

# Ohio Resident Charged with Operating Darknet-Based Bitcoin “Mixer,” which Laundered Over \$300 Million

[justice.gov/opa/pr/ohio-resident-charged-operating-darknet-based-bitcoin-mixer-which-laundered-over-300-million](https://www.justice.gov/opa/pr/ohio-resident-charged-operating-darknet-based-bitcoin-mixer-which-laundered-over-300-million)



Press Release

Thursday, February 13, 2020

## For Immediate Release

Office of Public Affairs

### “Helix” Laundered Bitcoin From Numerous Darknet Markets

An Ohio man was arrested for his operation of Helix, a Darknet-based cryptocurrency laundering service.

In the three-count indictment unsealed Feb. 11 in the District of Columbia, Larry Harmon, 36, of Akron, Ohio, was charged with money laundering conspiracy, operating an unlicensed money transmitting business and conducting money transmission without a D.C. license.

According to the indictment, Harmon operated Helix from 2014 to 2017. Helix functioned as a bitcoin “mixer” or “tumbler,” allowing customers, for a fee, to send bitcoin to designated recipients in a manner that was designed to conceal the source or owner of the bitcoin. Helix was linked to and associated with “Grams,” a Darknet search engine also run by Harmon. Harmon advertised Helix to customers on the Darknet as a way to conceal transactions from law enforcement.

“Helix allegedly laundered hundreds of millions of dollars of illicit narcotics proceeds and other criminal profits for Darknet users around the globe,” said Assistant Attorney General Brian A. Benczkowski of the Justice Department’s Criminal Division. “This indictment underscores that seeking to obscure virtual currency transactions in this way is a crime, and that the Department can and will ensure that such crime doesn’t pay.”

“For those who seek to use Darknet-based cryptocurrency tumblers, these charges should serve as a reminder that law enforcement, through its partnerships and collaboration, will uncover illegal activity and charge those responsible for unlawful acts,” said U.S. Attorney Timothy J. Shea of the District of Columbia.

“The brazenness with which Helix operated should be the most appalling aspect of this operation to every day citizens. There are bad actors and then there are criminals who facilitate hundreds of other crimes,” said Don Fort, Chief, IRS Criminal Investigation. “The sole purpose of Harmon’s operation was to conceal criminal transactions from law enforcement on the Darknet, and because of our growing expertise in this area, he could not make good on that promise. Working in tandem with other sites, he sought to be the ‘go-to’ money launderer on the Darknet, but our investigators once again played the role of criminal disrupters, unraveling the interlinked web from one tentacle to another. We thank the Belizean authorities and other law enforcement agencies for their assistance on this case.”

“The perceived anonymity of cryptocurrency and the Darknet may appeal to criminals as a refuge to hide their illicit activity,” said Special Agent in Charge Timothy M. Dunham of the Criminal Division of the FBI Washington Field Office. “However, as this arrest demonstrates, the FBI and our law enforcement partners are committed to bringing the illegal practices of money launderers and other financial criminals to light and to justice, regardless of whether they are using new technological means to carry out their schemes.”

The indictment alleges that Helix moved over 350,000 bitcoin – valued at over \$300 million at the time of the transactions – on behalf of customers, with the largest volume coming from Darknet markets. Helix partnered with the Darknet market AlphaBay to provide bitcoin laundering services for AlphaBay customers. AlphaBay was one of the largest Darknet marketplaces in operation at the time that it was seized by law enforcement in July 2017.

The charges in the indictment are merely allegations, and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The investigation was led by the IRS-CI and the FBI’s Washington Field Office with assistance from the Financial Crimes Enforcement Network. The Department of Justice’s Office of International Affairs of the Criminal Division, the U.S. Attorney’s Office for the Northern District of Ohio, IRS Field Offices of Washington, D.C.; Cincinnati, Ohio; and Oakland, California; and the FBI’s Criminal Investigative Division and Field Offices of Cleveland, Ohio — Akron Resident Agency; Newark, New Jersey; and San Francisco, California — San Jose Resident Agency and the Department of State’s Diplomatic Security Service provided essential support for the operation.

Internationally, the Belize Ministry of the Attorney General and the Belize National Police Department simultaneously executed a search warrant of a residence allegedly leased by Harmon in Belize as U.S. authorities executed warrants in the United States. U.S. law enforcement agencies, coordinated by U.S. Embassy Belmopan, assisted in the Belize action. “These actions underscore the vital importance of working closely with our law enforcement partners in Belize to make both of our countries more safe and secure,” said U.S. Chargé d’Affaires, a.i. Keith Gilges.

Trial Attorneys S. Riane Harper and C. Alden Pelker of the Criminal Division's Computer Crime and Intellectual Property Section (CCIPS) and Assistant U.S. Attorney Christopher B. Brown of the U.S. Attorney's Office for the District of Columbia are prosecuting the case. Additional assistance has been provided by Trial Attorneys Emily Siedell and Brian Nicholson of the Criminal Division's Office of International Affairs, former CCIPS Trial Attorney W. Joss Nichols and Assistant U.S. Attorney Daniel Riedl of the Northern District of Ohio.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at [www.Justice.gov/Celebrating150Years](http://www.Justice.gov/Celebrating150Years).

Updated February 13, 2020

## **Topics**

Cybercrime

Financial Fraud

Press Release Number: 20-185