

Name: Alert ID: TMML2024032180715 Seattle – A Bothell, Washington, man is charged in an eight-count complaint for operating an illegal money exchange business involving bitcoin, announced U.S. Attorney Brian T. Moran. KENNETH WARREN RHULE, 26, made his initial appearance on the criminal complaint in U.S. District Court in Seattle yesterday. RHULE is charged with conducting an unlicensed money transmitting business, five counts of laundering of monetary instruments, and one count of conspiracy to produce and distribute marijuana. According to the criminal complaint, RHULE came to the attention of law enforcement in April 2018 as someone operating an unlicensed bitcoin exchange business under the name “Gimacut93.” At various locations—primarily Starbucks coffee shops—in Western Washington, RHULE met repeatedly with undercover agents posing as criminals who needed to launder funds. Through their conversations the undercover agents made it seem they were laundering money related to human trafficking activities. RHULE agreed to exchange bitcoin for cash apparently knowing the cash was the proceeds of criminal activity. In fact, RHULE offered the undercover agents advice on virtual currency and how to hide the source of the funds. RHULE asked the agents no questions as required under the “know your customer” rule. Even as he was engaged in the operation of the unlicensed financial exchange business, RHULE was operating a marijuana products business that has no license with the State of Washington. The facility, based in Monroe, Washington, manufactures hash oil and other marijuana products using the names HerbinArtisans, Heady.Watr, and KlearKrew. Electronic messages reviewed in the case indicate RHULE was exchanging various marijuana products for cryptocurrency. RHULE claimed that he was manufacturing in the Seattle area but selling some of his product in Florida. Operating an unlicensed money transmitting business is punishable by up to five years in prison. Laundering monetary instruments is punishable by up to 20 years in prison. Conspiracy to manufacture and distribute the amount of marijuana involved in this case is punishable by a mandatory five years in prison and up to 40 years in prison. The charges contained in the complaint are only allegations. A person is presumed innocent unless and until he or she is proven guilty beyond a reasonable doubt in a court of law. The case is being investigated by Homeland Security Investigations and the Drug Enforcement Administration.