

Backpage.com co-founder released from jail on a \$1M bond

April 17 2018

A co-founder of the classified advertising site Backpage.com who has been jailed for the last 10 days on charges of facilitating prostitution was released on a \$1 million bond Monday as he awaits trial.

At a brief hearing at a federal courthouse in Phoenix, James Larkin was ordered by Magistrate Judge John Boyle to put up two properties as surety on the bond.

Larkin also was ordered to wear an electronic monitoring device.

Larkin, co-founder Michael Lacey and five Backpage.com employees were arrested earlier this month on federal charges.

Larkin was the last of the seven to be released from custody. Lacey was released on Friday after posting a \$1 million bond.

An indictment alleges Backpage.com ignored warnings to stop running advertisements promoting prostitution, sometimes involving children, because the site has brought in \$500 million on prostitution-related revenues since its inception in 2004.

Authorities say Backpage.com portrays itself as trying to prevent such ads, but investigators have determined the site's operators have declined to confront the problem. Employees are accused of helping customers edit their ads to say within legal limits while still encouraging commercial sex.

The indictment alleges Backpage.com started to launder money earned from ad sales a few years ago after banks raised concerns that they were being used for illegal purposes.

Authorities also seized Backpage.com and its affiliated websites as a part of the criminal case.

The site founders and four employees have pleaded not guilty in the federal case in Arizona.

Authorities revealed last week that Backpage.com CEO Carl Ferrer pleaded guilty to a federal conspiracy charge in Arizona and state money laundering charges in California. In addition, the company pleaded guilty to human trafficking in Texas and in a federal money laundering conspiracy case in Arizona. Ferrer has agreed to testify against others.

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