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Three founders of E-Gold pleaded guilty as charged
Gold Resources

E-Gold Founders Guilty of Money Laundering

They pleaded guilty to the charges brought against them

According to the US DOJ (Department of Justice) three top brass executives from E-Gold, an online service that allows users to send and receive payments, and Gold & Silver Reserve Inc. have pleaded guilty to charges of conspiracy to engage in money laundering and conspiracy to operate a money transferring business without a license. The three men in question are Douglas Jackson, Director of E-Gold and CEO of Gold & Silver Reserve, Barry Downey and Reid Jackson. Acting Assistant Attorney General Matthew Friedrich comments: "By failing to comply with money laundering laws and regulations, the E-Gold operation created an environment ripe for exploitation by criminals seeking anonymity in conducting online transactions. This case demonstrates that online payment systems must operate according to the applicable rules and regulations created to ensure lawful monetary transactions." The two companies and the three people involved in the case were indicted on the 24th of April 2007 by a federal grand jury. The court of law could issue monetary punitive measures in excess of \$4 million, (\$3.7 million for E-Gold and Gold & Silver Reserve Inc., \$500,000 for Douglas Jackson, and \$25,000 each for Downey and Reid Jackson) and a total of 30 years of incarceration time (20 for Douglas Jackson, and 5 each for Downey and Reid). The court is scheduled to issue a sentence on the 20th of November, the current year. Jeffrey A. Taylor, U.S. Attorney for the District of Columbia, comments: "The operations of E-Gold Ltd. and the other defendants undermined the laws designed to maintain the integrity of our financial system and created opportunities for criminal activity. Because of the successful prosecution of these defendants, digital currency providers everywhere are now on notice that they must comply with federal banking laws or they will be subject to prosecution." Even Michael Stenger, Secret Service Assistant Director had something to comment in regard to this case. According to him the financial infrastructure of the US is of great importance to the Secret Service as well as numerous other law enforcement agencies, and any criminals that will use the Internet to put it in jeopardy will be brought to justice.