

# Corruption, Fraud and Very Bad Luck

A typical day for Kevin Katovic, and a recap of the fight so far

**How to read this.** The "typical day" below is a composite: it pulls together things that really happened on different days between September and October 2026. The case recap and figures come from the case files, letters and logs we have worked through together. Nothing in the case has been prosecuted or charged yet. These are complaints, disputes and reports that are still open.

## A typical day

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|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>06:30</b> | Coffee, then the inbox. Overnight, the filters turned away another wave of dating-scam and explicit mail sent from hijacked school and business accounts. One got through on a domain we hadn't seen before. It goes into the archive folder with full headers, as evidence.                                                      |
| <hr/>        |                                                                                                                                                                                                                                                                                                                                   |
| <b>07:00</b> | The overnight network-watch email arrives: the server's own report on every connection in the last 24 hours. Today's "miner port" alarm turns out to be the VPN extension. Not a miner, just one more thing that has to be checked, because after the last two years nothing gets assumed.                                        |
| <hr/>        |                                                                                                                                                                                                                                                                                                                                   |
| <b>07:45</b> | The daily click-fraud report on the paid ads lands. A few visits come from data-center addresses that leave in under three seconds. They go on the list for an invalid-click claim. Every fake click is ad money gone.                                                                                                            |
| <hr/>        |                                                                                                                                                                                                                                                                                                                                   |
| <b>09:00</b> | Bank day. The line of credit that was drained into a fake "Legal Recover" law firm in July 2025 is still being treated as Kevin's debt. The bank's lawyers want \$16,843.64 on the account ending 460. The collector wants \$17,066.82 on an account ending <b>6098</b> , a different number. Neither has explained the mismatch. |
| <hr/>        |                                                                                                                                                                                                                                                                                                                                   |
| <b>10:30</b> | Paperwork. A letter that should have taken an hour takes the morning, because every agency wants it a different way: a web form, six pages maximum by fax, physical mail to an Ottawa post-office box, a reference number quoted on every page. One wrong date on someone else's file, and the whole complaint is "out of time".  |
| <hr/>        |                                                                                                                                                                                                                                                                                                                                   |
| <b>12:00</b> | Lunch is interrupted by a call from an unknown number. Since the "funds recovery" phishing replies in September, this is expected. Rule of the house: no release fees, no remote-access apps, ever.                                                                                                                               |
| <hr/>        |                                                                                                                                                                                                                                                                                                                                   |
| <b>13:30</b> | A new spam batch gets processed the standard way: identify every sender and relay, block them, search two years of archives for the same campaign, then send cease-and-desist letters and reports to the abuse desks and the national spam centres. Every letter is copied to Kevin's own inbox.                                  |
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|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>14:42</b> | A bot on a rented cloud server fires 671 requests in four seconds, hunting for password files and AI API keys. It gets 666 "not found" answers. Blocked at the firewall within the hour.                                                                                                |
| <b>16:00</b> | Something that worked yesterday doesn't work today: a sent-mail folder emptied, a file that went missing off the disk, a tracking log that went to zero bytes, a blog's posts gone from the database. Restore it from backup, check it against the live copy, write down what happened. |
| <b>18:00</b> | Back to building the business: the AI data-center tools, the pages, the ads. This is the part of the day that is supposed to be the job.                                                                                                                                                |
| <b>22:00</b> | Update the master timeline. Check the reminder calendar for the next deadline. Lights out, with the evidence backed up in two places.                                                                                                                                                   |

## The paperwork that kept breaking

Many of the setbacks came from the system, not the scammers. Each one cost weeks.

| WHAT HAPPENED                                   | WHY IT HURT                                                                                                                                                                                                                                                   |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Police told Kevin it was "civil" (July 7, 2025) | On the same day the stolen ETH was moving into an exchange, a constable on a recorded call said it wasn't a crime and to pursue it civilly. That advice cost the early window when the funds might have been traced and frozen.                               |
| The bank's 2025 complaint was withdrawn         | The bank closed the 2025 complaint on Aug 25, 2025 because it "couldn't reach" Kevin by phone. Months of process were lost and everything had to start again in 2026.                                                                                         |
| BC Ombudsperson: no jurisdiction                | File 26-004330 was declined. They pointed to OBSI and the CRCC instead: another door, another form.                                                                                                                                                           |
| The fraud-centre report covered the wrong party | CAFC report 2026-R3GH-2Z2T-Y recorded the collector, not the original scam. The scam details still have to be added by phone.                                                                                                                                 |
| The CRCC wrote down the wrong date              | CRCC R2026-008782 logged the incident as Feb 28, 2025, which put it past the one-year limit. The real dates: file opened Feb 7, 2025; the "civil matter" call on July 7, 2025. Kevin mailed a correction and an extension request, and offered the recording. |
| Three different account numbers                 | Branch file #3921-773, line of credit ending 460, collector's account ending 6098, all for the same alleged debt.                                                                                                                                             |
| Files and folders vanishing                     | The sent-mail folder was emptied on Sep 28, an earlier police-report draft disappeared from disk, a server log file was found at 0 bytes, and blog posts went missing from the database. Each was restored or rebuilt from backup.                            |

# The fraud, in numbers

|                                                           |                                                             |                                                              |                                                     |
|-----------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------|
| <b>2.412 ETH</b><br>PAID TO "LEGAL RECOVER", JUL 3-4 2025 | <b>\$11,074</b><br>EXTRA "INSURANCE" DEMAND, JUL 9 (UNPAID) | <b>~39,300</b><br>UNSOLICITED EMAILS ARCHIVED SINCE APR 2024 | <b>~270</b><br>LETTERS AND REPORTS SENT (TO OCT 13) |
|-----------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------|

## 1. The "Legal Recover" recovery scam (July 2025)

A Facebook ad led to a fake Toronto "law firm" that promised to recover earlier crypto losses. Over nine days in July 2025 it ran the full playbook: identity "verification" (Jul 1), a fake Certificate of Ownership of Funds (Jul 2), paid invoices of CA\$339, \$3,419 and \$4,442 (Jul 3-4), then an \$11,074 "insurance" demand (Jul 9), which Kevin did not pay. The money came from the bank line of credit, about \$8,890 drawn by e-Transfer to the exchanges.

The 2.41209929 ETH went to one wallet, was moved through two more, and landed in a major exchange's hot wallet on July 7, 2025 at 15:13 UTC. That was the same day the police called it a civil matter. The last address before the exchange is most likely a customer deposit address, which the exchange's identity checks can tie to a real person.

## 2. The bank and the collectors

The bank and its lawyers treat the stolen money as Kevin's debt and sent it to collections. Kevin has sent a cease-and-desist and dispute notice to the collector, a credit-bureau dispute, and a fraud update to the bank's resolution office citing the Criminal Code fraud and identity sections. The bank opened 2026 complaint **1-11146291309**. OBSI was copied, and Kevin can escalate to OBSI around **November 23, 2026**.

## 3. Two and a half years of abuse by email

About 39,300 unsolicited messages, more than 4,600 of them sexually explicit, from thousands of throwaway and hijacked accounts. Thirteen campaigns have been traced by hand: romance scams, fake domain-renewal phishing, crypto "withdrawal" phishing aimed at recovery-scam victims, adult Google Groups invites, calendar-invite lures. A complaint and victim statement went to police as file **2026-GKVV-EHH4-M**.

## 4. Attacks on the business

Suspected click fraud on the paid ads is now logged and reported every day. Reflection floods used the server to bounce traffic at other victims until we shut that down. Scanners hunt for password files, like today's 671-request sweep. Spoofed and look-alike mail tries to trick the business into paying fake invoices.

# Field log (sample entries)

A sample of the kinds of real entries we've logged together, with names, addresses and numbers left out.

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[Sep 24] case    dispute notice + cease-and-desist sent to collector; Cc self
[Sep 24] case    fraud-centre report filed; reference recorded on the timeline
[Sep 25] mail    shared foreign relay with 98 archived scam hits blocked (6 addresses)
[Sep 28] case    evidence archive reviewed: 22 files, on-chain trail traced to exchange
[Sep 28] case    7-page position statement built and sent to bank + ombudsman
[Sep 29] case    CRCC date error found; corrected reply mailed by post
[Sep 29] mail    homoglyph "domain renewal" phish blocked; host + registrar notified
[Sep 30] mail    1,000-message romance-scam operation matched across 946 senders
[Oct 01] fw      repeat offenders now auto-banned permanently after 2 incidents
[Oct 04] net     spoofed-SYN reflection stopped: 0 replies leaving the server
[Oct 04] ads     click-fraud pixel live; daily invalid-click report scheduled
[Oct 05] net     overnight threat report triaged: 20 warnings -> 0 real threats
[Oct 13] police  complaint + victim statement prepared from the full 2-year archive
[Oct 15] web     tracking log found at 0 bytes; restored and verified byte for byte
[Oct 19] fw      secrets scanner: 671 requests / 4 s, 0 secrets exposed; blocked
[Nov 20] reminder OBSI escalation reminder scheduled (3 days before eligibility)
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## Where things stand

| FILE                     | REFERENCE        | STATUS / NEXT STEP                                                                              |
|--------------------------|------------------|-------------------------------------------------------------------------------------------------|
| Bank complaint (2026)    | 1-11146291309    | Waiting for the final response. Escalate to OBSI around Nov 23, 2026 (reminder set for Nov 20). |
| RCMP conduct complaint   | R2026-008782     | Date correction and extension request mailed. Waiting for the CRCC's decision.                  |
| Police (email abuse)     | 2026-GKVV-EHH4-M | Complaint and victim statement filed. Restitution requested if anyone is convicted.             |
| Fraud centre             | 2026-R3GH-2Z2T-Y | Add the original scam details by phone.                                                         |
| Credit bureau            | A1476233841      | Disputed. Also file the same dispute with TransUnion.                                           |
| Exchange holding the ETH | —                | Ask police and OBSI to request identity records for the deposit address.                        |

Every day starts with cleaning up after other people's crimes before the real work can begin. The evidence is organised, the letters are on file, and every deadline is on the calendar. The fight continues one form, one block and one reply at a time.

Private and confidential. Prepared for Kevin Katovic's own records, 19 October 2026. This is a personal summary, not legal advice. Allegations against third parties are as stated in the complaints and have not been decided by any court or tribunal.