

# Alleged Silk Road online drug baron pleads not guilty (Update)

February 7 2014, by John Biers

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A pile of Bitcoin slugs sits in a box ready to be minted on April 26, 2013 in Sandy, Utah

The man accused of donning the mantle of the "Dread Pirate Roberts" to run the Silk Road online black market bazaar pleaded not guilty Friday to drug and money laundering charges.

US District Judge Katherine Forrest set a trial date of November 3 for 29-year-old Ross William Ulbricht, in a New York case that has opened

a window onto the shadowy world of online crime.

Authorities claim Ulbricht is the infamous "Roberts", mastermind of an encrypted online network that allegedly sought to sell illicit items including drugs, hacker tools and even assassinations.

Ulbricht's attorney Joshua Dratel said he is considering a request for bail, but will study the case before proceeding. Prosecutors have previously said they would oppose bail.

Most of Friday's hearing focused on the logistics of a handoff of computer data and other evidence that will be turned over to Ulbricht's counsel as he prepares his defense.

Ulbricht, wearing a blue prison uniform, smiled at family a couple of times after being led into the courtroom by guards. He appeared calm throughout a 25-minute hearing.

The government arrested Ulbricht in October on a criminal complaint accusing him of drug trafficking and related offenses.

An indictment unsealed on Tuesday charged him with money laundering, conspiracy to commit computer hacking and running a criminal enterprise, which carries a minimum sentence of 20 years.

It includes an allegation that Ulbricht "solicited a Silk Road user to execute a murder-for-hire of another Silk Road user, who was threatening to release the identity of thousands of users of the site."

Assistant US Attorney Serrin Turner said the investigation into Silk Road is ongoing and more charges could be added against Ulbricht.

Family and friends of Ulbricht have stood by the defendant, setting up a

"Free Ross" website to raise funds for his legal defense.

A minute-and-a-half video includes testimonials of friends and family as to Ulbricht's gentle and generous character.

"He's doing about as well as can be expected under the circumstances, which are difficult," said Ulbricht's mother, Lynn Ulbricht, who said the family visits with her son weekly.

"He's engaged," Dratel said of his client. "We're waiting to be able to review things."

But government prosecutors have presented a very different picture of Ulbricht, in an indictment dubbing him the brains behind "the most sophisticated and extensive criminal marketplace on the Internet."

Silk Road sold illegal goods to "well over a hundred thousand buyers worldwide," the indictment said. Ulbricht is said to have pocketed commissions worth "tens of millions of dollars" from the illicit sales.

As part of the operation, US authorities seized a large cache of Bitcoins, a virtual currency used in Silk Road transactions.

Prosecutors say they seized 173,991 Bitcoins, worth over \$150 million at present exchange rates.

Three others have been charged in connection with the operation of Silk Road.

Authorities also filed charges in January against two operators of a Bitcoin exchange, claiming they violated money laundering laws by allowing its users to buy illicit goods on the Silk Road website.

Ulbricht was using a laptop in a San Francisco library when he was arrested on October 1.

Investigators scoured the machine for evidence he was indeed the "Dread Pirate Roberts," an online moniker taken from the pseudonymous anti-hero of cult film "The Princess Bride."

But in November, a message saying that Silk Road was back in business turned up on a social network, signed "Dread Pirate Roberts," or DPR.

It remains unclear if the author merely assumed the title after Ulbricht's arrest or had previously been running the website.

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