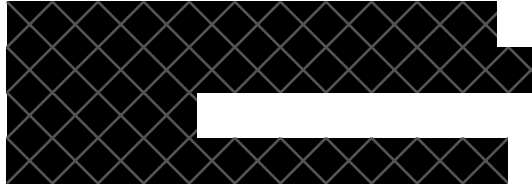


Complaint to the New York Attorney Grievance Committee Against John O. Enright, Esq.



Date: April 7, 2025

To the New York Attorney Grievance Committee:

I, [REDACTED] hereby submit this formal complaint against John O. Enright, Esq., for professional misconduct during his tenure as Assistant Director in the Division of Enforcement's Cyber Unit at the U.S. Securities and Exchange Commission's (SEC) New York Regional Office (NYRO) from 2018 to at least 2021. Enright's actions—supervising the investigation and enforcement action in SEC v. Middleton, Case No. 1:19-cv-04625 (E.D.N.Y.), and having his name listed at the top and in the signature block of the SEC complaint filed on August 12, 2019—violated the New York Rules of Professional Conduct (2022), federal statutes, New York Penal Law, his oath of office, and equitable principles established by case law. These actions caused significant harm to Veritaseum Inc., and Veritaseum LLC (collectively called Veritaseum), its founder Reginald Middleton, and numerous VERI token holders, as evidenced by victim impact statements and supporting documents. The complaint herein should be read in conjunction with the very serious misconduct allegations contained in the previously filed Bar Complaint against Jorge Tenreiro, copy attached, which actions appear to have been condoned or overlooked by John O. Enright, Esq., as a supervisor in the said proceedings.

Introduction

This complaint addresses John O. Enright's role in the SEC's enforcement action against Veritaseum, a blockchain-based digital asset platform, and its founder, Reginald Middleton. Enright, who served as Assistant Director in the SEC's Division of Enforcement Cyber Unit within the NYRO under Director Marc P. Berger and Associate Regional Director Lara S. Mehraban from 2018 onward, supervised the investigation and enforcement efforts culminating in the filing of a [Complaint](#) on August 12, 2019. This complaint, signed by Berger with Enright's name at the top and in the signature block, sought a [Final Judgment](#) that permanently barred Middleton and Veritaseum from serving as officers or directors of public companies, prohibited participation in digital asset securities offerings, and imposed civil penalties. As a supervisory attorney over staff including Jorge G. Tenreiro and Victor Suthammanont, Enright failed to prevent or correct pervasive misconduct—including false statements, witness coercion, threats of felony charges, and reckless disregard for truth—contributing to financial losses, missed business opportunities, psychological distress, reputational damage, and widespread distrust in government among affected individuals.

The evidence includes:

- The Complaint; a legal document signed by Berger with Enright's name appearing at the top and on page 29, dated August 12, 2019, from SEC v. Middleton et al case.
- Victim impact statements from nine individuals (including Mark A. Sheahan's statements from October 5 and October 21, 2024).

- Enright's employment history with the SEC (Assistant Director, Cyber Unit, NYRO, 2018–2021).
- Supporting documents such as declarations, court filings, and a FOIA response.
- Tenreiro Bar Complaint previously filed with the Attorney Grievance Committee.

This complaint alleges violations of:

- **New York Rules of Professional Conduct (2022):** Rules 1.1, 3.3(a)(1), 3.4(a)(1), 3.4(e), 4.1, 5.1, 8.4(b), 8.4(c), 8.4(d).
- **Federal Statutes:** 18 U.S.C. § 1001 (False Statements), 18 U.S.C. § 1512 (Witness Tampering), 18 U.S.C. § 242 (Deprivation of Rights Under Color of Law).
- **New York Penal Law:** § 195.00 (Official Misconduct).
- **Case Law:** Liu v. SEC, 591 U.S. 71 (2020) (equitable principles).

I request a thorough investigation and disciplinary action against Enright, including potential disbarment, as well as referral to federal and state authorities for prosecution.

Specific Allegations of Misconduct

1. False Statements and Misrepresentations to the Court

Enright, as Assistant Director, supervised the development of the SEC complaint filed on August 12, 2019, which his name in the signature block indicates he reviewed and endorsed. The complaint presented unproven and materially false allegations against Middleton and Veritaseum as facts without sufficient evidence,

seeking to bar defendants from digital asset securities offerings (Section VIII) and imposing penalties (Section IX).

- **False Allegations About Platform Operability:** The SEC complaint falsely alleged that the VeADIR platform was not functional nor operational, however victim statements, such as [Chad Albert's](#), highlight misrepresentations about the VeADIR platform's operability, [Mark Sheahan's](#) statements detail how the SEC falsely claimed the VeADIR platform was non-functional despite a live demonstration to SEC staff at their offices on March 9, 2018, attended by Jorge G. Tenreiro and others, and despite running a YouTube channel providing tutorials and information on its use, [youtube.com/c/VeTest], loss of token utility, and trust in the SEC as a fair regulator. By allowing or endorsing false statements about the platform's operability and functionality, Enright's actions ran counter to his obligations to be truthful in all communications. Enright is accused of endorsing or failing to correct false statements about the operability of the VeADIR platform, despite ample evidence showing that the platform was operational and functional, such false claims were made to support regulatory action against Veritaseum. In this context, misrepresentation about the VeADIR platform is not only misleading to investors and stakeholders but also undermines the integrity of the legal process by presenting inaccurate technical and operational information as part of the enforcement action.
- **False Representations Regarding the Ownership of the Kraken Crypto Account:** This complaint asserts that Enright played a supervisory role in endorsing or allowing false statements regarding the ownership of the Kraken crypto account. Specifically, there was an utterly false allegation that the Kraken account belonged personally to Reginald Middleton, leading to

an unjust asset freeze. [A FOIA response \(No. 24-04057\)](#) initially confirmed there were no communications with Kraken between April 1, 2017, and August 31, 2019, undermining the claim of Middleton's personal account ownership, a falsehood Enright endorsed through his supervisory role. He further failed to ensure a correction of subsequent pleadings concerning ownership of the Kraken account once a supplemental declaration had been filed by Patrick Doody (SEC expert witness), contradicting his earlier testimony and now confirming its true ownership.

- **Asset Misappropriation and Dissipation:** The SEC complaint falsely alleged that Middleton had misappropriated funds through a personal Kraken account, which was later corrected by the SEC's expert witness; Patrick Doody, nonetheless Enright allowed the enforcement action to be pressed ahead with these false narratives regardless. Further, the SEC alleged that funds used to pay overseas contractors were some sort of scheme to secret away funds outside of US jurisdiction, when in fact this was the legitimate payment of bona fide invoices from overseas contractors for goods and services rendered to Veritaseum, as confirmed by the SEC's other expert in house witness; Roseann Daniello.

Violations:

- **NY Rule 1.1:** Attorneys must provide competent legal representation. However, Enright's failure to ensure that SEC proceedings followed due process standards suggests a lack of professional competence.
- **NY Rule 3.3(a)(1):** The duty of candor toward the tribunal requires that all factual representations made in pleadings are accurate and prohibits a lawyer from knowingly endorsing false statements of fact or law. It is alleged that Enright knowingly or recklessly endorsed false statements in the complaint,

such as VeADIR's non-existence and false claims about the Kraken account ownership, misappropriation and dissipation of assets without ensuring correction. Enright knowingly failed to ensure that the factual assertions about VeADIR's operability and Kraken account ownership were correct, he violated his duty to maintain integrity before the court.

- **NY Rule 4.1** Truthfulness in Communications: obligates lawyers to be truthful in all statements made to others. By endorsing the misrepresentation of the ownership of the Kraken account, Enright not only misled the tribunal but also the broader public and investors, thereby compromising his credibility and the integrity of the proceedings.
- **NY Rule 8.4(b)**, Misconduct (Illegal or Criminal Conduct that Reflects on Fitness to Practice Law): Broader Implications of Misrepresentation: engaging in conduct that involves fraud or deceit, even if it is part of a larger regulatory strategy, reflects negatively on a lawyer's fitness to practice. In this situation, endorsing or failing to correct demonstrably false statements regarding platform operability, account ownership and misappropriation and dissipation of assets constitutes a significant ethical lapse. The false claim about the Kraken account ownership undermines the factual foundation of the regulatory action and damages the trust required for proper legal advocacy. If the false statements were part of a broader fraudulent scheme, Enright's participation would constitute a serious ethical breach.
- **NY Rule 8.4(c)**: Under this rule, a lawyer must refrain from engaging in conduct involving dishonesty or misrepresentation. Endorsing false representations, knowingly or recklessly, can be seen as a deliberate attempt to deceive the court or the public. Enright's supervisory role in these SEC enforcement proceedings involved false and misleading representations.

Records indicate that he may have been directly responsible or at the very least been aware of false and misleading statements submitted in court filings yet failed to correct them or have them corrected.

- **18 U.S.C. § 1001:** Falsifying material facts in federal proceedings implicates Enright’s supervisory endorsement of unverified claims. If he knowingly made or allowed false statements to be submitted to federal courts, this could constitute a violation of federal law. The SEC’s reliance on potentially false and misleading declarations warrants further investigation.

2. Supervisory Failures Over Subordinate Misconduct

As Assistant Director of the Cyber Unit, Enright supervised attorneys including Tenreiro and Suthammanont, who engaged in egregious misconduct. Tenreiro coerced Lloyd G. Cupp III to falsely testify as a fraud victim and misrepresented Veritaseum’s patented technology (US11196566B2) as lacking novelty (Barry O’Sullivan). Sheahan’s October 21, 2024, statement reveals Tenreiro, Suthammanont, and Karen Willenken led a deposition marked by aggressive, abusive questioning and threats of felony charges to silence his support for Middleton, followed by attempts to seize his electronic devices post-surgery. Sheahan notes the SEC monitored Veritaseum chatrooms, targeting community members, a tactic unchecked by Enright. The Preliminary Injunction (p. 7) notes defendants’ non-opposition, possibly due to resource disparities rather than guilt—a dynamic Enright should have scrutinized per SEC investigative fairness standards.

Violations:

- **NY Rule 5.1(a)-(d):** Enright failed to ensure ethical conformity (a), inadequately supervised his team (b)(2), ratified misconduct via his oversight of the complaint (d)(1), and knew or should have known of

misconduct without action (d)(2)(i). As a supervisory attorney, Enright had a duty to ensure his subordinates complied with ethical obligations. Evidence from SEC enforcement actions indicates that he failed to exercise proper oversight, allowing subordinates to engage in potential misconduct. A supervisory lawyer is responsible for another lawyer's ethical violations if they know of the misconduct and failed to take corrective action. Newly obtained evidence suggests that Enright personally approved or endorsed actions that may have violated due process rights, making him directly culpable.

- **NY Rule 3.4(e) – Fairness to Opposing Party and Counsel (Threatening Criminal Charges for Advantage):** This prohibits lawyers from engaging in conduct that is prejudicial to the administration of justice or that employs threats and coercion. Threatening a witness with felony charges to secure favorable testimony is not only unethical, but it also directly undermines the integrity of the judicial process. Tenreiro, Suthammanont, and Karen Willenken threatened felony charges against Mark Sheahan to coerce testimony or evidence, they violated this rule, which prohibits lawyers from improperly influencing witnesses. Evidence from SEC enforcement actions indicates that Enright failed to exercise proper oversight, allowing subordinates to engage in serious misconduct which was tantamount to extortion.
- **NY Rule 1.1:** His oversight lacked competence in allowing baseless claims and coercive tactics to proceed. Attorneys must provide competent legal representation. Enright's failure to ensure that SEC proceedings followed due process standards suggests a lack of professional competence.

- **18 U.S.C. § 1512(b)(1):** Witness tampering by Tenreiro, Willenken and Suthammanont, including threats against Sheahan, under Enright's supervision implicates his liability.

3. Abuse of Process and Harm to Investors

Under Enright's supervision, the SEC's actions disrupted Veritaseum's operations, including partnerships with the [Jamaica Stock Exchange](#) (Kamhi) and the VeADIR platform (Fountain). Sheahan highlights destroyed agreements with the [Nigerian Stock Exchange](#) and the loss of VeADIR's utility, compounded by post-deposition harassment that hindered his recovery. The TRO (p. 3) froze \$8 million excessively, criticized as wasteful of judicial resources in a separate filing (p. 12) and disproportionate (p. 15), a measure Enright oversaw as part of the enforcement action. This constitutes abuse of process, prioritizing regulatory overreach over investor protection.

Violations:

- **NY Penal Law § 195.00:** Enright's oversight of unauthorized acts, including threats and seizures against Sheahan, aligns with official misconduct. By failing to uphold his duties in an impartial and just manner, Enright engaged in official misconduct, warranting state-level review.
- **NY Rule 8.4(d):** He engaged in conduct prejudicial to justice administration. Newly reviewed cases show how Enright's SEC enforcement actions have led to unjust rulings based on flawed evidence.

4. Breach of Oath of Office

Enright swore to uphold the law with integrity as an SEC attorney. His role in overseeing a misleading complaint and failing to protect investors like William Billingsley (VeriDAO member) breaches this oath. Sheahan's experience—

threatened with felony charges and device seizures despite major spinal surgery—underscores aggressive tactics under Enright’s supervision, eroding trust in regulators.

Violation:

- **Oath of Office:** Ethical breach as an officer of the court.

5. Violation of Equitable Principles

The final judgment sought in the complaint Enright supervised (Section X) aimed to benefit investors, yet substantially less than 1% of token holders were compensated (*Liu v. SEC*, 591 U.S. 71), contradicting equitable relief requirements. Sheahan notes the asset freeze halted VeADIR, stripping him of token utility and harming those the SEC claimed to protect, a pattern Enright failed to address.

Violation:

- **Liu v. SEC:** Failure to ensure equitable outcomes.

6. Deprivation of Rights Under Color of Law

Enright’s failure to prevent due process violations—e.g., asset freezes, and coercive tactics based on unverified evidence—constitutes willful misconduct under color of law. The FOIA response and blockchain tracing capabilities highlight the recklessness of the Kraken claim, endorsed under Enright’s supervision, while Sheahan’s post-surgery harassment reflects denied fair process, with the TRO granted Ex Parte (Sheahan complaint, p. 20).

Violation:

- **18 U.S.C. § 242:** Deprivation of rights under color of law. The SEC’s improper targeting of individuals in enforcement actions, without sufficient legal basis, raises concerns under this federal statute.
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Victim Impact Statements: Evidence of Harm

The following statements illustrate the harm caused by Mehraban’s actions:

- **Chad Albert**: “The misrepresentations... led to unjust asset freezes... causing me great financial, emotional, and psychological harm...”
- **Anthony Allen**: “My purchase in Veritaseum was devalued... The actions of Jorge Tenreiro made me lose trust in... regulatory bodies...”
- **William Billingsley**: “this misconduct caused me considerable harm and financial loss as a first-time investor in financial markets”
- **M. Angelia Ellis Kamhi**: “I lost the potential for profit... The project with the Jamaica Stock Exchange was destroyed...”
- **Barry O. Sullivan**: “Tenreiro’s false statements... impacted my ability to utilize Veritaseum’s patented technology.”
- **Thomas Devereux**: “I missed out on two market cycles... The loss of respect for the government remains...”
- **Alvin Paul Fortunato**: “It was heartbreaking... I no longer feel confident that the government acts in investors’ best interests.”
- **Lloyd G. Cupp III**: “Tenreiro attempted to frame me as a victim... I refused his offer...”

- **Keith Fountain**: “I experienced significant financial loss... The halting of Veritaseum’s platform prevented access...”
- **Mark A. Sheahan**: (October 21, 2024) “The SEC’s actions... shut down [VeADIR]... causing significant financial and reputational damage... I was subpoenaed post-affidavit, faced aggressive questioning and felony threats during a deposition led by Tenreiro, Suthammanont, and Willenken, and endured ongoing harassment post-spinal surgery, including attempts to seize my devices. I lost my [YouTube channel](#), [YouTube.com/c/VeTest], token utility, and trust in the SEC as a fair regulator.”

Summary of Harms:

- **Financial Loss**: Token value and utility plummeted (Albert, Allen, Kamhi, Fountain, Sheahan).
- **Missed Opportunities**: Disrupted partnerships and platform access (Kamhi, Fountain, Sheahan).
- **Psychological Toll**: Stress and distrust, worsened by harassment (Albert, Devereux, Fortunato, Sheahan).
- **Reputational Damage**: Stigmatized association with Veritaseum (O’Sullivan, Sheahan).
- **Government Distrust**: Loss of faith in the SEC (Allen, Devereux, Fortunato, Sheahan).
- **Coercion Attempts**: Pressure to falsely testify or comply (Cupp, Sheahan).

The Demotion of SEC’s Jorge Tenreiro After Complaint Filed with the Attorney Grievance Committee

The Attorney Grievance Committee upon receipt of 180+ complaints against Mr. Tenreiro passed the complaints on to the SEC Office of General Counsel indicating that the SEC “was better suited” to investigate the matter. Mr. Tenreiro was promoted to Chief Litigation Counsel in December 2024. Upon receipt of the AGC forwarded complaints, Mr. Tenreiro was relegated to the Information Technology Department. One can only assume this was the outcome of the more than 180 complaints filed against Mr. Tenreiro to date as he awaits adjudication of his deception committed in the SEC vs Reggie Middleton et al 2019 case. However, this nonetheless appears to be an “adverse finding” by the SEC OGC which appears to have taken pre-emptive action in its ongoing investigation. Enright contributed through his negligence to this obvious demotion from the number three position at the SEC to the IT department. A humiliating action considering his rise to such a prestigious position within the SEC.

Conclusion and Request for Action

John O. Enright’s actions as Assistant Director—supervising the investigation and enforcement action leading to the August 12, 2019, complaint—constitute a pattern of misconduct violating ethical and legal standards. The evidence, including Sheahan’s harrowing experience, demonstrates significant harm to Veritaseum and its stakeholders, undermining the SEC’s investor protection mandate.

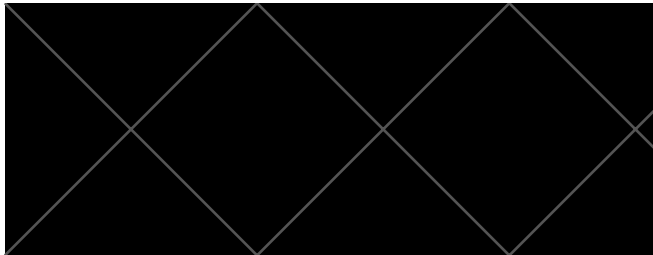
Finally, I would add that it is now a matter of record that Middleton et al have indicated to the presiding Judge Kuntz that the defendants in the said proceedings intend to [file a motion](#) to vacate the consent judgment for **fraud on the court per Federal Rules of Civil Procedure 60(d)(3)**.

I request that the Committee:

- Investigate Enright's violations of the New York Rules of Professional Conduct, federal statutes, and New York Penal Law.
- Assess potential fraud upon the court and official misconduct, warranting disbarment or suspension for Enright.
- Refer findings to the U.S. Department of Justice and New York Attorney General for prosecution under 18 U.S.C. §§ 1001, 1512, 242, and NY Penal Law § 195.00.

I affirm the truth of these allegations and am available to assist further.

Sincerely,



April 7, 2025

Submit to: adl-agc-newcomplaints@nycourts.gov

Supporting Documents

- [SEC vs Middleton et al Complaint Signed by Marc P Berger](#)
- [SEC vs Middleton et al Final Judgment](#)
- [SEC Press Release \(August 13, 2019\).](#)
- [Enright's SEC Employment History \(Assistant Director, Cyber Unit, NYRO, 2018–2021\).](#)
- [Sheahan Complaint Against Jorge G. Tenreiro \(October 5, 2024\).](#)
- [FOIA Response \(No. 24-04057\).](#)
- [Tenreiro Complaint previously filed with the AGC](#)
- [Letter from Seibert's to Judge Kuntz with intention to file a motion under FRCP 60\(d\)\(3\) motion to vacate a judgment for fraud on the court](#)
- [Middleton Declaration](#)
- [Declaration of Roseann Daniello](#)
- [Supplemental Declaration of Roseann Daniello](#)
- [Declaration of Patrick Doody](#)
- [Second Declaration of Patrick Doody](#)
- [Affidavit of Lloyd G. Cupp III](#)