

Police arrest 8 in international Silk Road busts (Update)

October 8 2013, by Raphael Satter

Authorities in Britain, Sweden, and the United States have arrested eight more people following last week's closure of Silk Road, a notorious black market website which helped dealers to sell drugs under the cloak of anonymity, officials and media said Tuesday.

In the U.K., the country's newly-established National Crime Agency warned that more arrests were on the way.

Most if not all the arrests took place within a couple of days of last week's capture of Silk Road's alleged mastermind, Ross Ulbricht, in San Francisco, suggesting that authorities may now be busy unraveling the network of drug dealers who made fortunes peddling illicit substances through the site.

Britain's National Crime Agency said it had seized millions of pounds (dollars) worth of bitcoins, the electronic currency used on the site, and the agency's director general, Keith Bristow, said in a statement that other online drug dealers should expect a knock on their door.

"These latest arrests are just the start; there are many more to come," he said.

Silk Road gained widespread notoriety two years ago as a black market bazaar where visitors could buy and sell hard drugs using bitcoins, a form of online cash which operates independent of any centralized control. A so-called "hidden site," Silk Road used an online tool known

as Tor to mask the location of its servers. While many other sites sell drugs more or less openly, Silk Road's technical sophistication, its user-friendly escrow system and its promise of near-total anonymity quickly made it among the best known.

Officials say the black market website brokered more than \$1 billion in sales before the FBI collared Ulbricht at a public library on Oct. 1. In its complaint, the bureau said it had managed to copy the contents of the site's server—something one expert said would likely provide international authorities with detailed information about the site's dealers.

"Any large sellers on Silk Road should be very nervous," said Nicholas Weaver, a researcher with the International Computer Science Institute in Berkeley and the University of California, San Diego.

Silk Road's eBay-style customer review system means that months' worth of sales history are now in law enforcement hands, Weaver said in an email, while the traceable nature of bitcoin transfers means the FBI "can now easily follow the money."

Britain's Crime Agency said its arrests were carried out only hours after Ulbricht was detained. It called the suspects "significant users" of Silk Road and described them as three men in their 20s from the northern English city of Manchester and a man in his 50s from southwestern England.

U.S. authorities have charged two people in Bellevue, Washington, a city just east of Seattle, after identifying one of them as a top seller on Silk Road. He was arrested on Oct. 2, while his alleged accomplice turned herself in the next day.

In Sweden, two men from the coastal city of Helsingborg were arrested

on suspicion of distributing cannabis over Silk Road, the local Helsingborgs Dagblad reported Tuesday. The newspaper did not say when the pair had been detained.

Britain's Crime Agency, which became operational only this month, said the arrests sent a message to criminals that the anonymity touted by sites like Silk Road is an illusion.

"The hidden Internet isn't hidden and your anonymous activity isn't anonymous," it said. "We know where you are, what you are doing and we will catch you."

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