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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOSE SOMARRIBA,

Defendant.

CR No. 2:25-CR-00181-SB

I N F O R M A T I O N

[18 U.S.C. § 371: Conspiracy to Operate an Illegal Money Transmitting Business;
18 U.S.C. § 982: Criminal Forfeiture]

The Acting United States Attorney charges:

COUNT ONE

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

1. Defendant JOSE SOMARRIBA was a citizen of the United States and resided in Los Angeles, California.

1 2. Co-Conspirator 1 was a citizen of the United States and
2 resided in Los Angeles, California and Mexico City, Mexico.

3 3. Co-Conspirator 2 was a citizen of the People's Republic of
4 China ("PRC") and resided in the United Arab Emirates.

5 4. Co-Conspirator 3 was a citizen of the PRC and St. Kitts and
6 Nevis and resided in the Kingdom of Cambodia, the United Arab
7 Emirates, and the PRC.

8 5. Axis Digital Limited ("Axis Digital") was an entity
9 incorporated under the laws of the Commonwealth of the Bahamas on or
10 about November 30, 2021.

11 6. "Bahamas Account #1" was an account at Deltec Bank and
12 Trust Limited ("Deltec Bank") in the Bahamas, opened by Axis Digital
13 on or about February 25, 2022.

14 7. B&C Commerce LLC ("B&C Commerce") was a shell company
15 registered with the California Secretary of State on or about January
16 21, 2022, with a principal address in San Gabriel, California.

17 8. Jimei Trading Inc. ("Jimei Trading") was a shell company
18 registered with the California Secretary of State on or about May 15,
19 2022, with a principal address in San Gabriel, California.

20 9. YXJ Trading Corporation ("YXJ Trading") was a shell company
21 registered with the California Secretary of State on or about July
22 30, 2022, with a principal address in Monterey Park, California.

23 10. YYJ Consulting Corporation ("YYJ Consulting") was a shell
24 company registered with the California Secretary of State on or about
25 August 25, 2022, with a principal address in Monterey Park,
26 California.

27 11. Sea Dragon Trading, LLC ("Sea Dragon Trading") was a shell
28 company registered with the California Secretary of State on or about

1 September 8, 2022, with a principal address in Alhambra, California.

2 12. SMX Beauty Inc. ("SMX Beauty") was a shell company
3 registered with the California Secretary of State on or about October
4 13, 2022, with a principal address in Monterey Park, California.

5 13. SMX Travel Inc. ("SMX Travel") was a shell company
6 registered with the California Secretary of State on or about October
7 13, 2022, with a principal address in Monterey Park, California.

8 14. Sea Dragon Remodel, Inc. ("Sea Dragon Remodel") was a shell
9 company registered with the California Secretary of State on or about
10 October 17, 2022, with a principal address in Vernon, California.

11 15. The virtual-currency wallet address beginning with TRteo
12 (the "TRteo Address") was a wallet that received transfers of virtual
13 currency converted from funds in Bahamas Account #1.

14 B. DEFINITIONS

15 16. "Digital currency" or "virtual currency" is currency that
16 exists only in digital form; it has some of the characteristics of
17 traditional money, but it does not have a physical equivalent.
18 Cryptocurrency, a type of virtual currency, is a network-based medium
19 of value or exchange that may be used as a substitute for traditional
20 currency to buy goods or services or exchanged for traditional
21 currency or other cryptocurrencies. USDT, or Tether, is a virtual
22 currency whose value is pegged to the U.S. dollar.

23 17. The term "spoofed" refers to domain spoofing, a process by
24 which cybercriminals seek to persuade victims that a web address or
25 email belongs to a legitimate and generally trusted company, when in
26 fact it links the user to a fraudulent site controlled by a
27 cybercriminal.

28 18. In "pig butchering" fraud schemes (a term derived from a

1 foreign-language phrase used to describe these crimes), scammers
2 encounter victims on dating services, social media, or through
3 unsolicited messages or calls, often masquerading as a wrong number.
4 Scammers initiate relationships with victims and slowly gain their
5 trust, eventually introducing the idea of making a business
6 investment using cryptocurrency. Victims are then directed to other
7 members of the scheme operating fraudulent cryptocurrency investment
8 platforms and applications, where victims are persuaded to make
9 financial investments. Once funds are sent to scammer-controlled
10 accounts, the investment platform often falsely shows significant
11 gains on the purported investment, and the victims are thus induced
12 to make additional investments. Ultimately, the victims are unable
13 to withdraw or recover their money, often resulting in significant
14 losses for the victims.

15 19. In "customer service" or "tech support" fraud schemes,
16 victims are contacted by fake customer service or technology support
17 representatives. Scammers often pretend to represent a prominent
18 company and contact the victim to alert them to a supposed infection
19 with a computer virus or false issue with the victim's computer or
20 other digital device. Scammers then take a variety of actions to
21 defraud the victim, including, but not limited to, the following: (a)
22 causing the victim to provide them with remote access to the victim's
23 digital devices to supposedly remediate the problem, (b) requesting
24 that funds be transferred to pay for assistance, and (c) advising the
25 victim to transfer money from accounts that are supposedly
26 compromised by the problem to accounts controlled by the scammer.

27 C. OBJECT OF THE CONSPIRACY

28 20. Beginning on an unknown date, but no later than on or about

1 November 2021, and continuing to in or about July 2023, in Los
2 Angeles County, within the Central District of California, and
3 elsewhere, defendant SOMARRIBA, with others known and unknown,
4 knowingly conspired and agreed to commit an offense against the
5 United States, namely, to operate an unlicensed money transmitting
6 business, in violation of 18 U.S.C. §§ 1960(b)(1)(B) and
7 1960(b)(1)(C).

8 D. THE MANNER AND MEANS OF THE CONSPIRACY

9 21. The object of the conspiracy was to be accomplished in
10 substance as follows:

11 Solicitation of Investment Fraud Victims

12 a. Unindicted co-conspirators would contact victims
13 directly through unsolicited social-media interactions, telephone
14 calls and messages, and online dating services.

15 b. Unindicted co-conspirators would gain the trust of
16 victims by establishing either professional or romantic relationships
17 with the victims. Unindicted co-conspirators would build these
18 relationships through interstate communications, including, but not
19 limited to, electronic messages sent via end-to-end encrypted
20 applications.

21 c. Unindicted co-conspirators would promote fraudulent
22 cryptocurrency investments to the victims after gaining the victims'
23 trust.

24 d. Unindicted co-conspirators would establish spoofed
25 domains and websites that resembled legitimate cryptocurrency trading
26 platforms.

27 e. In some executions of the scheme, unindicted co-
28 conspirators would fraudulently induce victims into investing in

1 cryptocurrency through these fraudulent and spoofed investment
2 platforms.

3 f. In other executions of the scheme, unindicted co-
4 conspirators would fraudulently induce victims into investing in
5 cryptocurrency by sending funds via wire transfer.

6 g. Unindicted co-conspirators would fraudulently
7 represent to victims that the victims' investments were appreciating
8 when, in fact, those funds had been converted by members of the fraud
9 scheme.

10 Solicitation of Customer Service and Tech Support Fraud Victims

11 h. Unindicted co-conspirators would fraudulently
12 represent to victims through interstate communications, including,
13 but not limited to, electronic messages and phone calls, that they
14 were from a customer service or technology support company.

15 i. Unindicted co-conspirators would fraudulently induce
16 victims to send funds via wire transfer or cryptocurrency trading
17 platforms to purportedly remediate a non-existent virus or other
18 false computer-related problem.

19 Operation of Unlicensed Money Transmitting Business

20 j. Co-conspirators would register dozens of U.S. shell
21 companies with the California Secretary of State and elsewhere,
22 including B&C Commerce, Jimei Trading, YXJ Trading, YYJ Consulting,
23 SMX Beauty, SMX Travel, Sea Dragon Trading, and Sea Dragon Remodel.

24 k. Co-conspirators would open bank accounts in the names
25 of various shell companies.

26 l. Co-conspirators would receive victim funds in U.S.
27 bank accounts established on behalf of shell companies and cause the
28 further transfer of victim funds to domestic and international bank

1 accounts.

2 m. Defendant SOMARRIBA and co-conspirators would monitor
3 the receipt and execution of interstate and international wire
4 transfers of victim funds, including to Bahamas Account #1.

5 n. Defendant SOMARRIBA and other co-conspirators would
6 monitor the conversion of victim funds to USDT and the subsequent
7 distribution of virtual currency to cryptocurrency wallets.

8 o. Defendant SOMARRIBA and co-conspirators would direct
9 the conversion of nearly all of the funds into USDT and the
10 subsequent transfer of cryptocurrency to the TRteo Address.

11 p. Defendant SOMARRIBA would receive a commission for the
12 transfer of victim funds to USDT and would distribute ledgers
13 detailing the profit-sharing arrangement.

14 q. Defendant SOMARRIBA and other co-conspirators would
15 possess fraudulent "Know Your Customer" ("KYC") documents associated
16 with these wire transfers.

17 r. Co-conspirators would cause wire transfers to be sent
18 through various intermediary bank accounts before reaching their
19 final beneficiary.

20 s. Defendant SOMARRIBA would receive victim funds in
21 financial accounts he directly controlled.

22 t. Defendant SOMARRIBA and other co-conspirators would
23 communicate with each other and coordinate acts in furtherance of the
24 conspiracy through encrypted messaging services.

25 E. OVERT ACTS

26 22. In furtherance of the conspiracy and to accomplish its
27 object, defendant SOMARRIBA, Co-Conspirators 1, 2, and 3, and others
28 known and unknown, on or about the dates set forth below, committed

1 and caused to be committed various overt acts, in the Central
2 District of California and elsewhere, including, but not limited to,
3 the following:

4 Overt Act No. 1: On November 30, 2021, defendant SOMARRIBA,
5 Co-Conspirator 1, and other co-conspirators established the Bahamian
6 entity Axis Digital.

7 Overt Act No. 2: On February 9, 2022, defendant SOMARRIBA
8 corresponded with a Deltec Bank employee concerning the account
9 opening forms for Bahamas Account #1.

10 Overt Act No. 3: On June 15, 2022, defendant SOMARRIBA sent
11 Deltec Bank a screenshot of a cryptocurrency account held by
12 defendant SOMARRIBA to demonstrate proof of funds for the opening of
13 Bahamas Account #1.

14 Overt Act No. 4: On July 6, 2022, defendant SOMARRIBA
15 traveled to Phnom Penh, Cambodia, to meet with co-conspirators
16 regarding the operation of Bahamas Account #1 and the transfer of
17 USDT to the TRTeo Address.

18 Overt Act No. 5: On August 5, 2022, defendant SOMARRIBA
19 corresponded with Deltec Bank employees on an encrypted messaging
20 platform and directed that for future transactions funds from Bahamas
21 Account #1 should be converted to USDT and transferred to the TRteo
22 Address.

23 Overt Act No. 6: On September 13, 2022, defendant SOMARRIBA
24 sent Co-Conspirator 1 a blank Digital Transaction Agreement to use as
25 a contract template for shell companies to exchange U.S. dollars into
26 USDT.

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1 Overt Act No. 7: On September 15, 2022, defendant SOMARRIBA
2 sent Deltec Bank a purportedly executed and signed Digital
3 Transaction Agreement for the exchange of U.S. dollars into USDT to
4 be transferred to the TRteo Address.

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FORFEITURE ALLEGATION

[18 U.S.C. § 982]

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3 1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal
4 Procedure, notice is hereby given that the United States of America
5 will seek forfeiture as part of any sentence, pursuant to Title 18,
6 United States Code, Section 982(a)(2), in the event of defendant's
7 conviction of the offense set forth in this Information.

8 2. Defendant, if so convicted, shall forfeit to the United
9 States of America the following:

10 (a) All right, title and interest in any and all property,
11 real or personal, constituting, or derived from, any proceeds
12 obtained, directly or indirectly, as a result of the offense; and

13 (b) To the extent such property is not available for
14 forfeiture, a sum of money equal to the total value of the property
15 described in subparagraph (a).

16 3. Pursuant to Title 21, United States Code, Section 853(p), as
17 incorporated by Title 18, United States Code, Section 982(b),
18 defendant, if so convicted, shall forfeit substitute property, up to
19 the total value of the property described in the preceding paragraph
20 if, as the result of any act or omission of said defendant, the
21 property described in the preceding paragraph, or any portion
22 thereof: (a) cannot be located upon the exercise of due diligence;
23 (b) has been transferred, sold to or deposited with a third party;
24 (c) has been placed beyond the jurisdiction of the court; (d) has
25 been

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1 substantially diminished in value; or (e) has been commingled with
2 other property that cannot be divided without difficulty.

3 JOSEPH T. MCNALLY
4 Acting United States Attorney

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6
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