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**NEVADA MAN ADMITS MONEY LAUNDERING AND TAX OFFENSES RELATED TO BITCLUB
NETWORK FRAUD SCHEME**

NEWARK, N.J. – A Nevada man today admitted his role in laundering funds solicited for BitClub Network, a \$722 million fraudulent cryptocurrency scheme, U.S. Attorney Philip R. Sellinger announced.

Gordon Brad Beckstead, 57, of Henderson, Nevada, pleaded guilty by videoconference before U.S. District Judge Claire C. Cecchi to an information charging him with one count of conspiracy to commit money laundering and one count of aiding in the preparation of a false tax return.

According to documents filed in this case and statements made in court:

From April 2014 through December 2019, the BitClub Network was a fraudulent scheme that solicited money from investors in exchange for shares of purported cryptocurrency mining pools and rewarded investors for recruiting new investors into the scheme. Matthew Brent Goettsche, BitClub Network's creator and operator, and Silviu Catalin Balaci, Russ Albert Medlin, Jobadiah Sinclair Weeks, and Joseph Frank Abel, were charged by indictment in December 2019 in connection with the BitClub Network scheme.

Beckstead, a BitClub Network investor, admitted conspiring with Goettsche and others to launder funds earned by Goettsche through his operation of the BitClub Network. At the direction of Goettsche, Beckstead created and controlled various entities that were used by Beckstead, Goettsche, and others to shield Goettsche's association with the BitClub Network and to disguise income derived by Goettsche through his operation of the BitClub Network.

Beckstead further admitted to controlling bank accounts associated with the entities and directing transfers to and from the accounts exceeding \$50 million. Beckstead acknowledged that the transfers were designed to conceal the source of Goettsche's income, disguise Goettsche's

ownership of certain property and assets paid for with BitClub Network proceeds, and to help Goettsche evade tax reporting requirements. Beckstead also admitted that he and others provided false and misleading information to financial institutions to conceal the source of Goettsche's income.

Beckstead, a former CPA, also admitted to aiding at least two different tax preparers in the preparation of Goettsche's false 2017 and 2018 federal tax returns. Beckstead provided the tax preparers with documents and records to assist in the preparation of the returns. Beckstead admitted that he and Goettsche knew the 2017 and 2018 tax returns were fraudulent in that they failed to report more than \$60 million in total income earned by Goettsche through his operation of the BitClub Network. This allowed Goettsche to avoid paying more than \$20 million in federal income taxes.

The money laundering conspiracy charge to which Beckstead pleaded guilty carries a maximum penalty of 20 years in prison and a fine of \$500,000, or twice the value of the property involved in the transaction, whichever is greater. The tax charge to which Beckstead pleaded guilty carries a maximum penalty of three years in prison and a fine of \$100,000. Sentencing is scheduled for Aug. 9, 2022.

U.S. Attorney Sellinger credited special agents and task force officers of the FBI Los Angeles Division's West Covina Resident Agency, under the direction of Assistant Director in Charge Kristi K. Johnson; and special agents of IRS - Criminal Investigation, under the direction of Special Agent in Charge Michael Montanez in Newark, who conducted this investigation under the initiative of the Joint Chiefs of Global Tax Enforcement, with the investigation leading to today's guilty plea.

Anyone who believes they may be a victim of the BitClub Network may visit www.justice.gov/usao-nj/bitclub. Victims can find more information about the case, including a questionnaire for victims to fill out and submit.

The government is represented by Assistant U.S. Attorneys Anthony P. Torntore and Jamie L. Hoxie of the Cybercrime Unit, and Unit Chief Sarah Devlin and Assistant U.S. Attorney Joseph Minish of the Asset Recovery and Money Laundering Unit, of the U.S. Attorney's Office in Newark.

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Defense counsel: Mary Toscano Esq., Newark, and Thomas Ericsson Esq., Las Vegas, Nevada