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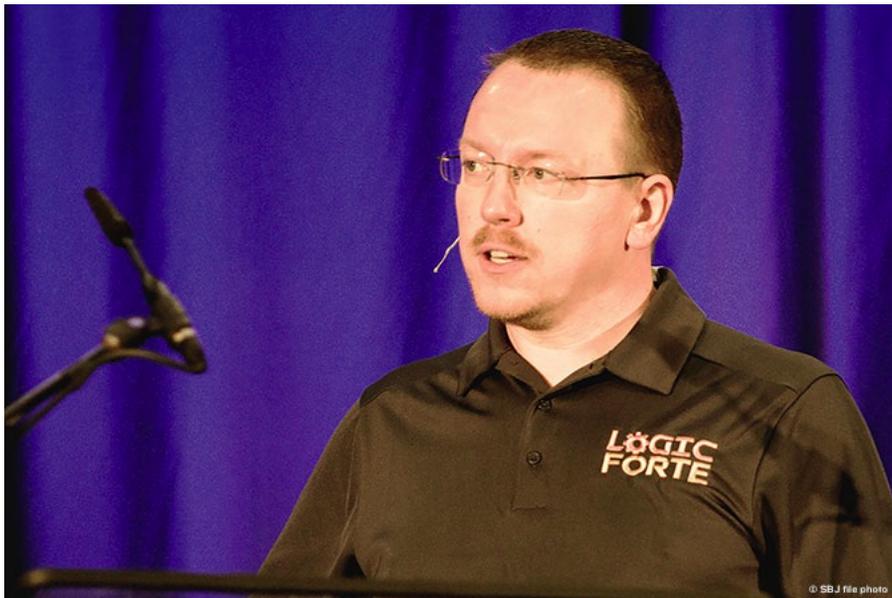
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Nixa entrepreneur pleads guilty to illegal bitcoin exchange



Jason Klein could face up to five years in federal prison without parole under federal statutes.

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5/2/2017 4:57 PM



A Nixa entrepreneur behind multiple tech companies pleaded guilty in federal court today to conducting an illegal money transmitting business by exchanging bitcoin for cash without a license.

Jason Klein, 37, waived his right to a grand jury and pleaded guilty before U.S. Magistrate Judge David Rush to federal charges of conducting an unlicensed and unregistered money transmitting business, according to a news release from the

office of Tom Larson, acting U.S. attorney for the Western District of Missouri.

Klein is the founder of two technology-based companies: Logic Forte and Datality Networks and currently is president of the Association of Information Technology Professionals–Southwest Missouri.

Logic Forte has taken part in multiple startup competitions in the Ozarks, including the 2016 Pitch Pit as part of the Spin 66 Innovation Summit and Springfield Area Chamber of Commerce’s Go Big Pitch Competition in 2015.

By pleading guilty today, Klein admitted he represented himself on the internet as a bitcoin exchanger, according to the release. However, Klein was not a licensed money transmitter with the state of Missouri or with the Financial Crimes Enforcement Network, as required by federal and state laws.

Bitcoins are a decentralized form of electronic currency, existing entirely on the internet and not in any physical form. The currency is not issued by any government, bank or company, but rather is generated and controlled automatically through computer software operating on a peer-to-peer network.

Between Feb. 6, 2015, and July 27, 2016, Klein, acting with another unnamed person, met with two undercover federal agents on numerous occasions to exchange bitcoin for cash. Today’s plea agreement cites five separate transactions in which money – ranging from \$1,000 to \$15,000 – was exchanged in person for an electronic transfer of bitcoin. Each of the transactions included a fee that Klein or another person charged the undercover agents, for a total of \$2,122 in fees, according to the release.

In one case, an agent responded to an online advertisement posted by Klein. Klein then told the agent his rate included a 10 percent commission “for an in-person \$1,000 cash exchange.”

Under federal statutes, Klein is subject to a sentence of up to five years in federal prison without parole. A sentencing hearing will be scheduled after the completion of a presentence investigation by the U.S. Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Casey Clark. It was investigated by IRS Criminal Investigation.

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