, lives turned upside down—all because of one man’s greed. Today’s lengthy sentence doesn’t right those wrongs, but it does ensure Mr. Crater won’t be victimizing anyone else.”

“The excitement of being part of a new market in cryptocurrency can be very enticing to those who want to be in at the forefront; but in this case they found their investment was nothing more than an investment in Mr. Crater’s lavish lifestyle. Postal Inspectors remind consumers to thoroughly investigate all offers and don’t rely on what they’re told, even if they believe there is protection in their investments and deposits through the name recognition of an alleged renowned partner. In this case it was all lies, and now Mr. Crater will be held accountable for his illegal activities,” said Eric Shen, Inspector in Charge of the U.S. Postal Inspection Service’s Criminal Investigations Group.

Founded in 2013, My Big Coin claimed to offer virtual payment services through a fraudulent digital currency (or “Coins”), which Crater marketed to investors between 2014 and 2017 using misrepresentations. Crater, along with agents he paid to promote the scheme, claimed that the Coins were a fully functioning cryptocurrency backed by gold and that My Big Coin had a partnership with MasterCard. Crater also operated the My Big Coin Exchange, which was advertised as a fully functioning currency exchange where Coins could be transferred for government-backed fiat currency or other virtual currencies. Crater and others made these misrepresentations through social media, the internet, email and text messages.

In reality, the Coins were not backed by gold or other valuable assets, did not have a partnership with MasterCard and were not readily transferable on the My Big Coin Exchange. Over the course of the scheme, Crater obtained over \$7.5 million from investors and customers, which he used to buy a house, cars, and over \$1 million in antiques, artwork and jewelry.

In January 2018, the Commodity Futures Trading Commission (CFTC) alleged that My Big Coin was a fraud. The CFTC also filed civil charges against Crater and several of his associates for their involvement in the scheme. The civil action was stayed on March 8, 2019, pending resolution of the criminal case.

U.S. Attorney Rollins; Kenneth A. Polite, Jr., Assistant Attorney General of the Justice Department's Criminal Division; FBI SAC Bonavolonta; and USPIS Inspector in Charge Shen made the announcement today. The CFTC, the Internal Revenue Service, and the U.S. Department of the Treasury Financial Crimes Enforcement Network also provided valuable assistance with the matter. Assistant U.S. Attorney Christopher J. Markham, of Rollins' Securities, Financial & Cyber Fraud Unit, and Trial Attorney Babasijibomi Moore of the Criminal Division's Fraud Section prosecuted the case." - Massachusetts Department of Justice.