



Search Filings

Submit Filings

Data & Research

Rules, Enforcement, & Compliance

Securities Topics

About

Submit a Tip or Complaint

**NEWSROOM**

Press Releases

Speeches & Statements

Meetings & Events

SEC Videos

Social Media Directory

What's New

[Home](#) / [Newsroom](#) / [Press Releases](#) / SEC Charges Founder of \$1.7 Billion “HyperFund” Crypto Pyramid Scheme and Top Promoter with Fraud

PRESS RELEASE

[Copy Link](#)

# SEC Charges Founder of \$1.7 Billion “HyperFund” Crypto Pyramid Scheme and Top Promoter with Fraud

## Promoter Brenda Chunga (aka Bitcoin Beautee) agrees to settle fraud and unregistered offering charges

FOR IMMEDIATE RELEASE | 2024-11

Washington D.C., Jan. 29, 2024 — The Securities and Exchange Commission today charged Xue Lee (aka Sam Lee) and Brenda Chunga (aka Bitcoin Beautee) for their involvement in a fraudulent crypto asset pyramid scheme known as HyperFund that raised more than \$1.7 billion from investors worldwide.

According to the SEC’s complaint, from June 2020 through early 2022, Lee and Chunga promoted HyperFund “membership” packages, which they claimed guaranteed investors high returns, including from HyperFund’s supposed crypto asset mining operations and associations with a Fortune 500 company. As the complaint alleges, however, Lee and Chunga knew or were reckless in not knowing that HyperFund was a pyramid scheme and had no real source of revenue other than funds received from investors. In 2022, the HyperFund scheme collapsed and investors were no longer able to make withdrawals.

“As alleged in our complaint, Lee and Chunga attracted investors with the allure of profits from crypto asset mining, but the only thing that HyperFund mined was its investors’ pockets,” said Gurbir S. Grewal, Director of the SEC’s Division of Enforcement. “This case illustrates yet again how noncompliance in the crypto space facilitates schemes where promoters capitalize on the promise of easy money, without providing the detailed investor protection disclosures required by the registration provisions of the federal securities laws.”

The SEC’s complaint, filed in federal district court in the District of Maryland, charges Lee and Chunga with violating the anti-fraud and registration provisions of the federal securities laws. The complaint seeks permanent injunctive relief, conduct-based injunctions preventing the defendants from participating in multi-level marketing or crypto asset offerings, disgorgement of ill-gotten gains, prejudgment interest, and civil penalties. Chunga agreed to settle the charges, to be permanently enjoined from future violations of the charged provisions and certain other activity, and to pay disgorgement and civil penalties in amounts to be determined by the court at a future date. The settlement is subject to court approval. The charges against Lee will be litigated.

In a parallel action, the U.S. Attorney’s Office for the District of Maryland today announced criminal charges against Lee and Chunga. Chunga pleaded guilty to conspiracy to commit securities fraud and wire fraud.

The SEC’s ongoing investigation is being conducted by David Snyder and Assunta Vivolo, assisted by Tom Bedkowski, of the SEC’s Crypto Assets & Cyber Unit (CACU). It is being supervised by David Hirsch and Jorge Tenreiro of the CACU and Nicholas Grippo and Scott Thompson of the Philadelphia Regional Office. The litigation will be conducted by Judson Mihok and Gregory Bockin of the Philadelphia Regional Office. The Commission appreciates the assistance of the U.S. Attorney’s Office for the District of Maryland; the Department of Justice, Fraud Section; Homeland Security Investigations New York; and the IRS.

The SEC’s Office of Investor Education and Advocacy directs investors to resources on detecting and avoiding pyramid schemes. Investors can find additional information about pyramid schemes at [Investor.gov](#).

The SEC encourages victims of the alleged fraud to contact [HyperFundVictims@sec.gov](mailto:HyperFundVictims@sec.gov). Victims interested in learning about the criminal prosecution involving HyperFund should also visit the website <https://www.justice.gov/criminal/case/hyperfund-and-associated-cases>, which includes information about submitting a victim impact statement and details about potentially recovering their investments.

###

Last Reviewed or Updated: May 30, 2024

**RESOURCES**

• [SEC Complaint](#)

[Return to top](#)

**About the SEC**

[Budget & Performance](#)

[Careers](#)

[Commission Votes](#)

[Contact](#)

[Contracts](#)

**Transparency**

[Accessibility & Disability](#)

[Diversity, Equity, Inclusion, & Accessibility](#)

[FOIA](#)

[Inspector General](#)

[No FEAR Act & EEO Data](#)

[Ombuds](#)

**Websites**

[Investor.gov](#)

[Related Sites](#)

[USA.gov](#)

**Site Information**

[Plain Writing](#)

[Privacy & Security](#)

**Stay connected. Sign up for email updates.**

Your email address

**SIGN UP**