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Never Charged With the Fraud: The Government's Own Paperwork Tells a Different Bitcoin Rodney Story

The Justice Department's own case page lists Rodney Burton as a promoter whose charges were licensing counts — the fraud counts existed only in a late superseding indictment, and every one of them was dismissed on the government's own motion. Its own Deputy Attorney General later directed prosecutors not to bring cases like his. This is that story, told from the filed documents.

Fort Washington, Md. — For nearly three years, the name "Bitcoin Rodney" has belonged to one version of a story: the U.S. Department of Justice's $1.89 billion HyperFund case. Now the case is closed, the file is public, and Rodney Burton is telling his side — not from memory, but from the government's own paperwork, document by document.

HE WAS NEVER CHARGED WITH HYPERFUND FRAUD

Start where the government itself starts. On the Justice Department's official HyperFund case page, Sam Lee is named as the alleged **co-founder** of HyperFund. Rodney Burton is listed — with Brenda Chunga — as a **promoter**. The charges the department lists for Burton are two counts, both the same offense: conspiracy to operate, and operating, an **unlicensed money transmitting business**. A licensing offense. The fraud-conspiracy charges on that page belong to other defendants. Burton is **not a defendant in the SEC's case at all**.

Search the docket of *United States v. Burton*, No. 1:24-cr-00034 (D. Md.), for a charge that Burton defrauded HyperFund's investors, ran HyperFund, or belonged to its operation. It is not there. Fraud and money-laundering counts appeared against Burton only once — in a superseding indictment filed December 10, 2025, nearly two years into the case — and every one of them was later dismissed on the government's own motion. His own lawyer's filed memorandum (Dkt 62) makes the same point from the SEC's complaint: Burton **never made a presentation for HyperFund**, was **not on its official roster of presenters**, and had **no operational or marketing control** over what HyperFund told investors.

Yet at Burton's first detention hearing, on January 24, 2024, the prosecution argued for his detention under the banner of a **"$2 billion-dollar cryptocurrency Ponzi scheme"** (Dkt 62-3, hearing transcript) — while the indictment on the table charged licensing violations and nothing else.

> *"None of this had anything to do with HyperFund. It was me doing very, very well — as a Black man — and that's what they couldn't accept. Where in this docket does it say I was charged with fraud for HyperFund? Nowhere. It doesn't exist." — Rodney Burton*

WHAT "UNLICENSED MONEY TRANSMITTING" ACTUALLY MEANS

In nearly three years of headlines, nobody ever explained the charge itself. Here it is, in plain English.

Federal law — 18 U.S.C. § 1960 — makes it a crime to run a money transmitting business without the license and registration the law requires. That is the whole offense. The statute does not require proof that anyone was defrauded, that any money was stolen, or that a single customer lost a single dollar. It is a licensing offense: moving money for other people, as a business, without the government's permission slip.

So what was Burton actually doing? His account — the same account he has given from the beginning:

People who wanted into crypto came to him. Getting cash converted and into a personal crypto wallet — or into HyperFund — through the normal channels could take a long time, and people asked him to help them move faster. He had substantial crypto of his own at the time, so he completed the exchange for them: an internal transfer from his back office, or a transfer out of the wallet then in use — a wallet that has since closed. He was not trying to go around the company. He was speeding up a process people were begging him to speed up, and it helped his team grow.

And here is the money detail at the center of the charge — the detail the headlines never carried. Moving value through that wallet, and on into HyperFund, cost fees at both ends: together, about three percent. Burton passed that same three percent along to the people he helped. Not three percent added on top for himself — the three percent the transfer itself cost him, recouped.

> *"They charged me because I recouped the fee that was charged to me. That is exactly what they charged me for." — Rodney Burton*

His position has never changed: he did not run a money transmitting business. He helped individuals who asked for his help exchange their cash for crypto — and for that, the government charged him with operating one without a license.

THE JUSTICE DEPARTMENT'S OWN MEMO SAID: DO NOT BRING THIS CASE

On April 7, 2025, Deputy Attorney General Todd Blanche issued a department-wide memorandum titled **"Ending Regulation by Prosecution"** (filed in Burton's case as Dkt 62-1). Its directive: **"Prosecutors should not charge regulatory violations in cases involving digital assets — including but not limited to unlicensed money transmitting under 18 U.S.C. § 1960(b)(1)(A) and (B)"** — the exact subsections Burton was charged under — absent evidence the defendant knew of the licensing requirement and violated it willfully.

The Department then acted on it. A chart filed in Burton's case (Dkt 62-2) lists **five § 1960 cases or charges dismissed, in whole or in part, in the weeks and months after the Blanche Memo** — two of them dismissed outright. Burton's counsel filed the memo and the chart and argued, in a public memorandum (Dkt 62): **"Mr. Burton's case belongs on this chart as the sixth dismissal."** The same filing records that when a trial prosecutor asked to discuss the memo's effect on Burton's case with the U.S. Attorney and his supervisor, **the request was denied**.

Burton's case was not dismissed. He remained in a cell.

THE PLEA HE SIGNED — AND THE REJECTION HE NEVER SENT

For months, the government's position in its own filings was that "Burton rejected the plea offer" (Dkt 72). On **February 12, 2026**, that claim met a courtroom. In a hearing now preserved in an official transcript filed on the public docket (Dkt 94), the judge questioned Burton directly about the two plea offers. Burton answered that he rejected the first — **"I did not. I signed the second one."**

The prosecutor responded that a signed acceptance was never communicated to the government, because Burton's own lawyer had told them on September 26 that the defendant rejected the offer. Then Burton's lawyer, Kobie Flowers, addressed the court himself: the rejection of the plea was done by email, by him as the lawyer — Burton did not send those emails. **"I did send those emails."**

At that same hearing, the government misstated Burton's own case to the court: the prosecutor described the original indictment as **"just one count."** The original indictment had **two counts** — the § 371 conspiracy count and a substantive § 1960 count — as Judge Bennett's own opinion (Dkt 79) recites, and as Flowers corrected on the record, with the court's thanks, at the very same hearing.

Days later, Flowers was terminated as counsel (docket, February 18, 2026), and a federal public defender took over the case.

Burton's account of how the plea was presented to him is his own: he says prosecutors laid out their evidence at a reverse proffer and made the consequence of refusal plain — take the plea, or the superseding charges would come. What is not in dispute is the sequence on the docket: the signed plea died in September 2025; the government's attorney-inquiry crisis followed; and on **December 10, 2025**, prosecutors filed a superseding indictment stacking **eleven counts** — wire-fraud conspiracy, wire fraud, seven money-

laundering counts — onto a case that had stood at two licensing counts for 23 months. In the February 2026 transcript, the government recounts its own sequence: after the rejection was relayed, "we later, of course, superseded."

THE CHARGES THAT KEPT HIM IN — THEN VANISHED

The superseder did more than add counts. It kept Burton in a cell.

On **December 1, 2025**, Burton moved to reopen his detention (Dkt 61; memorandum at Dkt 62). His grounds: his assets had diminished and the original asset-based flight risk had dissipated; nearly two years served meant far less exposure remained; and the Blanche Memo had changed the ground under the case. Nine days later, on **December 10, 2025**, the government obtained the superseding indictment. It then argued against reopening using the superseder's own numbers — an anticipated Guidelines range of **135 to 168 months on the wire-fraud counts alone** (Dkt 72) — and Judge Bennett's opinion denying reopening (Dkt 79, December 22, 2025) treated the superseder as new, material information: it raised the statutory maximum to **35 years**, made Burton "more motivated to flee," and mooted his prison-time and Blanche Memo arguments.

Every one of those counts is gone. The final Judgment (Dkt 116) dismissed the entire superseding indictment **on the motion of the United States**. The exposure that defeated Burton's release — created by the prosecuting party, after he asked to be released — was abandoned by that same party before judgment.

INSIDE: 933 DAYS AT THE CHESAPEAKE DETENTION FACILITY

Burton spent his pretrial detention at the Chesapeake Detention Facility in Baltimore, the maximum-security facility Maryland operates for federal pretrial detainees — and the facility's own record is documented. In *Catchings v. Wilson* (D. Md., No. 1:21-cv-00428), detainees alleged an uncontrolled COVID-19 outbreak had infected more than 200 detainees and employees in under a month, that single-person cells were double-celled, and that lockdowns amounted to indefinite solitary confinement; the case ended in a **court-approved settlement on April 28, 2021**, requiring weekly testing, at least two hours per day out of cell, guaranteed soap, disinfectant and masks, and expert inspections of the facility at least every 30 days (Civil Rights Litigation Clearinghouse case record; DCist, February 22, 2021).

In **December 2025** — while Burton was still held there — the court-appointed monitor in *Duvall v. Moore* found the Baltimore pretrial detention system in **noncompliance with six medical provisions**, including documentation and review of vital signs and glucose results, timely response to critical lab results, and specialty-care referral logging, with the full-compliance deadline extended to June 2026 (Maryland Department of Legislative Services, FY 2027 budget analysis). State data also show **assaults on staff increased at the Chesapeake facility in FY2025** (Maryland Department of Legislative Services). And when Burton arrived in January 2024, **13.7% of the facility's staff positions stood vacant** (Maryland Department of Budget and Management figures, reported by the Department of Legislative Services) — a danger Sgt.

Dorian Johnson, a correctional officer at the facility and local union president, had already named in AFSCME Council 3's staffing report: **"Every day we operate like this puts the people who do these jobs and those we supervise at risk of being seriously hurt."**

THEIR OWN PAPER, WRONG — TWICE ON THE DATES ALONE

The government's filings against Burton contain errors that run in one direction.

In its December 2025 response (Dkt 72, p. 5), the government wrote: "On **January 3, 2023**, Burton was arrested pursuant to the complaint at the Miami International Airport." Burton was arrested on **January 3, 2024** — and the complaint described in that sentence was not filed until December 29, 2023. The filing has him arrested under a complaint that would not exist for almost another year. The same document elsewhere says "January 2024."

And the error is not only the government's. Judge Bennett's own Memorandum Opinion denying Burton's release (Dkt 79) dates the filing of the complaint to **December 29, 2024** — while recording, in the same opinion, that Burton was arrested on January 3, 2024 pursuant to that complaint and indicted on February 7, 2024. As written, the court's own chronology has the complaint filed almost a year *after* the arrest it authorized and ten months after the indictment that followed it.

At Burton's July 2024 detention hearing, the government argued he was liquidating assets by shipping a Rolls-Royce overseas. His lawyer's filed memorandum answers with CBP's own records (Dkt 62, n.19): **"The Government's assertion that Mr. Burton attempted to liquidate assets by shipping a Rolls Royce overseas is wrong."** CBP seized the 2022 Rolls-Royce Cullinan — appraised at **$436,500** — on **November 19, 2024**, more than ten months after Burton was locked up. CBP's notification letter (Dkt 62-4), addressed to Burton in detention, states the car was seized because it was **unmanifested** in an export shipment — the exporter's filing reported the shipment at $6,400 against a true value of roughly $626,046 — and it notifies **Burton** as a person who "may have an interest in the seized property," with options to petition for its return. The word "stolen" in that letter attaches to a different vehicle in the container, a Mercedes — which CBP turned over to the Georgia Ports Authority Police.

And after nearly two years of subpoenas, search warrants, and full access to Burton's devices and financial records, the government's hidden fortune never appeared. The defense memorandum states it plainly: the government "has produced no evidence of hidden crypto wealth." Judge Bennett's own opinion (Dkt 79) records the government's position that Burton's cryptocurrency **could not effectively be located, monitored, or restrained** — and that the Cullinan was **"the only asset it has seized."** Seized — and the record matters here — **not from Burton**. He was in a detention cell. The Cullinan was never taken from his possession; it was out of his hands when CBP picked it up at Savannah, hidden unmanifested inside an export container, under export paperwork filed in a Michigan towing company's name.

THE ENDING, IN THE JUDGE'S OWN FORM

On **June 15, 2026**, Burton pleaded guilty to **one count: Count 1 of the original February 2024 indictment** — conspiracy to operate an unlicensed money transmitting business, 18 U.S.C. § 371 (plea agreement, Dkt 101).

The **Judgment** (Dkt 116), signed by Judge Richard D. Bennett on July 23, 2026, closes the case on its first page. Beneath the single count of conviction sits a checked box, in the court's own words:

> *"Superseding Indictment and count 2 of original Indictment are dismissed on the motion of the United States."*

The entire eleven-count superseder — the wire fraud, the money laundering, all of it — dismissed, on the government's own motion. Sentence: **32 months, with credit for time served in federal custody since January 3, 2024**. Burton was released on **July 24, 2026** — 933 days after his arrest — his time served covering the sentence. He completed **17 courses and 39 learning hours** while detained (Dkt 62-5), and wrote a book, *United States Against Us*, arguing that the government imprisons Black men on accusation rather than proof.

> *"They told me to take the plea or they would stack the charges — and they stacked them. Then their own judge signed a paper dismissing every last one of them. I lost 933 days. I lost a lot. But the record is mine now, and the record says what it says." — Rodney Burton*

A full document-backed account, *The Real Bitcoin Rodney Story*, citing the filings count by count, accompanies this release.

THE CASE IN ONE LINE: Eleven counts were brought; ten are gone. The one count of conviction was a licensing conspiracy — conspiracy to operate an unlicensed money transmitting business — not fraud, and the entire superseding indictment was dismissed on the motion of the United States (Judgment, Dkt 116).

THE RECORD — PROOF INDEX

Every material claim in this release, and the public document it rests on. Case: *United States v. Burton*, No. 1:24-cr-00034-RDB (D. Md.).

1. **Promoter, not founder; Burton's charges = 2 licensing counts** — DOJ, "HyperFund and Associated Cases" case page (justice.gov).
2. **Burton not an SEC defendant; never presented for HyperFund; no presenter roster, no operational/marketing control** — Dkt 62 (defense memo, summarizing SEC Complaint, D. Md. No. 24-cv-00296).

3. **"$2 billion-dollar cryptocurrency Ponzi scheme" framing at the Jan 24, 2024 detention hearing** — Dkt 62-3 (hearing transcript).
4. **Blanche Memo directive (§ 1960(b)(1)(A)/(B) — do not charge absent willfulness)** — Dkt 62-1 (Apr 7, 2025).
5. **Five post-Blanche § 1960 dismissals (two full)** — Dkt 62-2 (chart).
6. **"Sixth dismissal" argument; prosecutor's request to discuss the memo's effect denied (Oct 7, 2025)** — Dkt 62 (memo and n.7).
7. **"Burton rejected the plea offer" (government's filing)** — Dkt 72 (Dec 15, 2025).
8. **Burton: "I did not. I signed the second one." / Prosecutor: signed acceptance never communicated; Flowers relayed rejection Sept 26 / Flowers: the rejection was by his email — "I did send those emails"** — Dkt 94 (official transcript, Feb 12, 2026 hearing, filed Mar 2, 2026).
9. **"We later, of course, superseded" (government's sequence)** — Dkt 94.
10. **Superseding indictment, 11 counts, Dec 10, 2025** — Dkt 69; docket report (Oct 24, 2026 pull).
11. **Flowers terminated Feb 18, 2026; Derrow (AFPD) successor** — docket report, entries 90–92.
12. **Wrong arrest year ("January 3, 2023") in government's filing; complaint filed Dec 29, 2023; arrest Jan 3, 2024** — Dkt 72, p. 5; Dkt 79 (court's opinion: Jan 3, 2024).
13. **Car: government's liquidation assertion "is wrong"; seizure Nov 19, 2024, 10+ months after detention** — Dkt 62, n. 19.
14. **Cullinan VIN SLATV8C08NU214816; $436,500 appraisal; unmanifested; EEI falsely valued ($6,400 vs ~$626,046); "determined to be stolen" = the Mercedes (turned over to Georgia Ports Authority Police); Burton notified as interested party with petition options** — Dkt 62-4 (CBP letter, Dec 13, 2024, signed on behalf of Tracey Marquez, FPF Officer).
15. **No hidden crypto produced (defense memo); government's position that crypto could not be located/monitored/restrained; Cullinan "the only asset it has seized" — seized at Savannah out of an export container, never taken from Burton's possession (he was detained)** — Dkt 62; Dkt 79 (Memorandum Opinion, Dec 22, 2025); Dkt 62-4.
16. **Plea: June 15, 2026, Count 1 of the original indictment, 18 U.S.C. § 371** — Dkt 101; docket entry 100 (rearraignment June 15, 2026).
17. **Judgment: "Superseding Indictment and count 2 of original Indictment are dismissed on the motion of the United States"; 32 months, credit since 1/3/24** — Dkt 116, pp. 1–2 (signed July 23, 2026).
18. **17 courses / 39 learning hours in detention** — Dkt 62-5 (carceral class transcript, Jul 27, 2024–Sep 22, 2025).
19. **Second impossible date — the court's own opinion dates the complaint Dec 29, 2024 (filed p. 5) while dating the arrest Jan 3, 2024 (filed p. 1) and the original indictment Feb 7, 2024 (filed pp. 5–6) in the same document** — Dkt 79 (Memorandum Opinion, Dec 22, 2025).
20. **Superseder as detention bootstrap: reopening motion filed Dec 1, 2025 on diminished assets / time served / Blanche grounds; superseder returned Dec 10, 2025; government argued 135–168-month anticipated Guidelines range on the wire-fraud counts; the court treated the superseder as raising the statutory maximum to 35 years and mooting the reopening arguments, denying release Dec 22, 2025; every superseding count later dismissed on the government's own motion** — Dkt 62; Dkt 72 (pp. 15–16); Dkt 79 (p. 11 and n.5); Dkt 116 (p. 1).
21. **Government's on-record misstatement that the original indictment was "just one count"; original indictment had two counts (§ 371 conspiracy + § 1960 operating); corrected on the record by Flowers at the same hearing, with the court's thanks** — Dkt 94 (transcript pp. 6–7; correction pp. 20–21); Dkt 79 (filed pp. 5–6).
22. **Facility record: Catchings v. Wilson court-approved settlement (Apr 28, 2021)** — Civil Rights Litigation Clearinghouse, Case No. 1:21-cv-00428 (D. Md.); DCist (Feb 22, 2021). **Duvall v. Moore monitor noncompliance**

findings (Dec 2025); FY2025 assaults-on-staff increase at CDF; 13.7% staff vacancy (Jan 2024) — Maryland Department of Legislative Services, FY 2027 Budget Analysis Q00T04 (2026); Maryland Department of Budget and Management vacancy data. **Sgt. Dorian Johnson statement** — AFSCME Council 3 staffing report (2023).

23. **The licensing charge in plain terms; the conduct and the ~3% fee pass-through** — offense definition: 18 U.S.C. § 1960 (operating an unlicensed money transmitting business; no fraud, theft, or customer loss is an element of the offense). Conduct and fee chain (helping individuals convert cash to crypto faster, via internal transfer or the wallet then in use; the ~3% = the transfer's own wallet + HyperFund fees, recouped — not a profit fee added on top) — Burton's own account, given Oct 24, 2026, consistent with his fee-chain account on file.

About Dr. R Burton: Rodney Burton ("Bitcoin Rodney") is an entrepreneur and the author of 15 books, including *Think & Master Claude AI* and *United States Against Us*, written during his detention. CICA International University & Seminary conferred on him a Doctor of Humane Letters, *honoris causa* — an honorary doctorate — in August 2023, in recognition of his work. He leads the AI Wealth Team community and speaks on financial literacy, artificial intelligence, and second chances.

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U.S. v. Burton, No. 1:24-cr-00034-RDB (D. Md.)