

Breaking the Silence: SEC Misconduct Sabotages America's Leadership in the Global Tech Race

Subject: [Veritaseum Case Unmasks a Pattern of SEC Corruption Crippling American Innovation](#)

Page | 1

Introduction:

In an era where global powers are racing to dominate artificial intelligence, Central Bank Digital Currencies (CBDCs), and the tokenization of real world and financial assets, America's position as a technology leader is being jeopardized—not by foreign competitors, but by the very agency tasked with safeguarding our financial markets. The Securities and Exchange Commission (SEC), recently sanctioned for misconduct in the Debt Box case, has been engaging in a shocking pattern of corruption that strikes at the heart of American innovation.¹

Click [here to download](#) the full SEC corruption dossier, written, and presented by the Veritaseum (VERI) token holders, aka, the “Defrauded”. If you are an elected official, a representative of an investigative or oversight entity, or a member of the media, you can reach us [here](#).

Newly uncovered documents expose the SEC’s relentless and unethical assault on Reggie Middleton, the mind behind Veritaseum and the revolutionary DeFi patents. These deceptive tactics include manufacturing knowingly fraudulent claims, intimidating witnesses, and manipulating legal processes—actions that have not only destroyed a promising American technology but have also undermined the nation's strategic financial stability.

This explosive dossier, supported by verifiable evidence (with more available upon request), reveals a disturbing pattern of witness intimidation, fact distortion, and abuses of power by the over-zealous SEC, hellbent on victory at any price. The implications are far-reaching: as China, Europe, and other global players rapidly advance in the tech race, America is being held back by an agency gone rogue. The media’s role as the “Fourth Estate” critical now more than ever. It’s time to shine a light on these injustices and iniquities and to hold the SEC accountable, before it’s too late.

Key Issues:

1. Systemic SEC Misconduct and Ethical Violations:

- **Deceptive Legal Tactics:** The SEC’s persecution of Reggie Middleton, et. al., spearheaded by that the then (2017 to 2019) SEC Senior Enforcement Attorney Jorge Tenreiro (who’s been recently promoted to [Deputy Chief in the SEC Division of Enforcement and former advisor to Chair Gary Gensler](#)), Jorge Tenreiro, we believe, utilized deceptive tactics and knowingly made untrue statements to a federal judge to freeze the assets of Veritaseum, an innovative American company, leading to the crippling devastation of the company and a loss of two dozen jobs and significant American innovation.

¹[Dossier Supporting the Vacating of the SEC v Middleton Consent Order](#)

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- **Manipulation and Intimidation:** Witnesses have come forward to report Jorge Tenreiro used threats and coercion to manipulate testimony and legal outcomes. These actions not only violate ethical standards but also erode the foundational integrity of our legal system.
- **Abuse of Power:** The SEC's actions reflect a broader pattern of overreach and abuse of power, where the agency has prioritized winning at all costs over ensuring justice is served. This case is a stark example of how unchecked authority can lead to the destruction of legitimate businesses, America's stature of technological lead, and the erosion of public trust.

Here is the itemized and tabulated list of instances where Jorge Tenreiro (currently [Deputy Chief in the SEC Division of Enforcement and former advisor to Chair Gary Gensler](#)), Patrick Doody (SEC's expert witness), and Rosanne Daniello (SEC staff accountant) either lied, misrepresented facts, or recanted their statements, as detailed in the document:

Jorge Tenreiro (SEC Senior Enforcement Attorney),

1. **Misrepresentation of Defendants' Software Platform Functionality:** Tenreiro claimed that the VeADIR platform did not exist, despite personally witnessing its functionality in March 2018. He failed to correct this apparently purposeful misrepresentation in his application for a preliminary injunction.
2. **Ownership of Kraken Account:** Tenreiro misrepresented that the Kraken (crypto) account (through which the vast majority of funds flowed), was held personally by Reggie Middleton, despite knowing it was under Veritaseum LLC. He did not correct this misrepresentation in subsequent submissions to the Court (purposely misleading the Court), despite his expert witness and staff accountant initially expressing unsurety about the accounts ownership, then in response to Middleton's submitting evidence to show the account's true ownership, explicitly recanting their erroneous testimony - fraud on the Court.
3. **Trading Activity on Etherdelta:** Tenreiro misled the court by portraying the testing of the Etherdelta exchange as manipulation, when it was merely to test liquidity and functionality of this new platform.
4. **Misrepresentation of Asset Flow:** Falsely alleged vast sums of money were flowing into Middleton's personal account, misleading the court about asset misappropriation of funds, fraud on the Court.
5. **False Allegation Regarding Agreements:** Tenreiro falsely alleged the defendants were merely negotiating deals with the JSE and NSE, when signed agreements were already in place - fraud on the Court.
6. **Misrepresentation of CEO Payments:** Falsely misrepresented that \$1.7 million in periodic payments to Middleton over 27 months (about 2 and a half years), was dissipation of assets, misleading the court about CEO compensation - fraud on the Court.
7. **Nature of International Payments:** Misrepresented payments to overseas contractors as asset dissipation - fraud on the Court.

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8. **Unethical Conduct in No-Action Letter Request:** Involved himself unethically in a No-Action Letter (NAL) request meeting, breaching the SEC’s supposed Chinese walls.
9. **Harassment of VERI Token Holders:** Aggressively pursued VERI token holders to coerce them into giving evidence against Middleton, despite them stating they were not victims - fraud on the Court. Victims have either come forth with notarized affidavits explicitly and verbosely describing the coercion, or have indicated fear of retaliation due to their treatment after interaction with Mr. Tenreiro
10. **Pressure on Veritaseum staff:** Pressured Veritaseum’s Business Development Lead during their deposition to make speculative statements about financial transactions.

Patrick Doody (SEC’s expert witness),

1. **Ownership of Kraken Account:** Initially claimed that Kraken indicated Middleton or Eleanor Reid owned the account, later corrected himself by acknowledging it was held by Veritaseum LLC.
2. **Misrepresentation of VeGold Token Transactions:** Incorrectly stated that 1,660 ETH was transferred to the VeGold token address, later corrected this figure to 1,645 ETH after revising his methodology.
3. **False Statement About VeGold Payments:** Claimed that payments from VeGold purchases were sent to Middleton’s personal Kraken account, whilst it was actually a corporate account under Veritaseum LLC.

Rosanne Daniello (SEC staff accountant)

1. **Misrepresentation of Kraken Account Ownership:** Suggested that the Kraken account was in Middleton’s name for personal use, later admitted the ownership was ambiguous and could be linked to his administrative assistant.
2. **False Flagging of Blockchain Transactions:** Initially flagged certain blockchain transfers as suspicious, later conceded they were regular business operations.
3. **Recanting False Testimony:** Initially alleged that Middleton sent funds abroad to unknown accounts but later corrected herself, stating payments were to contractors and reconciled against invoices.

Summary

- **Total Instances misrepresentations, lies, negligent statements to the Court, or the need to recant testimony:** 15.
- **Key Issues:** The instances primarily involve misrepresentations to the court regarding the existence and operation of the VeADIR platform, the ownership and use of the Kraken account, trading activities, and international payments. The conduct includes pressuring witnesses, misrepresenting evidence, and unethical involvement in legal processes.

The Threat to American Innovation and Global Leadership:

- **Stifling Technological Progress:** Veritaseum was at the forefront of blockchain and decentralized finance, with the potential to revolutionize multiple industries. The SEC's unjust actions have not only come very close to destroying this promising technology but have also sent a chilling message to other innovators—risking American leadership in global technology.
- **Global Consequences:** The destruction of Veritaseum is more than just a loss for one company; it is a setback for American innovation on the world stage. As other nations rapidly advance in blockchain and related technologies, the U.S. risks falling behind due to internal regulatory missteps, over-reach and injustices.

The Economic Impact of the SEC's Actions on the American Taxpayer

- **Economic Impact:** The absence of this patent technology and its development could mean that the US misses out on substantial economic benefits, including the creation of new industries, jobs, and technological advancements.
- **Taxpayer Burden:** The cost per individual US taxpayer, assuming 150 million taxpayers, could range from **\$833 to \$4,167 annually**, depending on the scenario, due to lost tax revenue and economic opportunities.

A Moral Imperative for Action:

- **Restoring Public Trust:** The integrity of our institutions relies on their ability to operate fairly and justly. The SEC's actions in this case represent a profound breach of that integrity. Addressing this misconduct is essential not only for the sake of Veritaseum and its stakeholders but for restoring faith in our regulatory and judicial systems.
- **Defending the Rule of Law:** This is not just a case of regulatory overreach—it's a fight for the very principles that define our nation. Ensuring that federal agencies like the SEC are held accountable for their actions is crucial to maintaining the rule of law and preventing future abuses.

Call to Action:

1. For Congress:

- **Investigate SEC Misconduct:** It is imperative that Congress thoroughly investigate the actions of Jorge Tenreiro and the SEC officials involved in this case. This investigation should be guided by a commitment to uncover the truth and ensure that those who have misused their authority are held accountable.
- **Strengthen Oversight and Accountability:** Legislative reforms may be necessary to ensure that federal agencies, particularly the SEC, are subject to greater transparency and oversight, curtailment of regulatory overreach as alluded to in the recent "Chevron

Deference” precedent, handed down by the US Supreme Court. Protecting American innovators and entrepreneurs from unjust persecution must be a priority.

2. For the Media:

Page | 5

- **Expose the Truth:** The public deserves to know the full story behind the SEC’s actions against Veritaseum, against Reggie Middleton and against America and the American taxpayer. This case is a powerful narrative of government overreach, ethical misconduct, and the fight to protect American innovation. By bringing this story to light, the media can play a critical role in safeguarding the principles of justice and fairness.

Conclusion:

This moment represents a critical juncture for how America treats its innovators and upholds the rule of law. The actions of the SEC in this case have far-reaching implications, not just for one man or his company, but for the integrity of our entire regulatory system and American security. By addressing this misconduct, we can reaffirm our commitment to justice, protect American innovation, and ensure that our institutions remain worthy of the public trust. This is not just a legal battle—it’s a moral cause that demands our collective attention and action.

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