



Department of Justice

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District of Oregon

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TWO CANADIAN NATIONALS INDICTED FOR BITCOIN FRAUD

PORTLAND, Ore.—U.S. Attorney Billy J. Williams announced today that Karanjit Singh Khatkar, 23, and Jagroop Singh Khatkar, 24, of Surrey, British Columbia, Canada, have been charged with wire fraud, money laundering and aggravated identity theft for a scheme to steal bitcoin from an Oregon resident.

Together, Karanjit and Jagroop Khatkar face one count each of conspiracy to commit wire fraud and money laundering, five counts of wire fraud, three counts of aggravated identity theft and multiple counts of money laundering.

According to the indictment, beginning in October 2017 and continuing until August 2018, the defendants used a Twitter account with the name @HitBTCassist to trick victims into thinking they were communicating with a customer service representative from HitBTC, a Hong Kong-based online platform used to exchange virtual currency. HitBTC provides its customers with web-based “wallets” to store virtual currency and make transactions.

Using the fraudulent Twitter account, the defendants responded to the Oregon victim’s questions about withdrawing virtual currency from her HitBTC account. The defendants convinced the victim to send information they could use to log on and take over her email, HitBTC and Kraken accounts. Kraken is a U.S.-based online platform that offers services similar to HitBTC.

The defendants initiated transfers of 23.2 bitcoins from the victim’s HitBTC account to Karanjit Khatkar’s Kraken account. Karanjit Khatkar in turn transferred approximately 11.6 in stolen bitcoins to Jagroop Khatkar’s Kraken account. The stolen bitcoins have an estimated present value of approximately \$233,220.

On July 18, 2019, Karanjit Khatkar was arrested upon arrival at the McCarran International Airport in Las Vegas, Nevada. The following week, a U.S. Magistrate Judge in Las Vegas ordered Karanjit Khatkar detained pending transport by the U.S. Marshals to the District of Oregon.

Karanjit Khatkar made his first appearance in the District of Oregon on August 12, 2019. At a hearing on August 20, 2019, he was ordered detained pending a four-day trial scheduled to begin on October 8, 2019 before U.S. District Court Judge Michael H. Simon.

Jagroop Singh Khatkar remains at large and is believed to be in Canada.

This case was investigated by FBI and is being prosecuted by Quinn P. Harrington, Assistant U.S. Attorney for the District of Oregon.

An indictment is only an accusation of a crime, and a defendant is presumed innocent unless and until proven guilty.

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