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EUROPEAN PARLIAMENT
Committee on Petitions
Reu Wiertz 60
B-1047 Brussels
BELGIUM

Re: Petition 0421/2020 “Petition to Create Crypto Asset Fund for Victims of Crypto Crime”

SUPPLEMENTAL INFORMATION BY PETITIONER RE: **ONECOIN**

Dear Committee:

We represent several victims of the **OneCoin** crypto criminal scheme and ICO (Initial Coin Offering), the largest of its sort in history involving billions of Euros. We represent:

S [REDACTED] S [REDACTED] (Australia) with losses exceeding €150,000
B [REDACTED] D [REDACTED] (Australia) with losses exceeding €150,000
E [REDACTED] T [REDACTED] (Australia) with losses exceeding €100,000
J [REDACTED] S [REDACTED] (Australia) with losses exceeding €30,000
Tom [REDACTED] (USA) with losses exceeding €7500
E [REDACTED] C [REDACTED] (USA) with losses exceeding €150,000

We also represent a creditor of the OneCoin organization in the United Kingdom, [REDACTED], who is owed at least €750,000.

The European Commission (EC) in its [October 12, 2020 response](#) to this Committee opposing the creation of a Crypto Victims Super Fund claims:

“Furthermore, most losses suffered – through for example fraudulent initial coin offerings (ICOs) or hacks of cryptocurrency exchanges -occur outside of the EU.”

By far the largest ICO (Initial Coin Offering) fraud ever committed is the ongoing OneCoin scheme which began in 2014 in the EU. Consumer losses are estimated between €5 to €15 billion worldwide. OneCoin was firmly ensconced in the EU with offices in Sofia, London and Gibraltar; its guiding minds were EU citizens: Ruja Ignatova, Konstantin Ignatov, and Karl Sebastian Greenwood.

OneCoin demonstrates the total and complete failure of the European Commission’s position that its member states are able to monitor, prevent and effectively prosecute crypto criminals. In 2015, the Bulgarian Financial Crimes Unit was already aware of the OneCoin scheme.

Likewise, the United Kingdom and Gibraltar took no steps to criminally prosecute OneCoin masterminds and associates despite ample proof of its operations and money laundering through its RavenR (UK) and OneCoin (Gibraltar) subsidiaries. The EU banking system provided OneCoin with accounts which somehow escaped initial AML/CTF scrutiny. When bank accounts were closed OneCoin was able to accept deposits in Bitcoin and continue operations.

OneCoin continues to operate from the European Commission's own top level domain **portal.onelife.eu** where victim accounts are maintained along with the nominal valuation of €42.5/OneCoin from an office in Sofia. We have notified the EC many times about the use of ccTLD .EU by OneCoin including Ms. Raluca Pruna, head of the EC Financial Crimes Unit, in 2019. The EC however thinks so little of crypto crime victims that it will not follow its own AML/CFT guidelines and is at this point enabling a notorious criminal operation to continue operations using EC digital property.

OneCoin was not only a criminal operation that has siphoned billions of Euros to safe havens like [Dubai](#) but there is evidence that its accounts were used for unrelated money laundering by organized crime, funding of terrorism, and violations of international sanctions in Venezuela. Ruja Ignatova, the mastermind of OneCoin, is a fugitive who was able to obtain 230,000 Bitcoins from a member of an Emirati royal family. The EC and its members failed to act decisively to protect consumers. And the ongoing operations of OneCoin demonstrates that criminals and not consumers are the winners due to lack of a security fund for crypto assets.

We remind the Committee that a "superfund," collecting a minute .0001% per Euro fee on each crypto asset transaction would have likely netted billions of Euros for victims this past year even if it captured only a portion of the current daily cryptocurrency volume of €200 billion and market capitalization of €2 trillion. The superfund would pay for itself and any administrative costs.

We further recommend that there is an urgent need to impose region wide AML/CTF on crypto assets given the ongoing crypto terrorist attacks on infrastructure within the EU. AML/CTF begins by accounting for each crypto transaction by exchange and peer to peer. A crypto wallet address is the same as a bank account yet these transactions receive little or no scrutiny. A superfund could double as a data collection tool in the fight against crypto terrorism.

The EU Commission has spent millions of Euros promoting blockchain but has abandoned consumers. Victims rarely if ever have their funds returned and even if funds are recaptured by national authorities, victims have no way to make claims or receive notice from EC members.

We strongly urge the EUP to support consumers with the appropriate measures proposed. OneCoin while considered an infamous Ponzi scheme now, was at one time considered as desirable as Bitcoin. In the opaque crypto universe, what is today's hot investment, may well become tomorrow's OneCoin. The EC position favors corruption, criminality and fuels rampant speculation and market manipulation. Let us protect the consumer even if the EC will not do so.

Warmest regards,

A handwritten signature in blue ink, appearing to read "Jonathan Levy", is positioned to the left of a circular blue notary seal. The seal features a central emblem of a scale of justice and the text "JONATHAN LEVY" at the top and "CALIFORNIA BAR & ASSOC." at the bottom.

Dr. Jonathan Levy

Legal Representative for Crypto Crime Victim Petitioners