Samourai Wallet Founders Set to Plead Guilty in Federal Crypto Mixing Case

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The founders of the cryptocurrency privacy platform Samourai Wallet, Keonne Rodriguez and William Lonergan Hill, will plead guilty to federal charges related to operating an unlicensed money-transmitting business and conspiracy to commit money laundering. The case, unfolding in the U.S. District Court for the Southern District of New York, has significant implications for crypto privacy tools and open-source software developers.

According to court records filed Tuesday, Rodriguez, the company's chief executive officer, and Hill, its chief technology officer, will formally enter guilty pleas during a scheduled hearing before Judge Denise Cote. The two initially pleaded not guilty in April 2024 following their arrests and the U.S. Department of Justice's (DOJ) shutdown of the Samourai Wallet platform.

Federal prosecutors allege that Samourai Wallet facilitated over $2 billion in unlawful transactions, earning $4.5 million in fees. The DOJ tied the wallet's services, including its transaction-anonymizing tools Whirlpool and Ricoche, to criminal operations, including the now-defunct Silk Road dark web marketplace. The indictment also includes private communications in which Hill allegedly referred to targeting the "black/grey circular economy."

Samourai Wallet operated as a non-custodial platform, meaning it did not take possession of user funds. However, its features allowed users to obscure the origin of their Bitcoin (BTC) transactions by mixing them with others, an approach that U.S. authorities argue can enable money laundering. While such technology is viewed by privacy advocates as a safeguard for financial anonymity, federal agencies, including the Treasury Department, see it as a risk to law enforcement. In 2022, the Treasury's Office of Foreign Assets Control (OFAC) banned Americans from using Ethereum-based Tornado Cash, citing its use by criminal networks.

The Samourai case mirrors legal actions against other developers of privacy-preserving cryptocurrency tools. Roman Storm, co-founder of Tornado Cash, is currently awaiting a verdict, while the founder of another mixing service, Bitcoin Fog, was convicted in 2024. These cases have sparked debate over whether open-source developers of non-custodial software should be held liable when their tools are used for illicit purposes.

Defense attorneys for Rodriguez and Hill previously sought to dismiss the charges, pointing to a 2025 DOJ memorandum from Deputy Attorney General Todd Blanche. The memo advised prosecutors to avoid targeting crypto mixer operators who unknowingly facilitated illegal transactions. The defense also cited guidance from the Financial Crimes Enforcement Network (FinCEN) issued in 2019, which indicated that software developers providing anonymization tools were not required to register as money transmitters.

Despite these arguments, the court rejected motions to dismiss and claims of withheld exculpatory evidence. A trial had been scheduled for November 3, but the upcoming guilty pleas are expected to eliminate the need for proceedings.

Sentencing details remain uncertain. Conspiracy to commit money laundering carries a maximum prison term of 20 years, while operating an unlicensed money-transmitting business could add five years. Judge Cote has not yet indicated how the guilty pleas may impact the sentencing timeline or final penalties.

This case is being closely watched by both regulators and the broader crypto community, as it could set a precedent for how privacy tools in the digital asset space are treated under U.S. law.