

Is Bitcoin the Somali Fraudster Getaway Car?

By George Mullen
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Bitcoin may not just be an avenue that enables drug cartels to launder their illicit billions and Jihadis to secretly fund terrorist operations. It may also be the Somali Fraudster Getaway Car.

Leveraging the pseudonymous and rapid nature of blockchain transactions via offshore crypto exchanges, Bitcoin and other cryptos is likely what enabled fraudsters to steal hundreds of billions of U.S. taxpayer dollars since 2020. Doing so may also be what propelled Bitcoin to skyrocket from \$8,000 in 2020 to over \$126,000 in 2025, while the S&P 500 index only doubled.

Three culminating points that support this argument:

First — The intrinsic value of Bitcoin is similar to that of a rock in your backyard: zero. Of course, the market value of anything at a given point in time is dictated by what the market says its value is, not what I say it is. Similar to EToys being valued at \$10 billion in 1999 (Etoys now valued at zero) or a single Tulip Bulb being valued at the price of a luxury home in Amsterdam in 1637 (Tulip Bulbs now valued at \$5), Bitcoin is currently valued at over \$97,000 per digital coin.

Many argue that Bitcoin is a far safer place to hold your money versus fiat currencies like the U.S. Dollar, which are constantly being devalued by spendthrift inflationary government policies. There certainly is merit to this argument. However, the U.S. Dollar is actually backed by the *"full faith and credit of the United States"*.

The United States has a massive net worth of \$309 trillion to back the dollar. The Institute for Energy Research estimates the value of just the government's oil and gas recoverable resources to be \$128 trillion. Contrast these figures with the U.S. National Debt of \$38 trillion.

Bitcoin, on the other hand, has only "hope" backing it. Bitcoin has no assets and creates no earnings or dividends, nor ever will. Stablecoins and the multiple other crypto-variations are garnishes intended to pretty-up what Berkshire Hathaway's Charlie Munger dubbed “Crypto-Crapo”.

The other main argument used to support Bitcoin is that its supply is limited. This means scarcity versus the U.S. Dollar, which the U.S. Treasury can print more of at will. Again, there is merit to this argument. Hunter Biden's paintings are also limited in supply; how has that worked out? You get the point: scarcity in itself does not equate to value. Bitcoin's intrinsic value remains zero.

Second — Fraud and corruption in the United States went parabolic from 2020 to 2025 owing to the COVID-19 Pandemic coupled with a sea of Biden federal government initiatives that distributed over \$4.65 trillion in various relief programs — with minimal due diligence and negligible oversight. These misguided policies prompted a feeding-frenzy for fraudsters of every type.



Images generated by Grok

The taxpayer monies gone missing in the infamous Minnesota Somali Daycare fraud scheme are claimed to be between \$9 to \$19 billion alone. California's fraud is even more mind-numbing — \$24 billion supposedly spent on homeless programs (with homelessness worsening dramatically)

— \$18 billion on a nonexistent high-speed rail system — \$32 billion in Covid relief fraud — \$2.5 billion in SNAP fraud — and these are the tip of the iceberg.

According to Elon Musk, the former leader of DOGE, *"My guess for how much fraud is happening nationwide is roughly 10% of the Federal budget, so about \$700 billion per year."*

Fraudsters know they need to quickly hide and obscure their illicit funds. But it isn't so easy to hide money at this scale. After all, you can only move so much cash via suitcases. So how did they do it?

Third — The Somali Daycare (and other) fraudsters are likely to have used Bitcoin and other cryptos as their primary getaway car to cover their tracks. This is the best explanation as to why an asset with zero intrinsic value would be bid up to such extraordinary price levels. Bitcoin became a gargantuan-scale money laundering operation for fraudsters.

That the rogue nations of North Korea, Iran and Venezuela are also neck deep in Bitcoin is no coincidence. Israeli news has reported that Iranian regime members have secretly transferred \$1.5 billion out of Iran via crypto in the last 48 hours.

Look at the chart of Bitcoin's parabolic rise from 2020 to 2025 and how it perfectly tracks the parabolic rise in COVID-19 Pandemic relief funding and fraud. **Massive fraud-money buying pressure is likely why Bitcoin rose from \$8,000 in 2020 to \$95,000 by the end of 2024.**

The 2025 inauguration of President Trump, along with Elon Musk's DOGE digging for fraud, prompted a final panic-buying-spike as fraudsters piled into Bitcoin to obscure their remaining illicit monies. **This is likely what drove Bitcoin to blow over the top to \$126,000.**

The fraudsters were no doubt simultaneously selling their cleaned Bitcoin out the other side of their car to willing speculators who believed their crypto successes were a product of their genius, instead of just dumb luck in timing.

From October 2025 to early January 2026 the price of Bitcoin was massacred 30%, while the S&P 500 index was up 3%. This collapse was likely due to the end of the fraudsters' easy-money fraud game, which in turn, drastically reduced their purchases of Bitcoin. Without something replacing the fraud-cash buying pressure, Bitcoin's next leg down may be even more sobering.

Michael Saylor (MSTR), the Winklevoss twins, Cathie Wood, Jamie Dimon (JPM) and crew don't have the muscle to prop up Bitcoin for long. Perhaps President Trump will ride to Bitcoin's rescue by ordering large-scale federal government purchases — but this may be fraught with conflicts-of-interest. Prospects of a civil war in Iran could also spur a wave of fear-based Bitcoin buying.

Time will tell how this situation plays out.

The bad news for fraudsters is you can run but you can't hide. Unbeknownst to most people,

Bitcoin's public ledger often leaves trails that FinCEN, FBI, CIA and DOJ have become highly adept at tracking. If the authorities are diligent, most fraudsters will be caught. And the elected officials who participated (or looked the other way) will likely be sold out by imprisoned fraudsters seeking to cut deals in exchange for reduced sentences.

The correlation of Bitcoin's skyrocketing price with America's skyrocketing COVID-19 related fraud could be a bizarre coincidence. But as V once famously said:

"There are no coincidences, only the illusion of coincidences."

George Mullen is the author of "The Coming Financial Tsunami" (2005) and "Welcome to the Bubble Economy" (2006), which accurately predicted the 2007-08 global economic crash. He is co-founder of the Sunbreak Ranch effort to end America's street homelessness catastrophe and a principal of StudioRevolution.com in San Diego, California.

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