

Craig Wright — The Tankening Is Near

[MyLegacyKit](#)

Australian Police Have Raided the Home of Bitcoin's Supposed Creator

Source: <https://fortune.com/2015/12/09/australia-bitcoin-raid/>

Written by Arthur van Pelt

This short article will put a brief spotlight on the handfuls of companies that Satoshi Nakamoto cosplayer Craig Wright bankrupted since 2013 when he started his Bitcoin fraud show, and why the Calvin Ayre subsidized, and controlled — but all set up to support Craig's wild Bitcoin dreams — , companies Taal Blockchain, nChain, CoinGeek Media and of course the Bitcoin Association for BSV are extremely likely next in line. Also Craig's brainchild, the Bitcoin affinity fraud project BSV (sometimes called "Bankrupt Soon Vehicle" already), will very likely not escape the hand of doom that follows Craig closely since he bought his first few Bitcoin on Mt Gox in April 2013.

BY DANIEL ROBERTS

December 9, 2015 2:38 PM GMT+1



Australian Federal Police search the home of the possible creator of cryptocurrency bitcoin Craig Steven Wright in Sydney.

PHOTOGRAPH BY DAVID GRAY — REUTERS

Source: <https://fortune.com/2015/12/09/australia-bitcoin-raid/>

“On Tuesday, two different technology publications, [Wired](#) and [Gizmodo](#), ran big stories pointing to an Australian businessman, Craig Steven Wright, as the possible creator of the digital currency bitcoin. And on Tuesday night (Wednesday afternoon in Australia), Australian federal police raided Wright’s house and office. It was a wild ending to a wild day in bitcoin news.

The Australian authorities said the raids in the Sydney suburbs of Gordon and Ryde were part of a tax investigation and not related to the day’s bitcoin reports. The Australian Taxation Office ordered the police raid, and,

according to the [New York Times](#), it has declined to comment. The Australian Federal Police did release a statement in which it said, "The AFP can confirm it has conducted search warrants to assist the Australian Taxation Office at a residence in Gordon and a business premises in Ryde, Sydney. This matter is unrelated to recent media reporting regarding the digital currency bitcoin." — Fortune (Daniel Roberts)

Many of my readers will remember this moment in December 2015 all too well I'm sure; here is where Craig Wright's claim to Bitcoin creator fame started in the Wired and Gizmodo magazines, a claim that failed from the get-go, and kept on failing ever since. Within hours of the publications aforementioned, almost as if it was coordinated (but it wasn't, as we know now), Craig's home and offices were raided by the Australian police, on behalf of the Australian Taxation Office (ATO), to collect all bookkeeping files and other records of the companies that he was running at the time:

COMPANIES

Our network

Our group of companies has received a series of Advance Findings from AusIndustry around the supercomputers we run and the AI and machine learning activities we conduct. In total, we have received Core Technology and Advance Finding certificates for \$110,000,000 in research activities.



[Cyber Security Firm](#)

CLOUDCROFT

[Supercomputers](#)



[Australian Cryptocurrency Research](#)



[IT Consulting Services](#)



[Bitcoin e-Wallet](#)



[Bitcoin Exchange](#)



[Bitcoin e-Bank](#)



[Intelligent eLearning Platform](#)



[The Academic's Social Network](#)

What we are looking at above is the final installment of Craig's Bitcoin-related Potemkin Village in Australia, just before he fled to London to become nChain's Chief Scientist. Despite the fancy looking logos, all these companies do not exist anymore. It's even fair to say, some of them never really 'existed' in the first place, except for their Australian Securities & Investments Commission (ASIC) registration and some made up paper-only figures to try defraud the ATO for millions in fake, baseless tax returns.

For example, when the ATO was inquiring Coin-Exch (middle row, logo on the right) and requested one of Craig's tax refunds of AU\$3,787,429.00 back (and fined Craig AU\$1,893,714.50 on top of it), they explained to his tax lawyer Andrew Sommer:

■ Additionally, you have not demonstrated an ability to earn income other than claiming ATO refunds, you have not traded with any third parties or employed any staff. As set out in our decision relating to the shortfall, your intended business activities could not turn a profit and there has not been any real or lasting contribution to your share capital by your purported shareholders. There is therefore, no evidence that you were conducting an enterprise during the period for which the statement was made.

Source: <https://www.courtlistener.com/docket/6309656/1/15/kleiman-v-wright/> (page 6)

Let's do a quick rundown of these, and a several other — not mentioned in the screenshot — companies that went bankrupt or were otherwise forced to close shop during the Australian tax fraud era where Craig Wright started using Bitcoin as a scam tool in 2013, and ignited a Satoshi Nakamoto cosplay in the process in later years.

All companies are located in Australia, except where mentioned otherwise. Note that this list is likely still incomplete, and took quite the research effort to create, as Craig Wright went to great lengths in his attempts to obfuscate his (non-existing) Bitcoin dealings, and to deceive the ATO in the process. For a more detailed run down of Craig his fraudulent Bitcoin and tax dealings up till 2015, I happily refer to the, as yet unfinished, "[Faketoshi, The Early Years](#)" series of articles.

- Information Defense (raised 2009, dismantled 2017)

- Integyrs (raised 2009, dismantled 2015)
 - Not to be confused with Integyrz
- Greyfog (raised 2009, dismantled 2014)
- Cloudcroft (raised 2011, raided & put under ATO's External Administration 2015, dismantled 2020)
- Panopticrypt (raised 2011, raided & put under ATO's External Administration 2015, dismantled 2020)
- Strasan (raised 2011, renamed to C01n in 2014, raided & put under ATO's External Administration 2015, dismantled 2020)
- Coin-Exch (raised 2013, raided & put under ATO's External Administration 2015, dismantled 2020)
- Hotwire Preemptive Intelligence (raised 2013, bankrupt 2014, dismantled 2017)
- Integyrz (raised 2013, raided & put under ATO's External Administration 2015, dismantled 2020)
- Interconnected Research (raised 2013, raided & put under ATO's External Administration 2015, dismantled 2020)
- Pholus (raised 2013, raided & put under ATO's External Administration 2015, dismantled 2020)
- Denariuz (raised 2013, raided & put under ATO's External Administration 2015, dismantled 2020)
- Zuhl (raised 2013, raided & put under ATO's External Administration 2015, dismantled 2020)
- Hotwire PE Employee Share Plan (raised 2013, dismantled 2018)
- Chaos And Nonlinear Forecastability In Economics And Finance (raised 2014, dismantled 2018)
- Daso (raised 2014, dismantled 2017)
- DeMorgan Holdings (raised 2014, dismantled 2017)
- DeMorgan Ltd (raised 2014, dismantled 2017)
- Misfits Games (raised 2014, dismantled 2018)
- Ezas (raised 2014, dismantled 2019)
- Denariuz Ltd (UK) (raised as empty shelf company in 2012 by CFS,

obtained as such by Craig under the name "Permanent Success" who immediately renamed to Denariuz Ltd in 2014, dismantled 2017)

- C01n Ltd (UK) (raised as empty shelf company in 2012 by CFS, obtained as such by Craig under the name "Moving Forward In Business" who immediately renamed to C01n Ltd in 2014, dismantled 2017)

On purpose, the two most 'famous' Seychelles companies (Tulip Trading Ltd & Wright International Investments Ltd) that Craig Wright still owns are not in this list. As far as we know, these two companies still exist, have not been dissolved from the Seychelles company registries, and — by means of backdated forgeries, fraudulent bookkeeping and non-existing encrypted files between its assets(*)— form the current installment of the infamous Tulip Trust.

Note that to this very day, the Tulip Trust fraud is still used heavily by Craig Wright and his UK lawyer firm Ontier to further scam and harass inside and outside the Bitcoin industry with several elements of the long-debunked Craig is Satoshi lie. Allow me to mention false copyright claims, several senseless libel cases, the Pineapple Hack that never happened, multi-million Nigerian prince advance fee scammy... as examples where the Tulip Trust fraud is making an appearance. Time to put an end to it, if you ask me, but that's another story for another day.

(*) as determined by the ATO in 2016 during their very thorough tax fraud inquiry, and as determined by Court Florida in 2019 during the Kleiman v Wright lawsuit.



ATO's fraud squad probes Bitcoin 'creator' Craig Wright

EXCLUSIVE

By LEO SHANAHAN

11:00PM JANUARY 20, 2016 NO COMMENTS

Craig Wright, outed last year as the possible creator of Bitcoin, is the centre of an investigation by the Australian Taxation Office's serious evasion and criminal investigations unit into fraud potentially worth millions of dollars.

The Australian Federal Police and the ATO have intensified their investigation in recent weeks, reviewing claims for millions of dollars in GST and research and development credits paid to companies associated with Mr Wright.

While the IT security expert is yet to face criminal charges, authorities believe he has left Australia and is based in Britain. Last month, warrants were issued by the AFP to allow ATO officials to search Mr Wright's home and offices in northwest Sydney.

The ATO has flown in a special team from its criminal investigations unit in Brisbane tasked with investigating private groups and high-net-worth individuals.

The team has been interviewing Mr Wright's former business associates in Sydney about tax claims he made through businesses and as an individual, while the ATO has been questioning former associates on supposed deals done through Mr Wright's network of companies that claim to have about \$300 million in market capitalisation backed through Bitcoin.

One aim of the investigation is to establish what holdings of Bitcoin Mr Wright possessed and whether they mirrored claims made in tax receipts.

It is understood the ATO has simulated its own Bitcoin transactions to appreciate how individuals trade and prove ownership of the online crypto-currency.

An ATO spokesman told *The Australian* that "due to confidentiality provisions in the tax act, the ATO is unable to comment on any individual's or entity's tax affairs".

Late last year, Mr Wright was named by IT magazines *Wired* and *Gizmodo* as being the possible creator of the online currency Bitcoin, and potentially worth hundreds of millions of dollars.

Australian authorities are understood to firmly believe Mr Wright is not the creator of Bitcoin and that he may have created the hoax to distract from his tax issues.

Following the US claims about Mr Wright, *The Australian* has revealed a series of business deals and court cases involving him and his associated businesses.

The Weekend Australian revealed that Mr Wright was threatened with bankruptcy between 2006 and 2013 over a debt of \$425,000, following a legal dispute with another business partner that saw Mr Wright have a restraining order issued against him and being convicted of contempt of court.

Despite that conviction, Mr Wright was called upon by the AFP to give a "technical report" as part of an investigation a spokesman said had "assisted in the successful prosecution of a person in relation to online offences". He also alleged he made a deal with a controversial business figure in 2013 to buy gold and software worth tens of millions of Bitcoin.

After the alleged deal went sour, Mr Wright tried to sue business figures for \$84.25m in the Federal Court in Sydney. He subsequently withdrew the claim. At that time, May 2013, Mr Wright said he could draw on one "Bitcoin wallet" worth at least \$100m.

Interest in the Australian IT entrepreneur and security expert heightened after the IT magazines outed him as the possible Bitcoin creator, a man previously known by the pseudonym Satoshi Nakamoto. There has been a worldwide hunt for Nakamoto since the launch of Bitcoin in January 2009. The currency has grown in value to be worth \$US5 billion (\$7.24bn).

Mr Wright's former wife, Lynne Wright, has made it clear she doesn't want anything to do with her ex-husband, describing the Nakamoto claims as "rubbish".

"He's always been into computers," she said of her ex-husband.

"He's a geek. I don't know anything about Bitcoin."

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Logically, in 2016 the ATO was not convinced that Craig had anything to do with the inception of Bitcoin

Now how is all this related to the BSV project, to Taal Blockchain, nChain, CoinGeek Media and the Bitcoin Association for BSV?

Simple.

Just as (almost) all of the 22 bankrupt, raided & discontinued Australian and UK companies have been based upon, and wrapped around, Craig Wright's Bitcoin fraud that he ignited in 2013, so are nChain et al. When Craig's Bitcoin Potemkin Village, together with his Satoshi cosplay, collapsed in 2015

in Australia, he just rewrapped the whole — empty, paper only — thing, created a new set of lies and forgeries, found a gullible, and wealthy, Calvin Ayre on his path, and he was allowed to continue the whole scam under a set of new business monikers in the years after 2015!

Since this is just old wine in new bottles, this will, of course, not end well again for everyone involved. Thoroughly rooted in fraud, deception and false promises (of which we've seen handfults fail already), the current Craig Wright entourage of 'Bitcoin' related endeavors are set up for one thing only again: bankruptcy.

And it is about time to not ignore the signals anymore. Take Taal Blockchain, the longest standing dedicated BSV mining pool, for example. It was a total shock, but not a surprise (to me at least), to learn that in 2.5 years, Taal managed to build up no less than \$40 million in losses. Not at any time in their mining history have they been able to:

- attract successful managers, directors and Board members that remained in position longer as 1–2 years
- make any substantial revenues on mining or otherwise to cover their massive cost structure
- walk on their own legs, as they recently needed a \$7 million loan and a \$40 million bailout to stay afloat

Let's have a closer look at the figures of Taal.

TAAL Distributed Information Technologies Inc.
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Stated in Canadian Dollars)

For the six months
ended June 30, 2021

	2021	2020	2019
Cash flows from operating activities			
Net loss	\$(7,500,201)	\$(21,380,162)	\$(12,392,318)
Adjustments to non-cash operating activities:			
Share-based payments		1,810,695	438,755
Share of loss in joint ventures	1,490,297	-	127,253
Share of loss in associate	22,944	5,584	-
Digital assets hashed	(7,623,105)	(5,285,447)	(15,489,528)
Revaluation of digital assets		801,945	10,070
Loss (gain) on sale of digital assets	5,895,610	1,124,521	(1,293,017)
Loss on investment in joint venture	(1,845,492)	-	1,733,870
Depreciation and amortization	957,014	891,178	7,156,429
Gain on sale of marketable securities	89,661	-	(80,500)
Loss on sale on hashing equipment	1,094	2,018,420	-
Reversal of impairment of equipment		(106,605)	-
Impairment of equipment	(2,408,937)	5,229,103	5,840,057
Unrealized foreign exchange		-	(74,371)
Changes in working capital items related to:	11,549,197		
Digital assets	(528,541)	6,973,792	15,504,371
Accounts receivable		40,635	(2,677,068)
Other receivable	(6,286)	(233,754)	(262,640)
Prepaid expenses	848,625	434,988	(2,242,805)
Accounts payable and accrued liabilities	(2,248,442)	(852,171)	4,093,152
Net cash (used in) operating activities	(1,306,562)	(8,527,278)	391,710

Mockup of Taal's 2020 and 2021 (till June) reports

Just make a count of the 'Net loss' line and you will get to a number north of \$40 million. This, and for several reasons more, is why it is to be expected that Taal will go bankrupt in the upcoming years.

- **Economical:** as mining BSV is not to be expected to become profitable anytime soon for a — dedicated — miner, Taal will, as a result, not be able to make any profits. Unless Calvin Ayre, the monetary mind behind some 80% to 90% of all BSV infra, keeps bailing out Taal, they will go belly up within two years, is my expectation.
- **Social:** as BSV and its few 100 dedicated community members have a reputation that, if possible, would be measured below zero by industry experts, as a result no widespread adoption of BSV is ever to be expected. Recently, Australia already hinted to that trend when refusing to sponsor BSV related projects with tax money, citing reputational and legal issues with BSV.
- **Legal:** as there is currently immutable illicit material like child abuse

pictures and copyrighted images and — artwork in the BSV blockchain, it is to be expected that at some point regulatory forces are going to clamp down on the easy-to-bring-down centralized BSV blockchain. Another ticking legal timebomb under the long term existence of the BSV blockchain is the rightful accusation that BSV shows all signs of being a security: centrally controlled issuance of a digital token with a promise of future returns(1) based on enforcement of patents(2) and the Craig is Satoshi-bonus, combined with his price calls based on his future actions, like dumping all the BTC from his 'Tulip Trust'(3).

(1) With the [Howey Test](#) one can determine if a self-proclaimed crypto currency is in fact a security: "***investment of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others***". Meanwhile, the Securities and Exchange Commission (SEC) has recently announced to start cracking down on possibly up to 6,000 security offerings in the crypto space. There is no doubt in my mind that BSV will be on the SEC's radar sooner or later.

Securities and Exchange Commission Chairman Gary Gensler on Tuesday assured lawmakers that Wall Street's top regulator is working overtime to create a set of rules to oversee the volatile cryptocurrency markets while balancing the interests of American innovators. Gensler told the Senate Banking Committee that he and his team are trying to protect investors through better regulation of the thousands of new digital assets and coins, as well as oversight of the more-familiar bitcoin and ether markets.

The SEC chief noted the enormity of the task, telling Sen. Catherine Cortez Masto, D-Nev., that the regulator could use "a lot more people" to evaluate the 6,000 novel digital "projects" and determine whether they all qualify as securities under U.S. law.

Source: <https://www.cnbc.com/2021/09/14/sec-chair-gary-gensler-wants-to-crack-down-on-the-wild-west-of-crypto.html>

(2) Calvin Ayre has no shame in admitting this fact. Only note the typo: he forgot the SV after Bitcoin. Bitcoin, unlike its affinity fraud derivative BSV, has no controlling entity, of course.



Calvin Ayre 

@CalvinAyre



Craigs patents control Bitcoin. Look it up.

6:13 AM · Jul 24, 2021 · Twitter for iPhone

3 Retweets 43 Likes

(3) Twitter user @m__btc nailed it in a [tweet dated December 23, 2020](#) (with screenshots provided): "***BSV is owned by Calvin Ayre (according to the official BSV website) and his fraudulent buddy is promising profits. BSV meets all of the Howey requirements but it will likely implode before drawing SEC's attention.***"

And @m__btc further detailed his stance on [March 5, 2021](#):



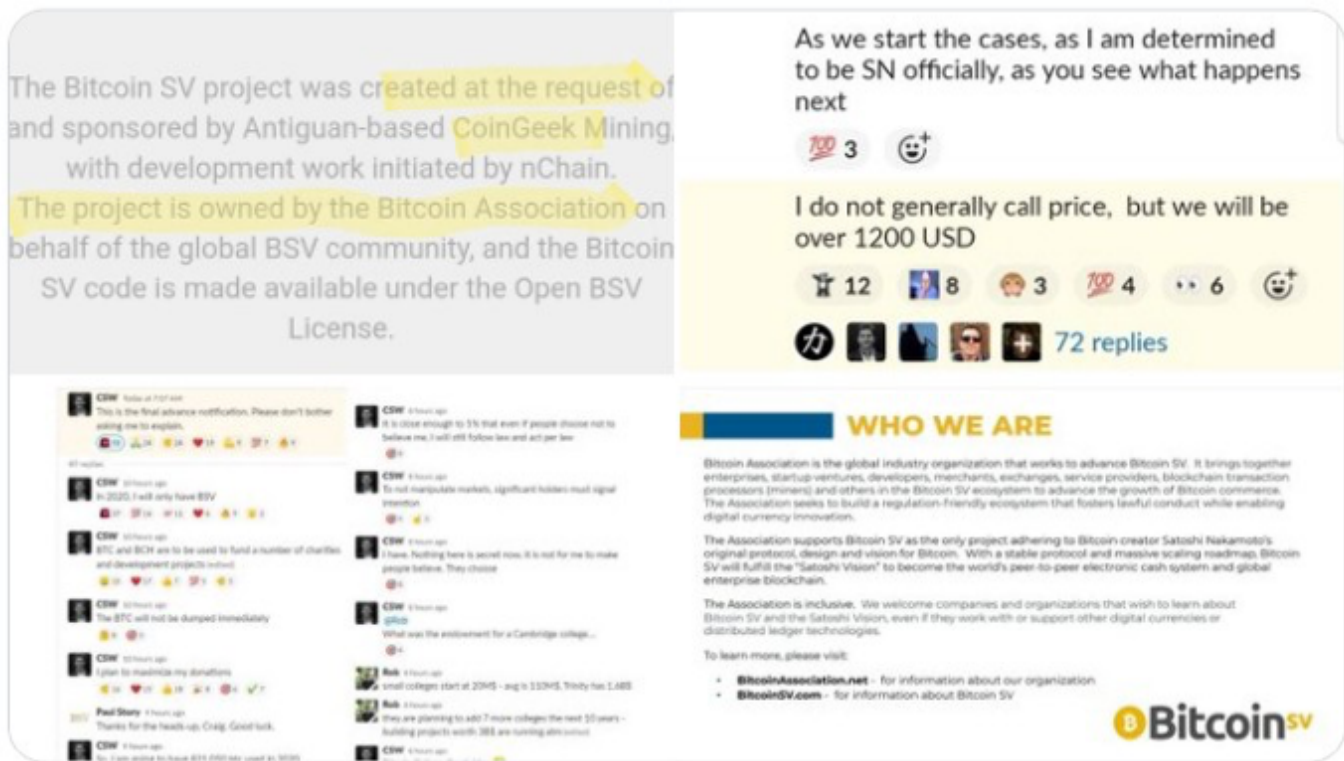
M.BTC
@m__btc



Replying to @MyLegacyKit and @SEC_Enforcement

Howey test:

- ✓ 1. Investment of money
- ✓ 2. Common enterprise - Coingeeek owns BSV
- ✓ 3. Expectation of profit - "Satoshi" said he'll dump BTC, own only BSV and calls a \$1,200 BSV price.
- ✓ 4. Through the effect of the promoter - BA continuously shilling BSV as the real Bitcoin.



12:16 PM · Mar 5, 2021 · Twitter for Android

Now let's have a look at another BSV 'behemoth': nChain. They appear to be doing fine; steady turnover growth, no losses over the last two years, nice little profit each year... A solid business to happily invest in, unlike Taal, one would think. No?

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	12,119,889	8,887,097
Gross profit		12,119,889	8,887,097
Administrative expenses		(11,085,865)	(8,230,474)
Operating profit		1,034,024	656,623
Interest receivable and similar income		694	-
Profit before tax		1,034,718	656,623
Tax on profit	7	(217,127)	(90,555)
Profit after tax		817,591	566,068
Retained earnings at the beginning of the year		895,252	329,184
		895,252	329,184
Profit for the year		817,591	566,068
Retained earnings at the end of the year		1,712,843	895,252

The notes on pages 13 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Turnover

The whole of the turnover is attributable to provision of commercial blockchain and IT products and services.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	46,607	366
Rest of Europe	-	2,971
Rest of the world	12,073,282	8,883,760
	12,119,889	8,887,097

5. Employees

Staff costs, including directors' remuneration, were as follows:

2020	2019
------	------

	£	£
Wages and salaries	6,085,566	4,150,833
Social security costs	709,546	494,772
Cost of defined contribution scheme	404,383	240,440
	<u>7,199,495</u>	<u>4,886,045</u>

The average monthly number of employees, including directors, during the year was 76 (2019 - 51).

Source: <https://find-and-update.company-information.service.gov.uk/company/09823112/filing-history>

No. Maybe not.

Let's have a look at what the turnover actually is: "provision of commercial blockchain and IT products and services". Okay. That's not patent licensing revenues, since nChain never sold one of the hundreds of Craig Wright's patents since 2015. That's not the Tuvalu project (announced late December 2020) nor EHR Data (indefinitely postponed in April 2021). So what are these revenues, coming from the "rest of the world"? Could it be that nChain just sends a \$1 million invoice for "provision of commercial blockchain and IT products and services" to Antigua each month to be able to pay the salaries of 76 employees, as Calvin Ayre is literally sponsoring 'everything' in the BSV circle jerk environment, up to literally tens of millions in a hilarious Nigerian prince style advance fee scam(*) for Craig Wright's legal struggles? One can try to make an educated guess here. But fact is, nChain, always quick to make big announcements like EHR Data and Tuvalu, never announced any other enterprises and governments coming in in droves.

(*) Nigerian prince advance fee scam, as we learned from one of Craig's lawsuits:

4B. Notwithstanding the foregoing, and that the Claimant puts the Defendant to strict proof regarding the relevance of the averment, it is admitted that the Claimant is being funded by a third party in these proceedings, namely Calvin Ayre. The Claimant has taken out a Bitcoin SV denominated commercial loan against the Claimant's and the Tulip Trust's Bitcoin and Bitcoin SV holdings, that will be paid back to Mr Ayre. The Claimant notes that the Defendant is also being funded in these proceedings by a third party, namely Tether Limited, a company which operates a cryptocurrency called Tether.

Tulip Trust doesn't exist & there are no Bitcoin either according ATO and Court Florida

What remains are a few words about the single most risky central point of failure for BSV: Craig Wright, the Satoshi Nakamoto cosplayer. In the past few years, we've seen that the BSV price needle only moves when, always based on fake news, Craig is presumed to have proven his Satoshi-ness. The most recent, and most prolific at the same time, example was the Tulip Trust pump in January 2020.

Bitcoin SV (BSV) Price Chart

From To



In January 2020, during the Kleiman v Wright lawsuit, Craig Wright appeared to have handed over the so-called Tulip Trust list of his Bitcoin 'holdings' from his self-declared mining in the early years of Bitcoin, to be precise from January 2009 till August 2010. This mining, of course, never happened, and as a result this Tulip Trust list turned out to be the umpteenth forgery that Craig had created during the lawsuit. In May 2020, 145 Bitcoin addresses on this list were signed "[Craig Steven Wright is a liar and a fraud](#)", in the months after followed by numerous coins moving from handfuls of Bitcoin addresses on the, obviously fake, Tulip Trust list.

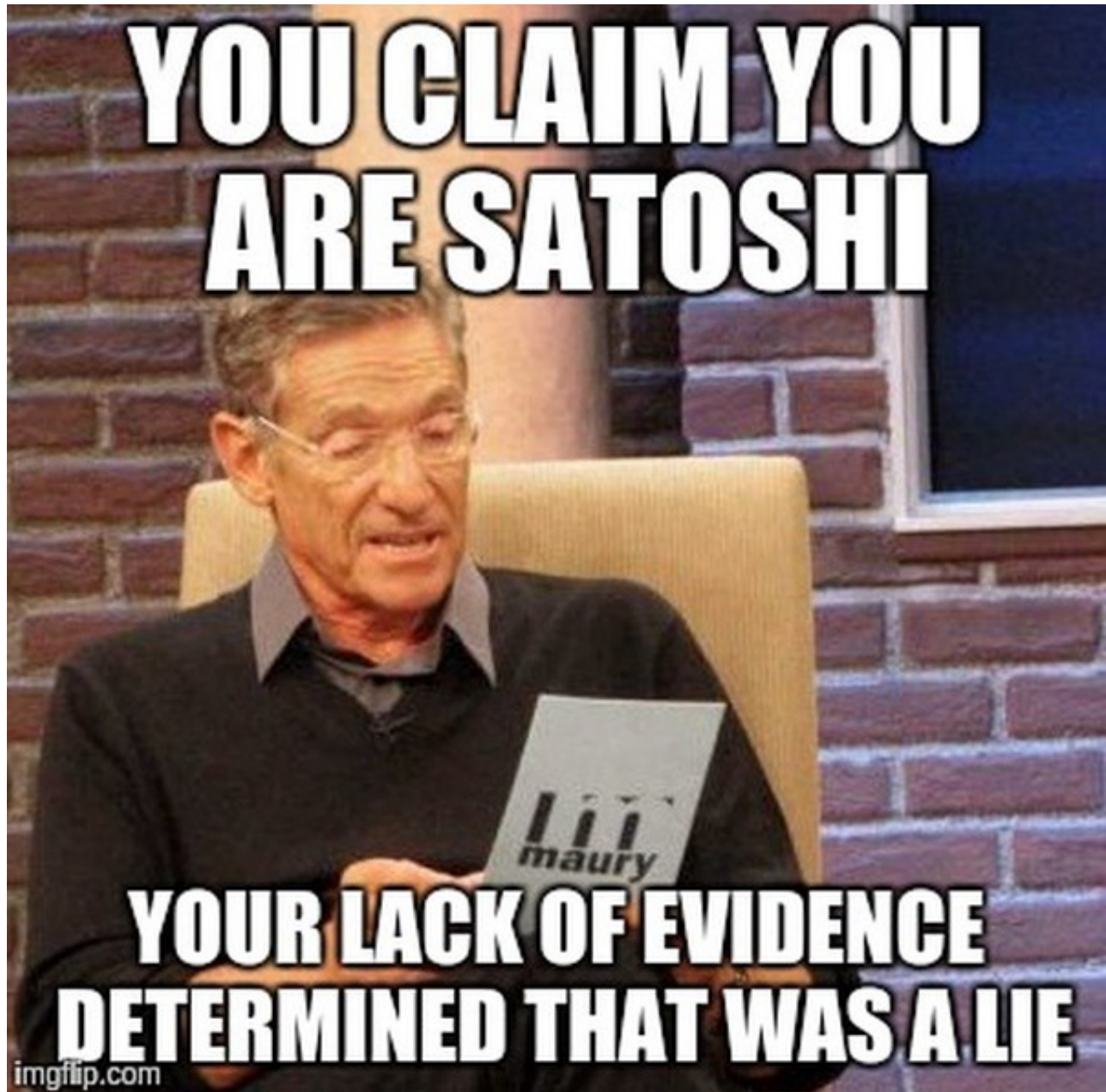
To cut a long story short, Craig Wright will not win any of the lawsuits that he's currently involved in as they all are, no exception, loaded with his lies and forgeries.

- Craig will not win the Kleiman fraud case
- Craig will not win the COPA copyright case
- Craig will not win the Peter McCormack libel case
- Craig will not win both the hodlonaut libel cases
- Craig will not win the Pineapple Hack case against the Bitcoin devs

Admittedly, this might take a few years more to play out properly. But knowing that only Craig Wright is able to make the BSV price move, the coming years we will see an avalanche of bad news hit the BSV community, and they will not hesitate to put further pressure on the BSV price. Not compensated by good news (as there will be none; BSV doesn't scale, is technically crippled as the recent reorg attacks (leading to over \$6 million double spend damages for Bitmart Exchange, as their lawsuit to chase the Russian hackers evidenced) showed, and is not being adopted due to its ugly reputation), BSV is heading for the abyss. And with the demise of BSV, all companies like Taal and nChain and Bitcoin Association for BSV making up their infrastructure, will end up in the cryptocurrency gutter too.

My strong advice, as always: get out, and stay out of the massively toxic Craig Wright and BSV environment. The tankening is near.

The end. Thanks for reading.



The verdict is in since December 2015.