

Man Sentenced for Stealing Over 712 Bitcoin Subject to Forfeiture

[justice.gov/opa/pr/man-sentenced-stealing-over-712-bitcoin-subject-forfeiture](https://www.justice.gov/opa/pr/man-sentenced-stealing-over-712-bitcoin-subject-forfeiture)



Press Release

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For Immediate Release

Office of Public Affairs

An Ohio man was sentenced today to four years and three months in prison for stealing over 712 bitcoin that were the proceeds of the darknet bitcoin mixer Helix and subject to forfeiture in a then-pending criminal case.

According to court documents, Gary James Harmon, 31, of Cleveland, perpetrated a scheme to steal cryptocurrency that was the subject of pending criminal forfeiture proceedings in the case of Larry Dean Harmon, Gary Harmon's brother. In February 2020, Larry Harmon was arrested for his operation of Helix, a darknet-based cryptocurrency money laundering service, known as a "mixer" or "tumbler." Helix laundered 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. Law enforcement seized various assets, including a cryptocurrency storage device containing Larry Harmon's illegal proceeds generated through the operation of Helix, which were subject to forfeiture in the criminal case. However, law enforcement was initially unable to recover bitcoin stored on the device due to the device's additional security features.

Knowing that the government was seeking to recover the bitcoin stored on the seized device for forfeiture in Larry Harmon's criminal case, Gary Harmon used his brother's credentials to recreate the bitcoin wallets stored on the device and covertly transfer more than 712 bitcoin, valued at approximately \$4.8 million at the time, to his own wallets – stealing those funds and obstructing the pending criminal forfeiture proceeding. Gary Harmon further laundered the proceeds through two online bitcoin mixer services before using the laundered bitcoins to finance large purchases and other expenditures.

Gary Harmon agreed to the forfeiture of cryptocurrencies and other properties derived from the fraudulently taken proceeds, including more than 647.41 Bitcoin (BTC), 2.14 Ethereum (ETH), and 17,404,400.64 Dogecoin (DOGE). Due to the increase in market prices, the total value of these forfeitable properties exceeds \$20 million.

In August 2021, Larry Harmon pleaded guilty to money laundering conspiracy in connection with his case.

Assistant Attorney General Kenneth A. Polite, Jr. of the Justice Department's Criminal Division, U.S. Attorney Matthew M. Graves for the District of Columbia, Assistant Director Bryan Vorndran of the FBI's Cyber Division, Special Agent in Charge David Sundberg of the FBI Washington Field Office, and Acting Special Agent in Charge Kareem A. Carter of the IRS Criminal Investigation (IRS-CI) Washington, D.C. Field Office made the announcement.

The FBI and the IRS-CI District of Columbia Cyber Crime Unit investigated the case.

Assistant U.S. Attorney Christopher B. Brown for the District of Columbia and Trial Attorney C. Alden Pelker of the Criminal Division's Computer Crime and Intellectual Property Section (CCIPS), both now also members of the National Cryptocurrency Enforcement Team, prosecuted the case, with assistance from Paralegal Specialists Michon Tart, Angela De Falco, and Brian Rickers, and former Paralegal Specialist Chad Byron. Additional assistance was provided by Assistant U.S. Attorneys Segev Phillips and Daniel Riedl for the Northern District of Ohio and CCIPS Trial Attorney S. Riane Harper.

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Topic

Cybercrime

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