

FBI Closes Hacking Probe Into Kraken Co-Founder Jesse Powell

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Federal authorities have dropped a criminal investigation into Jesse Powell, co-founder and former Chief Executive Officer (CEO) of cryptocurrency exchange Kraken, following allegations tied to a nonprofit organization. The decision marks a significant clearing of Powell's name as he looks to refocus on the cryptocurrency industry and his role at Kraken.

The Federal Bureau of Investigation (FBI) began investigating Powell in 2023 after accusations emerged from the Verge Center for the Arts, a nonprofit Powell helped launch. The organization alleged that Powell had unlawfully accessed its computer systems and obstructed access to email accounts. At the time, Powell's home was raided, and electronic devices including computers and cell phones were seized. The case received wide attention given Powell's prominence in the crypto sector, and the aggressive nature of the investigation raised questions among industry watchers about due process and proportionality.

Court documents filed this week in the Superior Court of the State of California confirm that the U.S. Attorney's Office for the Northern District of California officially closed the case on April 8. Powell's attorney, Brandon Fox, also received confirmation via letter in June stating that no criminal charges would be filed and that the government would return the seized property.

Powell responded strongly to the developments. "The FBI's raid on my house was devastating both personally and professionally. It is still shocking that the raid was premised on Verge Center for the Art's baseless accusations against me," Powell said in a public statement. "I will continue to pursue the appropriate legal remedies against those who created this disaster by making false statements to law enforcement."

The investigation's closure comes as Kraken considers the next phase of its corporate trajectory. The company is reportedly exploring an initial public offering (IPO) by the first quarter of 2026 a significant move that would place it among the first major American cryptocurrency exchanges to go public. Although Powell stepped down as CEO in 2023, according to his LinkedIn profile, he remains actively involved as a member of Kraken's board of directors.

Kraken, based in the United States, has not been immune to regulatory pressure. In 2023, it reached a settlement with the U.S. Securities and Exchange Commission (SEC), agreeing to discontinue its cryptocurrency staking services for American users. SEC stands for Securities and Exchange Commission, the federal agency tasked with enforcing securities laws and protecting investors.

While the crypto industry remains under a regulatory microscope, the conclusion of this investigation is likely a relief to Kraken as it prepares for potential market listing and

increased public scrutiny. For Powell, the decision offers a moment of vindication and a potential platform for further legal action against those he believes acted in bad faith.