



PRESS RELEASE

Founders And CEO Of Cryptocurrency Mixing Service Arrested And Charged With Money Laundering And Unlicensed Money Transmitting Offenses

Wednesday, April 24, 2024

For Immediate Release

U.S. Attorney's Office, Southern District
of New York

Keonne Rodriguez and William Lonergan Hill Are Charged with Operating Samourai Wallet, an Unlicensed Money Transmitting Business That Executed Over \$2 Billion in Unlawful Transactions and Laundered Over \$100 Million in Criminal Proceeds

Damian Williams, the United States Attorney for the Southern District of New York; Thomas Fattorusso, the Special Agent in Charge of the New York Field Office of the Internal Revenue Service, Criminal Investigation ("IRS-CI"); and James Smith, the Assistant Director in Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced today the unsealing of an Indictment charging KEONNE RODRIGUEZ, the Chief Executive Officer and a co-founder of Samourai Wallet ("Samourai"), and WILLIAM LONERGAN HILL, the Chief Technology Officer and also a co-founder of Samourai, with conspiracy to commit money laundering and conspiracy to operate an unlicensed money transmitting business. These charges arise from the defendants' development, marketing, and operation of a

cryptocurrency mixer that executed over \$2 billion in unlawful transactions and facilitated more than \$100 million in money laundering transactions from illegal dark web markets, such as Silk Road and Hydra Market; a web-server intrusion; a spearphishing scheme; and schemes to defraud multiple decentralized finance protocols. RODRIGUEZ was arrested this morning and is expected to be presented today or tomorrow before a U.S. Magistrate Judge in the Western District of Pennsylvania. HILL was arrested this morning in Portugal based on the U.S. criminal charges. The United States will seek HILL's extradition to stand trial in the United States. The case is assigned to U.S. District Judge Richard M. Berman.

In coordination with law enforcement authorities in Iceland, Samourai's web servers and domain (<https://samourai.io/>) were seized. Additionally, a seizure warrant for Samourai's mobile application was served on the Google Play Store. As a result, the application will no longer be available to be downloaded from the Google Play Store in the United States.



U.S. Attorney Damian Williams said: “As alleged, Keonne Rodriguez and William Lonergan Hill are responsible for developing, marketing, and operating Samourai, a cryptocurrency mixing service that executed over \$2 billion in unlawful transactions and served as a haven for criminals to engage in large-scale money laundering. Rodriguez and Hill allegedly knowingly facilitated the laundering of over \$100 million of criminal proceeds from the Silk Road, Hydra Market, and a host of other computer hacking and fraud campaigns. Together with our law enforcement partners, we will continue to relentlessly pursue

and dismantle criminal organizations that use cryptocurrency to hide illicit conduct.”

IRS-CI Special Agent in Charge Thomas Fattorusso said: “\$2 billion in transactions with an unlicensed money transmitter means \$2 billion flowed without any oversight, from whomever to wherever. Because of the company’s disregard for regulation, it’s alleged that Samourai Wallet laundered more than \$100 million in criminal proceeds. Special Agents with IRS:CI New York and IRS:CI LA’s Cyber units worked with our federal and international law enforcement partners to not only arrest the founders and CEO, but to also seize their domain. Samourai Wallet is now closed for business.”

FBI Assistant Director in Charge James Smith said: “Threat actors utilize technology to evade law enforcement detection and create environments conducive to criminal activity. For almost 10 years, Keonne Rodriguez and William Hill allegedly operated a mobile cryptocurrency mixing platform which provided other criminals a virtual haven for the clandestine exchange of illicit funds, the facilitation of more than \$2 billion in illegal transactions, and \$100 million in dark web money laundering. The FBI is committed to exposing covert financial schemes and ensuring no one can hide behind a screen to perpetuate financial wrongdoing.”

According to the allegations in the Indictment unsealed today in Manhattan federal Court:[\[1\]](#)

Background on Samourai

From about 2015 through February 2024, RODRIGUEZ and HILL developed, marketed, and operated a cryptocurrency mixing service known as Samourai, an unlicensed money transmitting business from which they earned millions of dollars in fees. Samourai unlawfully combined multiple unique features to execute anonymous financial transactions valued at over \$2 billion for its customers. While offering Samourai as a “privacy” service, the defendants knew that it was a haven for criminals to engage in large-scale money laundering and sanctions evasion. Indeed, as the defendants intended and well knew, a substantial portion of the funds that Samourai processed were criminal proceeds passed through Samourai for purposes of concealment. During the relevant period, Samourai laundered over \$100 million of crime proceeds originating from, among other criminal sources, illegal darkweb markets, such as Silk Road and Hydra Market; various wire fraud and computer fraud schemes, including a web-server intrusion, a spearphishing scheme, and schemes to defraud multiple decentralized finance protocols; and other illegal activities.

RODRIGUEZ and HILL began developing Samourai in or about 2015. Samourai is a mobile application that users can download onto their cellphones, and the application has been downloaded over 100,000 times. After users download Samourai, they can store their private keys for any BTC addresses they control inside of the Samourai program. These private keys are not shared with Samourai employees, but Samourai operates a centralized server that, among other things, supervises and facilitates transactions between Samourai users and

creates new BTC addresses used during the transactions. Samourai is used by customers all over the world, including customers located in the United States and in the Southern District of New York.

RODRIGUEZ and HILL designed Samourai to offer at least two features intended to assist individuals engaged in criminal conduct to conceal the source of the proceeds of their criminal activities. First, Samourai offers a cryptocurrency mixing service known as “Whirlpool,” which coordinates batches of cryptocurrency exchanges between groups of Samourai users to prevent tracing of criminal proceeds by law enforcement on the Blockchain. Second, Samourai offers a service called “Ricochet,” which allows a Samourai user to build in additional and unnecessary intermediate transactions (known as “hops”) when sending cryptocurrency from one address to another address. This feature similarly may prevent law enforcement and/or cryptocurrency exchanges from recognizing that a particular batch of cryptocurrency originates from criminal activity. Since the start of the Whirlpool service in or about 2019, and of the Ricochet service in or about 2017, over 80,000 BTC (worth over \$2 billion applying the BTC-USD conversion rates at the time of each transaction) has passed through these two services operated by Samourai. Samourai collects a fee for both services, estimated to be about \$3.4 million for Whirlpool transactions and \$1.1 million for Ricochet transactions over the same time period.

RODRIGUEZ and HILL’s Knowledge and Intent for Criminal Proceeds to be Laundered by Samourai

RODRIGUEZ and HILL operated Twitter accounts that encouraged and openly invited users to launder criminal proceeds through Samourai. For example, in or around June 2022, Samourai’s Twitter account — operated by RODRIGUEZ — posted the following message regarding Russian oligarchs seeking to circumvent sanctions:



Similarly, in a private message on or about August 27, 2020, HILL — using a Twitter account with the username “Samourai Dev” — discussed the use of Samourai by criminals operating in online black markets such as Silk Road in private messages with another Twitter user (the “Twitter User”) (emphasis added):

Twitter User: Silk Road is why I first found Bitcoin and the desire to keep engaging in those types of markets is one reason that I want to defend/strengthen those use cases . . .

Samourai Dev: No, not at all. We probably have different views on some basic tenets of bitcoin, you and I – so to each his own so to speak. At Samourai we are entirely focused on the censorship resistance and black/grey circular economy. This implies no foreseeable mass adoption, although black/grey markets have already started to expand during covid and will continue to do so post-covid. . . .

Additionally, in response to Europol highlighting Samourai as a “top threat” to the ability of law enforcement to trace the proceeds of criminal activity, HILL posted a message in or around March 2021 suggesting that Samourai would not change its practices in response to allegations that Samourai was being used for money laundering:



Similarly, RODRIGUEZ and HILL possessed and transmitted to potential investors marketing materials that discussed how Samourai’s customer base was intended to include criminals seeking privacy or the subversion of safeguards and reporting requirements by financial institutions. For example, in Samourai’s marketing materials, RODRIGUEZ and HILL similarly acknowledge that the individuals most likely to use a service like Samourai include individuals engaged in criminal activities, including “Restricted Markets.”

In the below excerpt from Samourai’s marketing materials, RODRIGUEZ and HILL acknowledge that its revenues will be derived from “Dark/Grey Market participants” seeking to “swap their bitcoins with multiple parties” to avoid detection:

Revenue	
Samourai Premium Add Ons	
Online Gamblers	On Demand Swap
Dark/Grey Market participants	Users can swap their bitcoins with multiple parties to destroy the metadata that has been created.
Ultra High Net Worth Individuals	0.1% of the amount transacted + 0.0005 BTC flat fee
Asset Protection/Capital Flight	User Monthly Value
	Assumption: 2 Swaps of 1.00 BTC a month: £7.80

In Samourai’s marketing materials, RODRIGUEZ and HILL promoted Samourai’s Wallet and its “Mixing Service” as a “Premium Privacy Service” for transactions involving the proceeds of goods and services that include, among other things, “Illicit Activity.”

* * *

RODRIGUEZ, 35, of Harmony, Pennsylvania, and HILL, 65, a U.S. national who was arrested in Portugal, are each charged with one count of conspiracy to commit money laundering, which carries a maximum sentence of 20 years in prison, and one count of conspiracy to operate an unlicensed money transmitting business, which carries a maximum sentence of five years in prison.

The maximum potential sentences are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Mr. Williams praised the investigative work of IRS-CI and the FBI. He also acknowledged the assistance of the Justice Department’s Office of International Affairs. Mr. Williams also thanked Europol, the Portugal Judiciary Police, the Icelandic Police, the FBI Field Office in Pittsburgh, the FBI’s International Operations Division, and the IRS-CI Los Angeles Field Office for their assistance in the investigation of this case.

This case is being handled by the Office’s Complex Frauds and Cybercrime Unit and Illicit Finance and Money Laundering Unit. Assistant U.S. Attorneys Andrew K. Chan and David R. Felton are in charge of the prosecution.

The charges contained in the Indictment are merely accusations and the defendants are presumed innocent unless and until proven guilty.

[\[1\]](#) As the introductory phrase signifies, the entirety of the text of the Indictment and the description of the Indictment set forth herein constitute only allegations, and every fact described should be treated as an allegation.

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Attachment

Topic

FINANCIAL FRAUD

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