

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101649 / November 18, 2024

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4541 / November 18, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22324

In the Matter of

BIT MINING LTD.,

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against BIT Mining Ltd. (“BIT Mining” or “Respondent”), formerly known as 500.com Limited (“500.com”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over it and the subject matter of these proceedings, and consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds¹ that:

¹ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Summary

1. This matter arises from violations of the anti-bribery, books and records, and internal accounting controls provisions of the Foreign Corrupt Practices Act (“FCPA”) by 500.com, which at the time of the misconduct was an online sports lottery service provider headquartered in Shenzhen, China. From 2017 to 2019, Respondent engaged in a widespread bribery scheme to influence numerous foreign government officials, including members of Japan’s parliament, in its effort to enter the Integrated Resort (“IR”) market and obtain licensing to establish an IR casino in Japan (“the IR project”). At the time, Japan had recently lifted its long-standing ban on casinos and passed legislation to legalize gambling.

2. The scheme included illicit payments of approximately \$2.5 million in the form of fees and reimbursements to sham consultants, cash bribes to IR decision makers, and entertainment and extravagant trips for Japanese officials. 500.com also created a subsidiary, 500.com Nihon, to help orchestrate the bribery scheme. 500.com’s then Senior Executive authorized the improper payments, which were at times paid via a U.S. dollar denominated bank account or a U.S. correspondent bank. In late 2019, 500.com’s offices were raided, and Tokyo prosecutors charged its consultants with bribery and prosecuted prominent government officials for accepting bribes. 500.com was unable to enter the IR market in Japan. The illicit payments were inaccurately reflected in the company’s books and records, and it failed to have sufficient internal accounting controls in place to detect or prevent the misconduct.

Respondent

3. **500.com** was formerly an online sports lottery service provider incorporated in the Cayman Islands, with headquarters and major business operations in Shenzhen, China. From November 2013 to April 2021, 500.com’s American Depositary Shares (ADSs) were registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the New York Stock Exchange (“NYSE”) under the symbol “WBAI.” 500.com is now known as BIT Mining, a crypto assets mining business incorporated in the Cayman Islands and headquartered in Akron, Ohio. Since April 2021, BIT Mining’s ADSs have been registered with the Commission pursuant to Section 12(b) of the Exchange Act and trade on the NYSE under the symbol “BTCM.”

Other Relevant Entities and Individuals

4. **Senior Executive, a Chinese National**, was an executive, officer, and agent of 500.com from around September 2014 to 2020. Senior Executive authorized and approved 500.com’s improper payments to Japanese officials via its consultants and signed the relevant consulting agreements. Senior Executive facilitated the improper payments to induce Japanese officials to support 500.com’s entry into the Japanese IR market.

5. **500.com Nihon Co. Ltd.** (“500.com Nihon”), a wholly owned subsidiary of 500.com with operations in Japan, was incorporated in July 2017, and purportedly engaged in market research and promotional activities related to the IR project. 500.com Nihon was created

primarily to facilitate the IR project, and its books and records were consolidated into the books and records of 500.com.

6. **Official 1, a Japanese National**, was, during the relevant period, a member of the Japanese House of Representatives and Liberal Democratic Party, the Vice-Minister of Land, Infrastructure, Transport and Tourism, and the state Minister in charge of IRs at the Cabinet Office in Japan (“Vice-Minister”). In 2021, he was convicted in Tokyo District Court of accepting bribes from 500.com in 2017 and 2018, while the company was seeking to enter Japan’s IR market. The Court sentenced Official 1 to four years in prison and ordered him to pay a fine of JPY 7,600,000 (approximately \$72,000).

7. **Official 2, a Japanese National**, was, during the relevant period, the Assistant for Official 1 in Japan. In 2021, he was convicted in Tokyo District Court of accepting bribes from 500.com in 2017 and 2018. The Court sentenced Official 2 to two years in prison and suspended the sentence.

8. **Company 1**, a Singapore based subsidiary of a Japanese marketing and media resource company, was retained as a consultant by 500.com in 2017 in connection with the IR project. Consultant 1 was the Director and Senior Manager of Company 1 as well as a Director of 500.com Nihon.

9. **Consultant 1, a Chinese National**, was a Director of 500.com Nihon and a Japan based translator, consultant, and Director of Company 1, who was retained by 500.com from April 2017 to June 2020 to assist with the IR project. Consultant 1 was also an agent of 500.com. In August 2020, Consultant 1 pled guilty in Tokyo District Court to paying bribes to Official 1 on behalf of 500.com so that it could enter the IR market.

10. **Consultant 2, a Japanese National**, was retained by 500.com from March 2017 to September 2019, as a consultant and agent, to assist with the IR project. In August 2020, Consultant 2 pled guilty in Tokyo District Court to paying bribes on behalf of 500.com to Official 1 in exchange for Official 1’s help establishing an IR in either Hokkaido or Okinawa, Japan. In October 2020, Consultant 2 was convicted of bribery in Tokyo District Court.

11. **Consultant 3, a Japanese National**, was retained by 500.com from July 2017 to September 2019, as a consultant and agent, to assist with the IR project. In August 2020, Consultant 3 pled guilty in Tokyo District Court to paying bribes on behalf of 500.com to Official 1 in exchange for Official 1’s help establishing an IR in Japan. In October 2020, Consultant 3 was convicted of bribery in Tokyo District Court.

12. **Tour Company Executive** was the President of a Japan based tourism company that partnered with 500.com to seek Official 1’s support for establishment of an IR in Hokkaido. In September 2020, Tour Company Executive pled guilty in Tokyo District Court to conspiring with Consultant 2 and Consultant 3 to bribe Official 1.

Facts

The IR Project in Japan

13. In April 2015, 500.com suspended its online lottery services in China after the government made changes to its rules governing online lottery sales. Thereafter, the Company's net revenues declined substantially.

14. On December 15, 2016, Japan's parliament, the National Diet, passed the IR Promotion Act, which legalized gambling in Japan and lifted its long-standing comprehensive ban on casinos. In July 2018, the National Diet enacted the IR Implementation Act, which allowed for the licensing and creation of a limited number of resorts in Japan designed to integrate casinos with other facilities such as hotels, convention centers, entertainment venues, luxury retail areas and restaurants.

15. 500.com's then Senior Executive learned about the IR Promotion Act in approximately late 2016, and soon sought to bolster the company's failing business operations by establishing an IR related casino in Japan. In order to facilitate this goal, the company engaged in a widespread bribery scheme designed to influence numerous foreign government officials, including members of Japan's National Diet.

16. Between March and July 2017, 500.com hired Japan-based consultants, including but not limited to Consultant 1, Consultant 2, and Consultant 3, to assist with entering the IR market. In July 2017, 500.com created 500.com Nihon, a Tokyo based subsidiary, to facilitate its entry into the IR market, and made Consultant 1 a Director. In a text message dated July 14, 2017, Consultant 1 asked Consultant 2 about "500 Corporation being able to enter into IR in the first attempt" and referenced Senior Executive's concern about "head-on competition with a major company in Europe or the U.S. in open application" to which Consultant 2 replied, "[t]hat's why we're aiming for cities where under-the-table deals can be used." Later, in September 2017, 500.com hired Consultant 1's company, Company 1, as another purported consultant on the IR project.

17. Ultimately, the bribery scheme came to light in late 2019 and Tokyo prosecutors charged both Japanese officials and consultants of 500.com in connection with the bribery scheme. 500.com did not obtain a license for an IR in Japan and was unable to enter the IR market.

500.com Used Consultants to Make Improper Payments to Government Officials Closely Connected to IRs, Including Official 1 and Official 2

18. In order to enter the nascent and competitive IR market, 500.com's Senior Executives and management knew it needed to gain support from influential government officials with ties to IR development in Japan. As a means to gain this needed support, sham consultants were hired to target government officials and pay them bribes on behalf of the company. From 2017 to 2019, improper payments of approximately \$2.5 million were paid to further 500.com's pursuit of entering the IR market, and were made through methods including sham consulting fees and reimbursements, cash bribes, and entertainment and extravagant trips.

A portion of the improper payments were paid to, or for the benefit of, government officials. Some examples of the improper payments are described herein.

19. In connection with the bribery scheme, 500.com used a U.S. dollar denominated bank account to facilitate improper payments, and U.S. based email service providers were used at times when communicating about the IR project. During the relevant period, 500.com failed to devise and maintain a system of internal accounting controls sufficient to detect or prevent the improper payments.

500.com Paid a Bribe Disguised as a “Lecture Fee” to Official 1 for his Attendance at an IR Symposium in Okinawa, Japan, in August 2017

20. In approximately July 2017, 500.com planned an IR Symposium to promote its bid for the development of an IR in Okinawa, Japan. Senior Executive invited Official 1 to be a keynote speaker at the Symposium which was held in August 2017. Official 1 agreed to be paid a lecture fee of JPY 500,000 (approximately \$4,600), which Senior Executive approved. Following the lecture, 500.com’s consultants learned that Official 1 would soon be promoted to Vice Minister in charge of IRs and Senior Executive unilaterally approved payment of a larger fee to Official 1 of JPY 2,000,000, even though the speech had already been given and Official 1 had not requested a larger fee.

21. In August 2017, 500.com paid the lecture fee pursuant to a sham invoice for JPY 2,400,000 (\$26,395) issued by an entity owned by Consultant 3. Once payment was received Consultant 3 transferred JPY 2,000,000 to a company controlled or owned by Official 1. The sole purpose of the inflated lecture fee was to improperly influence Official 1 and obtain favorable treatment on IR related matters. 500.com improperly recorded the lecture fee as management expense – advisory fees.

500.com Entered into a Sham Consulting Agreement with Company 1 for the Purpose of Paying Cash Bribes to Government Officials Connected to IRs in Japan

22. In September 2017, Japan’s Prime Minister abruptly dissolved the lower house of the Japanese National Diet and called for a new general election in October 2017. Hoping to not lose momentum with influential Japanese politicians whose support was needed to enter the IR market, 500.com decided to use Consultant 1’s business, Company 1, to funnel cash to various National Diet members. The purpose of the payments was to influence the IR process and gain access to non-public information.

23. On September 17, 2017, Consultant 2 communicated with Consultant 1 about the bribery scheme, indicating “Once the OK is given, let’s coordinate...in Hong Kong...and take cash (Japanese yen exchanged in Hong Kong) to Japan in a hand-carry bag. It surely will give an excellent impression to make monetary contributions before anyone else.” Senior Executive oversaw and approved the illicit payment scheme, including the transfer of cash by hand to the National Diet members after it was determined that it was illegal to donate campaign funds directly to the Japanese officials.

24. In late September 2017, with Senior Executive and Consultant 1's authorization, 500.com signed a sham consulting agreement to pay, among other things, "[c]osts associated with IR Research and Reports of JPY 26,300,000 (or equivalent US dollars)" to Company 1 within five days. On or about September 22, 2017, 500.com wired \$233,715 (approximately JPY 26,400,000) to Company 1's bank, which then wired the money to a Hong Kong SAR, China ("Hong Kong") bank affiliated with Consultant 2. The wire payment went through a U.S. correspondent bank account. Afterwards, Consultant 2 withdrew a portion of the money from the Hong Kong bank account. Consultant 2 and Consultant 3 used the money to pay cash bribes to several Japanese officials in Japan connected to IRs, including Official 1 and Official 2.

25. 500.com improperly recorded the payment to Company 1 as management expense – advisory fees.

500.com Funded Travel by Japanese Officials to Shenzhen, China, and Macau, in December 2017 and Paid Bribes to the Officials to Advance its Effort to Enter the IR Market

26. In late December 2017, 500.com invited Official 1 and three other Japanese officials, including Official 2, to travel on a three-day trip from Tokyo to Shenzhen, China, and then Macau, purportedly to attend an IR related seminar on managing gambling addiction. The real purpose for inviting Official 1, Official 2, and the other officials on the trip was to improperly influence them and gain their support for 500.com entering the IR market. 500.com executives, including Senior Executive, and consultants accompanied the officials on the trip, along with employees of Company 1 and Tour Company, a travel agency that 500.com planned to partner with on the IR project.

27. 500.com made improper payments of approximately \$221,614 in connection with the December 2017 trip, including paying for roundtrip private jet transportation from Japan to Shenzhen and Macau, entertainment, meals and hotel costs, shopping, gifts, and cash bribes for Official 1, Official 2, and two other officials. 500.com improperly recorded the payments as management expenses – travel expenses.

500.com Paid Costs Related to a Ski Trip for Official 1, his Family Members and Official 2 in February 2018

28. With Senior Executive's approval, 500.com also sponsored a ski trip for Official 1, his family members and Official 2 to Hokkaido, Japan, in February 2018. The ski trip did not involve a legitimate business purpose and was instead part of the effort to improperly influence Official 1 and Official 2 and gain their support for the establishment of an IR in Hokkaido.

29. Tour Company Executive partnered with 500.com to pay for the ski trip. With Senior Executive's approval, Consultant 3 and Tour Company paid approximately \$6,635 for the trip and 500.com reimbursed Consultant 3 for his share of the costs. 500.com improperly recorded the payment as management expense – entertainment and travel expenses.

30. In September 2020, Tour Company Executive was found guilty in Tokyo District Court of conspiring with Consultant 2 and Consultant 3 to win influence over the IR project by bribing Official 1 and Official 2 with the Hokkaido ski trip.

500.com Failed to Follow Its Own Procurement Policy When it Retained Company 1, Company 2, and Company 3 as Consultants

31. During the relevant period, 500.com failed to properly verify that payments to consultants were used for their stated purposes, and it failed to have mitigating controls to verify that services were properly rendered before paying the consultants and corresponding expense reimbursements. Executives at 500.com were able to direct employees to pay invoices without having supporting documented deliverables and to pay cash bribes. Furthermore, 500.com failed to provide anti-bribery and anti-corruption training to employees and third-party consultants who interacted with government officials on its behalf.

32. Similar deficiencies surrounded the retention of Company 1 and two other business consultants, Company 2 and Company 3, in connection with the IR project.

33. From August 2017 to August 2018, 500.com engaged Company 2 as a consultant and paid a total of \$240,000. While the company received no legitimate deliverables from Company 2, the expense was nevertheless recorded as management expense-advisory fees for the Japan IR project.

34. Similarly, from January 2018 to September 2019, 500.com also engaged Company 3 as a consultant and paid \$310,785 for purported consulting services related to IRs. As with Company 2, despite lacking support for the existence of legitimate deliverables, the Company 3 expenses were also recorded as management expense-advisory fees for the Japan IR project.

35. Though required by its Procurement Policy, 500.com did not provide its Finance Department with any price comparisons between the anticipated costs of the consulting services for Company 1, Company 2 and Company 3, and prevailing market rates prior to retaining their services.

36. In addition to the improper payments described above, 500.com also paid approximately \$1,004,887 to its consultants, approximately \$115,452 in expenses related to the IR project, and an additional \$370,774 to Company 1. Senior Executive authorized the payments.

Legal Standards and Violations

37. Under Section 21C(a) of the Exchange Act, the Commission may impose a cease-and-desist order upon any person who is violating, has violated, or is about to violate any provision of the Exchange Act or any rule or regulation thereunder, and upon any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation.

38. As a result of the conduct described above, 500.com violated Section 30A of the Exchange Act, which prohibits any issuer with securities registered pursuant to Section 12 of the Exchange Act or which is required to file reports under Section 15(d) of the Exchange Act, or any officer, director, employee, or agent acting on its behalf, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an effort to pay or offer to pay anything of value to foreign officials for the purpose of influencing their official decision-making, in order to assist in obtaining or retaining business.

39. Further, as a result of the conduct described above, 500.com violated Section 13(b)(2)(A) of the Exchange Act, which requires issuers to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the issuer.

40. In addition, as a result of the conduct described above, 500.com violated Section 13(b)(2)(B) of the Exchange Act, which requires issuers to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Cooperation and Remediation

In determining to accept 500.com's Offer, the Commission considered 500.com's cooperation, and remedial efforts. 500.com, now known as BIT Mining Ltd., disposed of its entire lottery related business after an announcement in July 2021. In addition, the executives responsible for the misconduct are no longer employed by the company. The company has revised and enhanced its policies and procedures and training programs related to procurement, anti-corruption and the FCPA. During the investigation, the company's cooperation included providing regular updates to the Commission, sharing facts identified during its own internal investigation, and providing English translations of important documents.

Deferred-Prosecution Agreement

Respondent has entered into a deferred-prosecution agreement that acknowledges responsibility for criminal conduct relating to the findings in the Order. Specifically, in *United States v. Bit Mining Ltd.*, Crim. No. 24-cr-744 (U.S. District Court for the District of N.J.), Respondent acknowledged responsibility for violations of one count of conspiracy to commit an offense against the United States, in violation of Title 18, U.S.C. § 371, that is, to violate the anti-bribery provisions of the FCPA as amended, Title 15, U.S.C. § 78dd-1, and to violate the books and records provisions of the FCPA, Title 15, U.S.C. §§ 78m(b)(2)(A) and (b)(5); and one count of violating the books and records provisions of the FCPA, Title 15, U.S.C. §§ 78m(b)(2)(A) and (b)(5).

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent cease and desist from committing or causing any violations and any future violations of Sections 30A, 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act.

B. Respondent shall, within fourteen days of the entry of this Order, pay a civil money penalty in the amount of \$4,000,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying 500.com, now BIT Mining Ltd., as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Tracy L. Price, Deputy Chief, FCPA Unit, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5631.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a

Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

D. Respondent acknowledges that the Commission is not imposing a civil penalty in excess of \$4,000,000 based upon its cooperation and agreement to cooperate in a Commission investigation and/or related enforcement action. If at any time following the entry of the Order, the Division of Enforcement ("Division") obtains information indicating that Respondent knowingly provided materially false or misleading information or materials to the Commission, or in a related proceeding, the Division may, at its sole discretion and with prior notice to the Respondent, petition the Commission to reopen this matter and seek an order directing that the Respondent pay an additional civil penalty. Respondent may contest by way of defense in any resulting administrative proceeding whether it knowingly provided materially false or misleading information, but may not: (1) contest the findings in the Order; or (2) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

By the Commission.

Vanessa A. Countryman
Secretary