

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X
UNITED STATES OF AMERICA : SEALED
 : SUPERSEDING
 - v. - : INDICTMENT
 :
ALEJANDRO CAO DE BENOS, and : S1 20 Cr. 15 (PKC)
CHRISTOPHER EMMS, :
 :
Defendants. :
 :
- - - - - X

COUNT ONE
(Conspiracy to Violate the
International Emergency Economic Powers Act)

The Grand Jury charges:

Overview

1. From at least in or about 2018, up to and including in or about November 2019, ALEJANDRO CAO DE BENOS and CHRISTOPHER EMMS, the defendants, conspired with Virgil Griffith, a cryptocurrency expert and citizen of the United States, to illegally provide cryptocurrency and blockchain technology services to the Democratic People's Republic of Korea ("DPRK"), in contravention of U.S. sanctions on the DPRK. Together, CAO DE BENOS and EMMS recruited Griffith to provide services to the DPRK, and arranged Griffith's travel to the DPRK in April 2019 for the Pyongyang Blockchain and Cryptocurrency Conference (the "DPRK Cryptocurrency Conference"), which CAO DE BENOS and EMMS

organized, and at which EMMS and Griffith provided advice and instructions to North Korean attendees regarding, among other things, how the DPRK could use blockchain and cryptocurrency technologies to evade U.S. sanctions. At no time did CAO DE BENOS, EMMS, or Griffith seek or receive a license from the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") to provide services to the DPRK.

2. ALEJANDRO CAO DE BENOS, the defendant, is a Spanish national who has publicly stated his support for the DPRK regime, and who founded the Korean Friendship Association ("KFA"), a pro-DPRK affinity organization through which CAO DE BENOS purportedly sought to advance DPRK interests. CHRISTOPHER EMMS, the defendant, is a British national with expertise in cryptocurrency payment processing, who has engaged in business ventures relating to blockchain and cryptocurrency technologies.

3. Beginning in or about early 2018, ALEJANDRO CAO DE BENOS and CHRISTOPHER EMMS, the defendants, partnered to jointly plan and host the DPRK Cryptocurrency Conference. According to a website advertising the DPRK Cryptocurrency Conference in 2018, "[t]he organizers of the conference are, in the DPRK side, Alejandro Cao de Benos, Special Delegate for the Committee for Cultural Relations and president of the Korean Friendship

Association (KFA), and in the technical side Christopher Emms."¹

4. On or about August 27, 2018, CHRISTOPHER EMMS, the defendant, exchanged emails with Griffith regarding plans for the DPRK Cryptocurrency Conference, informing Griffith, who had identified himself to EMMS as an American, that "the dprk will not stamp your passport" to reveal Griffith's travel to the DPRK, and that "we have obtained a rare full permission from them for US citizens to enter the country." As plans for the DPRK Cryptocurrency Conference developed, in or about November 2018, in an email to Griffith, EMMS proposed to give Griffith "the opening slot" at the conference.

5. On or about February 14, 2019, ALEJANDRO CAO DE BENOS, the defendant, sent an email to Griffith introducing himself as "in charge of coordinating the blockchain conference in the Pyongyang side." CAO DE BENOS stated that he had sent Griffith's information to the DPRK for review, and directed Griffith to contact the DPRK's mission to the United Nations in New York, New York for "the first approval" because Griffith was a U.S. citizen. Griffith did so and received a visa from the DPRK authorizing his travel to present at the DPRK Cryptocurrency

¹ The statements described in this Superseding Indictment are set forth in substance and in part.

Conference.

6. In or about April 2019, CHRISTOPHER EMMS, the defendant, and Griffith traveled together to Pyongyang and presented at the DPRK Cryptocurrency Conference. EMMS opened the conference by stating:

It's a great honor to be leading this delegation here in Pyongyang to explain to you a bit about finance and more specifically about Blockchain within finance. My name is Christopher Emms. I am the technology advisor to the Korean Friendship Association which has done a lot of work outside in support of DPRK. . . . and the great leaders Kim Il Sung and Kim Jong Il. So today, we're going to explain to you a lot about Blockchain. And we're going to talk about how that relates to finance in general -- more specifically towards payments and how you can use this technology here in the DPRK. . . . To start with, I'm sure a lot of people in this room work within the banking system, will understand how predominantly the United States controls the way in which money moves around the world and this can be very, very unfair.

EMMS proceeded to identify Griffith as "one of the early scientists in Blockchain," and described that through "the great efforts of these scientists" behind Blockchain technology, "now it is possible to transfer money across any country in the world regardless of what sanctions or any penalties that are put on any country by any other country or by any individual group."

7. EMMS and Griffith then provided presentations and

consultations tailored to the North Korean audience at the DPRK Cryptocurrency Conference, including by jointly engaging in question-and-answer sessions, proposing plans to create specialized "smart contracts" to serve the DPRK's unique interests, and mapping out cryptocurrency transactions designed to evade and avoid U.S. sanctions, including by diagramming such transactions on a whiteboard for the North Korean audience. In connection with one such illustration of a cryptocurrency transaction, Griffith wrote on the whiteboard the note, "no sanctions yay." In the course of a question-and-answer session with a particular conference attendee, EMMS described how North Koreans could use over-the-counter ("OTC") cryptocurrency providers in transactions to evade and avoid U.S. sanctions.

8. Following the DPRK Cryptocurrency Conference, ALEJANDRO CAO DE BENOS and CHRISTOPHER EMMS, the defendants, continued to conspire with Griffith in an effort to provide further cryptocurrency and blockchain technology services to the DPRK, including by seeking to develop potential cryptocurrency infrastructure and equipment inside North Korea initiated by Griffith; attempting to broker introductions for DPRK Cryptocurrency Conference attendees, through Griffith, to other cryptocurrency service providers; and recruiting others through

Griffith's contacts, including Americans, to provide expert cryptocurrency-related services to the DPRK, including as part of a second cryptocurrency conference in the DPRK that CAO DE BENOS, EMMS, and Griffith planned to hold in 2020.

9. ALEJANDRO CAO DE BENOS and CHRISTOPHER EMMS, the defendants, took steps to conceal their activity, and Griffith's role in the conspiracy, from U.S. authorities. For example, shortly after the DPRK Cryptocurrency Conference, in or about April 2019, CAO DE BENOS sought photographs from EMMS, Griffith, and other conference participants to help publicize the success of the event, but noted that he would exclude photographs of Griffith because Griffith was an American, stating that "Virgil has US passport and I strongly not recommend it for his safety." When a DPRK Cryptocurrency Conference attendee circulated a photograph of EMMS in front of a whiteboard at the conference on which EMMS had written, among other things, a reference to OTC cryptocurrency exchanges, EMMS responded, "Guys don't publish the last one [a]s it has info on it on Otc." EMMS also advised the group: "Hi all I just got pulled by police at the airport[.] Would recommend removing any photos of conference as they knew a lot."

10. On or about June 6, 2019, ALEJANDRO CAO DE BENOS, the

defendant, learned from Griffith that Griffith had spoken with the U.S. Embassy regarding his travel to the DPRK. In response, CAO DE BENOS sent an email admonishing Griffith, "How the U.S. embassy knew that you're going to DPRK? Did you inform them?? They could fine or even jail you! That's why we never said to anyone or made public the attendants," referring to attendees of the DPRK Cryptocurrency Conference. In another email several days later, on or about June 9, 2019, CAO DE BENOS emphasized to Griffith, "Please understand that your permission to enter the DPRK was absolutely exceptional and through my very personal guarantee (Because I trust Chris and he trusts you)."

11. The defendants' scheme to provide services to the DPRK was ultimately disrupted in or about November 2019, when U.S. law enforcement arrested Griffith.

STATUTORY ALLEGATIONS

12. From at least in or about 2018, up to and including in or about November 2019, in the Southern District of New York, the DPRK, Spain, and elsewhere outside of the jurisdiction of any particular State or district of the United States, ALEJANDRO CAO DE BENOS and CHRISTOPHER EMMS, the defendants, and others known and unknown, at least one of whom is expected to be first brought to and arrested in the Southern District of New York,

knowingly and willfully did combine, conspire, confederate, and agree together and with each other to violate licenses, orders, regulations, and prohibitions in and issued under the International Emergency Economic Powers Act ("IEEPA"), codified at Title 50, United States Code, Sections 1701-1706.

13. It was a part and an object of the conspiracy that ALEJANDRO CAO DE BENOS and CHRISTOPHER EMMS, the defendants, and others known and unknown, would and did provide and cause others, including a U.S. person, to provide services to the DPRK, without first obtaining the required approval of OFAC, in violation of 50 U.S.C. § 1705(a), 31 C.F.R. §§ 510.206(a), 510.212(b), and Executive Orders 13466 and 13722.

14. It was further a part and an object of the conspiracy that ALEJANDRO CAO DE BENOS and CHRISTOPHER EMMS, the defendants, and others known and unknown, would and did evade and avoid, and attempt to evade and avoid, the requirements of U.S. law with respect to the provision of services to the DPRK, in violation of 50 U.S.C. § 1705(a), 31 C.F.R. §§ 510.212(a)-(b), and Executive Orders 13466 and 13722.

(Title 50, United States Code, Section 1705;
Executive Orders 13466 and 13722;
Title 18, United States Code, Section 3238.)

FORFEITURE ALLEGATION

15. As a result of committing the offense alleged in Count One of this Superseding Indictment, ALEJANDRO CAO DE BENOS and CHRISTOPHER EMMS, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) 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 said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense.

Substitute Assets Provision


16. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

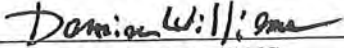
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853;
Title 28, United States Code, Section 2461.)


FOREPERSON


DAMIAN WILLIAMS
United States Attorney

CERTIFIED AS A TRUE COPY ON

THIS DATE 3/22/22

BY 

() Clerk
(X) Deputy

Form No. USA-33s-274 (Ed. 9-25-58)

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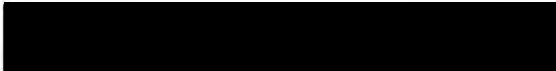
SEALED SUPERSEDING INDICTMENT

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(50 U.S.C. § 1705;
Executive Orders 13466 and 13722;
18 U.S.C. § 3238.)

DAMIAN WILLIAMS

United States Attorney


Foreperson
