

Beat: News

CEO Of Cryptocurrency And Forex Trading Platform Charged

Fraudulent Scheme Involving \$59 Million

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USPA NEWS - Damian Williams, the United States Attorney for the Southern District of New York, and Michael J. Driscoll, Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation, announced today the unsealing of a Complaint in Manhattan federal court charging EDDY ALEXANDRE, the leader of a purported cryptocurrency and forex trading platform called EminiFX, with commodities fraud and wire fraud offenses. As alleged, ALEXANDRE solicited more than \$59 million in investments from hundreds of individual investors after making false representations in connection with the EminiFX trading platform. ALEXANDRE was arrested this morning and will be presented later today before Magistrate Judge Katharine H. Parker in the U.S. District Court for the Southern District of New York.

U.S. Attorney Damian Williams said: "Eddy Alexandre allegedly induced his clients to invest over \$59 million with promises of huge passive income returns via his own proprietary trading platform called EminiFx. In reality, no such technology existed, as Alexandre is alleged to have invested very little of their money – most of which he lost – and transferred most of it to his own personal accounts to pay for luxury items for himself. As in any of the financial markets, the foreign exchanges offer high return potential, but investors should beware of the downside risks of false claims and get rich quick schemes that oftentimes are too good to be true."

FBI Assistant Director-in-Charge Michael J. Driscoll said: "As alleged, Mr. Alexandre solicited millions of dollars from unwitting investors to whom he 'guaranteed' weekly returns of 5% through his trading platform using a new technology he refused to disclose. As with many greedy actors who have preceded him, he then used significant portions of the investor funds he solicited to buy expensive luxuries for himself. Today's action again demonstrates the FBI's commitment to pursuing fraudsters like Mr. Alexandre and guaranteeing they face the consequences of their actions in the federal criminal justice system."

As alleged in the Complaint unsealed today in Manhattan federal court[1]:

From in or about September 2021, up to and including in or about May 2022, ALEXANDRE, operated EminiFX, Inc. ("EminiFX"), a purported investment platform that ALEXANDRE founded, and for which he solicited more than \$59 million in investments from hundreds of individual investors. ALEXANDRE marketed EminiFX as an investment platform through which investors would earn passive income through automated investments in cryptocurrency and foreign exchange ("FOREX") trading. ALEXANDRE offered his investors "guaranteed" high investment returns using new technology that he claimed was secret. Specifically, ALEXANDRE falsely represented to investors that they would double their money within five months of investing by earning a 5% weekly return on their investment using a "Robo-Advisor Assisted account" to conduct trading. ALEXANDRE referred to this technology as his "trade secret" and refused to tell investors what the technology was. Each week EminiFX's website falsely represented to investors that they had earned at least 5% on their investment, which they could withdraw or re-invest.

In truth and in fact, and as ALEXANDRE well knew, EminiFX did not earn 5% weekly returns for its investors. ALEXANDRE did not even invest the vast majority of investor funds entrusted to him, and ALEXANDRE sustained over \$6 million in losses on the limited portion of funds that he did invest, which he did not disclose to his investors. Instead of using investors' funds as he had promised, ALEXANDRE misdirected at least approximately \$14,700,000 to his personal bank account and failed to invest the vast majority of the investors' funds. For example, ALEXANDRE used \$155,000 in investor funds to purchase a BMW car for himself and spent an additional \$13,000 of investor funds on car payments, including to Mercedes Benz.

ALEXANDRE, 50, of Valley Stream, New York, is charged with one count of commodities fraud, which carries a maximum sentence of 10 years in prison, and one count of wire fraud, which carries a maximum sentence of 20 years in prison.

The maximum potential sentences are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by a judge.

Mr. Williams praised the investigative work of the Federal Bureau of Investigation and also thanked the Commodity Futures Trading Commission for its assistance.

This case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant United States Attorneys Nicholas Folly and Jared Lenow are in charge of the prosecution.

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