

# Faketoshi, The Early Years — Part 2

[MyLegacyKit](#)



Gregor Sailer: Carson City VI/Vågårda, Sweden, from the series "The Potemkin Village", 2016

*Written by Arthur van Pelt, with assistance from CryptoDevil*

***ABOUT EDITS** to this article: as more material might become available after publication of this article, it will have edits and updates every now and then. In that sense, this article can be considered a work in progress, to become a reference piece for years to come.*

## Intro

We hope you truly enjoyed "[Faketoshi, The Early Years — Part 1](#)". Let's recap Part 1 for a bit before we continue with Part 2.

## 2003–2006

*Craig Wright abandons his own consulting company when a new shareholder he'd persuaded to invest in it discovers that the financials don't add up. Then sets about poaching his old clients from under the new investor and winds up in court on breach of contract.*

*Court orders him to stop approaching clients — ignored, Court finds him guilty of contempt, the judges sentence him to 28 days imprisonment, suspended on condition that he performs 250 hours of community services, and Craig is ordered to pay the costs of the proceedings.*

*Thus begins a decade-long pursuit of Craig by the lawyers for his old company for recovery of hundreds of thousands of dollars in debt he owes.*

## **2009**

*Craig incorporates two business entities and sets about filing specious claims for tax rebates on ten-years worth of 'Intellectual Property' derived from his university studies which he insists were purchased for millions by these two companies, directly from him.*

## **2010**

*The Australian Taxation Office (ATO) find Craig Wright's claims suspect and conduct an audit and interviews, looking deeper into his tax returns and business activities — none of these returns or business activities, records and transcripts from the time show, cite Bitcoin in any capacity whatsoever.*

## **2011**

*Craig Wright and Dave Kleiman attempt to land four US Department of Homeland Security (DHS) contracts and set up a US business entity (W&K Info Defense Research LLC) in order to handle the application process through — all four are rejected outright by DHS. The US company that Dave had incorporated has no further purpose and is left to be automatically struck off the active register by administrative dissolution.*

## **2012**

*Having recently learned of the existence of Bitcoin, Craig floats the idea of setting up some sort of Bitcoin bank. Long on ambition, but short on viability, it doesn't progress anywhere as an actual project.*

## **2013**

*In April of this year, Dave Kleiman dies and Craig almost immediately seizes on the opportunity to re-write the nature of their past dealings, by filing two massive claims in NSW Supreme Court of almost \$30 million each against their, dormant and defunct, US company 'W&K Info Defense Research LLC' which they'd solely used to file their rejected applications for US DHS contracts. The court relies on Craig's own declaration and valuation of the company's supposed assets and debts owed to him and, as the legal action is uncontested (as Craig was basically suing himself, with backdated 'help' of at that point in time ex-CFO Jamie Wilson), it rules in his favour, whereupon he promptly adds the 'value' to his rebate scam.*

*To load up the value of his intra-business transactions even more, he introduces the notion that purchases across his companies are being made through Bitcoin instead of bank deposits and transfers. For this he apparently finds public addresses on the Bitcoin blockchain and starts declaring to the tax authorities that he has been mining and buying Bitcoin since 2009 and that he owns and controls the multiple Bitcoin addresses he'd submitted in his bookkeeping records to the ATO. A notable moment arrives by the end of 2013 when the ATO's Refund Integrity department launches their next audit of Craig's tax rebate claims which, unlike previously, now contain supposed Bitcoin-related transactions.*

## **February 2014**

*The ATO is becoming more and more sceptical of these multi-million-dollar transactions he is claiming took place for which he has filed for massive amounts in GST and R&D rebates. Their audit of Craig finds that 94% of his income or that of his business entities over the prior two years is derived from these tax rebates. ATO wants proof the Bitcoin transactions took place but he, instead, insists that no Bitcoin was actually 'paid' in a regular on-chain transaction, that these business dealings were conducted by drawing up a document of a 'transfer of value' where the purchaser of the product or service could 'call on' the value of the Bitcoin held in trust.*

*The one regular Bitcoin payment Craig claims to have made the previous year is to a fugitive conman, Mark Ferrier, for banking software, gold and industrial mining automation software. A conman Craig can provide no evidence of ever having met, spoken to or transacted with. The ATO clearly suspect Craig is lying about the Bitcoin addresses he professes to own. He needs to come up with something to convince them that he could be somebody who would, indeed, own a lot of Bitcoin. 10 months after Dave Kleiman's death, Craig emails Dave's family and claims:*

**"Your son Dave and I are two of the three key people behind Bitcoin"**

On Tuesday, February 11, 2014 6:23 PM, Craig S Wright <[craig.wright@hotwirepe.com](mailto:craig.wright@hotwirepe.com)> wrote:

Hello Louis,

Your son Dave and I are two of the three key people behind Bitcoin:

<https://bitcoin.org/>

<http://www.motherjones.com/politics/2013/04/what-is-bitcoin-explained>

If you have any of Dave's computer systems, you need to save a file named "wallet.dat". I will explain what this is later. Please understand, I do not seek anything other than to give you information about your son.

Know also that Dave was a key part of an invention that will revolutionise the world:

<http://techcrunch.com/2014/02/10/bitcoin-wins-best-technology-achievement-but-satoshi-doesnt-show/>

I will talk to you again soon.

When I can, I will let you know much more of Dave. I will also help you recover what Dave owned.

I will let you know when I am in the USA,

---

Dr. Craig S Wright GSE LLM

Chief Executive Officer

**Hotwire Preemptive Intelligence (Group)**

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[craig.wright@hotwirepe.com](mailto:craig.wright@hotwirepe.com)



*...and so we continue.*

*Disclaimer: You will see many times the \$ symbol being used. Since Craig*

*Wright lived in Australia in the period of these articles, the \$ symbol used in numbers related to Craig will always refer to the Australian dollar (AUD), except where indicated otherwise.*

## **2014, The year of the ATO hearings**

**February 12, 2014:** [Hotwire article in Business Insider Australia.](#)

*Remember, at this point Craig has only tested out his "I am Satoshi" claim or, rather, his "We were Satoshi" claim, in his email to the Kleiman family so far. He has an impending interview with a sceptical ATO due in the coming days and he is desperate to make them believe he has substantial connections to Bitcoin, namely, his supposed 'Bitcoin Bank' project.*

*He contacts Liz Tay, a reporter for 'Business Insider Australia' and goes into overdrive, wildly claiming that Hotwire PE was merely months away from opening 'Denariuz Bank', which would be the world's first Bitcoin-based bank, slated to offer Bitcoin-based equivalents of conventional savings accounts, term deposits, credit and debit cards, and loans. Which, if true, was certainly newsworthy.*

*She writes that, "CEO Craig Steven Wright" had stated that the Denariuz Bank had been in talks with regulators in the UK, US, Australia and Singapore over the previous year and was due to begin taking deposits during the second half of 2014 and that he "expected a stock market listing to be in the pipeline but declined to discuss details".*

*Liz also wrote that Wright had said Denariuz would launch with a global pool of more than 100,000 Bitcoin (\$73.6 million at the time) from its backers.*

***At this point in time Hotwire PE was, in fact, on the brink of bankruptcy.***

Australia  
MARKETS

# Aussie Technologists Plan To Open The World's First Bitcoin-Based Bank This Year

Liz Tay Feb. 12, 2014, 4:00 PM



**February 18, 2014:** *ATO hearing #1, interview with Craig Wright.*

[The transcript of this interview](#) was part of the (self-)dox material that Wired and Gizmodo received in November 2015.

*The interview blends a mix of claims being made at this time, some of which were true and others which have been entirely fabricated years later by Craig Wright to his tax lawyer Andrew Sommer, being repeated as though they are facts. This is a process which Craig will likely have been hoping would act as some kind of third-party validation of his ever-evolving narrative to the story he has been weaving for the ATO during their investigations into his increasingly audacious rebate filings.*

Sommer 20 Good. Okay. So the objective is to try and free up the cash flow and try and free up the resources so we can get all these issues ..... rather than continually dealing with various ongoing issues. So just to sort of – for those players who are new to it, I thought it was useful just to quickly walk through the chronology of where we got to, or how we got to here. In 2009 the mining of bitcoin commences. There's audit and ensuing disputes with the Tax Office regarding information defence ..... and Dr Wright personally back in 2009 and that dragged on for a couple of years. 2011, bitcoin was transferred overseas. R and D then conducted in the US under – by a joint venture company formed as ..... effectively info defence research LOC. Bitcoin mining continues throughout 2011. The bitcoins are derived by companies in Singapore and the Seychelles or entities in Singapore and the Seychelles, and they're actually trusts. Trustee companies and trusts established - or trustee companies in the United Kingdom and other trusts established in the Seychelles. Further work was planned. In early April 2013 unfortunately David ..... dies in the US towards the end of April 2013. In July we have the MJF transactions which are germane to the returns that are being looked at currently. They involve software services and ..... and in July discussions commenced between – with the Tax Office about the nature of bitcoin. 35 September, following the death of David ..... in the US, there was a transfer of intellectual property out of a US entity to Dr Wright pursuant to orders granted in the New South Wales Supreme Court. Those orders in the New South Wales Supreme Court substantiated value of the claims being made for that intellectual property in the amounts shown there, roughly 28 million a piece. 40 2013, September, intellectual property that had been acquired by Dr Wright from WK Info Defence is on-supplied to the Wright Family Trust and then broken up and transferred to other group entities, Hotwire, Coin Exchange ..... and so on. 45 2013, December, 23 December, while I was having Christmas with my family, private ruling issued on the nature of bitcoin and January 2014 we got the retention refund notices and so on. And that's how we got to – all right. So these are the entities that I think are the key players in these transactions. So we've got the UK companies; we've got Singaporean

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5 companies; we've got Seychelles, so they're all on the outside of the dotted line. We've got Craig which we've referred to with the ..... as CSW ..... is the trustee of the Wright Family Trust. We've got Hotwire PE, Coin Exchange, Cloudcroft, Strasan, Denariuz and if you look at it ..... audit, audit, audit, refund to ..... and audit. So we're busy, and this is my point, that we're stretched in terms of our resources to answer these questions at the moment and it would be nice if we could wrap this up and get these audits sorted. So we've got copies of all those notices. I don't think anyone's worried about it but those are effectively the current drain on our compliance resources to deal with all these questions. Okay. This is the refund retention letter that I was referring to in relation to – this one's the Cloudcroft one and letters in the same form were issued to Hotwire and Coin Exchange. A couple of issues. 10 One is, "We've decided retaining a refund for the following reasons: we are maintaining our interim position with treating the transfer of bitcoin to pay for your acquisitions in accordance with ....." etcetera. So it doesn't refer to any clarification of information. 15

Dolevski So that's our objection letter.

Sommer That's the objection letter, yeah.

*Opening paragraph sets the scene, the ATO have closed the taps on the*

revenue stream Craig has been milking with millions of dollars of claimed business transaction tax rebates. The objective, Andrew Sommer asserts, is to simply try and “free up the cash flow”—the aforementioned tax rebate cash flow back into Craig’s company bank accounts.

He begins by leading with a chronological walk-through of “how we got to here”, launching straight in with a wholly unproven-to-this-day claim that in 2009 “the mining of Bitcoin commences” implied basis for Craig possibly holding hundreds of thousands, maybe even millions of Bitcoins as an explanation for some of the underlying ‘value’ he has been ascribing to these questionable inter-company transactions his tax rebate amounts have been based on.

While this leading sentence in the chronology lacks any evidence whatsoever, other than, for sure ‘the mining of Bitcoin commences’ in 2009 by other people — some of whom will eventually go on to [cryptographically prove Craig’s claimed ownership of their early wallet addresses as fraud and lies](#), the follow-on sentence is true, namely, “There’s audit and ensuing disputes with the Tax Office regarding information defence (the original Australian company he ‘sold’ his academic IP to)... and Dr Wright personally back in 2009” which did drag on for a couple of years, but is absolutely unrelated to anything Bitcoin-related as has been proven in the actual evidence from the time.

This process of blending supposed Bitcoin-connected history with actual business and tax-related activity Craig was verifiably connected to is repeated all through this transcript, but there is, and remains, a complete and utter lack of evidence to support any of the Bitcoin-related assertions.

Pick a sentence from the above ATO interview extract and it will be either:

- A true statement describing an event which did take place, but is nothing to do with Bitcoin;
- A never-proven statement trying to connect Craig to large-scale Bitcoin

*involvement;*

- *A statement which has since been debunked by the ATO and in courts of law, involving backdated contracts, correspondence and forgeries, which attempt to connect Craig to large-scale Bitcoin involvement.*

*Andrew Sommer, as you can see in the above transcript, is driven to make a great many assertions of supposed fact during this interview process but will, following receipt of evidence exposing his client's fraud and lies, later in 2015 terminate his law firm's relationship with Craig and his companies, citing serious issues with the integrity of documents received to both their office and the ATO, from Craig Wright, himself.*

*In the meantime, however, Craig is getting his very own version of reality laid out to suit his particular needs for his ongoing spat with the ATO, except, as we said, it is all a façade of lies and half-truths.*

*For example:*

- *There has never been any evidence of Craig being involved with Bitcoin mining at any time, let alone as an early miner.*
- *The supposed 'Trusts' were found to be nothing but back-dated 'off-the-shelf' companies or even just entirely fabricated and non-existent in any capacity.*
- *There was no 'defence research' R&D being conducted by Craig and Dave's US company — records show only that it was created for the purpose of filing applications for US government contracts and, when these were rejected, simply left to become inactive on the register.*
- *The 'MJF' transaction which, as stated by Mr Sommer, was "germane to the returns that are being looked at currently" is later debunked as a convoluted lie involving pirated banking software and Craig setting up fake support-desk domains and correspondence in his desperate attempt to convince the ATO otherwise.*
- *The 'July discussions' with the ATO about the nature of Bitcoin were not, as Craig likes to pretend, the core reason for these disputes at all,*

*the topic formed only a small and rather irrelevant part of their investigations into his ongoing rebate fraud and the ATO, as he will later find, were not quite so easy to fool as Craig would have hoped.*

*What is interesting to note in the above, however, is Andrew's reference to the NSW Supreme Court case, which supposedly involved massive loans denominated in Bitcoin, developed Software and SDKs and supposed valuable IP Craig had sought to 'recover' from W&K Info Defense Research, where he states that, "Those orders in the New South Wales Supreme Court substantiated value of the claims being made for that intellectual property[...]roughly 28 million a piece" — this is exactly what Craig would have wanted to achieve in the sham litigation he had conducted in late 2013 where he got to self-declare the value of everything he was supposedly recovering from the US company, uncontested and with no third-party verification whatsoever. His very own tax lawyer then citing the Supreme Court decision to grant his 'recovery' action as being sufficient substantiation of the value when he faced the ATO's questions on Craig's behalf.*

*Perjury is a serious enough offence at the High Court level, the Supreme Court will not take kindly to being used as a conduit for tax fraud.*

*Later in the interview Craig, employing a colloquialism Satoshi once used, appears to be tentatively looking to see if anyone in attendance might be a suitable candidate for prompting the one question he wants to be asked, one which would absolutely serve to help in his efforts to persuade the ATO to accept why he might genuinely own a vast trove of Bitcoin:*

*"I did my best to try and hide the fact that I've been running Bitcoin since 2009 but I think it's getting — most — most — by the end of this I think half the world is going to bloody know."*

*But no-one bites. The only response it elicits is a, "Yeah, well." from Andrew.*

## Bloody heathens, don't they know anything about Satoshi? 😊

Sommer      Okay. Good. This is going to make riveting listening.

McMaster    Well, the Aus transcript person is going to love it.

Sommer      Excellent. I always – you know, my students sometimes hate my lectures and just cannot understand why it is unless they're suffering from, you know - - -

10    McMaster    Insomnia?

        Sommer    Sleep deprivation.

        Wright      I did my best to try and hide the fact that I've been running bitcoin since 2009 but I think it's getting – most – most – by the end of this I think half the world is going to bloody know.

15    Sommer    Yeah, well.

        McMaster    So your mining would have started at Lisarow, at the server farm?

        Wright      Lisarow was part of it where you have the garage full of computers and the other was at Bagnoo.

        McMaster    Okay.

20    Wright      That's why we had that big fibre cabling put in and - - -

        McMaster    Yes, you want to speed.

        Wright      Yeah. And we changed the – the whole area. Like, Telstra is not going to do anything for the area. No wireless or whatever else it was – a community of 20 people so "stuff you" basically.

25    McMaster    Yeah.

        Wright      Until we put the fibre in and suddenly ADSL and everything .....

        Sommer    Okay. So a similar situation. So we've been through Hotwire in detail.

        McMaster    Yep.

        Sommer    So a similar situation now of understanding at lodgement – a revised understanding – oops, sorry. There's twitching in my fingers. I need more caffeine. Right to have bitcoin transferred, issue of shares, essentially the same. Exactly the same pattern in relation to it. It just seems that for – as you see there, which we did and those wallet addresses, I'm instructed, were overseas and were in Africa and seemed to have been effectively at the direction of Al Baraka and our informal – our contractual arrangements were with Al Baraka and it seems that the money that went to Ferrier went to Ferrier from Al Baraka. So they collected all the money and then, "Here's your cut" and - - -

35    Wright      I got told, "This is how, you know, we do it. This is how we check. This is where they go. This is what we're doing".

40    Sommer    Yep.

*After his prompting fails to hit the target, he simply adds another one of his since-debunked lies, [the myth that he paid for fibre-optic internet cabling to be laid to the remote area of Bagnoo](#).*

*This is where our fictional narrator would interject with a wry, "Bagnoo to this day, does not and has never had, fibre-optic internet cabling". Because*

of course.

*The final observation on this extract to note is where Andrew Sommer describes a complicated arrangement of Bitcoin 'payments through Africa' at the direction of the Banking software agent Al Baraka, who supposedly then paid Mark Ferrier his fee as sales agent, as part of the 'MJF' transaction previously mentioned as being "germane to the returns being looked at currently". The reason this is so convoluted is because Craig is really struggling to explain how he is meant to have paid millions of dollars for commercial banking software without there being so much as a single transaction verifiable through the bank or the blockchain.*

*But we, or rather the ATO, will get to that later in the investigation process.*

**February 26, 2014:** *ATO hearing #2, a meeting which Craig did not attend.*

*On this date, John Chesher (Craig's accountant) and Ann Wrightson (Craig's bookkeeper) met with ATO officials at their office building in Parramatta, Sydney. As the minutes state, the "Meeting was for John Chesher to explain workings in the revised activity statements sent to the ATO on 25 February 2014". In the [minutes of this meeting](#) (note: this document was also part of the dox-package that Wired and Gizmodo received), we see again a situation where Craig, not yet willing to explicitly declare himself to be Satoshi to those who, unlike the Kleiman family, might be motivated to ask for proof, has a representative simply repeat the previously-asserted 'OG miner' fabrication to the ATO.*

*"Craig Wright started all this in 2009 when he started mining Bitcoins."*

*In the following quotes, JC is John Chesher, speaking on behalf of Craig Wright.*

**JC:** This all starts with Craig Wright. Craig Wright started all this in 2009 when he started mining Bitcoins. There was a previous GST audit conducted on Craig Wright. The audit was in relation to transactions that occurred relating to Intellectual Property. The auditor took an adverse view. The auditor and Craig Wright had a difference of personality. The outcome of the audit resulted in allowable deductions and GST acquisitions revised to nil. Craig Wright couldn't save the two entities. We took the audits to objection but the objection officer agreed with the auditor. The decision was upheld in objections. We then took the matter to the AAT and the court allowed some of the deductions. The audit resulted in liabilities being raised and your debt department was onto us immediately. However, the AAT decision changed this. From owing the ATO hundreds of thousands, we were now allowed a net loss to be carried forward to future years.

We were apprehensive about director Des McMaster's involvement with the current audits due to his past involvement with the previous GST audit.

*Applying the previously-defined 3-step rule to understanding the actual truth of the assertions made to the ATO investigators in these interviews, it is again clear that nothing of substance is ever proven regarding Craig's claims of owning ANY of the millions-of-dollars-worth of Bitcoin he desperately needs to convince were backing the transactions he'd claimed fiat rebates for.*

- "Craig Wright took the Bitcoins that he had mined offshore."
- "W&K was an entity created for the purpose of mining Bitcoins."
- "Craig then took the Bitcoins and put them into a Seychelles Trust. A bit of it was also put into Singapore."
- "Craig had mined a lot of Bitcoins. [...] Craig had gotten approximately 1.1 million Bitcoins."
- "Mr Kleiman would have had a similar amount."
- "Mr Kleiman and Craig Wright decided to start up W&K because they both wanted to get involved with Bitcoins."
- "W&K was responsible for providing funding."

**JC:** We understand. Craig Wright took the Bitcoins that he had mined offshore. At the time, it was worth 3-4 cents. The total value of this was around \$5000. He then started up W&K Info Defense LLC (W&K) with Mr Dave Kleiman. W&K was an entity created for the purpose of mining Bitcoins. Craig Wright is a forensic computer expert. He is constantly updating himself attending courses, workshops and training sessions. He is also a university lecturer at Charles Sturt University and conducts courses. He even provides services to some Australian government agencies including the ATO and the Defence Force. However, this is all done on a very high level.

Craig Wright had mined a lot of Bitcoins. Craig then took the Bitcoins and put them into a Seychelles Trust. A bit of it was also put into Singapore. This was run out of an entity from the UK. Craig had gotten approximately 1.1 million Bitcoins. There was a point in time, when he had around 10% of all the Bitcoins out there. Mr Kleiman would have had a similar amount. However, Mr Kleiman passed away during that time. He was a war veteran; he was wheel chair bound.

The deed between Craig Wright and W&K was created in 2012. W&K gave Craig Wrights rights to the Bitcoins and he has used the Bitcoins to do all this stuff.

Mr Kleiman and Craig Wright decided to start up W&K because they both wanted to get involved with Bitcoins. They recognised that this industry was not regulated and they wanted to start up a regulated Bitcoin bank. They knew they couldn't do this in the US so they wanted to do this in Australia.

In the agreement entered into, it was stated that Strasan Pty Ltd (Strasan) was to perform the ground work and create the e-learning package for them. W&K was responsible for providing funding. It was decided that one entity will also be created to be banking front. This was basically the reason why Coin-Exch Pty. Ltd. (Coin-Exch) was created. W&K then bought all the work done by Strasan.

*Craig's ENTIRE scheme regarding the many multi-million-dollar transactions he fraudulently claimed record amounts of rebate for, is premised almost exclusively on Bitcoin 'value assignments' and 'rights to call on' Bitcoin supposedly held in trusts he has simply dreamed up a back-dated history for. But there is one deal, as we highlighted already, that the ATO want more clarity on during this interview... the Mark Ferrier, or 'MJF' deal:*

**AM:** We should have all the documents already provided on our systems. I have a question to ask. Were actual Bitcoins physically paid to MJF Consulting or Mark Ferrier?

**JC:** Yes. We paid Bitcoins to him. We paid the Bitcoins to where he directed for the Bitcoins to be paid into.

**AM:** Just to confirm, was it actual physical Bitcoins that was paid?

**JC:** Yes.

*JC then opened his folder and showed AM written communication between Craig Wright and Mark Ferrier. He first showed a letter dated 1 June 2013 from MJF Consulting. His second (dated 1 June 2013) and subsequent documents were email correspondence between Mark Ferrier and Craig Wright.*

*So they have asked for it to be explicitly confirmed that an actual on-chain, regular transaction, Bitcoin payment was made for this business transaction. Unlike the extraordinarily specious 'assignment of value' non-moving-Bitcoin Craig is clinging to for the other deals between the companies he owns, this one could only have been transacted with an actual payment of some kind... if it were an actual commercial transaction and not wholly fabricated by Craig and supported only through forged email correspondence and fake domains he'd registered himself, of course. But we're getting ahead of ourselves...*

**February 28, 2014:** Mt Gox files for bankruptcy, Craig loses 14.63 BTC in the process. As confirmed on March 15, 2019 by the Mt Gox bankruptcy trustee, Mr Nobuaki Kobayashi.

*The price of Bitcoin was around \$550.00 at this day, so Craig lost roughly \$8,050 (USD that is). Now please try to remember this number until end of April 2014: \$8,050.*

**再生債権認否書（自認債権を有する取引所関係再生債権者（破産債権届出なし））**  
**Statement of Acceptance or Rejection of Claims (For Exchange-Related Rehabilitation Creditors Who Have Claims That Rehabilitation Trustee is Aware Of And Who Did Not File Proofs of Bankruptcy Claims)**

平成31年3月15日

March 15, 2019

事件番号/Case No.

平成29年(再)35号/2017 (Sai) No.35

再生債務者/Rehabilitation Debtor

株式会社MTGOX/MtGox Co., Ltd.

再生管財人/Rehabilitation Trustee

小林信明/Nobuaki Kobayashi

民事再生法101条3項に規定する債権（自認債権）/Claims described in Article 101(3) of the Civil Rehabilitation Act (Claims that the Rehabilitation Trustee is aware of)

債権者番号 Creditor No.	債権者名 Name of Creditor	国名/Country	住所/Address	債権の種類/Claim Type "遅延損害金" means Delay Damages	債権額 Amount of Claim	備考/Remark
ZZ-322512	Craig Steven Wright			BTC	14.6387034200	
				BCH	14.6387034200	
				AUD	0.08	
				遅延損害金 (AUD)	0.02	

**March 1, 2014:** *Craig and Ira Kleiman discuss 'GICSR Trust in Belize'*

*Buckle up, here we go, as this is quite the story. Remember October 10, 2013, the DATACON conference in Sydney where Craig pretended to be Vice President of GICSR?*

*Well, he never was Vice President of GICSR. In fact, he wasn't connected to GICSR at all anymore.*

*At the time, the following people were in charge at GICSR. And indeed, no Craig Wright to see here in any capacity.*



Source: <https://www.scmagazine.com/feature/network-security/the-new-frontier-advancing-education-and-innovation> (photo by Riku)

*Pictured above is the Board of Global Institute for Cybersecurity + Research (GICSR) at this point in time. We are talking 2011–2013 here. On the photo, from left to right: Gene Fredricksen, executive director, North America; Deborah Kobza, executive director/CEO; and Richard Zaluski, executive director, international programs and services.*

*So what happened? Craig Wright knew Richard Zaluski, who introduced Craig to the GICSR in 2011. They had asked Craig to join as an unpaid volunteer to help promote this non-profit organization raised by Deborah Kobza in June 2011. As it happened, Deborah Kobza was depo-ed on December 18, 2019 in the Kleiman v Wright lawsuit.*

*But before we go there, first this. Allow us to show you a little email thread, that starts at the bottom with a backdated Craig Wright “just some emails from Dave” forgery. It’s a pity the court docket doesn’t provide the full PGP key of that email, otherwise we could have given that forgery an exact*

creation date. But since Craig send the email to himself and puts no effort in hiding that fact, and then sends the doctored email onward to Ira Kleiman, it strongly appears as if Craig created the forgery on the fly on February 28, 2014.

Then, one email up in the thread, "GICSR Trust in Belize" is mentioned...

----- Forwarded message -----

From: **Craig S Wright** <[craig.wright@hotwirepe.com](mailto:craig.wright@hotwirepe.com)>  
Date: Sat, Mar 1, 2014 at 3:00 PM  
Subject: Re: Bond villains  
To: Ira K <[clocktime2020@gmail.com](mailto:clocktime2020@gmail.com)>

Around that. Minus what was needed for the company's use

Sent from my HTC

----- Reply message -----

From: "Ira K" <[clocktime2020@gmail.com](mailto:clocktime2020@gmail.com)>  
To: "Craig S Wright" <[craig.wright@hotwirepe.com](mailto:craig.wright@hotwirepe.com)>  
Subject: Bond villains  
Date: Sun, Mar 2, 2014 06:42

Just to clarify on thoughts from previous email... In one of the email exchanges between Dave and you, he mentioned that you had 1 million Bitcoins in the trust and since you said he has 300,000 as his part. I was figuring the other 700,000 is yours. Is that correct?

Ira

On Sat, Mar 1, 2014 at 9:23 AM, Ira K <[clocktime2020@gmail.com](mailto:clocktime2020@gmail.com)> wrote:

Can you allocate 20% to my dad and 80% to myself?

So if I understand correctly, you have the rights to the remaining portion of Bitcoins stored on one of Dave's drives here? If that's true we just need to figure out how to decrypt the drives.

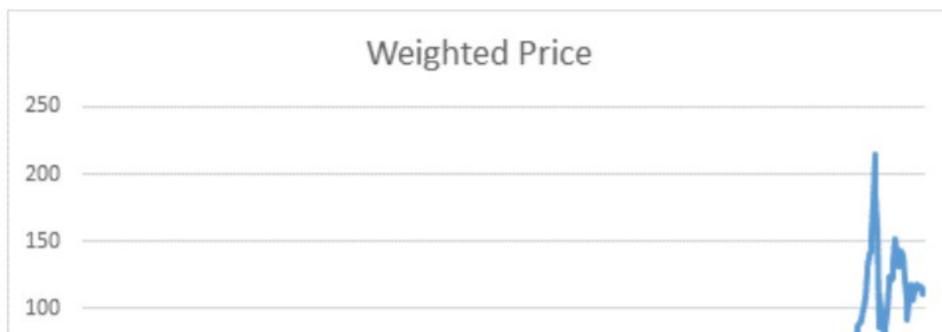
Ira

On Friday, February 28, 2014, Craig S Wright <[craig.wright@hotwirepe.com](mailto:craig.wright@hotwirepe.com)> wrote:

The trust Dave setup should have around 300,000

We moved everything offshore as a result of my early fight with the Tax office. This was back in 2011. The BTC would be on a server or hard drive, just the rights are overseas.

The price is displayed in the diagram below.





I do not know what was going on with Dave before he died, or if he was taking notice – he seemed distant and we did not talk much in April other than a couple company matters. In the couple months before the end, it finally started to be worth something. Then it crashed just before he died, then it recovered.

I need to allocate shares to Dave’s estate. You need to tell me how.

Craig

**From:** Ira K [mailto:clocktime2020@gmail.com]  
**Sent:** Saturday, 1 March 2014 12:53 PM  
**To:** Craig S Wright  
**Subject:** Re: FW: Bond villains

Hi Craig,

I was just noticing the sentence where Dave mentioned Bitcoins were not worth much at the time.

That must be why he never cashed any in.

Do you still have a million bitcoins in the trust he setup? And do you think there is a chance of finding the bank holding them? If I can be of help just let me know what you need. Since Dave setup the trust, perhaps my identification is needed in order to gain access?

Do you know how the bitcoins are stored in the trust? Are they on a hard drive?

I don't quite understand why it was necessary to keep them in these offshore places.

And are there two separate trusts?

- 1.) GICSR Trust in Belize.
- 2.) Design by Human in Seychelles.

Sorry if I sound a bit confused... it's because I am. :-)

Ira

On Fri, Feb 28, 2014 at 12:54 AM, Craig S Wright <craig.wright@hotwirepe.com> wrote:

Just some emails from Dave.

**From:** Craig S Wright  
**Sent:** Monday, 25 January 2010 2:15 PM  
**To:** 'Craig Wright'  
**Subject:** Bond Villains

-----BEGIN PGP SIGNED MESSAGE-----

Hash: SHA1

Craig,

How does the following sound?

*I very much wanted to find some way to include a short message, but the problem is, the whole world would be able to see the message. As much as you may keep reminding people that the message is completely non-private, it would be an accident waiting to happen.*

Look up Wotty - it is not a mistake.

Are you really sure you want to know nothing of the Panama fund? I know you are having tax problems, but Bitcoins are not worth enough to be a bother. They are a wonderful idea, but you need to get some others involved and actually accept help from somebody other than me one day. I am not going to be here for you forever you know.

Worse, if you send yourself bankrupt it will not help anyone. I know you are a stubborn bastard mate (I can be an Ozzie too), I have helped you in many of the fights you get into online and more, but you need to know when to stop. Leave the government for now. Stop or they will really do some damage to you.

Dave

PS, thanks for making me a part of this.

Sources emails & image: <https://www.courtlistener.com/docket/6309656/270/3/kleiman-v-wright/> and <https://www.courtlistener.com/docket/6309656/1/12/kleiman-v-wright/>

*To add, in one of Craig's depositions in *Kleiman v Wright* ([the one on March 18, 2020](#)), we learn that Craig dropped the "GICSR Trust in Belize" also to Dave Kleiman's friend and business partner Patrick Paige a few days earlier in February 2014:*

"Q: Dr. Wright, I am going to share with you what you produced in this litigation DEFAUS 112977. Do you recognise this as a printout of e-mails between you and Patrick Paige?

A: I recognise this but I did not — this was produced by my lawyers from an Australian company capture so, no, I didn't produce it.

Q: Do you see here, on the bottom of the Bates label 11297 — the top of 112978 the e-mail from Patrick Paige to Craig Wright on Monday 17th February 2014 at 1.01 a m.?

A: Yes.

Q: Do you see Patrick asked you: "What about accounts and location DK had" etc, "DK" being Dave Kleiman. "I thought you were going to put a list together". Do you see that?

A: Yes. I did not realise how little knowledge Patrick Paige had of Bitcoin. Unfortunately, I over-assume the amount of knowledge people have. There are not accounts in Bitcoin, but I did not realise — I keep thinking that people

understand my invention. They don't.

Q: Is this a real e-mail you received from Patrick Paige, Dr. Wright?

A: That looks correct, yes.

Q: Then on February 16, 2014 at 3.41 p.m. you responded; do you see that?

A: I did.

Q: Was that actually your response? Did you send that?

A: Yes, I sent such a response.

Q: You said: "I do not have a lot to give you. These may help: W&K Info Defense LLC and then **GICSR Trust**". Do you see that?

A: Yes.

Q: Was Dave a beneficiary of the GICSR Trust?

A: No, Dave was not involved with GICSR at all. GICSR is an organisation set up to instruct and fund law enforcement globally. If you look at the original website etc, what was involved was a combination of NASA, Department of Homeland Security and the NSA. Basically, my role in the Asia Pacific area was to teach and instruct governments and law enforcement, which I did. I had tried to teach them forensics and the interception of illegal money laundering activities. The GICSR Trust noted there was because at one stage I had sent Bitcoin to Dave. It is not that he was a beneficiary. I have funded Dave in the past, I paid him money to do certain jobs if he had any records that he had kept, which I discovered later that he did not, then he would have been able to link that to the payments he was receiving from me to do work.

Q: Dr. Wright do you see above that at the top of the page is an e-mail from Craig Wright to Patrick Paige at 12:33:11 p.m.?

A: Yes, I do.

Q: Is that an actual e-mail you sent to Patrick Paige?

A: That looks correct, yes.

Q: Dr. Wright you resigned from GICSR — strike that. Dr. Wright you tendered your resignation to GICSR in February 2012, is that correct?

A: I don't remember when I did. The organisation was moved over to a new organisation. The same people kept going so, basically, I kept funding the same activities that I was doing in the new organisation." — Vel Freedman,

# Craig Wright

## Asia Pacific Director, VP

GICSR | Global Institute for Cyber Security + Research

April 2011 – February 2012 (11 months)

Delivery of vision in Strengthening cyberspace at an organizational, national, and international level, protecting key elements of the information and critical infrastructure which are crucial to the continued delivery of essential services and national security.

Responsible for strategic direction and business development within the Asia Pacific region. Establishment of executive level relationships with the National Security Agency (NSA), Department of Homeland Security (DHS), North American Space Administration and DSD and regional government bodies. Formation of a multinational consortium providing information systems assurance and information security engineering and architecture services to promote the secure design and development of information services, technologies, communications, products, and systems. We deliver tactical IA solutions and frameworks. Executive management of the CSRD Group leveraging strategic partnerships with the public-private sector, academia, and international agencies to enable an innovative-collaborative approach to R&D.



Source: December 2015 LinkedIn page moments before Craig deleted it: <https://archive.is/XnLQd> plus Craig's GICSR 'Vice President' card forgery.

*And here we note another discrepancy; Craig Wright wasn't even connected to GICSR in any capacity in October 2013, as he had indeed resigned from his position (as said, as a VOLUNTEER, we will learn in a bit) in February 2012!*

*So what else did Craig remember about the email to Ira Kleiman, in which he mentioned "GICSR Trust in Belize"? [Let's go to another deposition of Craig,](#)*

*this one took place on April 4, 2019.*

“Q: Dr. Wright, I am handing you what has been marked now as Plaintiff’s Exhibit 8. This is some exchange of e-mails between you and Ira Kleiman; do you recognise that?”

A: Yes.

Q: Can you go to 3 of 5 of the document?

A: Yes.

Q: Do you see there at the bottom it says: “1.) **GICSR Trust in Belize**”?

A: Yes.

Q: Can you explain to me what the GICSR trust in Belize is?

A: It was a trust set up in Belize.

Q: By whom?

A: I do not know.

Q: Why did you give this information to Ira? Why was this information relevant to Ira?

A: There was a person I thought would be interested in Dave’s past, which was his father, who then put me onto Ira, who was a greedy person who wished not to have shares that would vest over a long time but instructed me to hide assets because he would have to pay tax. So, I stopped talking to Ira because basically I had this fraud, con man, trying to take money that he was not owed and trying to hide things from the tax office in America and lying and cheating and whatever else to make up things to try and get more.

Q: Dr. Wright, I do not understand how that is related to my question, so let us try — —

A: It is related perfectly well.

Q: Let us try one more time. Did Dave Kleiman have anything to do with the GICSR trust in Belize?

A: Yes.

Q: What was his relationship to the GICSR trust in Belize?

A: We organised putting information onto computers because of it.

Q: I am sorry, what type of information?

A: This is, again, something we will need to talk about with the judge.

Q: Okay, Dr. Wright, are there reasons — —

A: What I will say is there a reason if you look at the GICSR website that used to be up in the past, it had Department of Homeland Security, NSA and other things on the website.

Q: Do you know Deborah Kobza from GICSR?

A: Not personally.

Q: Can you look at page 2 of 5, please.

A: Yes.

Q: Can you look at the message that comes from Ira to you at March 2nd, 2014. Can you read that for the record?

A: "From: ' — — '".

Q: Dr. Wright, please just read the body of the e-mail.

A: "Just to clarify on thoughts from previous e-mail... In one of the e-mail exchanges between Dave and you, he mentioned that you had 1 million Bitcoins in the trust and since you said he has 300,000 as his part I was figuring the other 700,000 is yours. Is that correct? Ira."

Q: Can you read above that your response at March 1st, 2014 at 3 p.m.?

A: Mine. "Around that. Minus what was needed for the company's use."

"Q: Can you go down to the February 28th, 2014 e-mail.

A: Mmm-hmm.

Q: You say: "The trust Dave setup should have around 300,000." Do you see that?

A: Yes.

Q: Is that 300,000 Bitcoin?

A: Yes.

Q: Where is the trust Dave set up?

A: Dave set up a series of trusts as well. One was in Belize, which was not GICSR, he also had one in Panama and companies in Costa Rica.

Q: Do you have any information on who helped him set those up?

A: No." — Vel Freedman, Craig Wright

*It strongly appears as if Craig Wright was, in this timeframe, more and more*

*playing around with the idea to put 'his' Bitcoin in 'offshore trusts', as that would give the opportunity to not sign any addresses in front of the ATO, and at the same time it would open up the possibility to assign rights to these Bitcoin (instead of physically moving them around for payment purposes) and last but not least, it would also avoid having to pay taxes on these Bitcoin-that-he-never-owned in Australia.*

Now let's go to [the deposition of Deborah Kobza](#), to learn the full scope of Craig's multi million fraud with the GICSR organization, almost two years after he had stopped being an unpaid volunteer for them. A few quotes:

"Q: — people — the people that worked with GICSR, were they outside the United States?

A: People that volunteered to help do work were outside of the United States, yes.

Q: And Dr. Wright was one of them?

A: He was one person that was a volunteer to help. I mean, he was never paid a salary or anything like that. He was a volunteer.

Q: Were any of those volunteers authorized to create or establish trusts on behalf of GICSR?

A: Absolutely not. No."

"Q: So as part of your work with GICSR, did you ever create any trusts?

A: No.

Q: You — did you ever create any sort of vehicle for the purpose of holding assets offshore?

A: Oh, my gosh, no.

Q: Did you ever collaborate with Mr. Wright to create or establish any kind of vehicle for assets?

A: No."

"Q: So what I want to direct your attention to —

A: Uh-huh.

Q: — is towards the top of the page —

A: Uh-huh.

Q: — where Craig Wright wrote GICSR trust.

A: Uh-huh.

Q: Do you know what that might refer to?

A: No. Others than — wait a minute. Other than what has been told to me by your office.

Q: Do you recognize the numbers below that, 274997114?

A: No, not — not off — not offhand. I don't know that that was GICSR's EIN number or not, but I don't — I'd have to look it up.

Q: So but sitting here today, those numbers have no significance to you?

A: No, I'd have to kind of validate what that is.

Q: And what about below that where it says TTA-1-14?

A: I have no idea what that is.

Q: And below that, it mentions Belize?

A: Uh-huh.

Q: Does Belize have any special meaning to you in this context? So did GICSR ever have any business dealings connected to Belize?

A: Never.

Q: Have you ever been to Belize?

A: No.

Q: Do you know anybody who's been to Belize?

A: I don't think so, no.

Q: No? Now, did GICSR ever enter into any intellectual property agreements?

A: No.

Q: Have you ever heard of a company Cloudcroft Pty Limited?

A: No.

Q: Have you ever entered into any kind of agreement with Mr. Wright?

A: No, other than him, you know, working on that — I don't know if we call it an agreement, but, you know, trying to help bring people in for that best practice research project. That was it.

Q: So I'm going to hand you what we're going to mark as Plaintiff Exhibit 5. So have you ever seen this document before?

A: No.

Q: I'm going to call your attention to below parties —

A: Uh-huh.

Q: — where it says Craig Wright R&D.

A: Uh-huh.

Q: Are you familiar with an entity by that — by that name?

A: Craig Wright R&D?

Q: Yes.

A: No. Can I ask a question about the line underneath it? I don't know what CSCSS is.

Q: Okay.

A: Okay. So — okay. Sorry.

Q: So — you're okay. So I'm going to ask you to turn to page 2.

A: Okay.

Q: And do you see the date? It says August 22nd, 2013 at the top?

A: Uh-huh.

Q: And so this is about a year after Craig's involvement with GICSR had ended?

A: Uh-huh. Uh-huh.

Q: Do you see where it says, "GICSR (acting through Craig Wright R&D)"?

A: Yeah, at the top underneath, "Between," yeah.

Q: Are you aware of GICSR ever acting through Craig Wright?

A: Never.

Q: Or through an entity called Craig Wright R&D?

A: Never.

Q: Would Craig Wright have been — was Craig Wright ever authorized to enter into contracts on behalf of GICSR?

A: No.

Q: So I'm going to ask you to turn to page 7. So do you see at the bottom there's a reference to a license fee?

A: Uh-huh.

Q: And I'm going to ask you to turn to page 11.

A: Uh-huh.

Q: And do you see there's —

A: Wow.

Q: — a number?

A: Where it says, "License fee"?

Q: Yes.

A: Yes.

Q: What is that number?

A: It looks to be — God, \$28,181,818.18.

Q: Would this have been a notable transaction for GICSR to engage in?

Would this — let me —

A: Yeah, I mean —

Q: Strike that. So did GICSR ever engage in business transactions?

A: Can you define, like, business transactions? I mean, because we had people — we did consulting and had people sponsor workshops and things like that, but...

Q: Let me ask this: How many times did GICSR make a multimillion-dollar purchase?

A: Never.

Q: Do you see next to, "Product," where it says, "ACSEO program IP and code"?

A: Uh-huh.

Q: Does that have any significance to you?

A: No. I mean, I know in the context of this, IP would mean intellectual property? Is that what that refers to?

Q: So —

A: I don't know just from — no, I don't know what that is.

Q: So are you aware of GICSR ever licensing such a product?

A: Never.

Q: From anybody?

A: No.

Q: Now, I'll ask you to turn to the next page. Have you ever seen this page

before?

A: No.

Q: And can you see who is identified on the signature lines?

A: Yeah, I see Craig Wright, director, and through GICSR, Deborah Kobza. I don't know if it would have executive director, NH-ISAC there. That's a completely different organization. So I don't understand why that's there.

**Q: So is that your signature?**

**A: No, it's not.**

**Q: Does it resemble your signature?**

**A: No, it doesn't. I mean, when I — no. This definitely does not resemble my signature.**

Q: I'm going to show you another exhibit which we're going to mark as Plaintiff's Exhibit 6.

MR. PASCHAL: I'm marking this portion of the deposition as confidential since we're using confidential documents.

BY MR. DELICH: Q: So have you ever seen this document before?

A: No.

Q: So I'll represent to you that it was — it's a chart that was prepared by the Australian Tax Office.

A: Uh-huh. Q: And I'm going to ask you to turn to page 6 of it.

MR. PASCHAL: In this deposition, every time we have a document, can you not give a proffer of what you believe the document means to the witness? Can the witness just testify about the document? That's improper. It's improper coaching, absolutely.

MR. DELICH: So say that this is —

MR. PASCHAL: To represent what you think a document is to the witness is improper coaching. You can ask the witness does she know the document, has she seen the document.

MR. DELICH: So — and she has not.

MR. PASCHAL: Okay.

MR. DELICH: Are you disputing whether it was created by the Australian Tax Office?

MR. PASCHAL: I'm not disputing anything. I'm telling you in the deposition for every time you show a document for you to then give an explanation of what you believe that document means is improper because if she doesn't know, she doesn't know.

MR. DELICH: Okay.

MR. FREEDMAN: Bryan, make your objection and let Joe conduct the deposition. It's his deposition, not yours. He can ask whatever he wants and he can say what he wants and you can make whatever objection you want.

Q: So I'm going to ask you to turn to page 6, row 12.

A: It's small type. Okay.

Q: So there's a sentence that says, "The software concerned was clearly identified as BAA 3." Do you see that?

A: Yeah, about halfway down in that first paragraph.

Q: So do you know what BAA is?

A: No.

Q: So the next sentence — so do you see the next sentence where it says, "The sale was for \$31 million and the invoice states, 'Transfer based on GICSR US research NASA funding P2P system'"?

A: What?

Q: So do you see — do you see that sentence?

A: Yes.

Q: So does that have any significance to you?

A: None whatsoever.

Q: Do you know what a NASA funding P2P system refers to?

A: No. I've never done business with NASA before.

Q: And then can you see the next sentence after that?

A: The ASCSEO [sic] PDF, that sentence?

Q: Yeah.

A: Yeah.

Q: Do you mind reading that sentence?

A: The AS — ASCEO PDF provided indicates that the funding was from GICSR. Q: So is that true?

A: No.

Q: How do you know that that's not true?

A: Because I've never — I mean, you're saying that funding of \$31 million was paid? Is that what it's saying?

Q: So I'll just refer you back to the document.

A: Okay. No. I know that it's not true because, you know, I handled everything for GICSR. I mean, there's —

Q: Can you define everything in a little bit more detail?

A: Well, I did the operations, I handled the bank account, you know, I paid out invoices, I've sent out invoices. I did all of that. There wasn't another entity that did any of that.

Q: Was there anybody else at GICSR who had access to the bank accounts?

A: No.

Q: Did GICSR have a need for any software in connection with its best practices work? So, can you tell me a little bit more about what your work at GICSR entailed in terms of the best practices project? I believe that's what you referred to it as, right?

A: Yeah, it was an effort to bring together representatives from industry and academia to kind of connect the dots to put together an IT security kind of framework, you know, best practices. When you're developing systems and that type of thing or — or doing your policies and procedures, what types of best practices you need for IT security. So that was the — the effort to do that. I used — gosh, I think we used SharePoint for a little bit just to help with, you know, doing some research and putting best practices documents and things like that up, but there wasn't any software we needed, I mean, other than, you know, like Microsoft Word, PowerPoint, you know, to do presentations and things like that in.

Q: Was GICSR a for-profit enterprise?

A: No. No.

Q: What kind of —

A: Nonprofit.

Q: You've looked at a lot of documents today.

A: Uh-huh.

Q: What is your reaction to seeing some of these for the first time?

**A: My mouth is a little dry. (Witness took a drink of water.) It's a continuation of the shock that I received when I got the first phone call about this. Seeing written evidence of somebody that's stolen your identity and is committing fraud and, you know, using your name and the name of the small nonprofit I had is — is shocking and appalling. I'm very, very upset. To the point of filing my own lawsuit for fraud and identity theft. I mean, it's — it's shocking that someone that was represented to me that worked for a university could move on to do things like this. You know, you see things about people getting impacted by crime and things like that and how they feel helpless, and that's how I feel. It's — it makes me sick to my stomach. I mean, I'm just being perfectly honest.**

Q: I have nothing further." — *Joseph Delich, Deborah Kobza*

*Although the documents described are not provided in the public court docket of *Kleiman v Wright*, we get a good impression of what happened after Craig resigned from his voluntary job at GICSR in February 2012. Late 2013 and/or early 2014 Craig created several forgeries with GICSR as a named party in multi million business dealings, he gave himself falsely the position of Vice President and played around with a non-existing GICSR trust in Belize.*

*To sum up the nature of the above Craig falsehoods about his role with the GICSR organisation and the subsequent testimony he gave when questioned, which was utterly dismantled by the woman who actually raised and ran it, the tl;dr overview for anyone who might be somewhat exhausted with the litany of lies exposed by the facts is:*

- 1. Craig references a GICSR Trust in email with Ira (likely as a pretence of further later planned embellishment to explain why he can't simply hand over a trove of Bitcoin to Dave's estate).*

2. *Craig is asked in court what the GICSR reference was all about, says it was related to 'work' he and Dave Kleiman did for them, super-secret-squirrel \*taps nose\* 'high-level I-could-tell-you-but-then-I'd-have-to-kill-you' type of stuff.*
3. *Deborah Kobza, when asked about same in court, "what complete and utter bollocks!" (excuse the slight paraphrase for brevity)*

*The GICSR/Kobza fraud case also makes perfectly clear that Craig Wright is not afraid to roleplay other people, both dead (Dave Kleiman, David Rees) AND alive (Deborah Kobza), and execute substantial fraud with made up stories, plagiarisms and handmade forgeries for pretty large amounts, under their name. If you ask us, it's beyond delusional to think that Craig would never do that with the Satoshi Nakamoto moniker.*

*We've tried reaching out to Mrs Kobza with a few questions, especially about if she followed up with that lawsuit, but at publication date we have not heard back yet. As Mrs Kobza is witness in the ongoing Kleiman v Wright lawsuit (and called for testimony at the Jury Trial in November 2021), it is not unlikely that she has been strongly advised by her counsel to not respond to outside requests during the course of the case.*

**March 7, 2014:** *Craig uses Satoshi Nakamoto's PGP key in blog forgery.*

*On this date we witness Craig Wright's intention to start developing his Satoshi Nakamoto cosplay further. This time, however, he won't quite say it explicitly, no, he starts leaving little breadcrumbs on the internet for Satoshi researchers to find. Unfortunately for Craig, the world wouldn't notice his desperate attempts, and this to his growing frustration in 2015. More about that in Part 3 of this Early Years series.*

Please use the public key below to discuss this and other crypto matters.

```
-----BEGIN PGP PUBLIC KEY BLOCK-----
```

```
Version: SKS 1.1.4
```

```
Comment: Hostname: ngn.mit.edu
```

mQGNBEkJIQMBDADjtKw8NGu8XpU9WgxfiF509AkmBO7D9sBeIuNR4ULFLbzdD6MRQ0yRYi9G  
OxsSHohRgZpG146s1EpASDdD//TJCH72yTtModYKWI7z6WwGXSNDQvwKb+q2G9SeJ2N+2t1Bk  
FuM+WOGstGTQiEB+Oj60LJPI9I3YoE8T2VC8m5BrHdIi2W4R1vbuCGry0To7L9MygtuxmGf1  
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42L3/nktmck8qGW3kin9rMVCdn1lxUMUrp1vbnvC8uiMuoEQc0WG5W5jPcA2Y960WyNTjAmL  
ec1+NwcDME4POF2+DmSZ1qJJD+aEYTaDPNbt72PKs2t3Feny2IBHAHgp7cX+uQARAQABiQG1  
BBgBAGAPBQJJCSEDAhsMBQkUr7+NAAoJEEkfm98Pe9StV0gMAJqCFb9uPSePDrhqvUmq0btA  
OxNxxqRNkci43rZfd7AupQ7/e3ZtaALtgxmpfggDcirPdnSXasthshIXHRSvX1r7EADy5SF7j  
TRR9UvI8s2W8AvpDPDdAaiQ4Xjlsq5fxON3+3SmskXcgFxsEKH9sfq0DMtASPwDen3++Rbm1  
70ZCrJ6ZoLoQQTv18MaaCIH+fEY98vyZLhHYuaBRp2qq5KqFZeTRL1T1jbP68VQsEW3j8znt  
hY70vIs78w49UMVR7rTjMJfLuzotVF2NEjxXSH9b0ySYQUT1QHA00kzqMTGX3GjwzUzYgI57  
CvETfcegXR1ttb5AUgfaYJZe3xvN906+ExNjNpBY4e9ggo8tmoVUN8ULtMEZ1jiY3Hb+TFDk  
YBFRx3XMojpGgoPrSarUpyJMl0lKnnF0I019q0aCJIURxhGfw2xav2dP7kf/KPNVUU+j2QeA  
S7GdPxNN46PXz22Isi1BQHH/dliQCOEi3+Fimj3CJ/spKCqOUXorWft1UA==  
=ZNZb  
-----END PGP PUBLIC KEY BLOCK-----

Posted by Craig Wright at [Saturday, November 01, 2008](#)  
Labels: [Entropy](#)

No comments:

[Post a Comment](#)

*Twitter user Joseph P Gardling explains:*

“Just to be clear what happened here: Craig created a backdated “Satoshi”

PGP key in 2014 and uploaded it to the MIT keyserver. He then searched for an old blog post around the time the whitepaper was released. He then copied the PGP info from the key server into that old post.

But he didn't realize that the MIT keyserver lists the version of its software in that PGP output. Here, it's 1.1.4, which was released in late 2012 and integrated into the MIT keyserver in late 2013. Craig got hoisted by his own petard yet again.

According to the WayBack Machine metadata, the archive was likely initiated by a user deliberately trying to archive the page, rather than just a normal crawl. So Craig edited the post then likely archived it \*himself\*, sealing his fraud forever in Internet history." — Joseph P Gardling, [Twitter thread](#)

"The "Entropy" blog post snapshot was crawled through liveweb crawler, which is initiated by users <https://archive.org/details/liveweb>" according [Twitter user TechMiX](#).

*So, to recap, on March 7, 2014 Craig went to edit an existing November 2008 blog post called "Entropy", he added Satoshi's public PGP key to it in a PGP signing procedure, and afterwards he uploaded the results on the WayBack Machine website to make it look like Satoshi Nakamoto himself genuinely signed that blog post in November 2008.*

*However, typical again for Craig's sloppiness in creating forgeries, the [SKS version 1.1.4 wasn't available before October 2012](#).*

### **March 10, 2014: The Professor Rees Fraud**

*Once again Craig chooses to cynically exploit a dead person for his own gain, that of trying to convince the ATO there were significant business transactions of size and scope behind the many tax rebate amounts he has filed for. What better way than to lead with a plethora of wild, contradictory and wholly unlikely claims about someone who no longer has a voice with*

*which to dispute such.*

*Seeing as the ATOs steady evisceration of Craig's web of lies and forgeries covers many, many topics, we'll bring in their 2015 debunking of this particular one at this point in the fraud timeline, where they referenced, "10th March 2014 the taxpayer advised that Professor Rees was a contractor for the taxpayer".*

*By 2015, as you will see below, having collectively shown themselves to be more than a match for Craig's endless techno-babble and lies, they carefully and precisely slice through his many contradictions and fabrications in this section headed 'Professor Rees', [as told by the ATO](#).*

## **Professor Rees**

### ***Purported acquisition***

143. Professor Rees was an English mathematician known for his work in commutative algebra and semigroup theory.<sup>180</sup> Professor Rees died aged 95 on 16 August 2013.
144. On 10 March 2014 the taxpayer advised that Professor Rees was a contractor for the taxpayer.<sup>181</sup>
145. In a written response on 28 March 2014 the taxpayer advised that 'Dr Rees had been paid for work completed in 13 and for future work. Dr Rees's wife died less than a week after Dr Rees meaning we could not recover any of his work completed after June 01st 2013'.<sup>182</sup> On 27 November 2015, the taxpayer contended that 'on 28 March 2014 the taxpayer advised that Professor Rees had been paid for work that Craig utilised and completed, based on Prof Rees' notes and answers to Craig in 2012-13 and for future work'.<sup>183</sup>
146. On 5 February 2015 Dr Wright verbally advised that:<sup>184</sup>
  - 146.1. Professor Rees provided some source code, small algorithms and other notes and answered a number of questions particularly around algebra and the Otway-Rees protocol<sup>185</sup>
  - 146.2. the taxpayer paid Professor Rees by Dr Wright requesting that Mr Kleiman, representing the Tulip Trust, begin holding certain Bitcoin addresses that up until that point had been held in a bare trust for the taxpayer, for Professor Rees. Dr Wright believed the Bitcoin was still held in trust for Professor Rees. He did not believe the executor of Professor Rees' estate was aware of the Bitcoin.
  - 146.3. there was no written agreement and there was not much of a negotiation on the amount to be paid to Professor Rees; it was more Dr Wright saying to Professor Rees, 'I will give you this'.
147. On 20 February 2015, the taxpayer advised that:<sup>186</sup>
  - 147.1. it paid Professor Rees on 28 June 2013 by giving him the private keys to seven Bitcoin addresses (146m, 153R, 1CXn, 1PbX, 1P57, 168R, 19dQ) containing 19,470.12 Bitcoin. However, the earlier response indicated the Bitcoin was held in trust for Professor Rees. The taxpayer contends these explanations are consistent as the Bitcoin was held on trust until the keys were released.<sup>187</sup>
  - 147.2. the payment to Professor Rees was for research notes relating to cryptography

- 147.3. Professor Rees stopped publishing in 1952; however continued research in his field well into the current century
- 147.4. the amount to be paid to Professor Rees was agreed earlier in the same tax year.
- 148. On 3 March 2015 Dr Wright verbally stated that:<sup>188</sup>
  - 148.1. he acquired some bits of software and a library of unpublished papers from Professor Rees. He said some of what Professor Rees had supplied may have been from his daughters' work and that Professor Rees had been paid. He stated that Professor Rees provided help answering questions and solving things – ie 'consulting' services and that this was what the payment was for.
  - 148.2. he first communicated with Professor Rees in 1996. He then received assistance and advice from him between 2003 and 2011. Professor Rees didn't provide a lot of advice in 2013. On 27 November 2015, the taxpayer contended that Professor Rees didn't provide any advice in 2013.<sup>189</sup>
  - 148.3. in 2010 he and Professor Rees agreed that Professor Rees would be paid for his assistance, but this agreement was not documented.
  - 148.4. they corresponded by phone, letters and skype and through Mr Kleiman.
- 149. During our visit to the taxpayer's premises on 2 April 2015, Dr Wright:
  - 149.1. showed software source code files that he said Professor Rees provided to the taxpayer. These appear to be taken from the CoCoA software library available on the internet.<sup>190</sup> The taxpayer contends that the fact that CoCoA libraries are on the internet is irrelevant as the variables and configuration provided by Professor Rees was what was valuable.<sup>191</sup>
  - 149.2. claimed he was the user of Professor Rees' material, but did not demonstrate its use during our visit claiming it was maths that has been solved and that there was nothing to demonstrate.
  - 149.3. although it was requested in advance and the taxpayer advised that 'selected copies of the material will be available for review when the ATO visits on site', the taxpayer did not produce evidence of the unpublished research papers and when asked to produce them Dr Wright advised they were at his home. On 27 November 2015, the taxpayer advised that 'we will not be providing unpublished papers. If necessary, an agreed expert can view the unpublished work'.<sup>192</sup>
- 150. On 27 November 2015, the taxpayer advised that Professor Rees was paid for work carried out between 1999 and 2008 and other than the initial unpublished papers, the other material obtained from Professor Rees was intermittent advice, and that by 2005 communications with Professor Rees were rare.<sup>193</sup>

### **Source of funding**

- 151. The taxpayer contends that it obtained the Bitcoin to pay Professor Rees from Hotwire as payment pursuant to a 'software development agreement'.<sup>194</sup> The background to the agreement indicates that Dave Kleiman was the 'funder' of the project and that he would 'transfer a sufficient quantity of 'Bitcoin' into trust to fund the completion of the project' on or before 10 April 2013. On 27 November 2015, the taxpayer advised that the funding was to be provided by Mr Kleiman, but following his death the funds were ultimately provided by Hotwire.<sup>195</sup>
- 152. On 29 October 2013, Hotwire advised the ATO it paid Bitcoin to the taxpayer on 18 June 2013 using Bitcoin address 1MyG (per the notation on the invoice from the taxpayer to Hotwire dated 2 June 2013).<sup>196</sup> We note Dr Wright has also advised that this address was the property of the Tulip Trust until 1 July 2013.<sup>197</sup>
- 153. On 18 February 2014, Hotwire provided us with a 'deed of assignment' between Craig Wright 'for' Hotwire and the taxpayer dated 30 June 2013.<sup>198</sup> It states that Hotwire is 'the registered proprietor in NSW and has the following Bitcoin addresses associated by private keys to be transferred' to the taxpayer. The deed lists 11 Bitcoin addresses

private keys to be transferred to the taxpayer. The deed lists 11 Bitcoin addresses (1PbX, 1P57, 1CXn, 19dQ, 19dQ, 146m, 168R, 19dQ, 1Jzz, 1M7c and 153R).

154. On 22 February 2014, Hotwire changed its earlier advice, that it had paid the taxpayer on 18 June 2013 and instead advised that Hotwire paid the taxpayer by assigning equitable interests in Bitcoin on 30 June 2013.<sup>199</sup>
155. We note the following with respect to the deed of assignment:
  - 155.1. There is no register of proprietors of Bitcoin addresses
  - 155.2. The address 19dQ is listed three times
  - 155.3. The address Hotwire previously advised was used as payment, 1MyG, is not listed
  - 155.4. The address 1Jzz contained no Bitcoin at 30 June 2013
  - 155.5. On 30 June 2013, the amount in these addresses totalled 34,512.52 Bitcoin and the exchange rate was A\$106.1315 per Bitcoin, meaning the amount the taxpayer contends to have received was equal to A\$3,622,869. This is \$457,049 more than required under the agreement.
  - 155.6. The deed of assignment lists the taxpayer's ABN incorrectly
  - 155.7. The deed specifically refers to the taxpayer acquiring the 'entire right, title and interest in and to' the Bitcoin, not an equitable interest in the Bitcoin
  - 155.8. The agreement is not signed by Dr Wright (or Dr Wright 'for' Hotwire). The taxpayer contends that Dr Wright sent Ms Nguyen a signed copy.<sup>200</sup> This has not been provided.
  - 155.9. Ms Nguyen has signed for Strasan despite not becoming a director of Strasan until 1 July 2013.<sup>201</sup> On 27 November 2015, the taxpayer advised that Ms Nguyen signed in her capacity as Chief Operating Officer.<sup>202</sup> No evidence of Ms Nguyen holding this position was provided.
156. On 27 November 2015, the taxpayer advised that approximately 30,000 Bitcoin were moved into address 1MyG, a 'trust address, on 16 November 2011. The taxpayer contends that in 2013, '(1) rights to wallet transferred to C01N (2) rights to wallet transferred [sic] to HWPE [Hotwire]' and that 'the actual amounts held in any particular address are irrelevant provided that, combined, they are sufficient to cover the overall amount transferred'.<sup>203</sup>
157. On 25 May 2015, we requested that the taxpayer and related entities show control of the private keys of certain Bitcoin addresses (including 1PbX, 1P57, 1CXn, 146m, 168R, 19dQ, 1Jzz, 1M7c and 153R) by signing messages within the addresses using the private keys.<sup>204</sup> This can be performed by the holder of a private key even once the Bitcoin in the address has been spent. The taxpayer and related entities did not sign any messages and on 26 May 2015, made a new claim that address 1Jzz had 'transferred out of Dr Wright's control as part of the MJF transactions by transfer of private keys'.<sup>205</sup> However, previous advice provided to the ATO indicated this address was not transferred to MJF.<sup>206</sup>
158. On 14 August 2015 Ms Nguyen was asked if it was possible for her to sign messages to verify control of the addresses used to pay Professor Rees. Ms Nguyen advised that the homomorphic encryption scheme used to divide the private keys does not involve key retention once the process is complete. As such, once the keys are transferred to a third party, the process cannot be recreated securely.<sup>207</sup>
159. Ms Nguyen also advised that Dr Wright had offered to sign messages in 2013, however as this was refused by the ATO at the time, the offer was no longer 'on the table'.<sup>208</sup>
160. On 27 November 2015 the taxpayer also contended that it offered to sign transactions in 2013 to prove that Dr Wright had access to the Bitcoin addresses held by the trust. In its contention the taxpayer stated that:

By May 2015, the trust ceased to have control of those keys because they had been distributed to MJF And Professor Rees. The last of the keys were distributed in Sep 2013 Once a third party has received the keys, the trust has no further access to the keys.

161. To evidence the offer by Dr Wright to sign transactions the taxpayer provided an email to Michael Hardy of the ATO,<sup>209</sup> sent on 28 October 2013, inviting him to:
- ..visit the vault we have as a site to hold our cold storage wallet. At this point the particular value holds the cold storage address of one of the addresses we have supplied you with a value just under \$24 million. I can show this and show how it is verified and I can also let you have your own technical person validate this.
162. Michael Hardy was head of the ATO Bitcoin Taskforce, and not involved in any of the compliance activities involving the taxpayer and its related entities. The email also does not refer to signing messages and, at best, shows Dr Wright offered to verify ownership of one unspecified address.
163. On 27 November 2015, the taxpayer also provided a copy of an email purportedly sent from Dr Wright to Celso Tomas of the ATO on 17 October 2013 to further evidence the contention that Dr Wright offered to sign messages for the ATO.<sup>210</sup> The email states:
- If there is a simple means to offer ongoing proof, we will do this now. As we are moving forward in business, we cannot promise that the same information will always be available. If you allow us, we will prove how we can transfer keys on and off block. Once a transfer has occurred offblock, the scheme we use wipes information. I did a paper on data wiping in 2008, so I can assure you that I would like to ensure the information is exchanged in a format the ATO can use prior to losing this ability.'
164. This email was never received by ATO servers.
165. We also note that, in regard to the addresses the taxpayer contends were transferred to third parties, in previous statements to the ATO the taxpayer, or entities related to the taxpayer, have contended that 21 of the 22 addresses transferred to MJF and Professor Rees had already been transferred by 17 October 2013, with the last address transferred that day. The ATO's request to sign messages on 26 May 2015 also included a request to sign messages in three addresses<sup>211</sup> that were not transferred to MJF or Professor Rees. The taxpayer's response stated '30/06/2014 – Address transferred out of Dr Wright's control as part of a repayment of the amounts loaned by the Trust'.<sup>212</sup>
166. The transaction between the taxpayer and Hotwire was the subject of a Private Binding Ruling application, on which the Commissioner refused to rule given the lack of clarity about the facts. It was also the subject of queries posed as part of a High Risk Refund review of Hotwire following the lodgment of its 2012-13 income tax return. After discussions with the ATO about the transaction and decline in value calculations, Hotwire made some changes to its notional decline in value deductions. Contemporaneous notes on the ATO's systems show that Hotwire's refund was subsequently released as notification under section 8AAZLGA of the TAA had not been given within the required 30 days of lodgment. However, the offset claim was recommended for post-issue review.<sup>213</sup>

#### ***Purported payment to Professor Rees***

167. The taxpayer has recorded the Professor Rees transaction as an expense in its accounts of A\$2,258,534 on 30 June 2013 and has recorded the amount as being paid on the same day by paying 19,470.12 Bitcoin.<sup>214</sup> The Blockchain shows the amount in the addresses at 28 June 2013, was 29,569.57 Bitcoin. The Blockchain shows that these amounts were transferred into a new address, 1LXc, on 13 August 2013, along with an additional 4,943 Bitcoin from address, 1M7c. This totals 34,512.57 Bitcoin held in address 1LXc for Professor Rees.<sup>215</sup> However, as recently as 19 November 2014, Dr Wright advised that address 1LXc was used to pay a third party, MJF, on 15 September 2013.<sup>216</sup> On 10 October 2013, Dr Wright also advised that he was still in control of address 1LXc.<sup>217</sup> The taxpayer's former solicitor, Mr Andrew Sommer, verbally advised the ATO on 25 May 2015 that the information in this email was not current at the time it was sent.
168. On 26 May 2015, the taxpayer stated that, sometime in 2011, Dr Wright advised Professor Rees he would give him a total of 34,512.919 Bitcoin in recognition of his contribution to Dr Wright's work, but this was not documented, and the first payment was for 19,470.12 Bitcoin in the 2012-13 income year.<sup>218</sup>
169. The taxpayer contends that Dr Wright provided instructions to Mr Kleiman and others,

purportedly acting for Professor Rees, on how to pay Professor Rees and how to set up his accounts, and that a representative for Professor Rees prepared an invoice for Professor Rees (invoice number 4501) dated 30 June 2013 to Strasan for £1,342,246.72 with the description:<sup>219</sup>

David Rees - license of software for research and development project.

Automated design and BTC chain splitting.

Algebra known as semi-group theory and commutative algebra – For use in developing an automated self-matching learning system. Solutions using the Otway-Rees protocol and Northcott-Rees theory of reductions and integral closures.

Library collection of selected papers. For memory of Ron Lynam.

Payment CC'd to account of Joan Rees.

Export (no VAT).

170. We have obtained a document that appears to be a printout from Hotwire's Xero accounting system showing an invoice from Professor Rees to Hotwire, rather than to the taxpayer, dated 1 July 2013.<sup>220</sup> The taxpayer contends that it was struggling to adapt to the new Xero accounting system in September 2013 and that transactions were erroneously entered into the wrong taxpayer's general ledger.<sup>221</sup> We note that the taxpayer contends that this transaction occurred in June 2013.
171. The taxpayer has provided screenshots of purported Bitmessages and emails between Dr Wright and Mr Kleiman that ostensibly support the provision of the notes and code and the holding of Bitcoin on trust for Professor Rees. Refer to the comments at 174 to 194 regarding electronic communications below.

### ***Third party enquiries***

172. The following information has been obtained from Professor Rees's daughters (Professor Sarah Rees, Professor Mary Rees, Debbie Rees and Rebecca Rees) and the executor of his estate, Lloyds Bank.<sup>222</sup>
- 172.1. Professor Rees did not write any software and had not been involved in computers since the late 1940s.
- 172.2. He never did any consulting work and never issued any invoices.
- 172.3. He undertook no work relating to cryptography after the 1940s and never undertook any work relating to automated design, Bitcoin chain splitting or automated self-matching learning systems.
- 172.4. His daughter, Professor Sarah Rees, is aware of only one unpublished piece of work by her father, this work was later updated and published.
- 172.5. In 2008 Professor Rees was 90, mentally confused and not developing any new mathematical ideas. His daughters do not believe it is possible he could have carried out any work relating specifically to Bitcoin. They considered it inconceivable that their father could have completed work of this nature without his family being aware.
- 172.6. For the last few years of his life Professor Rees was very frail, a little confused and suffered some memory loss, his doctor regarded him as suffering from senile dementia. In early 2011 he moved into a nursing home.
- 172.7. None of his daughters were aware of him having any dealings with Dr Wright or the taxpayer.
- 172.8. He never spoke of Bitcoin and his estate included no Bitcoin or equitable interests in Bitcoin.
- 172.9. His daughters confirmed that very few emails were sent in the last few years of his life and were sent with assistance from them, as he was unable to email on his own.
- 172.10. At the time the invoice was issued Professor Rees was in the last weeks of his life, was very confused and not in a state to produce the invoice or do any

me, was very confused and not in a state to produce the invoice or do any mathematics. His wife, Joan Rees was also bed bound and only able to communicate intermittently.

- 172.11. Professor Rees's daughter, Rebecca Rees, conducted his financial affairs from mid-2011. She has no knowledge of any dealings with Dr Wright, or his related entities, Professor Rees granting any rights, or him holding any intellectual property other than that which applied to his various academic publications, published in academic journals. She has no knowledge of Professor Rees holding any Bitcoin addresses or transacting in Bitcoin.
- 172.12. His estate executors were not aware of any connection with Dr Wright's entities or Bitcoin.
173. The taxpayer contends that Professor Rees' daughters must have been unaware of his activities.<sup>223</sup>

*A concise version of the above 2015 dismantling of Craig by the ATO could best be phrased with the following, totally paraphrased summation.*

**Craig:** *I had Professor Rees do some work as a contractor and paid him by giving him the private key to seven Bitcoin addresses, here are those public addresses...*

**ATO:** *Some of those addresses are for Bitcoin you already claimed formed part of your 'MJF' transaction and one of them had no Bitcoin in it at all on the date the Professor Rees transaction is supposed to have taken place — can you please sign a message to prove you actually control those addresses?*

**Nguyen:** *No, because... something... something... homomorphic encryption scheme means that even though we totally had the private keys, pinkie-swear, we then, like, didn't anymore.*

**ATO:** *Ok, so the family of Professor Rees say they've never heard of you Craig and that beyond 2008 he was mentally 'frail' and highly unlikely to have been working on anything.*

**Craig:** *He gave me maths stuff and wrote some software for me.*

**ATO:** *Craig, his daughter said her father did not ever write software and at the time of the supposed date of this transaction he was in the last weeks of his life.*

**Craig:** *Yeah, well, what would they know about what their elderly and suffering from senile dementia, dying father was up to back then?*

*Now please bear with us, the ATO is not done yet, as the report continues with its decision to reject everything Professor Rees related (look for the quote "The evidence provided by [Craig Wright] does not establish that [Craig Wright] acquired any material or services from, or owed any obligation to, Professor Rees."):*

#### **ISSUE 4: PROFESSOR REES DEDUCTION**

259. **Issue:** Is the taxpayer entitled to a deduction of \$2,258,534 in the 2012-13 income year under section 8-1 of the ITAA in respect of a purported loss or outgoing incurred in respect of an acquisition from Professor Rees?

260. **Decision:** No.

#### **No loss or outgoing**

261. We do not consider the taxpayer to have incurred a loss or outgoing in respect of any acquisition from Professor Rees. Accordingly, the purported arrangement with Professor Rees did not give rise to any general deduction.<sup>278</sup>

262. See paragraphs 218 to 219 above for discussion of the meaning of the term incurred.

263. The evidence provided by the taxpayer does not establish that the taxpayer acquired any material or services from, or owed any obligation to, Professor Rees.

264. The agenda for the visit to the taxpayer's premises on 1 and 2 April 2015 (issued in draft form on 25 March 2015 and final form on 30 March 2015) indicated under the heading 'Professor Rees material' that we requested to see the 'library'. Despite being advised in the taxpayer's response dated 20 February 2015 that selected papers would be available to view, no papers were shown. No papers were provided in response to the position paper.

265. Professor Sarah Rees indicated that she was only aware of one unpublished paper written by her father and that the content of that paper was later published in an updated form. We also asked to see evidence of the software provided under licence. The taxpayer showed us one piece of software and refused our request to run it. Professor Sarah Rees has advised us that her father did not write software. We further note that the software showed to us resembles that available from the CoCoA library. The taxpayer provided no evidence of the 'algebra' provided. All four of Professor Rees' daughters advise they have never heard of the taxpayer or Dr Wright. Professor Sarah Rees also advised that Professor Rees did not undertake consulting work. Accordingly, we do not accept that the taxpayer acquired anything from Professor Rees.

266. Regardless of whether the taxpayer acquired anything from Professor Rees, it has not demonstrated that it incurred any loss or outgoing. The taxpayer has stated that no written agreement existed with Professor Rees and the taxpayer has not provided any correspondence from Professor Rees himself regarding the arrangement.

267. The taxpayer has not substantiated that it paid Professor Rees, and has provided anomalous accounts of this. The taxpayer first advised that it had instructed an amount be held in trust for Professor Rees. The taxpayer then advised that it provided private keys to Professor Rees on 28 June 2013. Then it advised the Bitcoin was held in trust for Professor Rees until the keys were released. We note the following anomalies:

267.1. The taxpayer claims that Professor Rees was provided with private keys to seven addresses. At 28 June 2013, the contents of these addresses was 34,512.57 Bitcoin, greater than the 27,636.38 Bitcoin the taxpayer claims to have been in them.

267.2. The taxpayer claims that the contents of the addresses were forwarded to a new address 11 Xc on 13 August 2013. The taxpayer claims that that this was held



payment made was a voluntarily payment, not reasonably capable as being seen as desirable or appropriate from the point of view of the pursuit of the business ends of the taxpayer, as any work performed or material provided by Professor Rees had occurred several years before the inception of the taxpayer on a voluntary basis, with no payment or reward required or contemplated.

## **ISSUE 5: ASSESSABLE INCOME**

272. Did the taxpayer derive assessable income <sup>279</sup> of \$2,962,399 in the 2012-13 income year in respect of a supply to Hotwire related to the purported acquisition from Professor Rees?

273. **Decision:** No.

### **No assessable income derived**

274. A taxpayer's assessable income includes the ordinary income derived by the taxpayer during the income year. Ordinary income has generally been held to include three categories, namely, income from personal service, income from property and income from carrying on a business.

275. Ordinary income is derived when a gain has 'come home' to the taxpayer in a realised or immediately realisable form.<sup>280</sup>

276. The taxpayer's most recent contention is that it merely on-sold the Professor Rees 'technology' to Hotwire for a profit. Given that the taxpayer has failed to substantiate that it acquired anything from Professor Rees, we do not accept that the taxpayer provided anything to Hotwire. On the basis of the evidence currently available to us, we do not accept that the taxpayer received anything from Hotwire which could have the character of assessable income.

### **Assessable income (if any) calculated incorrectly**

277. Further, or in the alternative, if, in accordance with Hotwire's earlier contention that the taxpayer provided Hotwire with the Professor Rees materials (or incorporated them into other products provided), a mathematic and cryptographic library, and prepared a project plan and budget, and Hotwire paid the taxpayer for these items, we consider the taxpayer derived income of \$3,205,820.

278. Taxation Ruling TR 98/1 *Income tax: determination of income; receipts versus earnings* discusses the two methods of determining when income is derived: the receipts method and the earnings method. At paragraph 8, TR 98/1 states that under the receipts method, income is derived when it is received. At paragraph 9, it states that under the earnings method, income is derived when it is earned. At paragraph 17, TR 98/1 states that a taxpayer must adopt the method that, in the circumstances of the case, is the most appropriate, ie gives a substantially correct reflection of income (*Carden's case*).

279. Given the taxpayer's limited activities, we consider the receipts method gives a substantially correct reflection of the taxpayer's income.

280. If the taxpayer did provide goods and/or services to Hotwire, we consider this would have the character of assessable income and if it was paid, the amount would have 'come home' to the taxpayer. The taxpayer's tax agent calculated the amount of assessable income by translating the number of Bitcoin that the taxpayer purportedly received from Hotwire into Australian dollars. However, given the currency referred to in both the software development agreement and invoice is Australian dollars, we consider the amount and form of settlement to be irrelevant to the determination of the taxpayer's assessable income from the purported sale. The correct assessable income is therefore \$3,205,820. This will be reduced by 1/11<sup>th</sup> if the sale is, found to be a taxable supply, being the GST-exclusive amount of the sale.

*So, in summary, the outcome of the ATO's analysis of Craig's claims about Professor Rees having done consultancy work for him was:*

- *None of the family had ever heard of Craig.*
- *They all stipulated that Professor Rees did not undertake consulting work.*
- *When Craig provided 'evidence' of this work to the ATO it turned out to simply be code lifted from the internet.*
- *When Craig promised to provide paperwork related to this work to the ATO, he then failed to do so.*
- *When Craig was asked to run the purported software in front of the ATO, he refused to do so.*

*After this utter destruction by the ATO of the Professor Rees story, Craig would not re-introduce Rees much more in his false claims in later years. In the public court docket of *Kleiman v Wright*, we can find several email conversations between Craig Wright and Dave Kleiman where they mention Professor David Rees, but these are all backdated forgeries, made by Craig with Bitmessage after Dave's passing.*

*On Craig's current blog, Professor Rees is never mentioned. There's one rare interview with Finder though on April 27, 2019, where Craig opened up once more about Professor Rees. Here he would give a whole new twist to Rees his involvement in the Craig's fantasy history of Bitcoin:*

**"David [Rees] wasn't really involved with what was Bitcoin"**

*Quote taken from Finder, "[Dr. Craig Wright explains the origins of Bitcoin — Full interview](#)"*

**March 28, 2014:** [W&K Info Defense Research LLC](#) reinstated by Uyen Nguyen.

*While Craig was creating a whole new paper-only history around this*

*company, both before 2011 and after 2011 (2011 being the year Dave Kleiman and Craig Wright failed to land four Homeland Security projects, the only real activities around this entity, ever), he forgot one thing. A dissolved company does not appear very active.*

*But when ATO reminded him, he was quick to act in a desperate attempt to, again, rewrite history.*

The W&K transaction:

29. W&K is a limited liability company that was registered in Florida on 14 February 2011. W&K was administratively dissolved on 28 September 2012 due to owing outstanding company fees to its corporate regulator, the FDS. After advising you of this on 28 March 2014 the outstanding fees were paid to FDS on the same day, the effect of which was to reinstate the company as if it were never administratively dissolved.

Source: <https://www.courtlistener.com/docket/6309656/547/3/kleiman-v-wright/>

*Speaking of the interview they conducted with Craig on this day, this excerpt below showed Craig scabbling around to come up with explanations for the myriad inconsistencies and contradictions he is stumbling over as he creates this oh-so-tangled web of deceit. The interview is held in the offices of his, for the time being, tax lawyer and they are furnishing the ATO with supposed documented evidence and information that they believe to be factual and truthful, because their client, Craig Wright, has no doubt assured them that it is.*

*It was not.*

*The very first sub-paragraph we see below marked 'a.' discusses supposed IP being transferred on 15 July 2013 by Craig to DeMorgan, IP which is claimed to have been developed under agreement with W&K Info Defense, is provably a lie because he is claiming that it was "core software and training materials" and "source code" purportedly "related to projects completed for the United States Department of Homeland Security". That will be the US DHS project proposals that were roundly rejected, remember?*

*The only work 'completed' for the US DHS was the application forms they submitted. Oops.*

16. On 28 March 2014, Andrew Miller, Jenifer Trinh and Des McMaster of the ATO met with John Chesher, Craig Wright and Andrew Sommer, at the premises of Clayton Utz in Sydney. At this meeting your representatives provided documents and information in further response to our information requests, some of which had not been previously provided.<sup>5</sup> In particular, you provided us the following documents and information for the first time during these audits:
- a. A 'Deed of Assignment and Charge' between you and DeMorgan, signed and dated 15 July 2013. This deed among other things, refers to the ABN of DeMorgan. Under the deed, you agreed to transfer IP to DeMorgan. The IP was stated to consist of core software and training materials, source code developed under agreement with W&K (the deed listed categories of source code purportedly related to projects completed for the United States Department of Homeland Security (US DHS)) and software sourced from MJF (which although stated by the deed not to have been received as at the date of signing, was stated to be purportedly subject to an agreement for supply).
  - b. Three documents, all described as an 'IP Deed of Assignment' respectively between DeMorgan and each of the related entities, dated 15 September 2013.
  - c. Three documents, each described as a 'Deed of Assignment of Equitable interests' between you and each of the related entities, dated 1 July 2013. According to these documents you held equitable rights to a number of bitcoin managed in the UK, the bitcoin being legally owned under the terms of an overseas trust. The 'equitable interest' so described is contended to confer the right to call on bitcoin.
  - d. You also confirmed that you personally did not provide the bonds referred to in the NSWSC statements of claim, despite claiming relief for those amounts. You were uncertain of the source of those bonds and thought the bonds may have been from an American gaming company called 'Playboy Gaming'. The settlement of the NSWSC proceedings is said to have resulted in you obtaining legal title to software purportedly held previously by W&K in exchange for the satisfaction of the debt you claimed in those proceedings (which included the \$20,000,000 bonds).

Source: <https://www.courtlistener.com/docket/6309656/547/3/kleiman-v-wright/>

*But, just as problematic for Craig as his provable lie related to the fake IP which is meant to underpin the value of his multi-million-dollar tax rebates, if not more so given that it concerns fraudulent claims he made for his New South Wales Supreme Court (NSWSC) 'recovery action' against W&K he*

won by default, is what is outlined in sub-paragraph 'd.' above.

*During this March 28, 2014 interview with Craig and his legal representatives, the matter of the supposed \$20,000,000 bond, which formed part of Craig's valuation of the debt W&K 'owed' him was discussed. Not only had he claimed tax relief on the value of these bonds which he, when later asked by the ATO, admitted that he had not actually funded, he went on to offer up the laughably hand-wavy claim that it might have been an "American gaming company called 'Playboy Gaming'" who had, but that he couldn't be certain. Ignoring the fraudulent tax relief Craig had filed for bonds he later admitted he did not fund, the fact is that the huge valuation of the supposed amount owed to him by W&K consisted of, among other things, these \$20,000,000-worth of bonds.*

*Again, contrary to Craig's to-this-day claims that his legal woes in Australia were merely the result of unfair persecution and misunderstanding about the taxation status of Bitcoins, we see again and again that he has executed a breathtaking array of fraud and remember, 'winning' a case in the NSW Supreme Court through such fraud and perjury is a serious criminal offence.*

**April 10, 2014:** *Craig appoints Uyen Nguyen in the two UK companies.*

*A "Consent to act" contract was made up, with the appearance of legitimacy (although it would have made more sense to put the 2012 appointments on top to create a historical order, if you ask us)...*

# Consent to act

I Uyen Nguyen of:

016 Lô L, cư xá Thanh Đa, phường 27, quận Bình Thạnh, Thành phố Hồ Chí Minh,

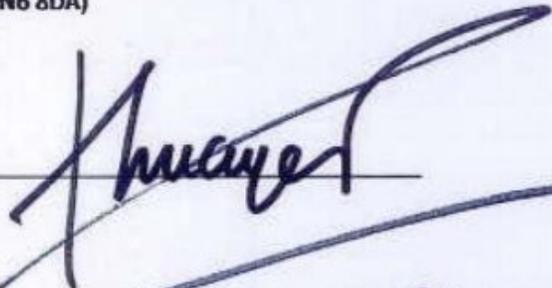
Consent to act as director of the following companies from the later date of 30 June 2013:

- Design by Human Ltd (08248988) UK (Dept 2, 43 Owston Road Carcroft, Doncaster, DN6 8DA)
- PERMANENT SUCCESS LIMITED (08260048) UK (Dept 2, 43 Owston Road Carcroft, Doncaster, DN6 8DA)

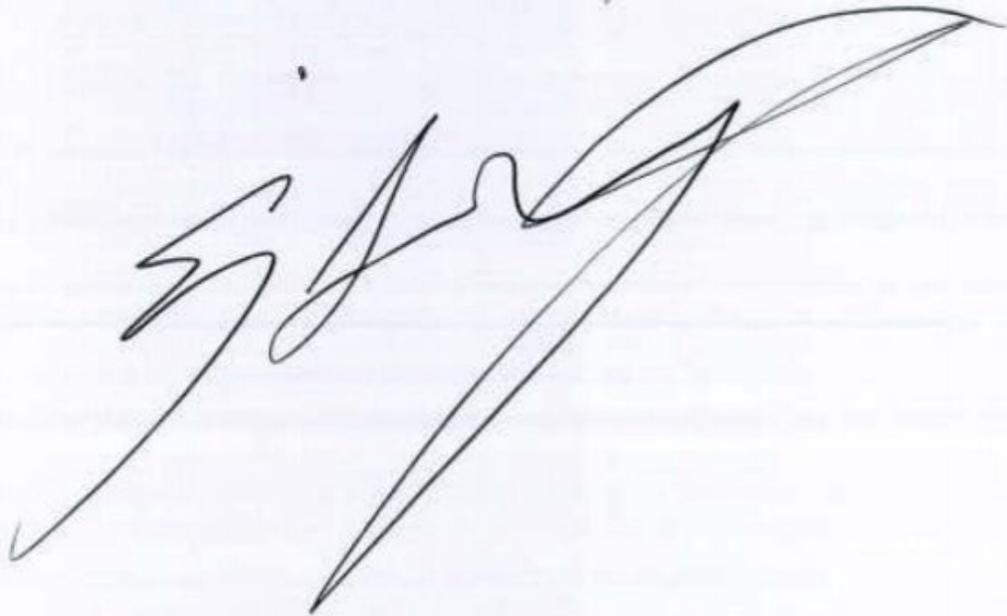
I also accept the position of COO (Chief Operations Officer) of the following companies from 18 Oct 2012.

- Design by Human Ltd (08248988) UK (Dept 2, 43 Owston Road Carcroft, Doncaster, DN6 8DA)
- PERMANENT SUCCESS LIMITED (08260048) UK (Dept 2, 43 Owston Road Carcroft, Doncaster, DN6 8DA)

Signed:



Uyen T. Nguyen



*But since we know that Craig bought these two companies on January 3, 2014 AND because the (only) filing that was made at Companies House as a*

*result of the "Consent to act" contract is dated April 10, 2014...*

*We can objectively conclude: yet another backdating fraud by Craig Wright attempting to conjure up his own version of history.*



Companies House

**AP01** (ef)

**Appointment of Director**



X35JPOGG

*Company Name:* **C01N LTD**

*Company Number:* **08248988**

*Received for filing in Electronic Format on the:* **10/04/2014**

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*New Appointment Details*

*Date of Appointment:* **12/10/2012**

*Name:* **MS UYEN T NGUYEN**

*Consented to Act:* **YES**

*Service Address:* **3128 3128 MERCED AVENUE  
EL MONTE  
CA  
USA  
91733**

*Country/State Usually Resident:* **USA**

*Date of Birth:* **04/08/1992**

*Nationality:* **VIETNAMESE**

*Occupation:* **COMPANY DIRECTOR**

*But the fraud with the UK companies didn't stop here, of course. [Let's read what ATO found out about these two empty shelf companies.](#) Bear in mind*

*that this company, C01N Ltd, is meant to be able to be relied upon by Craig as evidence to the ATO of there being substantial substance and value to the business transactions underpinning his multi-million-dollar tax rebates.*

*His Australian company, Panoptcrypt is appointed as director from 1st January 2013, in a form filed 22nd February 2014, along with his filing company accounts on the same day dated as at 30th June 2013, showing as assets for C01N Ltd, debtors of over 38.5 million pounds.*

*Craig contends that C01N Ltd was set up by Dave Kleiman and that he had nothing to do with its administration, albeit any late and backdated filings are simply him trying to correct the sloppy compliance by Dave and/or the formation agent, CFS.*

*As the ATO, again, went to the trouble of speaking with the very people who could verify, or disprove, Craig's claims, he is, once more, proven to be lying through his teeth about these backdated appointments and accounts being legitimate. Their report, below, includes these inconvenient facts provided by the UK company formation agent about "Design by Human Ltd", namely, that it was:*

- A Shelf Company which was purchased from them by Craig on 3rd January 2014.*
- Had been dormant for the entire period they had held it since incorporating it.*
- That they had eventually changed its name to 'Moving Forward in Business' to sell as a Shelf Company and that it was subsequently changed to C01N Ltd by Craig a few days after he bought it from them, in January 2014.*

*So, neither Uyen Nguyen, nor Dave Kleiman, could ever have been legitimately acting as Director for this company from 2012, as Craig tried to fake, because he hadn't even purchased it from the UK formation agent until 14 months later, which was also some 9 month AFTER Dave Kleiman had*

died.

*It also means that its back-dated company accounts, which detailed a supposed multi-million-pound asset to the business value mid-2013, in order to underpin his multi-million-dollar tax rebates in Australia, was also an absolutely, completely and utterly, criminally fraudulent filing.*

86. The taxpayer has provided a company memorandum for a UK company referred to as '08248988 UK', the company number of Design by Human Ltd, dated 7 January 2013 that states:<sup>91</sup>
  - 86.1. The taxpayer will issue 50,000 shares to the UK company in return for that company funding the data centre.
  - 86.2. Craig Wright R&D's Liberty Reserve account 'will be used in trust for this transaction. The UK company will be the trustee of this account'.
  - 86.3. W&K will manage the Panama data centre for not more than 10% over costs.
87. The memorandum describes the company as '08248988 (To be C01N)'. Design by Human Ltd changed its name to Moving Forward in Business Ltd on 15 October 2013.<sup>92</sup> Moving Forward in Business Ltd changed its name to C01N Ltd on 7 January 2014.<sup>93</sup> The taxpayer contends the name change to C01N Ltd was contemplated at the date of the memorandum.<sup>94</sup>
88. The memorandum states that it was issued by Panoptcrypt as director. The references to the company number are in a different colour and font type to the rest of the memorandum.
89. A carbon copy of the memorandum was sent to Ms Nguyen. The taxpayer has provided an undated 'consent to act' whereby Ms Nguyen agrees to act as a director of C01N UK from the later date of 30 June 2013.<sup>95</sup>
90. The taxpayer advises that the shares in it were issued at \$100 each as that was the value of the taxpayer at the time. No valuations were performed to determine this value. The taxpayer has advised the shares were finally issued at \$106 due to exchange rate differences.<sup>96</sup>
91. Records from the UK Companies House show that until 3 January 2014:<sup>97</sup>
  - 91.1. C01N UK was owned and controlled by a UK shelf company operator, the CFS group of companies
  - 91.2. its directors were CFS Nominees Ltd and Bryan Thornton (connected with the CFS group)
  - 91.3. it had one ordinary £1 share on issue
  - 91.4. the company's name was changed from Design By Human Ltd to Moving Forward in Business Ltd on 15 October 2013.
92. CFS Secretaries Ltd confirmed these facts on 11 May 2015.<sup>98</sup> When asked about the formation and sale of C01N UK, CFS Secretaries Ltd stated C01N UK:
  - ... Was a Shelf Company which was purchased from CFS on 3<sup>rd</sup> January 2014
  - ... Sold as a Shelf Company
  - ... Dormant when the company was incorporated and owned by CFS
  - ... The name was changed from Design By Human to Moving Forward in Business by CFS to sell as a Shelf Company. The Client then changed the name to C01N LTD.

93. We have obtained a 'Combined Register' for C01N UK, from computer records obtained from an entity related to the taxpayer, where the details match the original contemporaneous CFS documents.<sup>99</sup>
94. These records do not show Panoptcrypt as a director of C01N UK. However, on 22 February 2014 (ie after CFS sold the company), documents were lodged with Companies House indicating:<sup>100</sup>
- 94.1. Panoptcrypt had been a director since 1 January 2013
- 94.2. At 30 June 2013:
- (a) the directors were Panoptcrypt and Bryan Thornton (associated with the CFS group) and the secretary was Craig Wright
  - (b) 200 ordinary shares were on issue and 38,707,000 preference shares were on issue
  - (c) The company had assets of £38,508,838 and no liabilities. It had a revaluation reserve of negative £127,017 and a loss account balance of £71,345.
- 94.3. At 1 February 2014:<sup>101</sup>
- (a) the directors were Panoptcrypt and Craig Wright and the secretary was Craig Wright
  - (b) 200 ordinary shares were on issue held equally between Craig Wright and Ramona Watts
  - (c) 18,707,000 redeemable preference shares were held by Denariuz Lte (believed to be Denariuz Ltd, a Singaporean company related to Dr Wright)
  - (d) 20,000,000 redeemable preference shares were held by Panoptcrypt non-beneficially.
95. On 28 March 2014, the ATO advised the taxpayer that there was no record of Uyen Nguyen ever holding the position of Director of Design by Human.
96. On 10 April 2014, documents were lodged with Companies House indicating Mr Kleiman and Ms Nguyen were appointed directors on 12 October 2012.<sup>102</sup>
97. A response to a request for information from CFS Secretaries bears a handwritten annotation which indicates that both appointments had been 'backdated by the client'.<sup>103</sup>
98. CFS Secretaries stated 'not applicable' when we requested company minutes. However, several purported minutes (unsigned, or signed by Dr Wright) were found on computer records obtained from an entity related to the taxpayer that ostensibly corroborate the taxpayer's contention that Panoptcrypt was a director of C01N UK. One minute (dated 3 January 2014) appears to have been executed by the same person that executed several share certificates included in the 'Combined Register', yet makes no reference to Panoptcrypt having any role in the company at 3 January 2014.<sup>104</sup>
99. The taxpayer contends that C01N UK was set up by Mr Kleiman and that Dr Wright was not involved in the administrative aspects of the company. The taxpayer further contends that either Mr Kleiman or CFS failed to keep the records up to date.<sup>105</sup>

***Purported issue of shares to C01N UK***

100. On 16 March 2015, the taxpayer provided a copy of a document entitled 'C01N Pty Ltd – A.C.N. 152 222 421 – Application for shares', dated 8 January 2013.<sup>106</sup> The document appears to represent an application by 'C01N Ltd' for 50,000 shares in 'C01N Pty Ltd' at \$1 each. However, on 8 January 2013 the taxpayer's name was Strasan Pty Ltd and C01N UK's name was 'Design By Human Ltd'.
101. Both the application and share register show the shares as being beneficially held by C01N UK. However, the taxpayer's most recent contention is that the shares are held by C01N UK for the Tulip Trust; refer subparagraph 83.5 above.

102. The issue of 50,000 shares is recorded on the share register as having occurred on 8 January 2013 at \$106 each.<sup>107</sup> The accompanying share certificate is numbered five and has also been issued in the name of C01N Pty Ltd.<sup>108</sup>
103. A share certificate originally numbered five issued in the name of Strasan and dated 1 July 2013 has been annotated to change the number to six and the sequence of shares to accommodate the 50,000 shares apparently issued to C01N UK in January 2013.<sup>109</sup>
104. ASIC records show 50,000 shares were issued to C01N UK on 1 April 2013 and that these were held beneficially. However, the share register shows the shares were issued on 8 January 2013. The ASIC record was lodged on 22 April 2014, over a year after the purported issue took place.<sup>110</sup>
105. On 11 November 2013, as part of an application for a private binding ruling, Hotwire advised the ATO that, as at 2 June 2013, the taxpayer's membership had not changed since incorporation; refer paragraph 34 above. Hotwire advised:<sup>111</sup>

The only company CS Wright controlled is Panoptcrypt as one of two directors.

At the time, his ownership of Panoptcrypt was 5%.
106. The taxpayer contends that this statement was made by John Chesher, who was not familiar with C01N Pty Ltd and that his statement was incorrect.<sup>112</sup> However, John Chesher sent a carbon copy of the email containing the shareholding information to Dr Wright, and Dr Wright subsequently forwarded it with a new message to the ATO.<sup>113</sup> Dr Wright did not correct the information. We also note that on 21 October 2013 (several weeks prior to Mr Chesher's email about the taxpayer's shareholdings), Dr Wright emailed the ATO in relation to a Goods and Services Tax (GST) audit on the taxpayer stating 'This is a note to say that John Chesher is our tax adviser and has permission to communicate with you'.<sup>114</sup>
107. In a separate query about the taxpayer's Business Activity Statements, the taxpayer was asked when its share capital was paid and who the beneficial owners were. In its response, on 10 March 2014, the taxpayer made no reference to 50,000 shares having been issued to C01N UK or the Tulip Trust.<sup>115</sup>
108. The taxpayer contends that it appointed a secretarial service on 2 September 2014 who fixed errors in the share register and certificates that may have existed, and that the secretarial service issued documents under the name C01N instead of Strasan. The taxpayer states it is in the process of updating its share register. The taxpayer further states that the former secretary would not give out the company key, meaning that ASIC could not be updated, and that they have emails to ASIC to evidence this.<sup>116</sup> These emails were not provided.

**April 25, 2014:** *Craig sends Ira Kleiman Chronology 2009– April 2014.*

*This purported chronology which Craig has sent to Ira Kleiman is just more of the same fabrication, misrepresentation and outright lies which serve only to lead the Kleiman family to believe that there could be untold millions in Bitcoin wealth and valuable trusts, shareholdings and IP that Dave was connected to. No wonder they end up eventually suing Craig for it, which is exactly what he wants.*

*It might seem strange to think that Craig could have wanted to be sued for*

*the recovery of Dave Kleiman's supposed Bitcoin-related wealth, but remember at this point his sole aim is to convince the ATO that he, Craig Wright, is a big player in the Bitcoin sphere and what better way than to face legal action as an OG Miner or even for being part of the 'Satoshi' Bitcoin founding legend itself?*

----- Forwarded message -----  
From: **Craig S Wright** <[craig.wright@hotwirepe.com](mailto:craig.wright@hotwirepe.com)>  
Date: Fri, Apr 25, 2014 at 11:22 PM  
Subject: Chronology of Craig Wright.docx  
To: Ira K [REDACTED]

And more reading

## Content of "Chronology of Craig Wright.docx":

### Chronology of Craig Wright (CSW) activities & transactions

**2009** Craig Wright mines some bitcoins and attempts to incorporate IP into Integyrs

**2010** ATO Rejects IP transaction and CSW retains IP

**2011** CSW sends Bitcoin overseas. Value at that stage AUD \$0.02 Finds a company in USA with David Kleiman, a business associate from forensic & security related IT areas. Kleiman & Wright co-authored books on the subject and had fairly longstanding relationship. The established was W&K Info Defense. It was set up to further statistical and risk mitigating algorithms, to develop some ideas around CBT learning methodologies (CSW was by then lecturing regularly for Charles Sturt University and others) and to mine Bitcoin. This was done on behalf of entities in Belize (related to Kleiman) and entities in Singapore and the Seychelles (related to Wright). There is an agreement between CSW and W&K whereby CSW loans his Bitcoin and expertise to the company with payback and payment to be received in Bitcoin. In all, 1.1 million Bitcoin reverted to Sq and Seychelles accounts. It is unknown how much reverted to Belize and Kleiman.

**2012** CSW forms 2 UK trust companies (non trading) and owned through Seychelles.  
Permanent Success & Design by Human  
Plans from W&K develop to the point where there is imminent product in the eLearning space. Discussions progress. At the same time CSW is contemplating Bitcoin and its regulation.

**2013** Structural discussions progress to a plan and an agreement between W&K and CSW. See share sale agreement. See also Strasan Agreement. This is done by early April 2013. David Kleiman dies shortly thereafter reportedly from infections related to injuries incurred in US military. He was wheelchair bound and had related circulatory issues. Per terms of the Agreement, CSW forms Hotwire Pre-emptive Intelligence Pty Ltd in Australia and continues the planned program. ( June 2013) Acquires IP and software from Strasan and registers for R&D with AusIndustry. All prior to June 30. AusIndustry accepts his application and both AI and ATO do an audit. Hotwire passes AI audit but ATO audit drags on.

During the early 2013 period, CSW is pursuing Exchange and banking ideas with Bitcoin. At the same time he is a lecturer and a speaker at functions on topics around IT security and SCADA. At one of these in March 2013, he meets a fellow introduced as Mark Ferrier. They chat about mining and security and CSW says he's actively pursuing the Bitcoin banking possibility but is stumbling due to the need for core banking software. Nothing more said. Within days, weeks he starts receiving emails from Ferrier (MJF) who intimates he may have someone who can help with the banking stuff. There are a series of emails that follow this and a further meeting at some point and it all culminates on the 2<sup>nd</sup> of June 2013, when CSW agrees to buy a variety of things through MJF's company as agent. These include:

- Core banking software and source code from al Baraka
- Siemens automation software
- Exchange software - micropayments
- Some gold ore
- And even MJF's father providing some consulting. Ian Ferrier – noted accountant

There are invoices for all of this. CSW did due diligence on MJF through ASIC D&B Whois etc and both the individual and his company came up clean. The notion of Ian Ferrier lent some credibility. Missed social media however, which would probably have given him a better idea as to who he was dealing with. Payment was from one of the UK entities and a directed payment supported by a Loan agreement to CSW. He has since traced destination as somewhere in Africa.

The software and source code have all been delivered. It has been determined that MJF is unable to deliver the gold ore and his father denies any knowledge of any agreement and purports to be estranged from his son. On that basis CSW took action in the Supreme court of NSW for recovery of his Bitcoin or value for the Ore Purchase and consulting fees. Judgment has been given.

Emails, contracts and any correspondence has been provided both in court and to the ATO in support of the facts. CSW has offered to assist the ATO in pursuit of MJF should they choose to do so. We are prepared and have briefed counsel on a Federal court action for misleading and deceptive behavior as well as the judgment debt.

Return to early July 2013, CSW communicates with ATO and briefs them on his intention to do the MJF transaction including the offshore payment in Bitcoin. He states at that time his relative holding or control of considerable quantities of Bitcoin and a hope/intention of developing a regulated Bitcoin bank in Australia. He has actively pursued Private Rulings with ATO on many of his transactions and processes; forms a nucleus of companies for Research and Development of the eLearning opportunity and also eBanking.

Since that time, CSW has populated Hotwire with some top people to pursue both R&D projects. He has paid for all this through cashing in Bitcoin when and where possible and after a long struggle with the ATO receiving 1.45Million in R&D rebate from the 2013 tax return for Hotwire. He has spent about 450,000 BTC over that period, much of it at values less than \$120.00 so there is no questioning his commitment to trying to do something positive in Australia.

He has also been under audit for most of 2014 financial year by one entity or another. And that leads us to today. What the hell is he up to?

There is a lot of IP and 'stuff' in the mix. All up, it's around a hundred million dollars' worth. This IP originates in work CSW has been doing for more than 10years; it originates in things that came from W&K; it has to do with the software acquired. The values and distribution have all been given to the ATO. It amounts to a third each for Cloudcroft Hotwire and Coin exch. Cloudcroft gets the security related IP. Coin-Exch gets the banking and exchange and Hotwire

Blockchain gets the security related stuff, Com-Exen gets the banking and exchange and notwire gets all of the automation and R&D based stuff. The transactions were all intended to go into the Trust to be distributed. That may or may have been the way it transacted. That is the cleanest solution.

Why not just run the purchase through the entities? Because each transaction had a mix of acquisitions that needed to be parsed to different entities. MJF had banking, automation, exchange and Ore; W&K also had variety as did the other. The neatest solution was to bring them into one pot and then distribute accordingly. And that is the mess we are in.

Source: <https://www.courtlistener.com/docket/6309656/270/3/kleiman-v-wright/>

*As you can see in the email above, which reads like he was putting together a PR piece about himself for use elsewhere, is that Craig is already laying the groundwork for ensuring there is little likelihood of him being found liable for much if he 'loses' any legal action which might be brought against him by the Kleiman estate (something which would actually help his claim towards being Satoshi Nakamoto, of course), by the use of phrasing such as "It is unknown how much reverted to Belize and Kleiman", which will perhaps give him the ability to opt for the angle, "Oh, did Dave not leave any record of his millions for you to locate and recover? Too bad, sucks to be you." financial-liability-dodging manoeuvre.*

*Right from the get-go he leads with a 2009 claim that he was mining "some Bitcoins" which, as we have said, he has never provided proof of, before he then charts a course through the fiction that the US company 'W&K' was set up, among other things, to mine Bitcoin.*

*There are also objectively provable explicit lies in this email, for example, the section titled '2012' where Craig claims he formed the two UK companies as trust companies, albeit he couches that by stating they were 'non trading' just in case anyone looks them up on the UK Companies House website and sees that they were dormant at this time. Trouble is, as per the ATO document previous to this you can remind yourself that they go on to have the UK formation agent confirm that Craig only purchased these 'shelf companies' from them a few months before he sends this email. The same goes for the claim, "Plans from W&K develop to the point where there is imminent product in the eLearning space", another lie because at this time*

*W&K Info Defense had been notified in May of 2011 that they'd had their US DHS contract proposals rejected and they simply left the company to be marked for administrative dissolution by the registrar in 2012.*

*The rest of it is the rehashing of the multi-company IP and transaction fraud we've already presented the evidence for, including a lengthy overly-verbose description of his fictional 'MJF deal' and talk of supposedly pursuing recovery through the courts for what wasn't delivered, but the other notable lie is where he talks about having "populated Hotwire with some top people" which he claims he paid for "through cashing in Bitcoin", oh, and a small \$1.45 million rebate he'd managed to con out of the taxman. In fact, he claims to have 'spent' 450,000 BTC during the period of the 2013 tax year, but of course none of these 450,000 Bitcoin can ever be shown to have been provably owned by Craig, let alone provably spent in actual transactions.*

**April 28, 2014:** *Hotwire bankrupt.*

*"And that is the mess we are in." — Craig Wright, 3 days ago to Ira Kleiman.*

*And indeed, a mess. As within 3 months after launch, Craig's Potemkin Village called Hotwire is no longer able to stay afloat. On this day, McGrath & Nicol are being appointed as Administrators to handle the debt owed to creditors (except "Craig Wright, Ramona Watts and Panopticopt in the sum of circa \$1,437,898 whose claims will remain, only to be enforceable against the company in the event that the company has available assets (after payment of all other creditors in full)").*

*[Their May 14, 2014 report](#) gives a revealing peek in how Craig's business was 100% dependant on tax returns, that never came. The following snippet is taken from Nik Cubrilovic's blog article "[Craig Wright is not Satoshi Nakamoto](#)", who wrote this must read monster of an article on May 2, 2016.*

*"The Company's main activity was the acquisition of various e-learning and*

e-payment software and undertaking research and development work in respect of this software and for software owned by related entities. [...] The Directors have advised that \$30 million was subscribed to by the shareholders in paid up capital and this was injected via Bitcoins. [...] The Company applied its equity as follows:

- \$29 million to acquire software from the Wright Family Trust (“the Trust”); and
- \$1 million to fund day to day trading activities.”

“What Wright did was establish a company for the purpose of carrying out research and development on e-learning software it had acquired from Wrights own trust. Wright would inject \$30 million in Bitcoin to fund the company, \$29 million of which would be paid to Wright’s trust to acquire the software and \$1 million of which would fund operational costs — including an office in Sydney and 40 employees.

The purpose for the structure and why someone could commit fraud in this way becomes clear in the next action the company takes:

*Further to incurring a range of expenses, the Company lodged its GST return for the September 2013 quarter, claiming a GST refund of \$3.1 million (“the GST refund”). After various discussions and correspondence, the ATO issued a notice to the Company on 20 January 2014 notifying that it intended to withhold the refund pending further verification of transactions and the treatment of Bitcoin.*

The sales tax (GST) component of the \$29 million invested by Wright into the company was eligible for a refund. Thus by shuffling around some Bitcoin between entities you control yourself, it is possible to trigger a sales tax refund (in real cash).” — Nik Cubrilovic (own blog)

“Wright’s primary MO these past few years, prior to fleeing Australia, was using various entities to create real-dollar tax refunds out of non-existent Bitcoins. I’m surprised it worked for as long as it did.

These cases do explain his motive for why he presented himself as Satoshi Nakamoto." — Nik Cubrilovic ([on Reddit](#))

Anticipated return to creditors				
	DOCA		Liquidation	
	High \$	Low \$	High \$	Low \$
<b>Assets</b>				
Work in progress	-	-	-	-
Plant & Equipment	10,000	5,000	10,000	5,000
DOCA loan funds	2,900,000	2,900,000	-	-
GST Refund (September 2013 BAS)	3,100,000	-	3,100,000	-
R&D Tax Incentive Claim (FY 14)	9,600,000	-	9,600,000	-
Unfair preferences	-	-	unknown	-
<b>Less costs</b>				
Administrators' fees and disbursements	(147,075)	(147,075)	(147,075)	(147,075)
Estimated Deed Administrators' fees and disbursements	(200,000)	(400,000)	-	-
Estimated Liquidators' fees and disbursements	-	-	(200,000)	(500,000)
Tax advisers' fees	(1,500,000)	-	(1,500,000)	-
Legal and other advisers' costs and disbursements	(50,000)	(300,000)	(50,000)	(400,000)
<b>Amount available to unsecured creditors</b>	<b>13,712,926</b>	<b>2,057,926</b>	<b>10,812,926</b>	<b>(1,042,075)</b>

Image from the McGrath & Nicol report

*To add to Nik's analysis, this same bookkeeping trick, in large part originating from the two fraudulently obtained NSW Supreme Court claims for almost \$57 million in late 2013, supported by a non-existing "mining since 2009 Bitcoin stash" and with help of handfuls of random Bitcoin public addresses with large holdings taken from the Bitcoin rich list that were "assigned rights to", is repeated several times by Craig Wright, with several companies, several R&D tax rebate and other tax return claims, and for different amounts (but always numbering in the many millions).*

*In the McGrath & Nicol image above we can find that Craig's attempt to defraud ATO with Hotwire was about at least a GST Refund of \$3,100,000 and a R&D Tax Incentive Claim of \$9,600,000 (totalling \$12,700,000).*

## 12 Explanation for difficulties and winding up applications

### 12.1 Explanation for difficulties

The Directors have attributed the failure of the Company to:

- + delays in receiving the \$3.1million GST refund for the September 2013 quarter; and
- + Dr Wright, as the major shareholder no longer being able to provide financial accommodation to the Company due to the collapse of the Mount Gox Bitcoin registry where we understand Dr Wright had a significant exposure.

We agree with the Directors' explanation set out above, as the GST refund would have provided the Company with sufficient working capital to continue to trade and meet creditor claims or alternatively, funding from its shareholders could also address its issues.

An additional reason for the failure of the Company is that outside government incentives or support of shareholders it did not have a commercialised product that generated an income stream to meet its day to day trading costs.

### 12.2 Outstanding winding up applications

We are not aware of any outstanding winding up applications against the Company.

"we understand Dr Wright had a significant exposure"

*Remember when we asked you to remember the value of Craig's MtGox balance of \$8,050? As you can see above, here Craig's indirectly claiming that he had a 'significant exposure' on Mt Gox which he lost in its collapse, and that is why he can no longer help with funding Hotwire. That 'significant exposure' could have saved Hotwire for, like, half a day?*

*But also remember this, none of his prior 'funding' actually involved cash, outside of what he had conned from the Australian taxpayer.*

**June 2014:** *Craig adds more Faketoshi hints on his blog.*

*Let's dive into a few more examples of how Craig Wright starts trying to mix his online presence into the history of Satoshi Nakamoto and his Bitcoin project. The following showcases are not necessarily all from or around June 2014, but it's the month where some of them start showing up on WayBack Machine.*

The first, and likely one of the oldest examples (there's a mysterious clue on WayBack Machine that indicates this forgery 'might' date back to 2013, but we can't be sure), is nothing short of hilarious. The backdated to January 10, 2009 blog post "Bitcoin" clearly shows that Craig had not done much research yet into the history of Satoshi Nakamoto and his role in the development and subsequent launch of Bitcoin. As not only was Bitcoin already live since January 3, 2009 (Craig here thinks January 11, 2009 is Bitcoin's go live date for some reason), but Bitcoin wasn't called Beta either. Only by October 29, 2009 would Satoshi Nakamoto lift Bitcoin from an Alpha release to a Beta release.

## Cracked, inSecure and Generally Broken

The ravings of a SANS/GIAC GSE (Compliance & Malware) For more information on my role as a presenter and commentator on IT Security, Digital Forensics Statistics and Data Mining; E-mail me: "craigswright@acm.org".

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Status:  
None

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SATURDAY, 10 JANUARY 2009

### Bitcoin

Well.. e-gold is down the toilet. Good idea, but again centralised authority.

The Beta of Bitcoin is live tomorrow. This is decentralized... We try until it works.

Some good coders on this. The paper rocks. <http://www.bitcoin.org/bitcoin.pdf>

Posted by Craig Wright at [Saturday, January 10, 2009](#) [0 comments](#)

Source: [https://web.archive.org/web/20140602022810/http://gse-compliance.blogspot.com.au/2009\\_01\\_04\\_archive.html](https://web.archive.org/web/20140602022810/http://gse-compliance.blogspot.com.au/2009_01_04_archive.html)

Another blog forgery by Craig, revealed by WikiLeaks, that appears to have been created in the same timeframe, suddenly mentions a "cryptocurrency paper" and "triple entry bookkeeping" inside an existing blog post of August

26, 2008. Also note that his ex-wife Lynn was edited out.

Sometime between 2014 - 2015, Craig S Wright went back and altered an old 2008 blog post, to make it seem like he was working on cryptocurrency in 2008.

Snapshot: 2014-06-02

Snapshot: 2015-10-03

TUESDAY, 26 AUGUST 2008

### Tonight

Tonight I am not studying (in the general sense). This is a change for me.

I have a bottle of wine (a bottle of well aged Penfolds Cabernet Sauvignon (1995 vintage). How to put it, Plum red. with a nose of tobacco leaf, cedar and capsicum. A light vanilla with a slight aftertaste. The tannins are mild and it is drinking well now. I do not see much more time for this wine. It is at to just past its peak and needs to be drunk now).

I have a mixed vegetable lassangne with a rich capisum sauce and nutmeg bechmel.

I have Handel's Messiah sung by the Oxford New College Choir. I listened to George Frideric Handel prior to this with the piece Rinaldo. This is to be followed by Dave Brubeck's album, "Jazz: Red Hot and Cool". Later, Frank Sinatra's album - In The Wee Small Hours.

Later tonight I leave the computer to download Java Security courses, my latest SANS courses and MP3s and a number of books I have purchased online. Later I will watch a movie - Ruins (2007) that I purchased today to watch on the screen with my wife, Lynn.

Once in a while even I have a break from study and writing.

Tomorrow - back to the DNS paper, my statistics dissertation and work.

Tomorrow, Wolfgang Amadeus Mozart. Which piece, well that is still undecided.

Posted by Craig Wright at [Tuesday, August 26, 2008](#) [0 comments](#)  
Labels: [a break](#)

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Once in a while even I have a break from study and writing.

Tomorrow - back to the DNS paper, my statistics dissertation and work. I have a cryptocurrency paper out soon. Twenty years. Triple entry book keeping. BDO was good for something.

Tomorrow, Wolfgang Amadeus Mozart. Which piece, well that is still undecided.

Posted by Craig Wright at [Tuesday, August 26, 2008](#) [0 comments](#)  
Labels: [a break](#)

For Reference:

[http://web.archive.org/web/20140602022658/http://gse-compliance.blogspot.com.au/2008\\_08\\_24\\_archive.html](http://web.archive.org/web/20140602022658/http://gse-compliance.blogspot.com.au/2008_08_24_archive.html)

[http://web.archive.org/web/20151003011022/http://gse-compliance.blogspot.com.au/2008\\_08\\_24\\_archive.html](http://web.archive.org/web/20151003011022/http://gse-compliance.blogspot.com.au/2008_08_24_archive.html)

*The backdated "Rant" post (also created around June 2014) on Craig's blog is particularly interesting because of the hints to "trust" and "2020", which are items that will come back a few months later, in October 2014, when Craig sets up the Tulip Trust fraud.*

# Cracked, inSecure and Generally Broken

The ravings of a SANS/GIAC GSE (Compliance & Malware) For more information on my role as a presenter and commentator on IT Security, Digital Forensics Statistics and Data Mining; E-mail me: "craigswright @ acm.org".

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.org  
Status:  
None

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SUNDAY, 27 MARCH 2011

## Rant

Integrys Pty Ltd was a company I started.

It is now going into receivership. Why? As small minded people from the Australian Tax office see that it has no value.

The IP is to do with Risk, algorithmic analysis, crypto and more. I helped design the world's [first on-line casino](#) and more, but hey, they fail to understand.

So, as the IP is worth nothing, I will give them nothing.

Dave K and a few people I know from Playboy Gaming are setting up a trust. We move this overseas and we will make it work.

Bitcoin has value. It is not a hobby.

It sells for \$5,000 now. Let us see just how much they cry when it is valued in 2020.

---

Posted by Craig Wright at [Sunday, March 27, 2011](#) [1 comments](#)

[Newer Posts](#)

[Home](#)

[Older Posts](#)

*Of interest here is the line "It sells for \$5,000 now.". Note that Craig (back)dated this blog forgery to the year 2011 in or around June 2014. However, the further we go back in time, this same \$5,000 used in the same context, but outed on a different occasion, is planted a year further back in time. This is also signature Craig Wright: can't keep a storyline straight, because at some point it becomes impossible to remember all the lies told where and when.*

13. On 17 March 2014, John Cheshier sent a response to an ATO information request sent on 5 March 2014, in relation to you and DeMorgan. This included responses to questions, and documents in support of those responses. The following information was provided:
  - a. You were not a director of W&K but on occasion served as alternate director.
  - b. You transferred IP to W&K during the 2010 income year, with a value set at \$5,000.

**June 16, 2014:** *The Mark Ferrier (MJF Mining) timeline.*

*Craig Wright, having smelled (temporarily) success with his three New South Wales Supreme Court claims that he — fraudulently — got rewarded in November 2013 and February 2014, apparently thought he could execute this very same type of trick another time.*

*Now that he had set up several forgeries and false claims around MJF Mining (which had convinced NSW Supreme Court so far), of which several made their way into this article series already, it appears Craig will now try to get another government's body stamp of approval for tens of millions in fraudulent claims. Next month, July 2014, we will find the following document with all his lies and forgeries neatly laid out in chronological order and called "Proof Of Evidence Craig Wright" back with the... police.*

*Buckle up. What you're about to dive into is Craig's next Potemkin Village to ultimately advance his Australian tax fraud. All 15 pages are worthwhile a read.*

*The response of the ATO can be found at the end.*

16 June 2014

## PROOF OF EVIDENCE CRAIG WRIGHT

*This document is a draft prepared for the purposes of legal proceedings. It is subject to further instructions from Dr Wright and should not be used for any other purpose.*

1. This is the evidence of Dr Craig Wright regarding his dealings with Mark Ferrier.

### FEBRUARY - MARCH 2013

#### Melbourne Conference

2. In around early February 2013, I attended a Conference in Melbourne on Mining and Security. There were approximately 60 - 100 people at the conference.

**Clayton Utz have evidence relating to the 11th Annual National Scada Conference (Melbourne on 28 - 30 May 2012); 12th Annual National Scada Conference (Melbourne on 26 - 27 March 2013); IT & Network Security in Mining Conference 2012 (Melbourne on 19 - 20 June 2012); Network Security in Mining 2013 Conference (Perth 18-19 June 2013)].**

**There are also other conferences. I really do not remember at which conference I first met him. I have added some other possible. I was talking at up to 16 conferences a year and at that point I did not take notes as I did not know this would be the result. The initial contact was from SMS to my number and mentioned that we met at one of these conferences.**

3. I was invited to attend the Conference to give a presentation about the automation of the mining industry. Specifically, I discussed how mining contracts and mining equipment could be linked by a "block chain". A block chain is a "triple entry ledger".

**I specifically talked on the automation of systems, I had not gone into detail in the presentation. I talked of attacks and mitigation. Bitcoin was a private talk.**

4. I spoke for approximately an hour at each conference. After my presentation, the conference had a morning tea break. At some point during the break an individual approached me.

**I know it was one from that period, but I really cannot remember which one now. It would have been a 10-15 min chat.**

5. This person was male, white, had blue eyes and short "dirty" blonde hair. He had no facial hair, and a round face. He was slightly taller than I am. That would make him approximately six foot and one inches tall. I recall that he was wearing a suit and tie because he stood out from the crowd who were mostly dressed in casual attire.
6. Now shown to me and marked **Annexure 1** is an image taken from the Facebook page of Mark Ferrier. The photograph shows the man who approached me at the conference.
7. This man said words to the effect of:

*"This is all good, but how can it help me?"*

8. In response to his question I explained my interest in Bitcoin and automation. I cannot recall the precise words that I said, but I remember that I spoke for about five minutes about how I think Bitcoin and automation is going to transform the world.

9. When I stopped speaking, he introduced himself and said words to the effect of:

*"I am Mark Ferrier"*

10. I introduced myself and said words to the effect of:

*"I am Craig Wright"*

11. We then had a conversation in words to the effect of:

Mark: *"Would you be interested in chatting some more?"*

Me: *"What would you like to chat about?"*

Mark: *"About how this could help me. I am heavily involved in mining and finance of mining."*

Me: *"Great".*

**I noted to the person who had called themselves Mark Ferrier that I was looking at obtaining automation software it and was interested. I had visited booths etc.**

12. I then handed Mark my business card. I cannot recall if he gave me his business card. I have subsequently searched my files and have been unable to find one.

13. We then had a short conversation in words to the effect of:

Mark: *"Do you mind if I contacted you by Skype"*

Me: *"No, in fact I would prefer it".*

14. We then ended our conversation. The conference continued and I do not recall speaking to Mark again during the conference.

15. I have always preferred communicating with friends and clients online. At this time I thought that Skype kept a record of all messages for about a year. It was only in or around October 2013 that I was informed that following Microsoft's purchase of Skype, records were only retained for approximately three months.

#### **Subsequent Communication**

16. At the end of February, I cannot recall the exact date, I contacted a person using the Skype Profile "Mark Ferrier". I called him directly. I cannot recall what was said, but he sounded similar to the person who I had met at the conference.

17. Shortly thereafter, before the end of February, I had a Skype text conversation with "Mark Ferrier" in words to the effect of:

Mark: *"Are you still looking at purchasing automation software?"*

Me: *"I definitely am"*

**I had noted early on that I was interested in purchasing automation software. I did not take notes as to when, but I have the email and Skype logs.**

18. Within 48 hours of the text message conversation, I was called by Mark on my Skype listed number "(02) 8003 7553". I said words to the effect of:

*"Can I please have your email address?"*.

19. On 3 March 2013, I received an email on my account craig@rejbr.org from markferrier@hotmail.com . The Email read "This is mine". A copy of this email is marked **Annexure 2.**

#### **SCADA Software**

20. Between March and April 2013, I had a number of communications with Mark via Skype. This included voice calls, but was mostly by text. In the course of our conversations I discussed with Mark the concept of a "bitcoin exchange" by which smart contracts would be connected. This is an idea that I had developed with my business partner David Kleiman (**David**) for a period of over a decade.

**I started developing smart contracts in 2007. Dave and I worked on this for a number of years up to 2011.**

I started companies in 2009 for this reason.

A short explanation as to what is meant by "smart contracts"

- [http://en.wikipedia.org/wiki/Smart\\_contract](http://en.wikipedia.org/wiki/Smart_contract)
- <https://en.bitcoin.it/wiki/Contracts>

21. I first met David in 1998/1999. We were both HICC members. We had a common interest in digital/computer forensics and law enforcement and co-wrote a number of papers on crime prevention and digital forensics. David was based in Florida, United States of America.

I met Dave around 1999 first. We became friends in 2001.

<http://www.hightechcrimccops.org/>

The High Tech Crime Consortium is a 501(c) (3) non-profit organization founded in 1998.

It is a professional organization that assists law enforcement and corporate investigators to obtain the knowledge and skills needed to combat 21st Century crime where the use or abuse of digital technology is an element of an offense.

Members of HTCC comprise an international cadre of professionals experienced in detection and investigation of digital crime and forensic examination of digital evidence, practitioners of international, federal, and state criminal law, digital forensic software development or information management and security.

Prior to acceptance for membership, an applicant's employment status is authenticated and additional checks are performed when necessary.

22. The idea conceived by David and me, was to develop a system that integrated Supervisory Control and Data Acquisition (SCADA) software and a Bitcoin exchange. I had a strong interest in SCADA systems, and had published a Book on the topic that was released in February 2013 (see <http://www.crcpress.com/product/isbn/9781466502260>).
23. SCADA systems include hardware and software components. The software gathers data in real time from remote locations, and feeds that data into a computer that has SCADA software installed. The computer then processes the data and presents it in a timely manner. That data may then be used to control equipment and conditions.
24. I explained to Mark my interest in SCADA systems and how they operated. In response, Mark said words to the effect of:
- "MJF Mining is a multi-million dollar contractor and supplier for the mining industry... what you are talking about is of interest to me, because automated services would be valuable within the mining industry"*
25. I told Mark that he was correct - there was scope for the application of SCADA systems to the mining industry. I explained that SCADA is currently used in power plants, oil and gas refining, telecommunications, transportation, and waste and water control. I informed him that Siemens had a SCADA system, as did a number of other "mining people" such as BHP.
26. I also told Mark that the threshold problem for David and I was obtaining access to SCADA software. We did not want to approach Siemens directly, because we intended to review the software to assist us in writing our own programs. We knew that Siemens would not permit this.
27. In response, Mark said words to the effect:
- "That is interesting. We should probably talk more".*
28. Following that discussion, Mark contacted me approximately one week later by Skype and said words to the effect of:
- "If I could get hold of this SCADA software, what could you give me".*
29. I was excited by the prospect of obtaining the software. I told Mark that the only way in which I would be able to finance the deal would be by paying in Bitcoin. He said words to the effect of:

*"I'll get back to you"*

30. Mark contacted me before the end of March, saying he could obtain the Siemens SCADA software, and would accept payment in the form of Bitcoin.

#### **APRIL 2013**

##### **Early April**

31. In early April, I discussed with David the proposed contract with Mark Ferrier. At around this time we decided that we would do business in Australia, and register our company "Coin Ex". See: <http://abr.business.gov.au/SearchByAbn.aspx?SearchText=31+163+338+467>

32. At this point in time, I understood that Mark was able to obtain the Siemens software for me. Having sourced the Siemens software, I asked Mark whether he would also be able to obtain banking software. The system proposed by David and I, and to be operated by Coinex, was to integrate a Bitcoin exchange with the SCADA software. The establishment of a bitcoin exchange would require banking software.

I received the software in July when the first payments had been completed. There is no dispute as to the receipt of the software. The software has been demonstrated and shown to the ATO and others including Commonwealth Government forensic experts.

33. At this point in time I did not have any serious concerns as to the integrity of Mark Ferrier. Mark had obtained Siemens Software for me, and from what I understood I would not pay for the software until I was provided with a copy of it. There seemed minimal risk in the transaction.

I have received the Siemens Software. This is not in dispute.

- **I received the keys and software in August**
- **The keys are the unlock keys to access the software**

34. I also gave weight to items of personal information Mark had disclosed to me in the course of our discussions. He had mentioned that his father was Ian Ferrier, a well-respected insolvency specialist, and that he had "trust fund" set up by his father. Mark told me that he was working in Subiaco, Perth at the time, but lived in Paddington in Brisbane. As I understood these were good suburbs of the respective States. Mark had also lead me to understand that his company, MJF Mining Services WA Pty Ltd (**MJF Mining**), was a company that did multi-million dollar deals "all the time", and I had no reason to doubt what he told me.

35. In addition, on 5 April 2013, I conducted an ASIC search in respect of MJF Mining. That search identified Mark Ferrier as the sole Director and Secretary of MJF Mining, and the only shareholder. The search did not disclose any information of concern. A copy of this ASIC search is marked **Annexure 3**.

**I conducted a Dun and Bradstreet search in March/April 2013. The company came back clean at the time.**

36. For these reasons, I trusted Mark Ferrier's word.

**Late April**

37. On 26 April 2013, David died. I was notified of this by an email from a colleague dated 30 April 2013. A copy of this email is marked **Annexure 4**.

38. The death of David was a shock. It did not, however, distract me from the goal of setting up a Bitcoin exchange.

**MAY 2013**

39. On 3 May 2013, I received an email in my account [craig@rcjbr.org](mailto:craig@rcjbr.org) from [Markferrier@hotmail.com](mailto:Markferrier@hotmail.com). It stated:

*"Mate,*

*That stuff you have been seeking. I have an answer. I know some guys who I have been dealing with in finance that can help with accessing that software you want".*

40. I understood his reference to "stuff" to mean the banking software I discussed with him in April 2013 (see paragraph 32 above). A copy of this email is marked **Annexure 5**.

41. In around mid-May 2013, I had a telephone conversation with Mark. He told me that he had contacts within the Dallah Al-Baraka Group (**Al-Baraka**) who could sell the banking software to me. He also raised the idea that in addition to the contract for purchase of the Siemens and Al-Baraka software I purchase some gold. He said words to the effect of:

*"I am negotiating a deal with mining people in Western Australia and I can get you some gold..."*

42. In making this suggestion Mark alluded to the volatility in value of bitcoin. He said words to the effect of:

*"Mate, you don't know that Bitcoin is going to work. It is volatile. You should diversify in gold.... If you bundle the transaction into one - the Siemens software, Al-Baraka software and the gold, my Dad, Ian Ferrier, will give you free valuation advice on your companies."*

**The companies to have a valuation included Coin-Exch Pty Ltd and Hotwire Pre-emptive Intelligence Pty Ltd.**

43. What I understood from Mark's proposal was that in return for him transferring me the Siemens Software, Al-Baraka software and the gold, I would transfer him a large number of Bitcoin. Mark would then act as an agent with the Bitcoin, and transfer it to the relevant parties as payment. I did not know how much he would get paid, but I knew he would get a cut.

44. On 13 May 2013, I conducted a search of the ASIC database in respect of MJF Mining. A copy of the ASIC extract is marked **Annexure 6**.

45. On 17 May 2013, I received an email in my account [craig@rejbr.org](mailto:craig@rejbr.org) from [markferrier@hotmail.com](mailto:markferrier@hotmail.com) with subject line "Golden". It stated:

*"My lawyer will get a contract to you soon and we can set a price in that funny money you think has value.*

*Look, if it works, we are set. I do think you need to consider that other offer. These clowns are serious and I can get a great deal here. I will sell you the gold to enable you to get a start in the real world and you get me the bitcoin thing.*

*I am not one for this, but as long as the Arabs are willing to get money to me, I will get gold to you. We should talk more on Skype. I know that you will come around. Software has no substance, gold is something you can hold and nothing stops you doing both.*

*Ma."*

46. I understood his reference to:

- (a) "funny money" to be Bitcoin;
- (b) "the Arabs" to be Al-Baraka;
- (c) "the clowns" to be his mining interest in Western Australia. Mark had not disclosed the identity of this mining interest. He did, however, say words to the effect of:

*"although the company has previously had some bad publicity, they have recently been taken over by new bosses so everything will be okay".*

47. A copy of this email is marked **Annexure 7**.
48. At this point in time I did not conduct any further due diligence in respect of Mark or MJF Mining. It had come to my attention, I do not know how, that Mark had previously had a company which had failed. As he had not been disqualified for his conduct, I did not consider this to be of concern.
49. Between 17 May 2013 and 23 May 2013, I cannot recall the exact date, I had a Skype conversation with Mark. This was the first time that we discussed the amount of Bitcoin I would transfer to him, in exchange for the Siemens software, Al-Baraka software and gold. In this conversation Payne's Finds Gold was identified as the "mining interest".
50. Following this conversation, I gave Mark access to a Bitcoin "wallet" so he could see the value of Bitcoin I had. There is a separate document attached that explains Bitcoin and the wallets. At the time of having this conversation, Bitcoin was valued at approximately \$120 - \$140 per Bitcoin [The values are determined on market and we have a value at the time from Xe.com]. I was excited at the prospect of obtaining the Siemens software and Al-Baraka software that I told him I was willing to give him about 50% of my Bitcoin wallet. In May 2013, my Bitcoin wallet would have been worth approximately \$100 million.

John Chesher has the XE.com values – these are market values.

John Chesher can offer the values and amounts – I have provided the details of the wallets I control to the Tax Office as well – I first did this in July BEFORE these transactions.

- <https://en.bitcoin.it/wiki/Wallet>
- <http://moneymorning.com/2014/02/14/bitcoin-heres-everything-need-know/>

51. I understand that Mark took this offer to Al-Baraka who said that they could give me more platforms and modules of the software if I offered more money. I was excited by this prospect, and offered more Bitcoin. I did not turn my mind as to how the Bitcoin would be apportioned between Siemens and Al-Baraka. That was of no interest of me.
52. On 22 - 23 May 2013, I received a series of emails in my account [craig@rcjbr.org](mailto:craig@rcjbr.org) from [markferrier@hotmail.com](mailto:markferrier@hotmail.com) relating to the transaction. A copy of this email correspondence is marked **Annexure 8**.

JUNE 2013

53. On 1 June 2013, I received an email in my account craig@rcjbr.org from markferrier@hotmail.com. It stated:

*"If you can get it witnessed and back before Monday close we are in business*

*Popal wants to go public so some pressure on this end*

*Ma"*

54. I understood this email to mean that Mark required the Contract for the purchase of the Siemens software, Al-Baraka software and Paynes Find Gold options (**Contract**) to be returned by 3 June 2013. A copy of this email is marked **Annexure 9**.

55. At the time of receiving this email, I did not have a copy of the Contract. I contacted Mark Ferrer by Skype to request a copy. He subsequently "shared" the Contract by Skype.

56. The Contract is titled "Contract for Sale of Personalty". I thought it was strange that the Contract was expressed in these terms. I raised this with Mark. In response, he said words to the effect of:

*"It is just what the lawyers require".*

57. A copy of the Contract provided to me is marked **Annexure 10**.

58. On 1 June 2013, I accessed website <http://www.goldnewsworldwide.com/lag/operations/> which stated the following:

*"Paynes Find Gold (ASX - PNE) will soon provide an operations update and has placed its shares into an ASX trading halt while it prepares the announcement".*

A copy of this search is marked **Annexure 11**.

**A number of Reports relating to PFG are available.**

59. On 2 June 2013, I received an email in my account craig@rcjbr.org from markferrier@hotmail.com subject line "Letter". Attached to this email was a confirmation letter stating that, amongst other things:

*"We will issue the license agreement and finalize the contract payment upon satisfactory completion of company registration".*

60. A copy of this correspondence is marked **Annexure 12**.
61. On 11 June 2013, I conducted an ASIC search of MJF Mining. A copy of this extract is marked **Annexure 13**. I conducted a search after the Contract had been executed as my lawyers and accountants have been told to maintain records – I did this each time as a double check as it was a large amount of money.

**JULY 2013**

62. On 1 July 2013, I received an email in my account craig@rcjbr.org from mark@mjfmminingservices.com. Attached to that email was Tax Invoice 0B0188 issued by "MJF Contracting" (**First Invoice**). The First Invoice specified that I was to pay SAU 38,830,000.00 by 15 August 2013, and related to the supply of the Siemens Software, Al-Baraka Software, Gold and Bitcoin. A copy of this correspondence is marked **Annexure 14**.

**AUGUST 2013**

63. On 9 August 2013, I conducted a Dun & Bradstreet search in respect of MJF Mining. I noted that Mark Ferrier was listed as the sole Director and Secretary. A copy of the Dun & Bradstreet report is marked **Annexure 15**.
64. On 15 August 2013, I received an email in my account craig@rcjbr.org from accounts@mjfmminingservices.com subject line "Receipt". This email stated that:
- "We will process a transfer tomorrow and as long as the first account settles in the timeframe as promised we will proceed".*

65. A copy of this email is marked **Annexure 16**.

66. On 16 August 2013, I received an email in my account craig@rcjbr.org from accounts@mjfmminingservices.com subject line "Receipt". This email stated that:

*"The client has confirmed the transaction and the confirmation process. We will arrange finalising this and completing the transactions".*

67. A copy of this email is marked **Annexure 17**.

68. On 20 August 2013, I received a Skype text message from Mark Ferrier telling me to use email address mjf@mjfmminingservices.com. A copy of this email is marked **Annexure 18**.

69. On 22 August 2013, I received an email in my account craig@rcjbr.org from markferrier@hotmail.com in which Mark requested the "key" [this a reference to the software key – it is used to unlock and access the code]. A copy of this email is marked **Annexure 19**.

70. On 24 August 2013, I received an email in my account craig@rcjbr.org from markferrier@hotmail.com relating to the transaction. A copy of this email is marked **Annexure 20**.
71. On 15 August 2013, I received "Tax Invoice Dallah" for the specified sum of \$20,311,471.84 relating to the supply of the AI-Baraka software (**Second Invoice**). The Second Invoice specified that payment was by 30 September 2013. A copy of this Invoice is marked **Annexure 21**.

The accounts and an excel spreadsheet titled 'Core Software' that shows 135,100.10 were transferred on 15 September 2013 as well as the transaction details are available as evidence.

72. On 30 August 2013, I paid MJF Mining the sum of 245,103.89 Bitcoins, which was the equivalent of \$AU 38,830,000.00, being the sum specified in the First Invoice. A copy of the confirmation of Transaction Payment is marked **Annexure 22**.

#### **SEPTEMBER 2013**

73. On 15 September 2013, I transferred 135,100.10 Bitcoins in consideration. A copy of an excel spreadsheet titled "Core Software Invoice" is marked **Annexure 23**.

#### **OCTOBER - NOVEMBER 2013**

- On 1 October 2013, Paynes Find Gold Limited advised that it had formally terminated its Mining Services Agreement with MJF Mining. A copy of the Operations Update issued by Executive Director Carl Popal is marked **Annexure 24**.

I became aware of this on the **third week of Oct** – I was informed by Mr Popal of PFG that they did not trust Mr Ferrier and saw "issues" with the agreement between PFG and MJF.

74. On 10 October 2013, I conducted an ABN search for MJF Mining's ABN "65 160 509 204". A copy of the ABN search result is marked **Annexure 25**.

**I conducted this search as I was checking the address to contact Mr Ferrier (who had been unresponsive) – I was not able to get a hold of them and was trying everything I could.**

75. On 12 October 2013, I received an email from Markferrier@hotmail.com attaching the username to access to AI-Baraka Software. A copy of this email is marked **Annexure 26**.
76. It has subsequently been brought to my attention that Mark Ferrier had been extradited to Queensland at this time. A copy of a news article confirming this is marked **Annexure 27**.

John Cheshier informed me of this in the third week of Oct.

Carl Popal pointed me to the newspaper article when I called him

77. On 13 and 17 October 2013, I conducted ASIC Company searches for MJF Mining. These searches confirmed that Mark Ferrier was still listed as the sole director and secretary of MJF Mining, and the only shareholder. A copy of these Company Extracts are marked **Annexure 28**.

**I conducted searches on these two dates as I was concerned. I was not aware at this point that Mark had been extradited from Perth in September.**

I was not able to get on to MJF at all.

I was not aware of the legal issues with Mark before I was informed by John etc. I discovered these issues on a later date.

78. I received no further correspondence from Mark following 12 October 2013.

#### **NOVEMBER 2013**

79. On 10 November 2013, I conducted a search of the ASIC database in respect of MJF Mining. A copy of this search is marked **Annexure 29**.

80. On 13 November 2013, I conducted a search of the ABN database in respect of ABN "65 160 509 204". The search results confirmed that MJF Mining remained "active". A copy of this search is marked **Annexure 30**.

81. On 19 November 2013, I commenced Supreme Court proceedings 2013/348577 against MJF Mining. These proceedings were commenced by of Statement of Claim, a copy of which is marked **Annexure 31**.

82. On 19 November 2013 at 1:09 pm, I caused a copy of the Statement of Claim in the Supreme Court proceedings to be sent by email to [accounts@mjfminingservices.com](mailto:accounts@mjfminingservices.com). A copy of this email is marked **Annexure 32**.

83. On 25 November 2013, I wrote to [mark@mjfminingservices.com](mailto:mark@mjfminingservices.com) saying:

"Is anyone there".

A copy of this email is marked **Annexure 33**. I did not receive a response to this email.

#### **DECEMBER 2013**

84. On 18 December 2013 at 08:10 am, I received an email from accounts@mjfmminingservices.com in response to my email dated 19 November 2013. I responded to this email at 11:21 am that day. A copy of this correspondence is marked **Annexure 34**.
85. On 18 December 2013 at 11:32 am, I wrote to mjf@mjfmminingservices.com and mark@mjfmminingservices.com. saying:
- "Hello Mark,*
- It has become imperative that you contact us urgently.*
- If we are not contacted before the end of the month we will have to look at appointing receivers.*
- Regards."*
86. I have not received a response to this email. A copy of this email is marked **Annexure 35**.
87. On 19 December 2013, I commenced Federal Court proceedings NSD2577/2013 against MJF Mining. These proceedings were commenced by way of Originating Application and Statement of Claim, copies of which are marked **Annexure 36**.
88. On 19 December 2013 at 11:49 am, I caused a copy of the Statement of Claim and Originating Application in the Federal proceedings to be sent by email to accounts@mjfmminingservices.com.
89. On 19 December 2013 at 4:40pm, I received an email from accounts@mjfmminingservices.com stating, amongst other things, that:
- "We note that we cannot accept service and reject this as we do not desire to act on a matter whilst an authorised officer of the company is indisposed.*
- We will contact you when Mark is back. We will not accept further correspondence regarding this matter before this.*
- Accounts."*
- A copy of this correspondence is marked **Annexure 37**.
90. On 21 December 2013, I conducted an ASIC search in respect of MJF Mining. The search results disclosed that Mark Ferrier was no longer the Director or Secretary of MJF Mining. A copy of the ASIC Company Search Results are marked **Annexure 38**.

91. On 24 December 2013, I conducted a "Whois" search in respect of "MJFMININGSERVICES.COM". A copy of the search results are marked **Annexure 39**.

The owner of the domain mjfminingservicecs.com is Mark Ferrier and thus he owns and controls the emails.

This has been updated to hide Mr Ferrier and change the results in the 2014 year after the court action.

92. On 29 December 2013, I conducted an ASIC search respect of MJF Mining. The search results confirmed that Mark Ferrier was no longer the Director or Secretary of MJF Mining. A copy of the ASIC Company Search Results are marked **Annexure 40**.

DRAFT

*The ATO made no prisoners in their judgment of Craig Wright's attempt to use Mark Ferrier for another multi-million dollar cosplay fraud.*

"Siemens and Al Baraka have confirmed that they did not transact with any of MJF or W&K [...] MJF has denied supplying you any software [...] It follows that these documents (including any related purported invoices or tax invoices) can be considered a **nullity based on sham.**"

Purported acquisitions from MJF and W&K

93. In this case we do not accept that you acquired software from MJF or W&K as Siemens and Al Baraka have confirmed that they did not transact with any of MJF or W&K, and it is from these entities that you purport to have acquired Siemens and Al Baraka software.

94. Additionally, according to our records MJF, has denied supplying you any software which in our view supports the conclusion that no such acquisition occurred, and or, that documents purporting otherwise did not reflect the common intention underlying any transaction between you and MJF, if indeed a transaction occurred. It follows that these documents (including any related purported invoices or tax invoices) can be considered a nullity based on sham.<sup>37</sup>

95. Moreover, we do not accept that the NSWSC court proceedings resulted in any acquisition by you of software and or IP from W&K, or any acquisition by you of software and or IP from W&K for the value asserted. The NSWC did not consider any evidence or make any findings of fact as to the existence or value of the software you purportedly acquired from W&K as a result of the proceedings.

*Interestingly, Daily Mail Australia published an article called "[Suspected Bitcoin founder 'paid \\$85 million' worth of the cryptocurrency to buy gold and software... after 'being told it was good insurance for his funny money'](#)" on December 14, 2015, in which they inquired Craig's MJF Mining scam. We can find the following quote, adding legitimacy to the ATO findings:*

"Dr Wright alleged he paid Mr Ferrier the value of \$38.8m, equivalent to 245,103 Bitcoins, in August 2013 and a further \$20.3 million, or 135,000

Bitcoins, the next month.

Later in 2013, Dr Wright launched action against Mr Ferrier in court, however, discontinued it in March 2014, The Australian reported.

**On Sunday, Mr Ferrier told The Australian he had 'never met' Dr Wright before the legal action, and said the academic had not paid him 'one cent'."**

*Case closed.*

**July 2014:** *Craig files MJF Mining complaint at New South Wales Police Force.*

*The "Proof of Evidence Craig Wright" just showcased in full, appears to have been used and filed as a "Statement of a Witness" at the NSW Police Force. Knowing that the ATO completely debunked the MJF Mining scam as, indeed, a scam (although they described it poetically as a "nullity based on sham"), the sentence "I will be liable to prosecution if I have willfully stated in it anything that I know to be false, or do not believe to be true." suddenly becomes an interesting one to keep in mind in the upcoming years.*



## STATEMENT OF A WITNESS

**In the matter of:** Police v FERRIS  
**Place:** Hornsby Police Station  
**Date:** July 2014

**Name:** Craig WRIGHT

### STATES:

1. This statement made by me accurately sets out the evidence that I would be prepared, if necessary, to give in court as a witness. The statement is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I will be liable to prosecution if I have wilfully stated in it anything that I know to be false, or do not believe to be true.

Source: <https://www.courtlistener.com/docket/6309656/550/11/kleiman-v-wright/>

### **July 10, 2014:** *The Bitcoin Doco Recordings.*

*These are currently the oldest known recordings of Craig Wright talking about Bitcoin. Released in a series of three videos only in 2016 on Vimeo, and in 2017 on YouTube, this material of Craig visiting the first Australian Bitcoin Conference in Melbourne, and being interviewed in July 2014 gives an unique insight into his character and where he stood at the time with his Bitcoin knowledge.*

*Looking at the context of a massive tax fraud going on in the background (that was already under ATO Refund Integrity inquiry, and that had just made Hotwire group go bankrupt 2.5 months earlier), where Bitcoin is provably used by Craig as a mega-million scam tool, it becomes clear that Craig Wright, like any experienced con man, highly depends on playing the "confidence game"(1) in an attempt to impress and defraud the listener. Notice, while using some of the right Bitcoin buzzwords, his preference for*

*general terms, vague language, and long windedness. You will never watch these Bitcoin Doco videos with the same eyes again.*

- (1) "any swindle in which the swindler, after gaining the confidence of the victim, robs the victim by cheating at a gambling game, appropriating funds entrusted for investment, or the like" — Collins English Dictionary

**August 11, 2014:** *ATO hearing #3.*

*By now, we have seen a plethora of fine examples how Craig Wright basically lives in a fantasy world of his own making. A world where he is only out to deceive everyone who enters it. And Craig's performance during the ATO hearings in 2014 is, again, no exception.*

*For example, W&K Info Defense Research LLC never received any payment for anything, let alone from Playboy Gaming or other people in the gambling field as we learned earlier.*

O'Mahoney Right. And did you invest in WK Info Defence?

Wright More indirectly than directly.

O'Mahoney What does that mean?

Wright At the time we got a lot of payments from people I'd worked with in the past. Playboy Gaming and other people that I still do work for, basically in the gambling field. I do a lot of statistical work, validating algorithms, etcetera, and I also do a lot of work validating ..... the house wins, and I get paid for that and rather than me getting paid for that, the entity got paid for that.

O'Mahoney The entity being WK Info Defence?

Wright Yes.

Source: <https://www.courtlistener.com/docket/6309656/547/5/kleiman-v-wright/>

*During this interview, the issue of the software that W&K had supposedly developed, which Craig had ascribed significant value to during his NSW Supreme Court 'recovery' action against it, was raised. In the below excerpt Craig has just been asked if he had instructed lawyers during those proceedings and, after responding in the negative, he then confirms that it*

*was he who had conducted the legal actions himself. So the interview asks for further clarification on some pertinent matters relating to the prosecution of this case, namely, the basis by which Craig has ascribed such significant value to the software he'd claimed W&K had developed.*

*We are all acutely aware at this point that the only thing W&K had ever received from the US DHS has been a letter roundly rejecting their four contract proposals. Something this interviewer, likewise, also knows. They lead with a reference to the pleading documents which he had just had Craig confirm he was entirely responsible for, which state that the software he and Dave had supposedly developed through W&K has significant value because it has been used by the United States military and the Department of Homeland Security.*

*Craig, clearly now aware he is on thin ice, responds with a non-committal grunt.*

*The interviewer then asks him to explicitly confirm if this is the case, that the software was used by those entities.*

*Craig replies with a flurry of vague hand-wavy references to how ill Dave had been, because whatever is wrong it'll be the dead guy's fault, right?*

*But as you read through the rest of this line of questioning, the ATO know exactly what Craig is guilty of on this matter:*

5 O'Mahoney Okay. Looking at those, the pleading documents in those proceedings, and if I'm using language that you want me to explain, please do – they indicate that the relevant software had been used by a number of entities, including the United States military, an entity, DHS, and there's some reference in some materials I've seen to the Department of Homeland Security

10 Wright Mm.

O'Mahoney Do you say that that is the case, that the software was used by those entities?

Wright Before Dave died, we had gone down the path of getting funding for all of that stuff to be used. SWAMP and other such things are being issued for that. I wasn't involved at all and I don't – Dave was actually a lot sicker than he let on. I didn't realise he was actually ill at all other than - I mean, he'd been in and out of hospital the whole time I've known him because of medical problems from ..... a long, long time ago. And no one knew how bad it actually was with Dave, and it was not expected that he would be dead. He's only a few years older than me and - - -

15

20 O'Mahoney I guess, to wind it up, by way of background, was it the case that part of the value of what was – or this software was, that it had been used by these entities: DHS, US military.

Wright No, it was more – the value was – well, if he had lived, then we were hoping to make - AusIndustry has the scheme here. US Government, DAPA and all the rest actually paid for research. Dave was a US vet and a number of other things, that make it more likely that you can get that funding, and all of us had been in ..... when Bitcoin wasn't worth so much. So, at that stage, we knew we would need a lot more than we had to keep our research going, so we were trying to get every source we could.

25

30 O'Mahoney The Commissioner has done quite a bit of investigative work, if you like, into those alleged contracts and arrangements and it seems that – and I'm sure this has been indicated to you, that there were no such contracts or this software was not being used by US military, Department of - - -

Wright I don't know what was being done. Dave ran that himself. I know we had applied. I know he should have gone through with it. I don't know where it got to and I don't know why he didn't. The only thing I can - - -

35

O'Mahoney But Dave wasn't giving instructions in the Supreme Court proceedings. That has to be corrected, doesn't it?

Wright No; he was dead.

Source: <https://www.courtlistener.com/docket/6309656/547/5/kleiman-v-wright/>

*There is so much to enjoy about the above excerpt, especially the, 'we all know exactly what the truth is, Craig' section where the interviewer informs him, "The Commissioner has done quite a bit of investigative work [...] there were no such contracts [...] this software was not being used by the US military [or DHS]", which Craig frantically interrupts with a pleading so desperate you can hear the flop-sweat from here, where he is trying to claim that he didn't know anything about it, that it's all, as we said, 'the dead guy's*

*fault'.*

*But, even beyond that hilarious 'gotcha' moment, is what comes next, the part where the interviewer then points out to Craig, "But Dave wasn't giving instructions in the Supreme Court proceedings. That has to be corrected, doesn't it?" Which actually is really important to understand in all its glorious significance. What he is saying to Craig is that, if the value assigned to the software in the NSW SC case is predicated on it having been utilised by entities such as the US Military and Department of Homeland Security, but that it has subsequently been proven to be a false claim, it would have to be 'corrected'.*

*Put simply, even outside of clearly-apparent perjury and fraud committed by Craig in the NSW Supreme Court, his outrageous scheme is predicated on the supposed tens-of-millions of dollars of 'value' his legal action had 'recovered' for his tax rebate scam, a claimed value which is provably false.*

*Craig can only muster up a glib, "No, he was dead." in response.*

*Another notable moment arrives when a trust in Panama is being discussed during this hearing. As we learned in Part 1 of this series, during the first few months of his Bitcoin related tax fraud that started in the Summer of 2013, Craig had no trusts for 'his' Bitcoin that he claimed he had mined or otherwise obtained.*

*Instead, Craig claimed several times he had full "control" over all his Bitcoin. Then, for tax reasons and under growing audit pressure of ATO late 2013, to be continued strongly in 2014, it became necessary for Craig to put 'his' Bitcoin 'offshore'. As a result, Craig started to come up with (blind) trusts in his explanations, and they were supposedly located all over the world. UK has been mentioned, Seychelles, Belize, Singapore... And Panama.*

O'Mahoney And what is it that WK Info Defence, what's its business or enterprise?

Wright The idea came about because I didn't trust the Tax Office here. I had had a number of run-ins because of Information Defence Australia and Integyrs that I had set up over here. Those companies – well, although I'd spent lots of money and around 500 computers ..... research to bitcoin mining ..... considered ..... by the ATO, so everything I had I moved over at a nominal rate, which was based on what it was worth at the time, into a trust and everything over there because back then I believed bitcoin was worth a lot of money.

O'Mahoney What was the trust that was established?

Wright There was one in Panama that I don't have all the details of.

O'Mahoney What's it called?

Wright Don't know all the details. I don't know.

O'Mahoney Or any details.

Wright I know there's a trust in Panama that's set up.

O'Mahoney When was that set up?

Wright In probably '11.

O'Mahoney And were you involved in establishing it?

Wright No.

O'Mahoney Was it set up to your benefit?

Wright It is set up for the benefit of the research I'm doing.

Source: <https://www.courtlistener.com/docket/6309656/547/5/kleiman-v-wright/>

*So here you have it, a trust in Panama not established by Craig Wright, but set up in 2011 for the benefit of the research he is doing. This supposed trust held 1.1 million Bitcoin and software, we learn a bit later in the hearing:*

O'Mahoney So, sorry, can you just explain that – when you say bitcoin's value, \$20 million.

Wright Bitcoin was going from practically nothing to over a \$1000 profit, around 600 ..... At the start of this, we had 1.1 million bitcoin.

O'Mahoney 1.1 million bitcoin. And is that really how the company was funded on establishment?

Wright And it's - - -

Sommers It's the - - -

O'Mahoney The trust etcetera.

Sommers - - - but did Coin Ex have 1.1 million bitcoin.

O'Mahoney No.

Sommers Right. Greg – Greg - you need to be precise with your answers about – Greg is asking about Coin Ex?

Wright No, the trusts had available bitcoin. That was then going to be loaned into the

wright NO, the trusts had available bitcoin. That was then going to be loaned into the other company.

O'Mahoney Okay. Well, how was – on founding how was the company funded, that is Coin Exchange?

Wright On founding?

O'Mahoney On its being founded, established?

Wright We had assets that were being brought in from Panama, software etcetera.

O'Mahoney Okay. Well, I will get you to flesh that out. What were the assets being brought in from Panama?

Wright Bitcoin and software.

O'Mahoney Okay. Starting with the bitcoin, what – what was the bitcoin that was brought in from Panama?

Wright I would need to look at the actual figures. I can't remember off the top of my head.

O'Mahoney Do you have a rough idea of the value of that Bitcoin?

Wright Not on day 1. I think if you look at the – I don't remember. It's whatever in the accounting system.

O'Mahoney All right. Was it valued in the hundreds of thousands, the millions, the tens of millions – can you speak to.

Wright The tens of millions.

O'Mahoney Tens of millions. And, but where was that brought in from in Panama?

Sommers Just to be clear, Greg is asking was bitcoin brought in from Panama?

Wright No. Because I - - -

Sommers You need to be precise - - -

Wright We never physically took bitcoin over, which was ..... trust ..... after in the first instance with the ATO.

O'Mahoney Okay. So – so when you say that part of the funding of this company on establishment was bitcoin brought in from Panama, what do you mean by that?

Wright The rights to bring Bitcoin from overseas.

O'Mahoney And you say that – you say that that was part of the funding of the company when it was established?

Wright Yes.

O'Mahoney How does that work?

Wright Sorry. What do you mean how does that work? You have the right to ..... something.

Source: <https://www.courtlistener.com/docket/6309656/547/5/kleiman-v-wright/>

“You have the right to... something.”

*Indeed. If only this 'something' existed outside Craig's fantasy.*

*For some reason, Craig stuck to the country of Panama for a while in 2014 during the ATO audits. And not afraid to back down on a lie on other occasions, during the early stages of the Kleiman v Wright lawsuit, Craig did the same; he came up with a Panamanian trust, but now backdated to 2009.*

*For example, we find Craig stating in his May 8, 2019 Declaration:*

#### **Tulip Trusts**

4. I mined Bitcoin during the years 2009 and 2010. I mined that Bitcoin directly into a trust, named [REDACTED].

The trust was located in Panama. No formal trust documentation was executed regarding the Bitcoin. There are no transactions related to the Bitcoin that I mined. I

Source: <https://www.courtlistener.com/docket/6309656/222/kleiman-v-wright/>

*The Panamanian trust was supposedly called "0133224d" as we learned in another Declaration of Craig Wright a few days later, dated May 13, 2019. How 0133224d relates to the much longer redacted name in the screenshot above is unclear.*

10. The electronic files that would be used to create the private keys to the Bitcoin that I mined directly into the trust known as 0133224d, were transferred into Tulip Trust I. The Bitcoin itself, however, has never been transacted. There is thus no transaction documentation for the movement of any of that Bitcoin.

Source: <https://www.courtlistener.com/docket/6309656/332/2/kleiman-v-wright/>

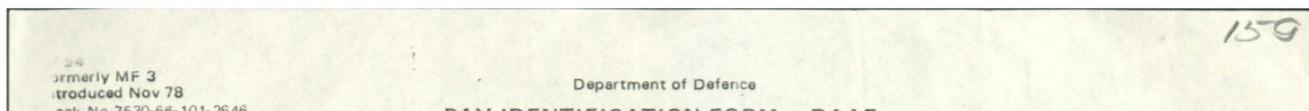
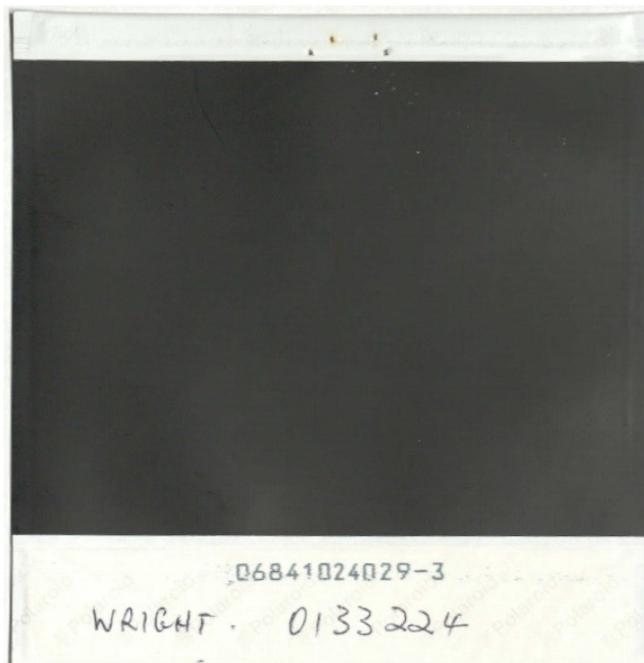
*Craig Wright also mentioned this trust name in a deposition, discussing both his May 2019 Declarations, [on June 28, 2019](#).*

“Q: But it resulted in coin appearing under your possession, as I understand the word “coin” to be?

A: No, it was not under my possession. I mined directly into an algorithm that was owned, and I had set up the **Trust 0133224D**, was constructed in 1997 in Panama. That was — that is now no longer in existence. That trust —

MS. MCGOVERN: Dr. Wright, please just answer the question with respect to the Bitcoin that you mined in the relevant time period. That was the question.” — Vel Freedman, Craig Wright

*Fun fact: The name of this Panamanian trust appears to be a combination of Craig’s Royal Australian Air Force (RAAF) Service Number “O133224”, which was appointed to him in August 1989, and the discharge code “D” (MEDICAL) that Craig obtained in October 1990 when he left the RAAF.*



RAAF IDENTIFICATION FORM - RAAF

Service No. 0133224 Rank OFFCDT Branch/ Pay Level ENGRUNCAT Mustering ENGRUNCAT Period of Engagement

Date of Enlistment 22 Aug 1989 Unit 23 SQN Enlistment POR No. Pay Book No.

---

PARTICULARS TO BE FURNISHED BY MEMBER

1. a. Surname WRIGHT b. Christian or Given Names CRAIG WRIGHT

c. Date of Birth 23 OCT 1970 d. Religion None

2. State dates of previous RAAF Service and Official No.

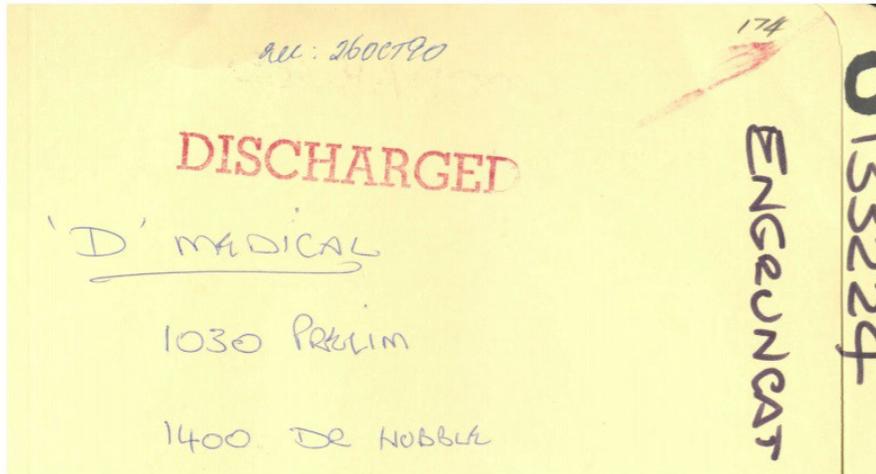
3. State whether single, married, widowed or divorced Single

4. If married

a. What is your wife's full name? N/A

b. What is her permanent address?

c. Does a state of separation exist between you and your wife, and/or is there any judgement, order or decree in divorce proceedings affecting the said marriage? If so, state brief particulars.



Source for images mockup (PDF top right):

<https://recordsearch.naa.gov.au/SearchNRetrieve/Interface/DetailsReports/ItemDetail.aspx?Barcode=14078466&isAv=N>

On a sidenote, in 1996 Craig would tell a completely different story: "The few months I was unemployed after I left the military because of a **confict [sic] of interests** I earned money by doing whatever I could get (even though I am an engineer I have worked in a petrol station)". Does this sound 'medical' to you? Nah, probably not.

Anyway, let's not drift away too far now. Apparently, when Craig started to realize that Ira Kleiman's counsel would leave no stone unturned in their research, he backtracked completely on the Panamanian trust (as it, of course, didn't exist). That's what we see happening here, in a [deposition on March 18, 2020](#):

BY MR. FREEDMAN:

Q: Did you ever mine Bitcoin into a Panama trust?

A: No, I did not mine Bitcoin into a Panama trust.

*And there you have it, Craig Wright caught lying in court again, under penalty of perjury in false declarations and during depositions under oath, as summarized by team Vel Freedman in their epic Omnibus Sanctions Motion:*

After Wright's May 8, 2019 declaration affirmed that he'd mined bitcoin "during the years 2009 and 2010 . . . directly into a trust . . . located in Panama" (ECF No. [222], ¶4; [373], at 6), Plaintiffs began building their case around these sworn representations. To that end, they identified an August 11, 2014 ATO transcript (Ex. 13, at DEF\_00068671) where Wright told the ATO he had mined bitcoin with Dave into a Panama trust.<sup>22</sup> But ten months later, when asked at deposition "Did you ever mine Bitcoin into a Panama trust?" Wright responded with "No, I did not mine Bitcoin into a Panama trust." Ex. 3, at 104:8-11.

The examples above are just some of the ways Wright's lies, forgeries, and deceptions have obstructed Plaintiffs ability to discover the scope and extent of the Satoshi Nakamoto Partnership.

Source: <https://www.courtlistener.com/docket/6309656/512/kleiman-v-wright/> (page 12)

*With this take down of another Craig Wright lie, let's close the Panama trust chapter. Be assured that the ATO also did not accept the existence of this, or any for that matter, trust. More about that later in this year.*

**August 18, 2014:** ATO hearing #4.

*In the next hearing, a week later, we come across another Craig Wright fantasy: being rich and transacting in the hundreds-of-millions of dollars. These big numbers are so easily achieved when you can simply fabricate wealth in your imagination, aren't they?*

Let's recap from "[Faketoshi, The Early Years — Part 1](#)":

- September 20, 2013 — \$78,500,000
- October 2, 2013 — \$100,000,000
- October 6, 2013 — \$230,000,000 (\$165,000,000 in XBT)

- *January 8, 2014 — \$700,000,000*

*And here appears to have been Craig's upper limit of his lies about amounts he 'controlled'. As during the August 18, 2014 hearing he did not raise the "spending capacity" known as "the Bitcoin that we control" any further, and stuck to simply \$650,000,000.*

*Meanwhile, Craig's dandy lifestyle is nearly wholly (94%) dependent on cash received from his fraudulent tax rebates, remember? The ATO are more than aware of this and at this point are clearly at the stage of interview questions that allow Craig to explicitly confirm his lies to them, for what would come later. For now, they are just giving him enough rope...*

O'Mahoney Dr Wright, let me comment it this way: as at mid-2013 what was the maximum spending capacity of the group?

Wright What do you mean "the maximum spending capacity"?

O'Mahoney How much did the group - we've established that it relied upon the same funding source - how much did it have to spend?

Wright 650 million.

O'Mahoney 650 million dollars?

Wright Approximately. If you look at the value of bitcoin and the amount transferred.

O'Mahoney And what would be the best document for us to look at to see that?

Wright When you look at the loan document, the amount transferred, you can look at the - just go to xe.com, have a look at what it's actually valued at and it's on a public website.

O'Mahoney So just be clear, just be clear, the spending capacity of the group was 650 million dollars as at mid-2013. That's your recollection?

Wright Yes.

Source: <https://www.courtlistener.com/docket/6309656/547/4/kleiman-v-wright/>

**September 9, 2014:** *Craig creates HighSecured invoice forgery.*

*Multiple court cases, both historic and current, have exposed Craig's reliance on fraudulent and forged 'evidence' to support whatever his claimed position is at any given moment. For somebody who professes to be the world foremost expert on, well, pretty much everything IT related, he has*

*demonstrated an almost-laughable incompetence when it comes to covering his tracks.*

*Below is a cut from the Expert Witness report of Dr Edman, who found dozens of forgeries in the Kleiman v Wright case. Among them, a backdated to March 10, 2014 HighSecured invoice, recreated on September 9, 2014 from a 4Cabling invoice created on August 22, 2014.*

*For context, Craig attempted to fool the ATO into believing that his business activities related to his extensive R&D and GST rebate claims were legitimate and had substance. Part of that effort, in this case, involved his faking an invoice from the offshore cloud hosting service, HighSecured.com, which was based in Panama. So he takes a '4Cabling' invoice he had to hand and... just... edits it!*

#### **I. DEF\_00051010**

1. I reviewed DEF\_00051010, which is a PDF that appears to be a scan of a printout of an alleged invoice from HighSecured.com dated March 10, 2014. The invoice purports to show payment for an “IaaS<sup>1</sup> agreement.” I understand the Defendant has previously sworn to the authenticity of this document. (Craig Wright Decl. (May 13, 2019), attached as Exhibit 1.)

2. I identified DEF\_01600685 which is a PDF that is visually identical to the scanned invoice in DEF\_00051010. I extracted and analyzed metadata associated with DEF\_01600685.<sup>2</sup> (Exs. 2-5.) The metadata indicates DEF\_01600685 was initially created on or about August 22, 2014 and later modified on or about September 9, 2014 on a computer whose time zone is consistent with eastern Australia (UTC+10). The metadata also indicates the title of the document is “InvoiceSale (4Cabling).”

3. I also identified DEF\_01600654, which is a PDF of an invoice from a company called 4Cabling for the purchase of extension cords. The invoice was attached to an email in DEF\_01600652, which contains an order confirmation from 4Cabling sent to Craig Wright on or about August 22, 2014. I extracted and analyzed the metadata associated with DEF\_01600654.

(Ex. 6.) I determined the metadata in Exhibit 6 contains hexadecimal-encoded values, which I decoded<sup>3</sup> and have attached at Exhibit 7. The decoded values in the metadata indicates DEF\_01600654 was created at the exact same time and contains the exact same title (“InvoiceSale (4Cabling)”), creator tool (“Jim2 Business Engine”), and producer (“ReportBuilder”) as the purported HighSecured.com invoice in DEF\_01600685.

4. I also analyzed the internal structure of DEF\_01600685. I determined that DEF\_01600685 and DEF\_01600654 contain the same PDF file identifiers. (Exs. 8-10 and Ex. 11, respectively.) A PDF file identifier is like a DocumentID in that it contains a unique value which can be used to associate multiple versions of the same document. In other words, the file identifiers in DEF\_01600685 and DEF\_01600654 indicate they are two versions of the same document.

5. I also identified numerous TouchUp\_TextEdit marked content points in DEF\_01600685 that indicate the PDF had been modified. (Ex. 12.<sup>4</sup>) I have attached a demonstrative that highlights the portions of text in DEF\_01600685 that appear to have been modified based on my review. (Ex. 13.)

6. Accordingly, it is my opinion that DEF\_00051010 does not represent an authentic invoice from HighSecured.com, but instead has been manipulated.

*And unsurprisingly, when Vel Freedman (head lawyer of the Ira Kleiman team) is discussing these HighSecured invoices with Craig Wright during a [deposition on March 18, 2020](#), it's a bit of a struggle to get a straight answer out of him.*

“Q: Let me make it easy for us. For the documents we have just reviewed, is it your testimony — strike that. Dr. Wright, did you create the invoices that we just reviewed from HighSecured?”

A: No. Those invoices were actually pulled up directly from HighSecured servers while the Australian Tax Office were in our office while our lawyers were there, while external accountants were there.

Q: Let me just re-ask the question on a clear way. Did you or did you instruct anyone to create the invoices that we reviewed today?

A: We had gone through purchasing and invoicing processes through the company accounts, so the accounts system in DeMorgan and the payment — what do you call it? There was a client interface on the Panamanian servers, so we did our orders on that.

Q: Dr. Wright, that was not my question. My question was did you or did you direct anyone to create the invoices we looked at today?

A: If you are asking did I say the purchase was to go through, then yes I told my — —

Q: Let me clarify the question.

A: You said "or direct".

Q: Yes. Did you or did you direct anyone to create the actual invoice we saw, the document we saw? Did you direct or did you create the actual invoice we looked at?

A: No. I don't create any documents to do with accounting. I am not the accountant, I don't run any accounts. I go to the accounting team and the other teams and I, basically, instruct people if there is a large purchase that has gone through board sign off and I say "please do X".

Q: Dr. Wright, I do not think you are trying to be evasive here. I am just trying to get a clean record. Did you instruct somebody to create this invoice so it looked like it was from HighSecured when it was not really from HighSecured?

A. No.

MR. RIVERO: Objection. I don't want to interrupt Mr. Freedman's examination, but can you just answer whether you instructed anyone to fake this invoice.

A. No one is instructed to fake an invoice.

BY MR. FREEDMAN:

Q: Did you instruct anyone or did you yourself fake the e-mail communications between the — strike that. Did you or did you instruct anyone to fake the e-mail communications we have reviewed that purport to

come from HighSecured or Ritzela De Gracia?

A: No. There was no point where anyone was instructed to make any fraudulent or faked documents at any point. During the sending of some of those e-mails I was sitting with counsel Andrew Sommer in Australia and with the accountants that ran this. I did not even touch the computer, I was not there, but Ali Lodey — I don't know how to spell the last name — the account and other people demonstrated access to the server directly from HighSecured to the ATO, where the information was downloaded. I watched that happen.

Q: Were you ever pretending to be Ritzela De Gracia in these communications?

A: No. At one point Ritzela De Gracia — —

Q: Please finish your answer, but I don't really need anything beyond yes or no. I wanted to get us through this.

A: That's fine. I can end there.

MR. RIVERO: Mr. Freedman, you cannot — —

MR. FREEDMAN: I did say he can finish if he wants. I know it is not a comfortable line of questioning, I am trying to get us through it.

MR. RIVERO: He is answering your questions. Let him finish. Go ahead, Doctor.

A: No. I at one point I was on the phone with people from HighSecured and Andrew Sommer separately in the room.

BY MR. FREEDMAN:

Q: Dr. Wright, were you pretending to be HighSecured in these communications?

A: No. I was in the room with multiple people and Andrew Sommer, receiving e-mails that I was not sending because I was in a meeting. So, no, that was never the case.

Q: Did you instruct anyone to masquerade as Ritzela or HighSecured for these communications?

A: No, at no point did I ever instruct anyone to do that.

Q: Did you ever control the Bit-message account we saw that was affiliated

with HighSecured?

A: No, I did not.

Q: Dr. Wright, did you ever register [www.highsecured.net](http://www.highsecured.net)?

A: No." — Vel Freedman, Craig Wright

*Craig even, as he also did for his fake 'MJF' Banking Software deal, had something of a pantomime 'log on' to the supposed HighSecured 'customer portal' performed for the ATO to see these high-value expenses listed directly.*

*Only, as is clear at the end of the above questioning, it would appear that, rather than the official .com domain for HighSecured, a different .net domain was involved.*

*... and, as ever, when the question of how any of this was being paid for, Craig has a convenient funding explanation, his millions held on the defunct 'Liberty Reserve' platform. But, as the ATO points out...*

"The screenshot differs from other publicly available screenshots of Liberty Reserve Transaction History screens around the same time in terms of graphics, layout, text, font and colour."

67. The taxpayer advises that W&K obtained the services from Signia, trading as 'High Secured'. High Secured is a company located in the Panama, specialising in offshore data hosting, merchant accounts and legal services. It is not owned, controlled by, or otherwise associated with Dr Wright.
68. The taxpayer has provided screenshots of purported Bitmessages between Dr Wright and Mr Kleiman and Dr Wright and High Secured to support this<sup>62</sup>, as well as a printout of an email purportedly from Devian Rockwell at High Secured confirming High Secured received US\$5 million via Liberty Reserve from Mr Kleiman for the provision of the purported C01N supercomputer.<sup>63</sup> Refer to comments at 174 to 194 regarding electronic communications below.
69. A purported appendix titled 'Security Requirements' references a director of 'Signia Corp. Panama (783956)' as a potential manager of systems access.<sup>64</sup> However, there was no such Panamanian company in existence at the time the contract was purportedly executed. A company named 'Signia Enterprises Corp' was registered with that company number four months later, on 17 October 2012.<sup>65</sup>
70. On 26 May 2015, the taxpayer advised that the contract was 'a mixture of written terms (the statement of work) and oral terms'.<sup>66</sup>
71. 'C Wright' is listed as W&K's representative under the contract, which further states that he 'shall act as a central point of contact with Strassan [sic] ... (and) have full authority to act for W&K in all contractual matters'.<sup>67</sup> The taxpayer contends that W&K authorised Dr Wright to negotiate with High Secured in relation to the supercomputer in terms of the requirements and specifications, but excluding price.<sup>68</sup>

#### **laaS transaction – purported invoice and payment**

72. The taxpayer has provided a purported invoice issued by W&K dated 30 June 2012 for 12 months of laaS services for a total of US\$5,175,000 and states payment was to be made by assigning rights to Bitcoin on 15 January 2013.<sup>69</sup> The taxpayer advises that negotiating a fixed price per month provided better value and payment would be made in January as the taxpayer needed W&K to acquire the systems to conduct its R&D before it could make full use of the services.<sup>70</sup>
73. The taxpayer advises that due to volatility in the price of Bitcoin, the parties renegotiated the payment terms such that payment would be made in US dollars.<sup>71</sup>
74. The taxpayer contends that it paid the amount of the purported invoice in the 2012-13 income year.

#### ***Purported Liberty Reserve transfer***

75. To evidence the purported payment to W&K, the taxpayer has provided a purported screenshot of the Transaction History screen of a Liberty Reserve account called 'Craig Wright R&D Trust' showing a payment equal to US\$5,175,000 was made to W&K on 6 January 2013.<sup>72</sup> The screenshot differs from other publicly available screenshots of Liberty Reserve Transaction History screens around the same time in terms of graphics, layout, text, font and colour.<sup>73</sup>

Source: <https://www.courtlistener.com/docket/6309656/547/7/kleiman-v-wright/>

### **October 2014: The start of the Tulip Trust saga.**

*Ah, yes, the 'Tulip Trust'. How fitting that 'Satoshi' would have created a Trust named after the very historical event that Bitcoin's exchange market is endlessly compared to, right?*

*Except, of course, he didn't. It is just another front in his Potemkin Village of fakery, fraud and forgeries.*

*The Seychelles company, 'Tulip Trading Ltd' is the company vehicle which Craig claimed he incorporated in 2011 as the trust company for the 'Tulip Trust' to hold the hundreds of thousands of BTC he pretends he purchased through the millions of USD he claims he held on the aforementioned Liberty Reserve platform... that Craig failed to fake credible screenshots of.*

*He has also claimed that another Seychelles company, 'Wright International Investments Ltd' is part of this 'Tulip Trust' structure, only this company is supposedly for holding the many hundreds of thousands of Bitcoin he likes to pretend he mined as 'Satoshi' from the very first block-reward right through to 2011, no, strike that, what he meant to say, officer, is he only mined as Satoshi up until August 2010... because he keeps getting exposed for claiming 'Satoshi' addresses which turn out to be not-Satoshi addresses.*

*Let's be perfectly clear about these false claims: There has never been proof of ANY Bitcoin mining done by Craig Wright, whether it be in 2009, 2010, 2011, 2012 or 2013 and the same goes for his claims of buying large quantities (and the threshold is 50 here) in that period. Every lie and every forgery that Craig Wright provided over the years to support these wild claims has been thoroughly debunked as such.*

*Truth is, the Tulip Trust or anything like it, didn't exist before October 2014.*



*Sure, the above Certificate of Incorporation shows that Tulip Trading Limited existed from 21st July 2011, so that covers Craig's 'evidence' he furnished the ATO with concerning Tulip Trust-related agreements and declarations from that year, right... right?*

*Of course not, it's just more sloppy historical revisionism where Craig likes to believe we're all as dumb as he believes himself to be smart.*

*But before we show you how devastatingly 'not-smart' Craig actually is, we ask why was he compelled to conjure up this 'Tulip Trust' in the first place? It's simple: Craig had 1,650,000 reasons to cobble together a supposed trust in his Australian tax fraud scheme in October 2014, as he desperately had to avoid paying \$1.65 million GST to the ATO for some of the Bitcoin transactions he'd faked.*

*Let's break this down a bit more (taken from an article written by Arthur van*

Pelt about a year ago "[The Faketoshi Fifteen \(Times Two\)](#)", with additional sourcing from his very informative tweetstorm: [Craig Wright — Tulip Trust Revisited](#)).

- *As we know now: there was not any physical trust thing in Craig Wright's Faketoshi lies & forgeries before October 2014; in 2013/2014 Craig initially claimed to ATO to have full control over his (non-existing) Bitcoin stash, and only hinted a few times to "offshore trusts". And although requested by ATO several times, Craig never signed one of the Bitcoin addresses he claimed to control.*
- *Things changed dramatically halfway 2014 when Craig Wright was notified by the ATO that he had to pay \$1,650,000 in GST.*
- *In order to \*fix\* this, Craig asked a Seychelles Corporate Services firm called Abacus (Seychelles) Limited in October 2014 for a list of pre-incorporated 'shelf' companies available to buy. He choose, ordered and paid for one company called 'Tulip Trading Ltd', which they had formed in July 2011.*

## Abacus (Seychelles) Limited

PO Box 931  
Mahe  
Seychelles



## INVOICE

Bill to:

Mr. Craig S Wright  
502, Level 5  
32 Delhi Road  
North Ryde, Nsw 2113  
Australia

Company Details:

Tulip Trading Limited

Invoice Date: October 17, 2014

Invoice Number: 393888

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Purchase of Seychelles 2011 shelf company	3,650
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<b>Total charges</b>	<b>US Dollar</b>	<b>3,650</b>
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### TERMS AND CONDITIONS

- It is advisable to read to read the terms and conditions carefully.
- Please note that Bank charges are to be borne by the payer therefore our invoice is net of bank charges. Kindly add USD 25 for intermediary bank charges.
- Payment must be made in full and in accordance with the given time limit.
- Payment is deemed to have been effectuated when cleared funds have been received in the correct amount and the required information regarding the payment has been conveyed via email.
- After payment has been remitted, an email must be sent to [accounts@abacus-offshore.com](mailto:accounts@abacus-offshore.com) with the following details: date, amount, invoice numbers and the name under which payment has been made.
- The conveyance of this information will ensure that the submitted funds are processed accordingly.
- In the event that payment cannot be traced due to lack of relevant information, Abacus will NOT incur any penalties that may arise.

If any queries should arise do not hesitate to contact us.

- *Craig Wright also bought a domain called TulipTrading.net in the same month. And at the same time he'd created several backdated forgeries, like emails, deeds and contracts, to fake a non-existing line of events, as if this Tulip Trust thing was always part of his Bitcoin dealings before October 2014. It wasn't, of course.*

To whom it may concern,

CC: Dr Craig Wright

I acknowledge the trust and the transfer of Bitcoins to this trust. I have full control of all software and the keys used to manage bitcoin as of this date, Thu 06/09/2011.

**It is agreed that:**

I, David Kleiman, shall become the trustee for the transfer of the satoshi I have received from Craig Wright.

No record of this transaction will be filed in the US or Australia.

The transfer is valued at USD 100,000 for Australian Tax purposes.

**I acknowledge:**

I, Dave Kleiman have received 1,100,111 Bitcoin from Craig Wright (of [REDACTED] Bagnoo, NSW Australia). At the time of transfer this is valued at around \$100,000 USD.

I will form a trust to be managed by at least three people but not more than seven at any time.

All Bitcoin will be returned to Dr Wright on Jan 01<sup>st</sup> 2020.

Snippet of one of many Tulip Trust related forgeries that Craig Wright created in October 2014

Object Code of Oct. 2014 Email

```
80 BT
81 /CS0 cs 0 scn
82 /TT0 1 Tf
83 7.5 0 0 7.5 79.5 750.75 Tm
84 (Subject:)Tj
85 /TT1 1 Tf
86 10.2 0 Td
87 (Requested attached.)Tj
88 /TT0 1 Tf
89 -10.2 -1.4 Td
90 (Date:)Tj
91 /TT1 1 Tf
92 10.2 0 Td
93 (Friday, 17 October 2014 12:04:57 PM)Tj
94 /TT0 1 Tf
95 -10.2 -1.4 Td
96 (Attachments:)Tj
97 /CS1 cs 0 0 1 scn
98 /TT1 1 Tf
99 10.2 0 Td
100 (Tulip Trust.pdf.asc)Tj
101 ET
```

Modified Object Code of June 2011 Email

```
90 /TouchUp_TextEdit MP
91 BT
92 /TT1 7.5 Tf
93 156 750.75 Td
94 (Requested attached.)Tj
95 0 -10.5 Td
96 (Friday, )Tj
97 /C2_1 7.5 Tf
98 24 76 0 Td
99 <00150017>Tj "24"
100 /TT1 7.5 Tf
101 ( )Tj
102 /C2_1 7.5 Tf
103 <002D005800510048>Tj "June"
104 /TT1 7.5 Tf
105 25.968 0 Td
106 ( 201)Tj
107 /C2_1 7.5 Tf
108 14.626 0 Td
109 <0014>Tj "1"
110 /TT1 7.5 Tf
111 ( 12:04:57 PM)Tj
112 /C2_1 7.5 Tf
113 48.563 0 Td
114 <0003>Tj
115 /CS1 cs 0 0 1 scn
116 /TT1 7.5 Tf
117 -113.917 -10.5 Td
118 (Tulip Trust.pdf.asc)Tj
119 ET
```

Text of Oct. 2014 Email

From: [Dave Kleiman](#)  
To: [Craig S Wright](#)  
Subject: Requested attached.  
Date: Friday, 17 October 2014 12:04:57 PM  
Attachments: [Tulip Trust.pdf.asc](#)

Text of June 2011 Email

From: [Dave Kleiman](#)  
To: [Craig S Wright](#)  
Subject: Requested attached.  
Date: Friday, 24 June 2011 12:04:57 PM  
Attachments: [Tulip Trust.pdf.asc](#)

How that June 2011 contract with Dave Kleiman was found to be a forgery Source:

<https://blog.wizsec.jp/2019/08/kleiman-v-craig-wright-part-4.html>

Deed of Trust between:

Wright International Investments Ltd (IBC 064409)

And

Tulip Trading Ltd (IBC 093344)

The parties.

Date: 23<sup>rd</sup> October 2012

It is noted that this document and deed

Whereas, the companies are registered as International companies in the Seychelles, they are seeking to legal form a partnership in order to best exploit and utilise their joint assets.

This deed is formed as a Declaration of Trust.

Together, the parties shall be jointly known as the "Tulip Trust" for the purposes of this joint endeavour and partnership.

With another backdated forgery, Craig Wright created the Tulip Trust.

- *The ATO, of course, noticed these fraudulent events too, and called it "a scheme", that Craig Wright "altered to insert the Seychelles trust to which you transferred the Bitcoin" (see following screenshot).*

101. In the alternative, if you are entitled to the input tax credit claims for your acquisition of Siemens software and Al Baraka source code from MJF, totalling \$1,650,000 (which we don't concede), we note that you are contended to have provided bitcoin to MJF as consideration for this supply. The Draft GST Ruling GSTR 2014/D3 states that a transfer of bitcoin is a supply for GST purposes. The result of this ruling is that, where the supply is a taxable supply, we consider GST is levied on the supply with the value of the bitcoin you provided matching the value of the supply of software. Hence to the extent it occurred, we consider your supply of bitcoin would have been a taxable supply.

102. As such \$1,650,000 in GST is payable on the bitcoin.<sup>39</sup>

<<edit>>

132. Subsection 165-10(2) of the GST Act defines a 'scheme' broadly to include any arrangement, agreement, course of action or course of conduct. In your case we consider there was a scheme which involved you acquiring software from MJF and W&K in order for it to be on supplied to your related entities so as to generate GST refunds in Coin-Exch, Hotwire and Cloudcroft. You had initially planned to use bitcoin to fund these transactions in such a way that you would never lose control or access to those bitcoins.

133. However, on receipt of the private binding ruling advising you that the supply of bitcoin in consideration for an acquisition would be a taxable supply, you altered the scheme to insert the Seychelles trust to which you transferred the bitcoin.

Source: <https://www.courtlistener.com/docket/6309656/547/7/kleiman-v-wright/>

*Beautiful bookkeeping trick, isn't it? Only, the ATO didn't buy it. They mapped out everything that appeared inconsistent and fraudulent about the Tulip Trust, all the way up to the PGP keys and Bitmessage emails used, and summarized their findings in one of their reports.*

*It's nothing short of hilarious to witness Craig Wright's infamous sloppiness when it comes to most of his forgeries: he actually sent a June 2011 AND an October 2014 version of the same forgery to the ATO.*

*Pick one, officer!*

### ***Tulip Trust***

109. A series of documents relating to the Tulip Trust have been provided by the taxpayer and related entities, including what appears to be a digitally signed document by Dave Kleiman indicating he held Bitcoin from Dr Wright and was going to establish a trust (the 'Tulip Trust document').<sup>117</sup> However, the taxpayer has provided two versions of the email from Mr Kleiman to which the Tulip Trust document was purportedly attached. The emails are identical except one is dated 24 June 2011 and the other 17 October 2014.<sup>118</sup> Mr Kleiman died in April 2013.
110. The Tulip Trust document lists four PGP fingerprints relating to the following PGP keys<sup>119</sup> E545EB7B, C941FE6D, 1F556274, 5EC948A1. These are listed on the MIT key server as being associated with Dave Kleiman, Satoshi Nakamoto,<sup>120</sup> Dr Wright and Satoshi Nakamoto respectively.
111. ATO Forensics advises that two of the keys, Dr Wright's and one tied to Satoshi Nakamoto, are showing as having been created using encryption software that was unavailable at the dates they were purportedly created.<sup>121</sup>
112. The taxpayer has provided a forensic report it commissioned from Mr Alan Batey that confirms that 'the Tulip Trust.pdf file was indeed signed by David A Kleiman or an individual who had access to his private PGP key and had made the public key available on the MIT PGP keyserver. If anyone else had access to the private PGP key then that person would also need to know the passphrase associated with that key'.<sup>122</sup> The document analysed by Mr Batey has not been provided however we understand it to be the Tulip Trust document referred to in paragraph 109 above.
113. The taxpayer has provided a series of screenshots of purported Bitmessages, emails (some electronically signed) and text messages from Dave Kleiman that ostensibly indicate Mr Kleiman advised Dr Wright that he 'had obtained' Design By Human Pty Ltd, on 11 October 2012, then on 14 October 2012 that Dave Kleiman would 'put in the order for the UK company shortly', then on 25 October 2012 advises 'I have used CFS in the UK. I have 2 companies in the UK. Design by Human'. They further ostensibly indicate that Dave Kleiman established a trust known as the Tulip Trust.<sup>123</sup> Refer to the comments at 174 to 194 regarding electronic communications below.
114. The taxpayer has advised that C01N UK was the trustee for the Tulip Trust<sup>124</sup>, however the document by Mr Kleiman and advice from Ms Nguyen appear to state that a number of individuals act as trustees.<sup>125</sup> The taxpayer contends that at no stage was the ATO advised that C01N UK was the only trustee.<sup>126</sup>

Source: <https://www.courtlistener.com/docket/6309656/547/7/kleiman-v-wright/>

*And it all ended up with the ATO stating in 2016: **"We do not accept that the Seychelles Trust existed as a matter of law or fact"**. Meaning, the Tulip Trust never existed, does not exist now and therefore does not contain any Bitcoin either.*

109. We do not accept that the Seychelles Trust existed as a matter of law or fact during the relevant tax period. Further or alternatively, we do not accept that a pool of 650,000 bitcoin was in fact held according to the terms of the Seychelles Trust during the relevant tax period, or that any equitable interests in the Trust were effectively created or assigned. Notwithstanding that you asserted at interviews on 11 and 18 August 2014 that you created the trust, you could not advise us of the identity of any beneficiaries of this purported trust, or its terms. This in our view is consistent with the Trust not having any beneficiaries (and hence not existing), and or not being constituted and settled in the manner asserted. The Deed of Loan of itself does not in our view demonstrate the effective establishment of the Seychelles Trust or the holding of 650,000 bitcoin pursuant to its terms.

Source: <https://www.courtlistener.com/docket/6309656/547/3/kleiman-v-wright/>

- *And if that wasn't enough, the court in Florida in the Kleiman v Wright case came to the same conclusion in 2019: "The totality of the evidence in the record does not substantiate that the Tulip Trust exists."*

are Wright International Investments Ltd and Tulip Trading Ltd. *Id.* at 1. There was credible and conclusive evidence at the hearing that Dr. Wright did not control Tulip Trading Ltd. until 2014. P. Exs. 11-14; DE 236 at 88-96. Moreover, computer forensic analysis indicated that the Deed of Trust presented to the Court was backdated. The totality of the evidence in the record does not substantiate that the Tulip Trust exists. Combining these facts with my observations of Dr. Wright's demeanor during his testimony, I find that Dr. Wright's testimony that this Trust exists was intentionally false.<sup>11</sup>

Dr. Wright's false testimony about the Tulip Trust was part of a sustained and concerted effort to impede discovery into his bitcoin holdings. Start with Dr. Wright's deceptive and incomplete discovery pleadings. He testified at the evidentiary hearing that at least as early as

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<sup>11</sup> Although I am only required to make this finding by a preponderance of the evidence, I find clear and convincing evidence to support it.

*Another nail in the coffin of Tulip Trust came after January 2020, when Craig Wright was ordered to come up with the Tulip Trust Bitcoin addresses list in the Kleiman v Wright lawsuit. Several expert witnesses like Antonopoulos and Boedeker checked the content of this list, and discovered many inconsistencies, summarized in "[Craig Wright — Tulip Trust. Done. Over and Out.](#)". Also Sam Williams broke down several aspects of the Tulip Trust in his article "[The Tulip Trust is fake. Here are 3 reasons why.](#)".*

*And if this wasn't enough already, in May 2020 145 addresses on the Tulip Trust list were signed by their true owners: "[Craig Steven Wright is a liar and a fraud.](#)"*



Zectro  
@Zectro1



Someone just signed a message calling Craig a fraud from 145 addresses Craig claimed were his in the Tulip Trust.

I verified the first few addresses on the list, and their signatures and presence on Craig's list checks out.

[reddit.com/r/bsv/comments...](https://reddit.com/r/bsv/comments...)

The screenshot shows the Bitcoin.com verification tool interface. At the top, it displays the Bitcoin.com logo, current prices for BCH (\$230.15) and BTC (\$8786.49), and navigation links for 'Get Started', 'Wallet', 'Mining', 'News', 'Exchange', 'Casino Games', and 'Buy Bitcoin'. The main content area shows three verification steps:

- Bitcoin address:** A green checkmark indicates a 'Valid bitcoin address' for the address `12cFuwo1i3FMhkmJoCN8D4SjeCeRsXf96q`.
- Message:** A green checkmark indicates the 'Message signed by the private key of 12cFuwo1i3FMhkmJoCN8D4SjeCeRsXf96q'. The message text is: 'Craig Steven Wright is a liar and a fraud. He doesn't have the keys used to sign this message. The Lightning Network is a significant achievement. However, we need to continue work on improving on-chain capacity. Unfortunately, the solution is not to just change a constant in the code or to allow powerful participants to force out others. We are all Satoshi'.
- Signature:** A green checkmark indicates a 'Valid signature' for the signature `GySQXGIZ+Meq3braDzg3lq7GSsteOg+0A9Q5gGkzCcOmET5vnULXo0vsb6anu1wLSL1BnoD0p71U9i+c41Fq48w=`.

12:34 PM · May 25, 2020 · Twitter Web App

1,321 Retweets   413 Quote Tweets   4,323 Likes



*Et voila. The roots of Tulip Trust, and the utter destruction of this fraudulent*

*setup in the years after. But please note that Craig Wright is still using this empty trust vehicle in his fraudulent claims and scammy in and outside courts up till today, and being repeated by his UK law firm Ontier. This will, of course, not end well for all involved.*

**October 31, 2014:** *Let's round out the year with Craig pretending to own yet another supercomputer. This is where 'Tulip Trading' joins 'C01N' in Craig's Potemkin Village as not just the ATO, but supercomputer-supplier SGI, themselves, go on to prove.*

*For the whole of 2014, Craig didn't post much on his blog, with two exceptions, both times about his supercomputers. This is one of them. Those who know how this supercomputers story is going to end, can start ROFL-ing about "1160 Xeon cores" and "both systems in the top 500" now.*

# Cracked, inSecure and Generally Broken

The ravings of a SANS/GIAC GSE (Compliance & Malware) For more information on my role as a presenter and commentator on IT Security, Digital Forensics Statistics and Data Mining; E-mail me: "craigswright @ acm.org".

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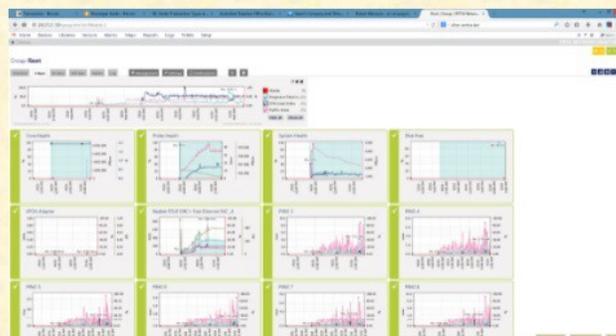
Share it

FRIDAY, 31 OCTOBER 2014

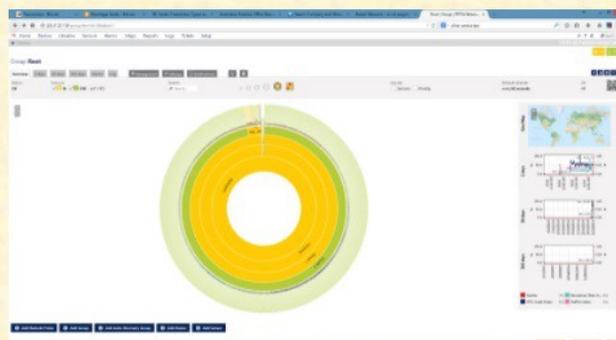
For today

It has been a while and I will vanish from this blog again once I start on the work one.

Busy is an understatement right now. But we do have systems up and running. I have completed the process of moving the old cluster to the new one.



We have 1160 Xeon cores with the same number of Phi's. These make 61 cores each and we have moved from the CUDA (GPU) based system into this.



Cluster memory is being shared.

```
[root@Cluster-Panopticopt ~]#cat /proc/meminfo
MemTotal: 779957400194 kB
MemFree: 746446678202 kB
```

We have entered both systems into the Top 500. In a couple weeks we will see just how we fare. I believe that we will have the second fastest supercomputer in Australia, but only time will tell.

nginx/1.15.8

This will also be the fastest commercial system.

Source: [https://web.archive.org/web/20150525002527/http://gse-compliance.blogspot.com/2014\\_10\\_26\\_archive.html](https://web.archive.org/web/20150525002527/http://gse-compliance.blogspot.com/2014_10_26_archive.html)

*Craig also provides some more information on the Cloudfroft website, in a blog article called "[Introducing Cloudfroft](#)" a day earlier:*

"Now, many of you will probably think mining Bitcoin, if we are going to be running a large supercomputer, well, would you want to mine Bitcoin? This is our second one, and back in the day, you could have mined a lot of Bitcoin on the previous generation that we were running, it was mainly graphics cards so GPU based and at the time that would have been comparable to many of the other people out there. Now, however, it is a little bit different, and even then we weren't actually mining, what we were doing, is a whole lot of PSOs, this is optimising code, so evolutionary programming etc. One of the things we are now doing, is we are finding that even if we wanted to mine, the Xenon PHIs aren't terribly good as miners, but they are really great at running lot of those really, really, highly parallel code. It takes a lot of tuning and a lot of effort to get it right, but once you do, the results are wonderful. I mean, they are incredible, the speed of these machines, the access to the amount of ram that we get, when we are running up... I think we are running 770 Peta Bytes of Ram at the moment on the cluster. It's quite amazing when you consider just how much there is." — Craig Wright

TOP500  
LIST  
NOVEMBER 2014



CURRENT LIST  
NOVEMBER 2014

RANK	SITE	SYSTEM	CORES	RMAX (TFLOP/S)	RPEAK (TFLOP/S)	POWER (KW)
64	Tulip Trading Australia	C01N - SuperBlade SBI-7127RG-E, Intel Xeon E5-2695v2 12C 2.4GHz, Infiniband FDR, Intel Xeon Phi 7120P Supermicro	160600	798.3	3,164.5	619

Source: <https://web.archive.org/web/20141119165151/http://www.top500.org/list/2014/11>

**November 2014:** *Craig managed to get the Tulip Trading/C01N supercomputer in the Top500 list on #64.*



Craig Wright, Macquarie Park lab, December 2014

*Because what better way is there for Craig to absolutely, unequivocally*

*prove to the terribly persistent doubting-Thomas which is the ATO, who simply won't let him be at peace with the many millions of dollars he has scammed in a multitude of fraudulent R&D and GST rebates, than showing them his supercomputer is actually listed in the esteemed 'Top 500' list, right?*

*Only, the fact is the authors of the 'Top500' list relied solely on Craig's own claims as to the existence of his supposed supercomputer. The ATO, as we saw in Part 1, go on to roundly excoriate him over these faked machines, but we'll let the supposed supplier, SGI, have the last word for Part 2, as per their comment when asked by ZDNet in December 2015:*

Further evidence to suggest that Wright was the supposed owner of a supercomputer was highlighted in a [Cloudcroft blog](#) posted in December 2014, which indicated that Wright at the time had intentions to build "the biggest supercomputer cluster in Australia, with just under 5 petabytes", in time for the release of the Top 500 in June 2015.

However, Cassio Conceicao, SGI EVP and chief operating officer, has told ZDNet that despite this, SGI has never had any contact with Cloudcroft or Wright.

"Cloudcroft has never been an SGI customer and SGI has no relationship with Cloudcroft CEO Craig Steven Wright," he said.

Source: <https://www.zdnet.com/article/sgi-denies-links-with-alleged-bitcoin-founder-craig-wright/>

*So Craig has spent 2014 digging himself deeper and deeper into his supercomputer lies, his faked business transactions and his faked Bitcoin ownership, 2015 will only see things getting far, far, worse for his tangled web and, ultimately has him fleeing Australia after having fooled a credulous billionaire into believing that he is Satoshi. As you'll see in Part 3, you literally couldn't make it up... but Craig will certainly give it go!*

*So please come back for Part 3, where we will cover the whole year of 2015,*

*an era with even more lies, more forgeries, and more Faketoshi drama.*

**Thanks for reading.**

To be continued... [In Faketoshi, The Early Years — Part 3](#)



**Dr Craig S Wright** 

@ProfFaustus



Replying to [@MyLegacyKit](#)

**Loser talk**

8:57 PM · 03 Jul 18

After this first, and only, interaction on Twitter Craig Wright blocked [@MyLegacyKit](#). So Satoshi.