

Silk Road 2.0 shut down, alleged US operator charged (Update)

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A second version of the Silk Road online black market bazaar for drugs and other illicit goods has been shut down and its alleged 26-year-old operator arrested by the FBI, US authorities say

A second version of the Silk Road online black market bazaar for drugs and other illicit goods has been shut down and its alleged 26-year-old operator charged, US authorities said Thursday.

Blake Benthall was arrested by the FBI in San Francisco on Wednesday and is to appear before Magistrate Judge Jacqueline Scott Corley in a federal court in the Californian city on Thursday.

The 26-year-old is charged with conspiring to commit narcotics trafficking, conspiring to commit computer hacking, conspiring to traffic in forged documents and money laundering conspiracy.

He faces a maximum sentence of life in prison if convicted.

US prosecutors say Silk Road 2.0 enabled more than 100,000 people to buy and sell illegal drugs and other contraband anonymously over the Internet after its predecessor was shut down in 2013.

The US attorney's office confirmed that the Silk Road 2.0 website had also been shut down.

Prosecutors claim it was used to distribute hundreds of kilos of illegal drugs and goods with around 150,000 active users all over the world, generating sales of \$8 million a month by September.

The website allegedly had more than 13,000 listings for controlled substances, including 1,707 for "Cannabis," and openly advertised forged ID documents, computer-hacking tools and hacking services.

Silk Road announced in a message last November it had reopened, declaring it had "risen from the ashes" a month after the US Federal Bureau of Investigation originally took down the website.

Its alleged original mastermind, Ross William Ulbricht, who is accused of using the handle "Dread Pirate Roberts" to run the site, is awaiting trial in New York.

In February, he pleaded not guilty to drug and money laundering charges.

'Road to prison'

US prosecutors allege Benthall had owned and run the new operation since December 2013, and was nicknamed "Defcon."

"This Silk Road, in whatever form, is the road to prison," said Manhattan federal prosecutor Preet Bharara.

"Those looking to follow in the footsteps of alleged cybercriminals should understand that we will return as many times as necessary to shut down noxious online criminal bazaars."

Prosecutors described Silk Road 2.0 as one of the most extensive, sophisticated and widely used criminal online marketplaces.

It was virtually identical to its predecessor and accessible only through online encryption offered via a service known as Tor.

"As alleged, Blake Benthall ran a website on the Tor network facilitating supposedly anonymous deals of drugs and illegal services generating millions of dollars in monthly sales," said FBI assistant director in charge George Venizelos.

"Benthall should have known that those who hide behind the keyboard will ultimately be found."

US officials said British, Dutch, French, German and Lithuanian authorities were also involved in the investigation.

When Silk Road was shut down last year, authorities seized a large cache

of Bitcoins, a virtual currency used in transactions and estimated to have been worth over \$150 million.

Besides Benthall and Ulbricht, three others have been charged in connection with the operation.

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

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