



objective credit history on a groundbreaking immutable ledger with the CreditCoin token.”  
Through its representatives, CreditCoin claims it is incorporated in Cocos Islands.

### **JURISDICTION AND VENUE**

4. The Attorney General is authorized to bring this action pursuant to G.L. c. 93A, § 4. The Attorney General has an interest in preventing unfair or deceptive acts or practices in order to promote the economic well-being of those who live and transact business in Massachusetts.

5. This court has jurisdiction over the subject matter of this action pursuant to G.L. c. 93A, § 4.

6. This court has personal jurisdiction over Defendants, pursuant to G.L. c. 223A, §§ 3(a) and 3(c). Pursuant to G.L. c. 93A, § 4, venue is proper in Suffolk County.

### **STATEMENT OF FACTS**

7. Since at least March, 2023, CreditCoin has been representing itself as a “public blockchain,” offering a “utility token,” also called CreditCoin or CTC (hereinafter “CTC”), through an upcoming initial coin offering (“ICO”). In reality, CTC is a fictional cryptocurrency and all representations made about an upcoming ICO are untrue.

8. CreditCoin chose its name to resemble another company called CreditCoin.org (“Real CreditCoin”).<sup>2</sup> Real CreditCoin is a legitimate blockchain network and cryptocurrency. CreditCoin’s website provides links to Real CreditCoin’s white paper and YouTube video, tricking potential victims into believing in CreditCoin’s legitimacy.

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<sup>2</sup> CREDITCOIN (last visited August 7, 2023) <https://CreditCoin.org>.



9. CreditCoin’s operations are not linked to Cocos Islands. Instead, CreditCoin is linked to China, out of where a cryptocurrency wallet used in CreditCoin’s scheme is operated.

10. CreditCoin’s web address is <https://CreditCoin.cc> and it is hosted by Gname.com Pte. Ltd., a domain host broker based in Singapore. Creditcoin.cc’s website was created on January 26, 2023. The IP address for creditcoin.cc is 204.188.244.194.

11. CreditCoin’s scheme is implemented by its representatives who solicit victims nationwide, including in the Commonwealth, using various manipulative techniques. The Commonwealth has identified several victims and has confirmed that at least two victims are from Massachusetts.

12. CreditCoin representatives contact potential investors through social networking sites to initiate a personal interaction. CreditCoin specifically targets U.S. residents.

13. For example, a CreditCoin representative<sup>3</sup> approached one Massachusetts consumer through TikTok<sup>4</sup> and initiated a personal relationship with him. During his communications with CreditCoin's representative, this Massachusetts victim disclosed that he resides in Massachusetts.

14. The representatives then transfer their communications with victims to Telegram,<sup>5</sup> a messaging application. Telegram is where the victims are persuaded to invest in cryptocurrency.

15. Upon moving the conversation to Telegram, CreditCoin representatives use manipulative techniques to instill a sense of security in the victims, such as engaging in personal conversations and discussing plans to visit the victims. Once trust is established, the CreditCoin representatives introduce the idea of cryptocurrency investments, such as investing in CTC ICO.

16. The CreditCoin representatives convince victims to purchase CTC as part of an ICO presale opportunity.<sup>6</sup> The CreditCoin representatives share an invitation link to the ICO presale event and tell the victims that they are also investing in CTC to encourage the victims to invest.

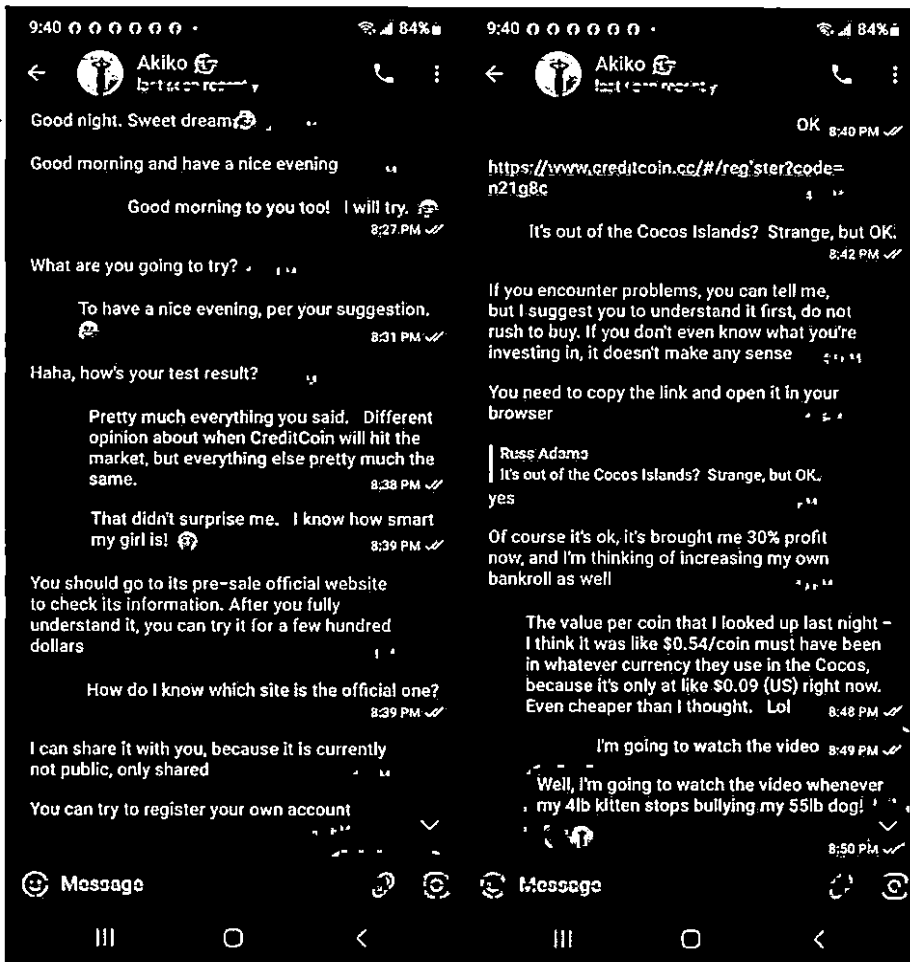
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<sup>3</sup> The representative used the name "Akiko Herrera."

<sup>4</sup> TIKTOK, <https://www.tiktok.com> (Last visited August 9, 2023).

<sup>5</sup> TELEGRAM, <https://telegram.org> (Last visited August 7, 2023).

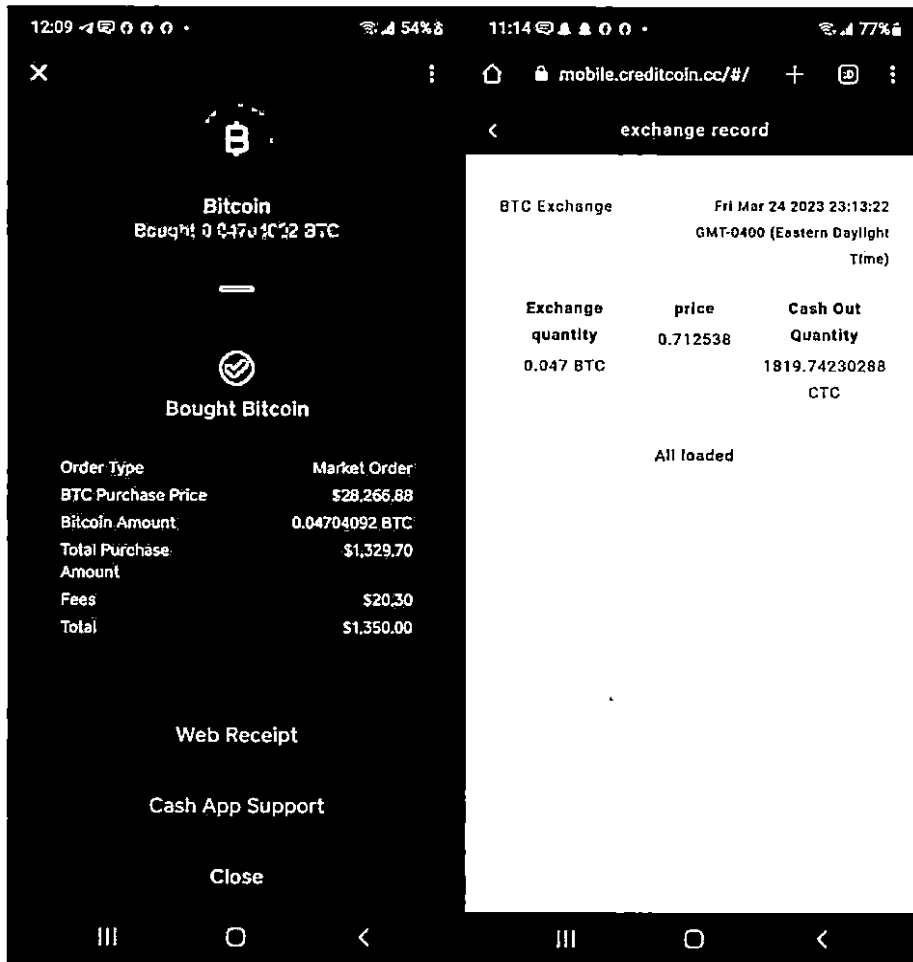
<sup>6</sup> A ICO pre-sale is token sale event that takes place before an ICO is made available to the general public to participate. The tokens offered through an ICO pre-sale are generally sold at a lower price than tokens sold during an ICO.



17. In order to purchase CreditCoin, victims need to use a cryptocurrency exchange to convert the amount of U.S. dollars that they want to invest into Bitcoin (“BTC”). Then, the victims send that exact Bitcoin value to a wallet provided by CreditCoin.

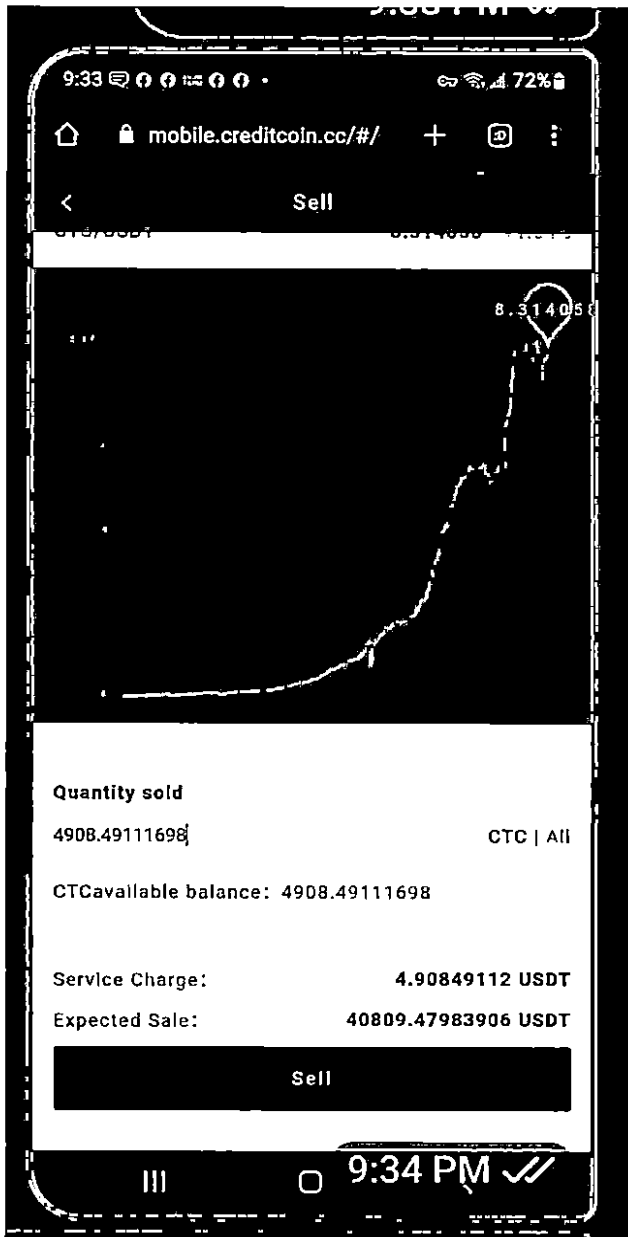
18. For example, one Massachusetts victim used Cash App,<sup>7</sup> a cryptocurrency exchange, to purchase .047 BTC with approximately \$1,350 USD. He then sent that BTC to a wallet address provided by CreditCoin on March 24, 2023, as his initial investment.

<sup>7</sup> CASHAPP, <https://cash.app/> (Last visited August 9, 2023).



19. In order to establish a guise of legitimacy, CreditCoin creates hurdles to investing, such as requiring victims to notify CreditCoin of the exact amount of Bitcoin that was being sent to the wallet. If there is even a minor discrepancy, the transaction will fail. These challenges helped convince victims that CreditCoin was not a scam.

20. Once the original investment is made, the CreditCoin website reflects the victims' balance growing. CreditCoin representatives communicate with victims about their own earnings. The representatives indicate that they are going to continue to invest and encourage victims to do the same. The growth of CTC's value is represented in a growth chart displayed on the home page of the victims' account with CreditCoin:



21. For example, the Massachusetts consumer that purchased CTC on March 24, 2023, could see his balance growing on the CreditCoin website. He was encouraged by the representative to continue investing. Over the next two months, this consumer made six more transactions through Cash App and Kraken,<sup>8</sup> another cryptocurrency exchange like Cash App, transferring a total of .144 BTC, worth approximately \$13,500 USD, to the wallet address

<sup>8</sup> KRAKEN, <https://www.kraken.com/> (Last visited August 9, 2023).

provided by CreditCoin. The CreditCoin website reflected that his account balance, with earnings on his investments, grew to approximately \$47,000 USD by May 10, 2023.

22. The Massachusetts victims transferred the following amounts to the CreditCoin.cc BTC address, 16eUcAtwdCTpyXthQ9Mwa3ix9d4PdCXBm4, with a total investment of \$13,500 USD.

- a. March 25, 2023 – 0.047 BTC (\$1,292 USD) (the initial investment)
- b. April 1, 2023 – 0.0455 BTC (\$1,296 USD)
- c. April 9, 2023 – 0.07128305 BTC (\$2,006 USD)
- d. April 11, 2023 – 0.0512 BTC (\$1,545 USD)
- e. May 10, 2023 – 0.07281613 BTC (\$2,019 USD)
- f. May 11, 2023 – 0.17038 BTC (\$4,683 USD)
- g. May 12, 2023 – 0.02528893 BTC (\$667 USD)
- h. May 16, 2023 – 0.17725 BTC (\$4,794 USD) (the withdrawal fee)

By May 11, 2023, CreditCoin’s website showed that his overall investment in CTC was worth \$54,270 USD.

23. At some point, CreditCoin representatives tell the victims that the ICO will happen shortly. They create urgency by saying that if the victims don’t liquidate their CreditCoin account by the ICO date, it will substantially lose value after an initial hike in price.

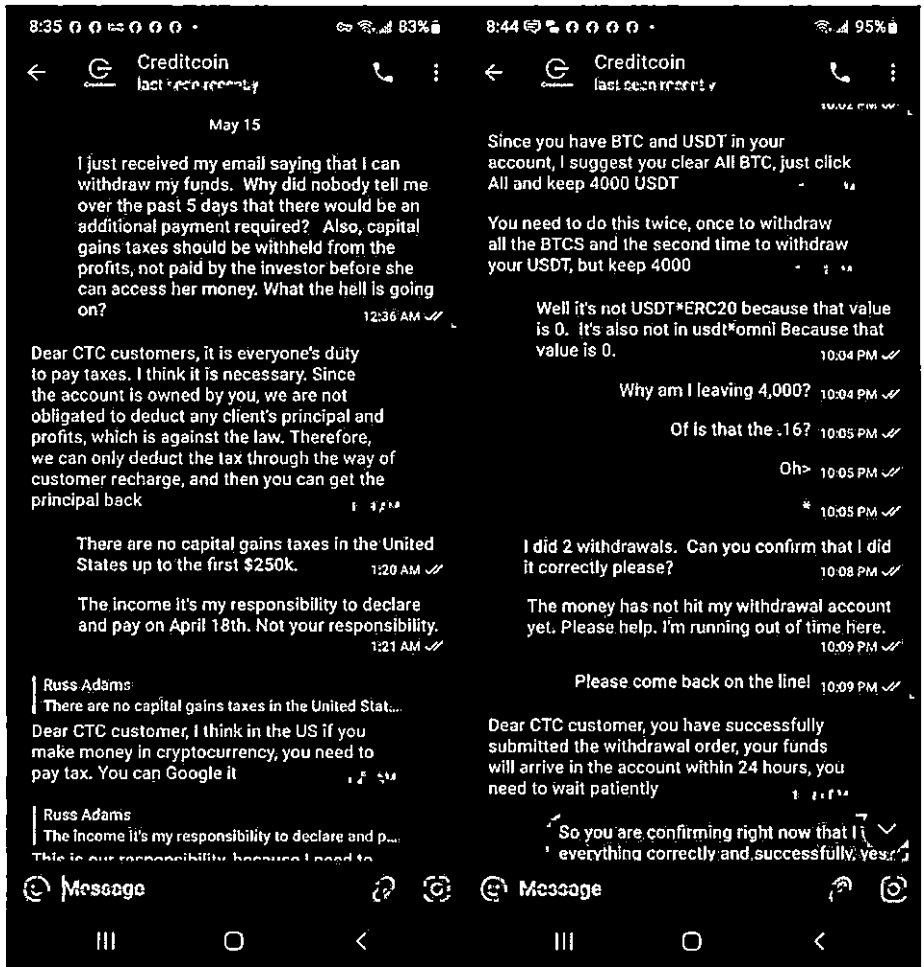
24. To liquidate their account, the victims are required to send a request to CreditCoin via Telegram. CreditCoin responds via Telegram with a confirmation number. The victims are then instructed to send the confirmation number, and a fee in a form of a “security deposit,” “margins,” and “taxes” totaling a large percentage of their account balance, to CreditCoin in order to liquidate.<sup>9</sup>

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<sup>9</sup> For the Massachusetts consumer, this percentage was 10% of his account balance. However, an Arizona consumer reports being required to pay an initial withdrawal fee 15% of the account balance and then an additional 25-35% of the account balance to supposedly cover taxes.



25. The Massachusetts consumer who invested roughly \$13,500 USD in CTC had an account balance of approximately \$50,000 USD, reflecting the account's purported growth. He was required to send an additional \$4,794 USD along with the confirmation code through Kraken<sup>10</sup> in order to liquidate his account.



26. The victims are told by CreditCoin that their liquidated account balance will be transferred to a separate cryptocurrency exchange, where the victims will be able to access the funds, within 24 hours.

27. The Massachusetts consumer was told that he should anticipate his funds appearing in his Kraken account within 24 hours. After 24 hours, he had not received his funds.

<sup>10</sup> Kraken is a cryptocurrency exchange hosted at [www.kraken.com](http://www.kraken.com).

He reached out to Kraken Support, CreditCoin Support,<sup>11</sup> and the CreditCoin representative, all of whom were unable to help him access his funds. At this point, he realized that the ICO was fraudulent.

28. Using blockchain analytics tools, the Commonwealth traced the victims' funds, via several transactions, to a single wallet hosted by Binance.com ("Binance").<sup>12</sup> This wallet has the address: K3XxZ2M2W489JeFe6LAg6WfpVoYpsWWwN.

29. This wallet is under the name Wang Tingting, who is a resident of China.

30. This wallet currently has a balance of \$281,352 USD.

31. Binance's terms and conditions state that Binance has the right to: (1) suspend, freeze or lock assets held in its customers' Binance accounts if the account is subject to a governmental proceeding, criminal investigation or other pending litigation, and (2) turn the assets over to governmental authorities in the event of Binance accounts' suspension/closure arising from fraud investigations, investigations of violation of law, or violation of Binance's terms.<sup>13</sup>

## CAUSES OF ACTION

### COUNT ONE

#### **Violations of G.L. c. 93A, § 2**

32. The Commonwealth repeats and realleges the foregoing paragraphs of the Complaint and incorporates them herein by reference.

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<sup>11</sup> CreditCoin communicated with consumers through the email address: [Credit.serve@outlook.com](mailto:Credit.serve@outlook.com) and the Telegram account: CreditCoin11.

<sup>12</sup> Binance is a full-service cryptocurrency exchange that offers services to account holders that involve facilitating the purchase, sale and transfer of a variety of digital currencies

<sup>13</sup> Binance Terms of Use, <https://www.binance.com/en/terms>, IV (Last visited August 7, 2023).

33. Defendant is a person that have been acting in trade or commerce in the Commonwealth of Massachusetts.

34. Defendant concocted the scheme set forth in this complaint which defrauds inexperienced investors in Massachusetts of their money and cryptocurrency constituting a deceptive act or practice under G.L. c. 93A, § 2.

35. Defendant's actions cause or continue to cause foreseeable harm to investors in Massachusetts by fraudulently taking their money.

#### **NATURE OF THE PROCEEDING AND RELIEF SOUGHT**

36. The Commonwealth brings this action pursuant to the authority conferred upon it by G.L. c. 93A, § 2.

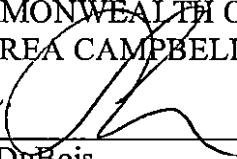
37. The Commonwealth seeks, as immediate relief: (1) a temporary restraining order and a preliminary injunction against the Defendant prohibiting them from future violations of G.L. c. 93A, § 2 and prohibiting CreditCoin from participating in any offerings of unregistered securities; (2) an order (a) freezing the Defendant's assets; (b) prohibiting Defendant from destroying or altering documents; and (c) requiring Defendant to return to the registry of the Court any assets they have moved from the U.S.-based accounts outside of the United States; and (3) the award of compensatory damages to investors harmed by Defendant's unfair and deceptive conduct. The Commonwealth also seeks to prevent further harm to consumers by ordering the registrar for www.CreditCoin.cc, Gname.com Pte. Ltd., to cease the operation of CreditCoin's website and directing the registrar not to allow a transfer of these domains to another registrar.

38. The Commonwealth also seeks a final judgment: (a) permanently enjoining the Defendant from engaging in acts, practices, and courses of business alleged herein pursuant to G.L. c. 93A, § 5; (b) ordering Defendants to disgorge their ill-gotten gains and pay prejudgment

interest thereon; and (c) imposing civil money penalties on Defendants pursuant to G.L. c. 93A,  
§ 2.

Respectfully Submitted,

COMMONWEALTH OF MASSACHUSETTS  
ANDREA CAMPBELL, ATTORNEY GENERAL



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