

ALABAMA SECURITIES COMMISSION

Post Office Box 304700 Montgomery, Alabama 36130-4700
Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240
Email: asc@asc.alabama.gov Website: www.asc.alabama.gov

Alabama Residents Continue to Fall Victim to the Pig Butchering Scam and Their Savings Are Being Slaughtered

Montgomery, Alabama (July 7, 2023) – The Alabama Securities Commission (ASC) issued a cease-and-desist order against BATCIPE.VIP (BATCIPE), BATCNAP.VIP (BATCNAP), James Yeh (Yeh), and Kenju Go (Go) for offering unregistered securities. The ASC learned of the scam after receiving a complaint from an Alabama investor who purchased cryptocurrency from a registered exchange and then sent cryptocurrency to what they believed to be cryptocurrency trading websites.

The Alabama investor was contacted initially via a dating website and then the conversation moved to WhatsApp. After a couple of days of communicating, the suspect started to ask questions about the investor's financial background and investing habits. The investor was instructed how to purchase cryptocurrency through a registered cryptocurrency exchange but then sent cryptocurrency to what they believed to be a cryptocurrency trading website named BATCNAP. The investor created what they believed to be a trading account for the BATCNAP platform. After depositing money into their account, the investor was allowed to withdraw a small amount from the unregistered platform, which was enough to make the investor trust the unregistered platform. The BATCNAP platform soon became inoperable, and the investor was then directed to another unregistered cryptocurrency platform called BATCIPE. The Alabama investor deposited over \$725,000 in about 34 days into the unregistered platforms and was provided account information showing that the account had grown to over \$7.5 million dollars. The Alabama investor attempted to make a larger withdrawal and was directed to customer service and was informed that they owed over \$775,000 in personal income tax and must pay with additional cryptocurrency. The investor then realized that they had been scammed.

ASC conducted an investigation and determined that there were approximately 948 websites created by Yeh and Go. The scheme has resulted in 88 nationwide confirmed victims, with an estimated loss of over \$22.5 million.

"The scam is called pig butchering because the fraudster continually feeds you information as they fatten the victims with excitement and the promises of great investment returns," said ASC Director Amanda Senn. "The best way to protect yourself from this investment scam is to never give out personal or financial information to strangers, especially when they contact you first."

The scam happens when fraudsters send phishing messages through social media platforms and communication apps. To further entice individuals to respond to their messages, the fraudster uses stock photos of an attractive person for their profile. Once the victim responds to the message, the con artist will begin to build a relationship with them. Through conversation, the fraudster casually mentions their wealth and cryptocurrency. When the user takes an interest in crypto investing/currency, the fraudster strikes. The victim will be instructed to deposit funds, and falsified returns will be shown on their account. When the victim attempts to withdraw their money, they are typically told to deposit additional funds or that they must pay certain taxes or fees. Once the alleged fees are deposited, they are gone, along with the rest of the money.

The ASC cautions investors to thoroughly research any investment opportunity. Call the ASC at 1-800-222-1253 and ask for the registration department to check out persons offering investment opportunities, investment advice for a fee and any products they offer. Contact the ASC to report suspected fraud, inappropriate securities business practices, or to obtain consumer information. Free investor education and fraud prevention materials are available at www.asc.alabama.gov.

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For further information contact 1-800-222-1253 and ask for Public Affairs.

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