



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

September 27, 2019

**GOVERNMENT
EXHIBIT
901
17 Cr. 630 (ER)**

BY ELECTRONIC MAIL

Jeffrey Lichtman, Esq.
Law Offices of Jeffrey Lichtman
11 East 44th Street
Suite 501
New York, NY 10017
Email: jhl@jeffreylightman.com

Re: *United States v. Konstantin Ignatov*, S9 17 Cr. 630 (ER)

Dear Mr. Lichtman:

On the understandings specified below, the Office of the United States Attorney for the Southern District of New York (“this Office”) will accept a guilty plea from Konstantin Ignatov (the “defendant”) to the above-referenced four-count Superseding Information (the “Information”).

Count One of the Information charges the defendant with conspiracy to commit wire fraud, from in or about 2016, up to and including in or about 2019, in violation of Title 18, United States Code, Section 1349. Count One carries a maximum sentence of 20 years’ imprisonment; a maximum term of three years’ supervised release; a maximum fine pursuant to Title 18, United States Code, Section 3571 of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to persons other than the defendant; and a mandatory \$100 special assessment.

Count Two of the Information charges the defendant with wire fraud, from in or about 2016, up to and including in or about 2019, in violation of Title 18, United States Code, Sections 1343 and 2. Count Two carries a maximum sentence of 20 years’ imprisonment; a maximum term of three years’ supervised release; a maximum fine pursuant to Title 18, United States Code, Section 3571 of the greatest of \$250,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to persons other than the defendant; and a mandatory \$100 special assessment.

Count Three of the Information charges the defendant with conspiracy to commit money laundering, from in or about 2016, up to and including in or about 2019, in violation of Title 18, United States Code, Section 1956(h). Count Three carries a maximum sentence of 20 years’

imprisonment; a maximum term of three years' supervised release; a maximum fine pursuant to Title 18, United States Code, Section 1956(a)(1) of the greatest of \$500,000, or twice the value of the property involved in the transaction, and pursuant to Title 18, United States Code, Section 1956(a)(2) of \$500,000 or twice the value of the monetary instrument or funds involved in the transportation, transmission, or transfer, whichever is greatest; and a mandatory \$100 mandatory special assessment.

Count Four of the Information charges the defendant with conspiracy to commit bank fraud, in violation of Title 18, United States Code, Sections 1349. Count Four carries a maximum sentence of 30 years' imprisonment; a maximum term of five years supervised release; a maximum fine, pursuant to Title 18, United States Code, Section 3571 of \$1,000,000, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to persons other than the defendant resulting from the offense; and a \$100 mandatory special assessment.

The total maximum sentence of incarceration for the charges set forth in the Information is 90 years' imprisonment.

It is further understood that the defendant shall make restitution in an amount to be specified by the Court in accordance with 18 U.S.C. §§ 3663, 3663A, and 3664. This amount shall be paid according to a plan established by the Court.

The defendant hereby admits the forfeiture allegations with respect to Counts One, Two, and Four of the Information, and agrees to forfeit to the United States, (i) pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and Title 28, United States Code, Section 2461, any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offenses alleged in Counts One, Two, and Four of the Information that the defendant personally obtained; and (2) pursuant to Title 18, United States Code, Section 982(a)(1), any and all property, real and personal, involved in the offense alleged in Count Three of the Information, and any property traceable to such property, including but not limited to a sum of money in United States currency representing the amount of property involved in said offense.

It is understood that the defendant (a) shall truthfully and completely disclose all information with respect to the activities of himself and others concerning all matters about which this Office inquires of him, which information can be used for any purpose; (b) shall cooperate fully with this Office, the Federal Bureau of Investigation ("FBI"), the Internal Revenue Service ("IRS"), and any other law enforcement agency designated by this Office; (c) shall attend all meetings at which this Office requests his presence; (d) shall provide to this Office, upon request, any document, record, or other tangible evidence relating to matters about which this Office or any designated law enforcement agency inquires of him; (e) shall truthfully testify before the grand jury and at any trial and other court proceeding with respect to any matters about which this Office may request his testimony; (f) shall bring to this Office's attention all crimes which he has committed, and all administrative, civil, or criminal proceedings, investigations, or prosecutions in which he has been or is a subject, target, party, or witness; and, (g) shall commit no further crimes whatsoever. Moreover, any assistance the defendant may provide to federal criminal

investigators shall be pursuant to the specific instructions and control of this Office and designated investigators.

It is understood that this Office cannot, and does not, agree not to prosecute the defendant for criminal tax violations, if any. However, if the defendant fully complies with the understandings specified in this Agreement, no testimony or other information given by him (or any other information directly or indirectly derived therefrom) will be used against him in any criminal tax prosecution. Moreover, if the defendant fully complies with the understandings specified in this Agreement, he will not be further prosecuted criminally by this Office for any crimes, except for criminal tax violations, related to his participation in: (1) an international cryptocurrency fraud scheme known as "OneCoin" (the "OneCoin Scheme"), from in or about 2016, up to and including in or about 2019, as charged in Counts One and Two of the Information; (2) a conspiracy to defraud banks and other financial institutions worldwide by causing them to transfer proceeds of the OneCoin Scheme by misrepresenting and omitting material facts to those banks and financial institutions, from in or about 2016, up to and including in or about 2019, as charged in Count Four of the Information; and (3) a conspiracy to launder criminal proceeds derived from the OneCoin Scheme, and to transfer funds internationally to promote the OneCoin Scheme, from in or about 2016, up to and including in or about 2019, as charged in Count Three of the Information; to the extent that he has disclosed such participation to this Office as of the date of this Agreement.

It is understood that Ignatov's truthful cooperation with this Office is likely to reveal activities of individuals who might use violence, force, and intimidation against Ignatov, his family, and loved ones. Should Ignatov's cooperation present a significant risk of physical harm, this Office, upon the written request of Ignatov, will take steps that it determines to be reasonable and necessary to attempt to ensure his safety and that of his family and loved ones. These steps may include application to the Witness Security Program of the United States Marshals Service, whereby Ignatov, his family, and loved ones, if approved, could be relocated under a new identity. It is understood, however, that the Witness Security Program is under the direction and control of the United States Marshals Service and of the Office of Enforcement Operations of the Department of Justice, not of this Office.

It is understood that this Agreement does not bind any federal, state, or local prosecuting authority other than this Office. This Office will, however, bring the cooperation of the defendant to the attention of other prosecuting offices, if requested by him.

It is understood that the sentence to be imposed upon the defendant is within the sole discretion of the Court. This Office cannot, and does not, make any promise or representation as to what sentence the defendant will receive, and will not recommend any specific sentence to the Court. However, this Office will inform the Probation Office and the Court of (a) this Agreement; (b) the nature and extent of the defendant's activities with respect to this case and all other activities of the defendant which this Office deems relevant to sentencing; and (c) the nature and extent of the defendant's cooperation with this Office. In so doing, this Office may use any information it deems relevant, including information provided by the defendant both prior to and subsequent to the signing of this Agreement. In addition, if this Office determines that the defendant has provided substantial assistance in an investigation or prosecution, and if he has fully complied with the

understandings specified in this Agreement, this Office will file a motion, pursuant to Section 5K1.1 of the Sentencing Guidelines, requesting the Court to sentence the defendant in light of the factors set forth in Section 5K1.1(a)(1)-(5). It is understood that, even if such a motion is filed, the sentence to be imposed on the defendant remains within the sole discretion of the Court. Moreover, nothing in this Agreement limits this Office's right to present any facts and make any arguments relevant to sentencing to the Probation Office and the Court, or to take any position on post-sentencing motions. The defendant hereby consents to such adjournments of his sentence as may be requested by this Office.

It is understood that, should this Office determine either that the defendant has not provided substantial assistance in an investigation or prosecution, or that the defendant has violated any provision of this Agreement, such a determination will release this Office from any obligation to file a motion pursuant to Section 5K1.1 of the Sentencing Guidelines, but will not entitle the defendant to withdraw his guilty plea once it has been entered.

It is understood that, should this Office determine, subsequent to the filing of a motion pursuant to Section 5K1.1 of the Sentencing Guidelines and/or 18 U.S.C. §3553(e), that the defendant has violated any provision of this Agreement, this Office shall have the right to withdraw such motion.

It is understood that, should the defendant commit any further crimes or should it be determined that he has given false, incomplete, or misleading testimony or information, or should he otherwise violate any provision of this Agreement, the defendant shall thereafter be subject to prosecution for any federal criminal violation of which this Office has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the defendant, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

It is understood that in the event that it is determined that the defendant has committed any further crimes, given false, incomplete, or misleading testimony or information, or otherwise violated any provision of this Agreement, (a) all statements made by the defendant to this Office or other designated law enforcement agents, and any testimony given by the defendant before a grand jury or other tribunal, whether prior to or subsequent to the signing of this Agreement, and any leads from such statements or testimony shall be admissible in evidence in any criminal proceeding brought against the defendant; and (b) the defendant shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads therefrom should be suppressed. It is the intent of this Agreement to waive all rights in the foregoing respects.

If at any point in time Ignatov is released on bail in order to facilitate his cooperation, or for any other reason, this Office reserves the right to move without notice to the defendant for a revocation or modification of the bail conditions should it determine that Ignatov has violated any provision of this Agreement or condition of his release, or should it determine that such a

revocation or modification is otherwise appropriate. The defendant hereby consents to any such revocation or modification.

The defendant hereby acknowledges that he has accepted this Agreement and decided to plead guilty because he is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw his plea or to attack his conviction, either on direct appeal or collaterally, on the ground that the Government has failed to produce any discovery material, *Jencks Act* material, exculpatory material pursuant to *Brady v. Maryland*, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, or impeachment material pursuant to *Giglio v. United States*, 405 U.S. 150 (1972), that has not already been produced as of the date of the signing of this Agreement.

The defendant recognizes that, if he is not a citizen of the United States, his guilty plea and conviction make it very likely that his removal from the United States is presumptively mandatory and that, at a minimum, he is at risk of being removed or suffering other adverse immigration consequences. If the defendant is a naturalized citizen of the United States, he recognizes that pleading guilty may have consequences with respect to the defendant's immigration status. For example, under federal law, an individual may be subject to denaturalization and removal if his naturalization was procured by concealment of a material fact or by willful misrepresentation, or otherwise illegally procured. The defendant acknowledges that he has discussed the possible immigration consequences (including removal or denaturalization) of his guilty plea and conviction with defense counsel. The defendant affirms that he wants to plead guilty regardless of any immigration or denaturalization consequences that may result from the guilty plea and conviction, even if those consequences include denaturalization and/or removal from the United States. The defendant understands that denaturalization and other immigration consequences are typically the subject of a separate proceeding, and the defendant understands that no one, including his attorney or the District Court, can predict with certainty the effect of the defendant's conviction on the defendant's immigration or naturalization status. It is agreed that the defendant will have no right to withdraw his guilty plea based on any actual or perceived adverse immigration consequences (including removal or denaturalization) resulting from the guilty plea and conviction. It is further agreed that the defendant will not challenge his conviction or sentence on direct appeal, or through litigation under Title 28, United States Code, Section 2255 and/or Section 2241, on the basis of any actual or perceived adverse immigration consequences (including removal or denaturalization) resulting from his guilty plea and conviction.

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This Agreement supersedes any prior understandings, promises, or conditions between this Office and the defendant. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

Very truly yours,

GEOFFREY S. BERMAN
United States Attorney

By: Nicholas Folly
Nicholas Folly / Christopher J. DiMase
Assistant United States Attorneys
(212) 637-2433 / 1060

Julieta V. Lozano
Special Assistant United States Attorney
(212) 335-4025

APPROVED:

Laura Birger
LAURA BIRGER
Chief, Criminal Division

AGREED AND CONSENTED TO:

K. Ignatov
Konstantin Ignatov, defendant

10-4-19
DATE

APPROVED:

Jeffrey Lichtman
Jeffrey Lichtman, Esq.
Attorney for Konstantin Ignatov

10-4-19
DATE