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transform the region's economy, revitalize downtowns and make workers competitive with digital skills.

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*By Jaimie Ding.
Los Angeles Times
(TNS)*

Federal authorities have charged the co-founders of Fresno startup Bitwise Industries with fraud months after the company **laid off all of its employees** and shut down without explanation.

Irma Olguin Jr. and Jake Soberal surrendered to authorities Thursday after being

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For years, Bitwise had been the tech darling of the Central Valley, promising leaders to transform the region's economy, revitalize downtowns and make workers competitive with digital skills.

It all collapsed on Memorial Day, when the company furloughed all 900 of its employees and told them their jobs were permanently eliminated two weeks later. Bitwise filed for bankruptcy June 28 and has been [hit with lawsuits](#) since from former board members, lenders and ex-employees.

The federal complaint alleges Olguin and Soberal began lying to board members, investors and lenders no later than January 2022 to obtain more funding. They allegedly fabricated information in board presentations and investor materials and forged various records, using the money to meet Bitwise Industries' payroll, renovate office spaces and repay prior debts.

Olguin and Soberal could each face a maximum of 20 years in prison and a \$250,000 fine.

Bitwise began as a coding boot camp in Fresno in 2013, acquiring buildings over the years to host local businesses and opening co-working spaces in California, Texas and Ohio. It raised a \$27-million Series A round of funding in 2019 and Series B funding of \$50 million in 2021.

Also Thursday, the U.S. Securities and Exchange Commission announced charges against the two former co-CEOs on allegations of falsifying records and misleading investors to raise \$70 million.

"We allege that Soberal and Olguin resorted to blatant fraud, including the creation of fake financial documents, to deceive investors and raise money," Monique C. Winkler, regional director of the SEC's San Francisco office, said in a news release.

Winkler said the two allegedly sent a screenshot of a company bank account to

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