

US announces 1st bitcoin securities fraud case

November 6 2014, by Larry Neumeister

A New York prosecutor says the federal government has brought its first bitcoin securities fraud case, accusing a Texas man of engineering a bitcoin Ponzi scheme.

U.S. Attorney Preet Bharara (bahr-AHR'-ah) announced the arrest Thursday of 32-year-old Trendon Shavers of McKinney.

Shavers made an initial court appearance in Texas on charges of securities fraud and wire fraud. He was released on bail.

Authorities say Shavers has already been ordered by a federal court in Texas to give up more than \$40 million and pay a \$150,000 penalty in a related civil case.

Bharara says Shavers caused about half of 100 investors to lose all or part of their bitcoin investment in 2011 and 2012.

Shavers did not immediately respond to a message for comment.

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