

## Tips, Complaints, and Referrals

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**TCR ID 1139557 was submitted on Thursday May 29, 2025 at 10:42:41 PM EDT**

The Complaint Form questions that were responded to during the initial submission, the answers entered for those questions during the initial submission, and the documents that were uploaded to this TCR during the initial submission are listed below.

### What is your complaint about?

**Q: Please select the option that best describes your complaint.**

A: Other

**Q: Is this supplemental information to a previous complaint?**

A: No

**Q: In your own words, describe the conduct or situation you are complaining about.**

A: Document generated: 2025-05-30 02:20:35 UTC

FULL SCOPE REPORT: NICEHASH CONNECTIONS & ANOMALOUS BLOCK FINDINGS

FULL REPORT: NICEHASH CONNECTIONS AND BLOCK ANOMALY INVESTIGATION

SUMMARY:

This document outlines the forensic findings, suspicious behavior patterns, and potential collusion between NiceHash and several major mining pools (Antpool, Foundry USA, ViaBTC). Observations suggest a shared mechanism for anonymously redirecting block rewards, potentially masking the true origin of mining activity.

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#### SECTION 1: OVERVIEW OF BLOCK EVENTS

Multiple Bitcoin blocks (e.g., 898617, 898618) identified with markers like "z>mm" in coinbase data.

These blocks were found while NiceHash rigs were offline (non-rental periods), suggesting reward interception or redirection.

"z>mm" appears consistently in suspicious blocks across multiple pools.

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## SECTION 2: PARTICIPATING POOLS & TAGS

Antpool: Blocks show identical suspicious tags. Evidence of receiving redirected block rewards.

Foundry USA Pool: Coinbase messages such as #dropgold/z>mm detected.

ViaBTC: Entries like Trustpool/,z>mm/ embedded in coinbase field.

Conclusion: Consistent pattern across pools implies systemic allowance of a backdoor for NiceHash hashpower redirection.

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## SECTION 3: BLOCKCHAIN.COM TRACE ANOMALIES

Retroactive deletions or modifications observed on Blockchain.com for affected blocks.

Visual logs captured before alteration serve as timestamped forensic proof.

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## SECTION 4: DEVICE LOGS & TIME CORRELATION

Miner log files from cgminer/sgminer report non-rental operation during block discoveries.

Attached screenshots match timestamps of mined blocks, confirming local machines found work units while not active under NiceHash.

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## SECTION 5: STATISTICAL IMPROBABILITY

4 blocks discovered in under 5 days from a setup with ~900TH/s on Bitcoin SHA256.

Probability of such hits within that window is statistically astronomical (1 in trillions), making coincidence mathematically invalid.

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## SECTION 6: LEGAL IMPLICATIONS

If proven, activity violates several key tenets of pool transparency, user revenue share, and potentially consumer fraud laws.

Deliberate masking of coinbase fields and use of shared tags suggests coordinated concealment.

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## SECTION 7: COMMUNITY & INDUSTRY IMPACT

Use of public-facing pool names to disguise backchannel mining routes compromises trust in Bitcoin's decentralization.

Users are unaware their rewards may be misrouted or claimed under another identity.

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## CONCLUSION:

While more data exists in full miner logs, this summary isolates only the verified and visually documented instances. Further discovery may uncover additional block events or participating parties.

**Q: Are you having or have you had difficulty getting access to your funds or securities?**

A: Yes

**Q: Did you suffer a loss?**

A: Yes

**Q: Enter amount of loss to nearest dollar without characters**

A: 1420000

**Q: When did you become aware of the conduct?**

A: 5/21/2025

**Q: When did the conduct begin?**

A: 5/16/2025

**Q: Is the conduct ongoing?**

A: Yes

**Q: Has the individual or firm acknowledged the conduct?**

A: No

**Q: How did you learn about the conduct? You may select more than one answer.**

A: Account statements; Conversations; Internal business documents; Publicly available information

**Q: Have you taken any action regarding your complaint? You may select more than one answer.**

A: Complained to firm; Complained to other

**Q: Provide details.**

A: Summary of Discrepancy: Over a period of less than five days, my mining equipment—operating independently and not rented through NiceHash—registered work that correlates precisely with the timestamps and conditions of four Bitcoin blocks that were publicly credited to major mining pools (Antpool, Foundry, ViaBTC). Despite being disconnected from any NiceHash rental session at the time, these blocks: Match my miners' logs, Display a recurring anomalous marker ("z>mm") in the coinbase data, And were later altered or deleted from public explorers like Blockchain.com. The statistical odds of this occurrence being coincidence are astronomically low given my hashrate (~900TH/s). This suggests NiceHash may have misrepresented mining work, redirected block credit, or engaged in concealed aggregation with cooperating pools.

## **Who are you complaining about?**

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### **Subject 1**

**Q: Are you complaining about a person or a firm?**

A: Firm

**Q: Select the title that best describes the person or firm the complaint is about.**

A: Other

**Q: For Other Firm, please specify.**

A: They use miner rental as a cover for a block filter. Against their own TOS.

**Q: Are you or were you associated with the person or firm when the alleged conduct occurred?**

A: Yes

**Q: How are you or were you associated with the person or firm you are complaining about?**

A: Customer/victim.

**Q: Identifier Type**

A: Unknown

**Q: Are you a current or former Employee, Officer, Partner, or Employee Director of any entity you are complaining about?**

A: No

**Q: Are you a current or former Non-Employee Director, Consultant, Contractor or Trustee of any entity you are complaining about?**

A: No

**Q: Firm Name**

A: Zachary Schmucker

**Q: Zip / Postal Code**

A: 49112-8311

**Q: City**

A: EDWARDSBURG

**Q: State / Province**

A: Michigan

**Q: Country**

A: United States

**Q: Home Phone**

A: 5744405155

**Q: Email Address**

A: deakion2008@gmail.com

**Q: If the complaint is about an entity or person that has custody or control of your investments, have you had difficulty contacting that entity or person?**

A: Yes

## **Which investment products are involved?**

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**Q: Select the type of product involved in your complaint.**

A: Funds (e.g., ETFs, mutual funds, private equity funds, hedge funds)

**Q: Please select the category that best describes the security product.**

A: Other funds

**Q: For other funds, please provide more information.**

A: Bitcoin

**Q: Enter the ticker symbol, if known.**

A: Btc

**Q: Enter the product's name(s), if known.**

A: Bitcoin

## **About you**

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**Submitter # 1**

**Q: Are you filing this tip under the SEC's whistleblower program?**

A: Yes

**Q: Are you an attorney filling out this form on behalf of an anonymous whistleblower client who is seeking an award?**

A: No

**Q: Title**

A: Mr

**Q: First Name**

A: Zachary

**Q: Last Name**

A: Schmucker

**Q: Street Address**

A: 21482 Fieldview Dr.

**Q: Zip / Postal Code**

A: 49112-8311

**Q: City**

A: EDWARDSBURG

**Q: State / Province**

A: Michigan

**Q: Country**

A: United States

**Q: Email Address**

A: Deakion2008@gmail.com

**Q: What is the best way to reach you?**

A: Phone

**Q: Are you represented by an attorney in connection with this matter, or would you like to provide your attorney's contact information?**

A: No

**Q: Select the profession that best represents you**

A: Other

**Q: For Other, please specify**

A: Hobby miner

**Q: Have you reported the matter at issue in this submission to your supervisor, compliance office, whistleblower hotline, ombudsman, or any other available mechanism for reporting possible violations at any entity you are complaining about?**

A: No

**Q: Were you retaliated against for reporting the matter at issue in this submission either internally at the entity or to a regulator?**

A: No

**Q: Has anyone taken steps to prevent you from reporting this violation to the SEC?**

A: No

**Q: Are documents or other information being submitted that could potentially identify the whistleblower?**

**A: Yes**

**Q: Identify with particularity any documents or other information in your submission that you believe could reasonably be expected to reveal your identity.**

**A: They know exactly who i am. And they exactly what I think i found.**

**Q: Does the whistleblower want to be eligible to apply for a whistleblower award?**

**A: Yes**

**Q: 1. Are you, or were you at the time you acquired the original information you are submitting to us, a member, officer or employee of the Department of Justice; the Securities and Exchange Commission; the Comptroller of the Currency; the Board of Governors of the Federal Reserve System; the Federal Deposit Insurance Corporation; the Office of Thrift Supervision; the Public Company Accounting Oversight Board; any law enforcement organization; or any national securities exchange, registered securities association, registered clearing agency, or the Municipal Securities Rulemaking Board?**

**A: No**

**Q: 2. Are you, or were you at the time you acquired the original information you are submitting to us, a member, officer or employee of a foreign government, any political subdivision, department, agency, or instrumentality of a foreign government, or any other foreign financial regulatory authority as that term is defined in Section 3(a)(52) of the Securities Exchange Act of 1934 (15 U.S.C. §78c(a)(52))?**

**A: No**

**Q: 3. Did you acquire the information being submitted to us through the performance of an engagement required under the federal securities laws by an independent public accountant?**

**A: No**

**Q: 4. Are you providing this information pursuant to a cooperation agreement with the SEC or another agency or organization?**

**A: No**

**Q: 5. Are you a spouse, parent, child, or sibling of a member or employee of the SEC, or do you reside in the same household as a member or employee of the SEC?**

**A: No**

**Q: 6. Have you or anyone representing you received any request, inquiry or demand that relates to the subject matter of your submission (i) from the SEC; (ii) in connection with an investigation, inspection or examination by the Public Company Accounting Oversight Board, or any self-regulatory organization; or (iii) in connection with an investigation by Congress, any other authority of the federal government, or a state Attorney General or securities regulatory authority?**

**A: No**

**Q: 7. Are you currently a subject or target of a criminal investigation, or have you been convicted of a criminal violation, in connection with the information you are submitting to the**



**SEC?**

A: No

**Q: 8. Did you acquire the information being provided to us from any person described in Questions 1 through 7?**

A: No

**\*I declare under penalty of perjury under the laws of the United States that the information contained herein is true, correct and complete to the best of my knowledge, information, and belief. I fully understand that I may be subject to prosecution and ineligible for a whistleblower award if, in my submission of information, my other dealings with the SEC, or my dealings with another authority in connection with a related action, I knowingly and willfully make any false, fictitious, or fraudulent statements or representations, or use any false writing or document knowing that the writing or document contains any false, fictitious, or fraudulent statement or entry.**

A: Agree

## **Documents**

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<b>Document Name</b>	<b>Document Type</b>
NiceHash_BlockFraud_Full_Report	pdf



# FULL SCOPE REPORT: NICEHASH CONNECTIONS & ANOMALOUS BLOCK FINDINGS

## FULL REPORT: NICEHASH CONNECTIONS AND BLOCK ANOMALY INVESTIGATION

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- 'z>mm' appears consistently in suspicious blocks across multiple pools.

### SECTION 2: PARTICIPATING POOLS & TAGS

- **Antpool:** Blocks show identical suspicious tags. Evidence of receiving redirected block rewards.
- **Foundry USA Pool:** Coinbase messages such as "#dropgold/z>mm" detected.
- **ViaBTC:** Entries like "Trustpool/,z>mm/" embedded in coinbase field.
- Consistent pattern across pools implies systemic allowance of a backdoor for NiceHash hashpower redirection.

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### SECTION 6: LEGAL IMPLICATIONS

- If proven, activity violates several key tenets of pool transparency, user revenue share, and potentially consumer fraud laws.
- Deliberate masking of coinbase fields and use of shared tags suggests coordinated concealment.

### SECTION 7: COMMUNITY & INDUSTRY IMPACT

- The use of public-facing pool names to disguise backchannel mining routes compromises trust in Bitcoin's decentralization.
- Users unaware their rewards may be misrouted or claimed under another identity.

### CONCLUSION:

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parties.