

THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* TEXAS

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Department of Justice

U.S. Attorney's Office

Southern District of Texas

FOR IMMEDIATE RELEASE

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Suburban man indicted for complex fraud and crypto money laundering scheme

HOUSTON – A 36-year-old Sugar Land resident has been taken into custody on charges he fraudulently obtained and laundered more than \$500,000, announced U.S. Attorney Jennifer B. Lowery.

Xiaofei Chen is set to make his initial appearance before U.S. Magistrate Judge Yvonne Y. Ho at 2 p.m.

The 10-count indictment, returned Nov. 30 and unsealed upon his arrest today, alleges Chen used a fraudulent power of attorney to gain access to the victim's checking account. Chen then allegedly arranged for \$520,000 to be fraudulently wired out of the account.

According to the charges, Chen converted the fraud proceeds into Bitcoin before moving it across multiple cryptocurrency exchanges to conceal his scheme. In addition, Chen allegedly used the victim's identity to access and open accounts. The indictment further alleges Chen then used the stolen money to fund his lifestyle and luxury purchases, including two brand new vehicles.

Chen is charged with multiple counts of wire fraud, money laundering, engaging in monetary transactions in property derived from specified unlawful activity and aggravated identify theft.

If convicted, Chen faces up to 30, 20 and 10 years, respectively, for each of the counts of wire fraud, money laundering and engaging in monetary transactions using the proceeds of his crimes. Each count of aggravated identity theft carries a mandatory two years which must be served consecutively to any other sentence imposed.

The FBI conducted the investigation. Assistant U.S. Attorneys Christian Latham and Belinda Beek are prosecuting the case.

An indictment is a formal accusation of criminal conduct, not evidence. A defendant is presumed innocent unless convicted through due process of law.

Topic(s):

Financial Fraud