



THE UNITED STATES ATTORNEY'S OFFICE  
SOUTHERN DISTRICT *of* NEW YORK

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Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Wednesday, March 15, 2023

## **Ho Wan Kwok, A/K/A "Miles Guo," Arrested For Orchestrating Over \$1 Billion Dollar Fraud Conspiracy**

### **Over \$630 Million of Alleged Fraud Proceeds Seized by U.S. Government**

Damian Williams, the United States Attorney for the Southern District of New York, and Michael J. Driscoll, Assistant Director in Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced the unsealing of a twelve-count Indictment charging HO WAN KWOK, a/k/a "Miles Guo," a/k/a "Miles Kwok," a/k/a "Guo Wengui," a/k/a "Brother Seven," a/k/a "The Principal," and KIN MING JE, a/k/a "William Je," with various wire fraud, securities fraud, bank fraud, and money laundering charges. JE, who is KWOK's financier, is also charged with obstruction of justice. The charges in the Indictment arise from an alleged sprawling and complex scheme by the defendants, and others, to solicit investments in various entities and programs through false statements and representations to hundreds of thousands of KWOK's online followers. As alleged, KWOK and JE misappropriated hundreds of millions of dollars in fraudulently obtained funds during the course of their conspiracy. KWOK was arrested this morning in New York, New York, and will be presented this afternoon. JE is currently at large.

In addition, Mr. Williams announced that between September 2022 and March 2023, the U.S. Government seized approximately \$634 million from 21 different bank accounts. The \$634 million constitutes proceeds of KWOK's alleged fraud, which the Government will seek to forfeit. Today, law enforcement also seized assets that were purchased with proceeds of KWOK's alleged fraud, including a Lamborghini Aventador SVJ Roads.

U.S. Attorney Damian Williams said: "As alleged, Ho Wan Kwok, known to many as "Miles Guo," led a complex conspiracy to defraud thousands of his online followers out of over \$1 billion dollars. Kwok is charged with lining his pockets with the money he stole, including buying himself, and his close relatives, a 50,000 square foot mansion, a \$3.5 million Ferrari, and even two \$36,000 mattresses, and financing a \$37 million luxury yacht.

As alleged, Kwok lied to his victims and promised them outsized returns if they invested, or provided money to, GTV, his so-called Himalaya Farm Alliance, G|CLUBS, and the Himalaya Exchange.

Kwok is further charged with laundering hundreds of millions of stolen funds to conceal the conspiracy's illegal activities and continue the fraud's operations. My office and our law enforcement partners will continue to do all that we can to protect the community from the

devastating consequences of pernicious fraud schemes. If you believe you are a victim of Kwok and Je's fraud, please contact [USANYS.GuoVictims@usdoj.gov](mailto:USANYS.GuoVictims@usdoj.gov) or [https://forms.fbi.gov/NY\\_GTV](https://forms.fbi.gov/NY_GTV) . My Office and the FBI are here to help those who were harmed by this malicious fraud."

FBI Assistant Director Michael J. Driscoll said: "The indictment today alleges the defendants were behind an elaborate scheme that defrauded thousands of individuals of over one billion dollars. Fraudulent investment scams make victims out of innocent people, ultimately harming the public's confidence in the integrity of financial systems. The FBI continues to make investigating complex financial crimes a top priority, and anyone attempting these crimes will be made to face the consequences in the criminal justice system."

As alleged in the Indictment unsealed in Manhattan federal court and court filings:<sup>[1]</sup>

From at least in or about 2018 through at least in or about March 2023, KWOK, JE, and others, conspired to defraud thousands of victims of more than approximately \$1 billion. KWOK was the leader of this complex conspiracy.

KWOK is an exiled Chinese businessman who has resided in the United States since in or about 2015 and garnered a substantial online following. In or about 2018, KWOK founded two purported nonprofit organizations, namely, the Rule of Law Foundation and the Rule of Law Society. KWOK used the nonprofit organizations to amass followers who were aligned with his purported policy objectives in China and who were also inclined to believe KWOK's statements regarding investment and money-making opportunities.

JE is a dual citizen of Hong Kong and the United Kingdom who principally resided in the United Kingdom. JE owned and operated numerous companies and investment vehicles central to the scheme and served as its financial architect and key money launderer.

KWOK and JE's fraud relied on at least four interrelated parts: the GTV Media Group, Inc. ("GTV") Private Placement, the Farm Loan Program, G Club Operations, LLC ("G|CLUBS"), and the Himalaya Exchange.

#### *GTV Private Placement*

On or about April 21, 2020, KWOK posted a video on social media announcing the unregistered offering of GTV Media Group, Inc. ("GTV") common stock via a private placement. GTV was touted as a wide-ranging media company. In that video, KWOK described, in substance and in part, the investment terms for the GTV Private Placement, and directed people to contact him, via a mobile messaging application, with any questions about the GTV Private Placement. The video and GTV Private Placement materials included a written "Confidential Information Memorandum" (the "PPM"). The PPM stated on the cover "Everything Is Just the Beginning!," provided information about GTV, and contained false representations regarding how the money raised from the GTV Private Placement would be used.

Between on or about April 20, 2020 and on or about June 2, 2020, approximately \$452 million worth of GTV common stock was purportedly sold to more than 5,500 investors. Investors participated in the GTV Private Placement based, in part, on the belief that their money would be invested into GTV to develop and grow that business, as the PPM promised. In early June 2020, just days after the GTV Private Placement closed, KWOK and JE directed that \$100 million of funds raised from the GTV Private Placement be invested in a high-risk hedge fund for the benefit of GTV's parent company and its ultimate beneficial owner who was a close family relative of KWOK.

#### *Farm Loan Program*

KWOK, JE, and their co-conspirators fraudulently obtained more than approximately \$150 million in victim funds through the "Himalaya Farm Alliance." The Himalaya Farm Alliance, which KWOK

organized and promoted, was a collective of informal groups (each known as a "Farm") located in various cities around the world. KWOK, JE, and others working on their behalf and at their direction, obtained these funds by making further misrepresentations to the investors in the GTV Private Placement and fraudulently soliciting further investments, this time in the form of "loans" to a Farm, and promising that such loans would be convertible into GTV common stock at a conversion rate of one share per dollar loaned. On or about July 22, 2020, in a video distributed via social media, KWOK promoted the Farm Loan Program. After launching the Farm Loan Program, KWOK continued to promote GTV and to falsely represent the value of GTV. For example, on or about August 2, 2020, in a video distributed via social media, KWOK falsely stated, in substance and part, "How much is GTV? . . . a market value of 2 billion US dollars." In truth and in fact, and as KWOK well knew, GTV's market value was far less.

KWOK and JE misappropriated funds that were raised through the Farm Loan Program. For example: (i) approximately \$2.3 million was used to cover maintenance expenses associated with an approximately 145-foot luxury yacht worth approximately \$37 million, nominally owned by close family relative of KWOK and used by KWOK, which is pictured below; and (ii) approximately \$10 million was transferred to personal bank accounts in the name of JE and/or JE's spouse.



### *G|CLUBS*

KWOK, JE and others known and unknown, fraudulently induced KWOK's followers to transfer additional funds to a purported online membership club called G|CLUBS. From at least in or about October 2020 through at least in or about March 2023, KWOK, JE, and others fraudulently obtained more than approximately \$250 million in victim funds through G|CLUBS. G|CLUBS claimed, on its website, to be "an exclusive, high-end membership program offering a full spectrum of services" and "a gateway to carefully curated world-class products, services and experiences."

In truth and in fact, and as KWOK and JE well knew, G|CLUBS provided nothing close to "a full spectrum of services" and "experiences" to its members. Indeed, most of the money G|CLUBS members paid did not fund the business of G|CLUBS. Rather, the defendants misappropriated a substantial portion of the victim funds using, among other things, a complex web of entities and bank accounts to do so. For example, G|CLUBS funds were used by KWOK and JE: (i) toward the purchase of KWOK's 50,000 square foot New Jersey mansion (pictured below); (ii) to purchase various furniture and decorative items including, among other items, Chinese and Persian rugs worth approximately \$978,000, a \$62,000 television, and a \$53,000 fireplace log cradle holder; and (iii) to purchase a custom-built Bugatti sports car for approximately \$4.4 million (pictured below):



### *Himalaya Exchange*

KWOK, JE, and others known and unknown, fraudulently obtained more than approximately \$262 million in victim funds through the Himalaya Exchange, a purported cryptocurrency “ecosystem” accessible on the Internet. The Himalaya Exchange included a purported stablecoin called the Himalaya Dollar (“HDO” or “H Dollar”) and a trading coin called Himalaya Coin (“HCN” or “H Coin”). In videos distributed via social media, KWOK trumpeted the prospects and valuation of the Himalaya Exchange and both HCN and HDO, which he publicly described as cryptocurrencies. For example, in a video posted on the Internet on or about October 20, 2021, KWOK falsely stated: “If the H Coin is worthless, [the issuer of H coin] can sell all 20% of the gold, exchange it to you, and become your money. Or take all the value of 20% gold and ask everyone to unify it and make it yours;” and “If anyone loses money, I can say that I will compensate 100%. I give you 100%. Whoever loses money, I will bear it.” The initial coin offering of HCN and HDO occurred on or about November 1, 2021. HCN began trading at 10 cents and, within approximately two weeks, the Himalaya Exchange website claimed that each HCN purportedly was worth approximately 27 HDO (i.e., \$27), which represented a 26,900% increase in value and a total value of approximately \$27 billion. JE also falsely claimed to media outlets that a €3.5 million Ferrari was purchased via the

Himalaya Exchange. In truth, a Himalaya Exchange employee sent the Ferrari broker an international bank wire to cover the cost of the Ferrari, while also processing a corresponding "transaction" on the Himalaya Exchange to create the false appearance that the purchase had taken place using HDO in order to show HDO was easily tradeable and to promote the Himalaya Exchange. The buyer of the Ferrari was a close relative of KWOK.

#### *U.S. Government Seizures*

On or about September 20, 2022 and September 21, 2022, U.S. authorities served judicially–authorized seizure warrants on several domestic banks, and subsequently seized approximately \$335 million of proceeds from bank accounts held in the names of Himalaya Exchange entities and other entities associated with KWOK and JE. Within approximately two days of the first judicially authorized seizures of Himalaya Exchange–related funds, on or about September 22, 2022, JE contacted the management of a domestic bank that held Himalaya Exchange bank accounts. JE sought to implement a wire transfer, which he and a Himalaya Exchange executive claimed to the domestic bank was needed to effectuate a "redemption" from HDO to U.S. dollars for an unnamed "VIP" (*i.e.*, very important client of the Himalaya Exchange). In subsequent communications with the domestic bank, JE revealed that the VIP was, in fact, JE himself. JE provided the domestic bank with documents reflecting two purported HCN sales by JE on or about September 22, 2022—totaling 46 million HDO, which JE was attempting to "convert" into \$46 million. JE twice emphasized to the domestic bank's management, in substance and in part, that the \$46 million transfer needed to happen "today or it is meaningless."

U.S. Authorities subsequently seized additional funds from KWOK and JE–associated entities in October 2022 and March 2023. In total, U.S. Authorities seized more than approximately \$634 million of fraud proceeds, including approximately \$278 million from bank accounts held in the names of the Himalaya Exchange entities.

Today, pursuant to judicially–authorized warrants, U.S. Authorities are seizing additional items from KWOK–associated properties, which KWOK and JE allegedly purchased with fraud proceeds.

\* \* \*

HO WAN KWOK, a/k/a "Miles Guo," a/k/a "Miles Kwok," a/k/a "Guo Wengui," a/k/a "Brother Seven," a/k/a "The Principal," 52, of New York, New York, and KIN MING JE, a/k/a "William Je," 56, of London, England, are charged in an Indictment with the following offenses:

| Count | Charge   | Defendant   | Maximum Penalty    |
|-------|--|-------------|--------------------|
| 1     | Conspiracy to Commit Wire Fraud, Bank Fraud, Securities Fraud and Money Laundering | KWOK and JE | 5 years in prison  |
| 2     | Wire Fraud (GTV Private Placement)   | KWOK and JE | 20 years in prison |
| 3     | Securities Fraud (GTV Private Placement)   | KWOK and JE | 20 years in prison |
| 4     | Wire Fraud (Farm Loan Program)   | KWOK and JE | 20 years in prison |
| 5     | Securities Fraud (Farm Loan Program)   | KWOK and JE | 20 years in prison |

|    |  |             |                    |
|----|--|-------------|--------------------|
| 6  | Wire Fraud (G CLUBS)                       | KWOK and JE | 20 years in prison |
| 7  | Securities Fraud (G CLUBS)                 | KWOK and JE | 20 years in prison |
| 8  | Wire Fraud (Himalaya Exchange)             | KWOK and JE | 20 years in prison |
| 9  | International Promotional Money Laundering | KWOK and JE | 20 years in prison |
| 10 | International Concealment Money Laundering | KWOK and JE | 20 years in prison |
| 11 | Unlawful Monetary Transactions             | KWOK and JE | 10 years in prison |
| 12 | Obstruction of Justice                     | JE          | 20 years in prison |

The statutory maximum sentences are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by a judge.

Mr. Williams praised the investigative work of the FBI. Mr. Williams further thanked the U.S. Securities and Exchange Commission, which today filed a parallel civil action against KWOK and JE, for its assistance and cooperation in this investigation. Mr. Williams also expressed appreciation for the assistance of the United States Marshals Service, the Justice Department's Office of International Affairs, and the U.K. Metropolitan Police.

If you believe you are a victim of KWOK and JE's fraud, please find more information here: <https://www.justice.gov/usao-sdny/united-states-v-ho-wan-kwok-aka-miles-guo-and-kin-ming-je-aka-william-je>

The case is being handled by the Complex Frauds and Cybercrime Unit of the Office's Criminal Division. Assistant U.S. Attorneys Ryan B. Finkel, Juliana N. Murray, and Micah F. Ferguson are in charge of the prosecution.

The allegations in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

[1] As the introductory phrase signifies, the entirety of the text of the Indictment, and the description of the Indictment set forth herein, constitute only allegations, and every fact described should be treated as an allegation.

**Attachment(s):**

[Download ho wan kwok et al indictment 23 cr. 118.pdf compressed.pdf](#)

**Topic(s):**

Financial Fraud

**Component(s):**

USAO – New York, Southern

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