'Pirate' wanted online black market to change world
3 October 2013

A heroin addict prepares a heroin dose on November 5, 2012 in Berlin

The man known as "Dread Pirate Roberts" saw the potential for his online black market for drugs and other illegal wares as a way to free the world from government "coercion."

Ross William Ulbricht, accused of being the ringleader of the nefarious bazaar called Silk Road seized by US authorities this week, held a physics degree, admired the Austrian school of economic thought and viewed his enterprise as "an anonymous" version of Amazon.

Court documents, his online profiles and at least one interview given in an anonymized chat showed Ulbricht as highly educated and motivated to use Silk Road as a force for change.

"At its core, Silk Road is a way to get around regulation from the state," he said in an August interview with Forbes, routed through the online anonymizer called TOR and Silk Road's messaging system.

"If they say we can't buy and sell certain things, we'll do it anyway and suffer no abuse from them. But the state tries to control nearly every aspect of our lives, not just drug use. Anywhere they do that, there is an opportunity to live your life as you see fit despite their efforts," he said in the interview, which identified him only by his "Pirate" moniker.

Prosecutors say Silk Road has been used by thousands of drug dealers to distribute hundreds of kilograms of illegal wares to more than 100,000 buyers and to launder hundreds of millions of dollars in ill-gotten profits, using the Bitcoin virtual currency.

The site, accessible only to those able to navigate the anonymizing software, sold drugs ranging from heroin, cocaine and methamphetamine, as well as hacker tools such as software for stealing passwords or logging keystrokes on people's machines.

Ulbricht's LinkedIn profile identified him as the CEO at an online bookseller called Good Wagon Books and showed he earned a physics degree at the University of Texas at Dallas and pursued graduate studies at Pennsylvania State University.

"I want to use economic theory as a means to abolish the use of coercion and aggression amongst mankind," he wrote on LinkedIn.

"Just as slavery has been abolished most everywhere, I believe violence, coercion and all forms of force by one person over another can come to an end... I am creating an economic simulation to give people a first-hand experience of what it would be like to live in a world without the systemic use of force."

A criminal complaint unsealed this week in a California court, which led to Ulbricht's arrest in San Francisco, said he appeared to be promoting Silk Road in online forums as of early 2011.

FBI agent Christopher Tarbell stated in the complaint that Ulbricht, using the screen name
"altoid," posted comments in a response to persons discussing the potential for Bitcoin sales of heroin over the Internet.

"What an awesome thread," Ulbricht purportedly wrote. "Has anyone seen Silk Road yet? It's kind of like an anonymous amazon.com. I don't think they have heroin on there, but they are selling other stuff."

Tarbell said the screen name was eventually traced back to accounts controlled by Ulbricht, and that he seemed to be using this as a "marketing tactic" for Silk Road.

In the Forbes interview, the man identified as "Dread Pirate Roberts" said he was not the first administrator of Silk Road, but that he took over from the founder after refining the technology.

"I had discovered a big vulnerability in the way he had configured the main Bitcoin wallet that was being used to process all of the deposits and withdrawals on the site," he stated.

"At first he ignored me, but I persisted and gained his trust by helping him secure the wallet. From there we became close friends working on Silk Road together."

Tarbell said his investigation showed Ulbricht had in various postings talked about the libertarian-leaning Austrian school of economic thought, and that these were the "philosophical underpinnings" for Silk Road.

The FBI agent said Ulbricht, who had been under investigation for some time, was eventually identified as the "owner and operator" of Silk Road by connecting his various online accounts and through other evidence.

© 2013 AFP


This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.