



## PRESS RELEASE

# Kratom Company and Owner Plead Guilty

Monday, July 10, 2023

### For Immediate Release

U.S. Attorney's Office, Southern District of California

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## NEWS RELEASE SUMMARY – July 10, 2023

SAN DIEGO – Nine2Five LLC and its owner, Sebastian Guthery, pleaded guilty in federal court today to felony crimes related to the illegal importation of kratom, an opioid-like plant, and the subsequent laundering of proceeds from the sale of the illegally imported product.

*Mitragyna speciosa*, commonly known as kratom, is indigenous to Southeast Asia. Its leaves, when ingested, have both narcotic and stimulant-like effects. According to the U.S. Food and Drug Administration (FDA), the use of kratom is associated with serious health risks, including but not limited to seizures, liver damage, addiction, and death. Side effects may also include respiratory depression, nervousness, agitation, aggression, sleeplessness, hallucinations, delusion, tremors, loss of libido, constipation, nausea, vomiting, and severe withdrawal signs and symptoms.

On February 28, 2014, the FDA issued Import Alert 54-15, which directed inspectors to detain products that appeared to contain kratom as well as named product from specified firms without inspection, and to deny them entry into the United States. The Import Alert

stated that the FDA had determined kratom to be a new dietary ingredient under section 413(d) of the Act, and deemed products intended for human consumption containing kratom to be adulterated food under section 402(f)(1)(B) of the Act because there was inadequate information to provide reasonable assurance that the new dietary ingredient kratom did not present a significant or unreasonable risk of illness or injury. This Import Alert remains in effect.

In pleading guilty, defendant Guthery admitted that, as the owner and operator of Nine2Five LLC, he caused the importation of 9,800 kg of kratom from Indonesia through a consignee named Middleton Central, LLC, by means of an invoice which falsely declared the product to be Flora Food Botanical Soil Conditioner (*Eucheuma spinosum*)/fertilizer, without reasonable cause to believe that was true. The invoice submitted on May 16, 2018, with the entry package, stated that the value of the goods was \$61,728.

Defendant Nine2Five, LLC, in pleading guilty to money laundering, admitted that a Nine2Five, LLC. employee wired \$60,000 from an account of Nine2Five, LLC at Wells Fargo Bank in San Diego, California, to Bank Mandiri in Indonesia for the cost of the purchase, transportation and importation of kratom from Indonesia on May 15, 2018. The funds constituted criminally derived proceeds of the illegal importation of kratom in the manner acknowledged by Guthery in his plea, which constituted a violation of Title 18, United States Code, Sections 542 and 545.

***“Making false declarations about the nature of products imported into the United States will not be tolerated,” said U.S. Attorney Randy Grossman. “The Department of Justice and our agency partners are committed to protecting our nation from importation crimes and related offenses.” Grossman thanked the prosecution team plus the Internal Revenue Service, Homeland Security Investigations, and Customs and Border Protection agents for their excellent work on this case.***

“HSI San Diego is deeply immersed in the global fight against illegal importation and money laundering,” said Chad Plantz, special agent in charge for HSI San Diego.

“Attempting to smuggle even more harmful substances into our communities will not be

tolerated. Further, deceiving law enforcement is illegal and by doing so only increases the severity of penalties. HSI is actively engaged with law enforcement partners and task forces to bring perpetrators who knowingly and willingly break the law to justice.”

“Sebastian Guthery and Nine2Five LLC went unchecked by mislabeling imports of kratom to evade detection and inspection by U.S. authorities and laundering the criminally derived proceeds internationally to purchase more kratom. The import laws and regulations are in place to protect our citizens and our nation,” said Tyler Hatcher, Special Agent in Charge of IRS Criminal Investigation Los Angeles Field Office. “This should put the kratom industry on notice, illegally importing products into the United States for your own financial gain is a crime and disregarding U.S. import laws and import alerts will not go unnoticed, you will be held accountable.”

Sentencing for both defendants is scheduled to take place on October 6, 2023 at 9:30 a.m. before U.S. District Judge Todd W. Robinson.

## **DEFENDANTS**

### **Case Number 23cr179-TWR**

Nine2Five, LLC

Formed: 2012

Carlsbad, CA

Sebastian Guthery

Age: 40

Carlsbad, CA

## **SUMMARY OF CHARGES**

Defendant Sebastian Guthery

Entry of Goods by Means of False Statement – Title 18, U.S.C., Section 542

Maximum Penalty: Two years in prison and/or \$250,000 fine

Defendant Nine2Five LLC

Money Laundering – Title 18, U.S.C., Section 1957

Maximum penalty: Five years of probation and \$500,000 fine for an organization

## **AGENCIES**

Internal Revenue Service

Homeland Security Investigations

## Customs and Border Protection

### Contact

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*Updated June 4, 2025*

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### Component

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