



U.S. Department of Homeland Security  
UNITED STATES SECRET SERVICE

MAR 30 2020

Emma Best  
MuckRock News  
411A Highland Ave.  
Somerville, MA 02144-2516

Re: Freedom of Information Act Appeal - File Number 20190178

Dear Ms. Best:

Reference is made to your recent email dated January 23, 2020, appealing the determination of Kevin Tyrrell, United States Secret Service (Secret Service) Freedom of Information Act Officer, regarding the above referenced file.

Under my direction, a search for responsive records was conducted and responsive records were located. It has been determined that information from these records may be released to you under the Freedom of Information Act (FOIA). Copies of the pages containing this information are enclosed. However, some information is being withheld under the FOIA.

The records in question contain information compiled for law enforcement purposes. Pursuant to Section 552 (b)(7)(C), certain information is being withheld since the disclosure of this information could constitute an unwarranted invasion of privacy. Some information is being withheld under Section 552 (b)(7)(E) since the disclosure of this information could disclose techniques and procedures for law enforcement investigations or disclose guidelines for law enforcement investigations or prosecutions which could risk circumvention of the law.

Finally, some information is being withheld under Section 552 (b)(5), as it includes inter-agency or intra-agency material that would not be available by law to a party other than an agency in litigation with the Secret Service.

Under federal law, we are required to advise you that any decision on appeal is subject to judicial review in the District Court in the district where the complainant resides, has a principal place of business, or in which the agency records are situated, or in the District of Columbia.

Sincerely,

A handwritten signature in black ink that reads "L. Newsome III".

Leonza Newsome III  
Deputy Director

**From:** (b) (7)(C) (NYC)  
**To:** (b) (7)(C) (HUM)  
**Cc:** (b) (7)(C) (HGE); (b) (7)(C) (SEA); (b) (7)(C) (PPQ)  
**Subject:** FW: @EXT: FW: 3 press releases  
**Date:** Thursday, July 20, 2017 9:44:00 AM  
**Attachments:** [7.20.17 AlphaBay Draft Press Release.docx](#)  
[20.07.2017 Press release def 2.doc](#)  
[Europol press release AlphaBay Hansa 20170720.docx](#)

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FYI,

These press releases will go out today. We aren't directly involved but just a heads up as it mentions Europol and cybercrime. Please do not disseminate outside USSS.

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# Department of Justice

FOR IMMEDIATE RELEASE  
THURSDAY, JULY 20, 2017  
[WWW.JUSTICE.GOV](http://WWW.JUSTICE.GOV)

CRM  
(202) 514-2007  
TTY (866) 544-5309

## **ALPHABAY, THE LARGEST ONLINE 'DARK MARKET,' SHUT DOWN**

*'Dark Net' Site Was Major Source of Fentanyl and Heroin, Linked to Overdose Deaths, and Used By Hundreds of Thousands of People to Buy and Sell Illegal Goods and Services Anonymously over the Internet*

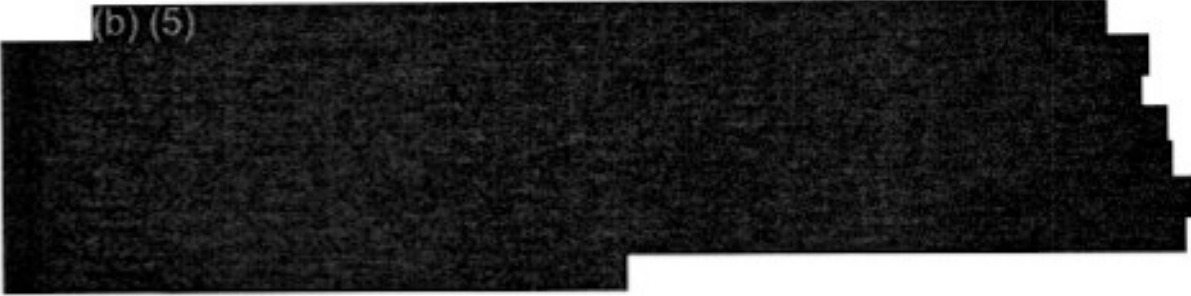
WASHINGTON – The Justice Department today announced the seizure of the largest criminal marketplace on the Internet, AlphaBay, which operated for over two years on the dark web and was used to sell deadly illegal drugs, stolen and fraudulent identification documents and access devices, counterfeit goods, malware and other computer hacking tools, firearms, and toxic chemicals throughout the world. The international operation to seize AlphaBay's infrastructure was led by the United States and involved cooperation and efforts by law enforcement authorities in Thailand, the Netherlands, Lithuania, Canada, the United Kingdom, and France, as well as the European law enforcement agency Europol.

On July 5, Alexandre Cazes aka Alpha02 and Admin, 25, a Canadian citizen residing in Thailand, was arrested by Thai authorities on behalf of the United States for his role as the creator and administrator of AlphaBay. On July 12, Cazes apparently took his own life while in custody in Thailand. Cazes was charged in an indictment (1:17-CR-00144-LJO), filed in the Eastern District of California on June 1, with one count of conspiracy to engage in racketeering, one count of conspiracy to distribute narcotics, six counts of distribution of narcotics, one count of conspiracy to commit identity theft, four counts of unlawful transfer of false identification documents, one count of conspiracy to commit access device fraud, one count of trafficking in device making equipment, and one count of money laundering conspiracy. Law enforcement authorities in the United States worked with numerous foreign partners to freeze and preserve millions of dollars' worth of cryptocurrencies that were the subject of forfeiture counts in the indictment, and that represent the proceeds of the AlphaBay organization's illegal activities.

On July 19, the U.S. Attorney's Office for the Eastern District of California filed a civil forfeiture complaint against Alexandre Cazes and his wife's assets located throughout the world, including in Thailand, Cyprus, Lichtenstein, and Antigua & Barbuda. Cazes and his wife amassed numerous high value assets, including luxury vehicles, residences and a hotel in Thailand. Cazes also possessed millions of dollars in cryptocurrency, which has been seized by the FBI and the Drug Enforcement Administration (DEA).

According to publicly available information on AlphaBay prior to its takedown, one AlphaBay staff member claimed that it serviced over 200,000 users and 40,000 vendors. Around the time of takedown, there were over 250,000 listings for illegal drugs and toxic chemicals on AlphaBay, and over 100,000 listings for stolen and fraudulent identification documents and access devices, counterfeit goods, malware and other computer hacking tools, firearms, and fraudulent services. Comparatively, the Silk Road dark web marketplace, which was seized by law enforcement in November 2013, had reportedly approximately 14,000 listings for illicit goods and services at the time of seizure and was the largest dark web marketplace at the time.

(b) (5)



"Transnational organized crime poses a serious threat to our national and economic security," said FBI Acting Director Andrew McCabe. "Whether they operate in broad daylight or on the dark net, we will never stop working to find and stop these criminal syndicates. We want to thank our international partners and those at the Department of Justice, the DEA, and the IRS-CI for their hard work in demonstrating what we can do when we stand together."

"The so-called anonymity of the dark web is illusory," said DEA Acting Administrator Chuck Rosenberg. "We will find and prosecute drug traffickers who set up shop there, and this case is a great example of our commitment to doing exactly that. More to come."

"AlphaBay was the world's largest underground marketplace of the dark net, providing an avenue for criminals to conduct business anonymously and without repercussions," said Chief Don Fort of IRS-CI. "Working with our law enforcement partners—both domestically and abroad—IRS-CI used its unique financial and cyber expertise to help shine a bright light on the accounts and customers of this shadowy black marketplace, and we intend to continue pursuing these kinds of criminals no matter where they hide."

"This ranks as one of the most successful coordinated takedowns against cybercrime in recent years," said Europol Executive Director Rob Wainwright. "Concerted action by law enforcement authorities in the United States and Europe, with the support of Europol, has delivered a massive blow to the underground criminal economy and sends a clear message that the dark web is not a safe area for criminals. I pay tribute to the excellent work of the United States and European authorities for the imaginative and resourceful way they combined their efforts in this case."

AlphaBay operated as a hidden service on the "Tor" network, and utilized cryptocurrencies including Bitcoin, Monero and Ethereum in order to hide the locations of its underlying servers and the identities of its administrators, moderators, and users. Based on law

enforcement's investigation of AlphaBay, authorities believe the site was also used to launder hundreds of millions of dollars deriving from illegal transactions on the website.

An investigation conducted by FBI Atlanta and the U.S. Attorney's Office in the Northern District of Georgia identified an AlphaBay staffer living in the United States. That investigation is ongoing.

The investigation into AlphaBay revealed that numerous vendors sold fentanyl and heroin, and there have been multiple overdose deaths across the country attributed to purchases on the site.

According to a complaint affidavit filed in the District of South Carolina against Theodore Vitality Khleborod and Ana Milena Barrero, an investigation into an overdose death on Feb. 16, 2017, in Portland, Oregon, involving U-47700, a synthetic opioid, revealed that the drugs were purchased on AlphaBay from Khleborod and Barrero. According to another complaint affidavit filed in the Middle District of Florida against Jeremy Achey, an investigation into a fentanyl overdose death in Orange County, Florida, on Feb. 27, 2017, revealed that the lethal substance was purchased on AlphaBay from Achey.

Charges contained in an indictment and/or complaint are merely allegations, and the defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

This operation to seize the AlphaBay site coincides with efforts by Dutch law enforcement to investigate and take down the Hansa Market, another prominent dark web market. Like AlphaBay, Hansa Market was used to facilitate the sale of illegal drugs, toxic chemicals, malware, counterfeit identification documents, and illegal services. The administrators of Hansa Market, along with its thousands of vendors and users, also attempted to mask their identities to avoid prosecution through the use of Tor and digital currency. Further information on the operation against the Hansa Market can be obtained from Dutch authorities.

The operation to seize AlphaBay's servers was announced by Attorney General Jeff Sessions; Deputy Attorney General Rod Rosenstein; Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department's Criminal Division; U.S. Attorney Phillip A. Talbert for the Eastern District of California; Acting Director Andrew G. McCabe of the FBI, Acting Administrator Chuck Rosenberg of the DEA and Europol Executive Director Robert Mark Wainwright.

The case is being investigated by the FBI including FBI Sacramento Field Office and DEA, with substantial assistance from the IRS-CI. U.S. Immigration and Customs Enforcement's Homeland Security Investigations also assisted in the investigation. The case against Cazes was prosecuted by Assistant U.S. Attorneys Paul A. Hemesath and Grant B. Rabenn of the U.S. Attorney's Office for the Eastern District of California, and Trial Attorneys Louisa K. Marion and C. Alden Pelker of the Criminal Division's Computer Crime and Intellectual Property Section. Substantial assistance was provided by the Department of Justice's Office of International Affairs and Special Operations Division. Additionally, the following

foreign law enforcement agencies provided substantial assistance in the operation to seize AlphaBay's infrastructure: Royal Thai Police, Dutch National Police, Lithuanian Criminal Police Bureau (LCPB), Royal Canadian Mounted Police, United Kingdom's National Crime Agency, Europol, and French National Police.

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DO NOT REPLY TO THIS MESSAGE. IF YOU HAVE QUESTIONS, PLEASE USE THE CONTACTS IN THE MESSAGE OR CALL THE OFFICE OF PUBLIC AFFAIRS AT 202-514-2007.

## **PRESS RELEASE**

20 July 2017

### **Underground Hansa Market taken over and shut down**

As part of an extensive international investigation, the Netherlands Police and the Public Prosecution Service have dismantled, seized control of, and shut down one of the biggest illegal market places on the internet today. It is Hansa Market, currently the most popular dark market in the 'anonymous' part of the internet, the so-called darknet.

The investigation in question is being carried out in close cooperation with the police and judicial authorities in Germany, Lithuania, and the United States, and also with Europol. This week, a Hansa top-seller was arrested in Krimpen aan den IJssel, the Netherlands. Accounts with a total of more than 1,000 bitcoins, representing a value of some two million euros, were seized. The bitcoins were transferred to an account of the Public Prosecution Service.

#### **Undercover operation**

The fall of Hansa Market is the final step of an undercover operation in which the Netherlands police seized control of the illegal market place in June of this year. This was made possible by the arrest of the two administrators of Hansa Market in Germany, aged 30 and 31. Since their arrest, the two men, from Siegen, NorthRhine-Westphalia, have been kept in pre-trial detention, and are only allowed to have contact with their lawyers.

#### **Lithuania**

It emerged that the underground market place was hosted on servers in Lithuania. Immediately after the arrest of the administrators, these servers and their corresponding infrastructure were seized and an exact copy of the market place was transferred to Dutch servers. Buyers and sellers could still access the darknet site, but without realizing the police and the public prosecution service in the Netherlands had seized control of Hansa.

Since the end of June, the High Tech Crime Team and the Darkweb Team of the police and the Public Prosecution Service have gained insight into large numbers of sellers and buyers, who traded chiefly in

hard drugs. The usernames and passwords were intercepted. On average, 1,000 orders per day were placed in response to almost 40,000 advertisements. Last year, Hansa Market had 1,765 different sellers. Since the authorities seized control of Hansa Market there have been more than 50,000 transactions, mainly involving soft drugs and hard drugs.

#### **Intercepted orders**

In the past weeks, the police have intercepted tens of thousands of non-encrypted messages between sellers and buyers about orders. They were also able to identify the delivery address for a large number of orders. Some 10,000 foreign addresses of Hansa Market buyers were passed on to Europol. More than 500 Dutch delivery addresses were reported to couriers and postal services with the intention of stopping the deliveries.

The darknet markets enable large-scale trading in chiefly illegal goods, such as drugs, weapons, child pornography, and ransom software. Well-known examples of such market places are Silk Road (taken down by the FBI in 2013) and Alpha Bay (shut down within the framework of an international police operation earlier this month). No weapons or child pornography were sold on Hansa Market. After the FBI's takedown of AlphaBay, Dutch authorities started to detect an increase in traffic towards Hansa. This operation was meant to lure discontent customers from AlphaBay to other Dark Web marketplaces like Hansa. Since AlphaBay was taken down, the average of less than 1 000 vendors on Hansa per day, has risen to more than 8 000 per day.

#### **Safe from detection**

Sellers and buyers, and also administrators of illegal market places often believe they are safe from detection by the police and the judicial authorities. By carrying out criminal investigations into these criminals, and prosecuting them, it will become clear that the darkweb is not as anonymous as its users might think. The international cooperation between the Netherlands police, the Public Prosecution Service the FBI, Europol, and the authorities in Germany and Lithuania has seriously damaged the image of credibility and reliability of these market places. An important measure is the seizure of the servers on which the market places are hosted.

A unique aspect of the investigation into Hansa Market was the fact that the police and the Public Prosecution Service seized control within the framework of an undercover operation. A wealth of information will be studied in the coming weeks.

As from today, people who visit Hansa Market see a splash page from the police that gives an explanation of the criminal investigation.



**Links:**

Arrests in Germany

<http://www.justiz.bayern.de/sta/staolg/ba/presse/archiv/2017/05808/index.php>

Alpha Bay taken down

<https://www.fbi.gov/>

