

AFM:JAP

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

16M719

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UNITED STATES OF AMERICA

AFFIDAVIT IN SUPPORT OF
REMOVAL TO THE EASTERN
DISTRICT OF
CALIFORNIA

- against -

(Fed. R. Crim. P. 5(c))

ABDULLAH ALMASHWALI,

Defendant

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EASTERN DISTRICT OF NEW YORK, SS:

JOHN T. RABAUT, being duly sworn, deposes and states that he is a Special Agent with the Drug Enforcement Administration, duly appointed according to law and acting as such.

Upon information and belief, on or about July 29, 2016, a criminal complaint was filed in the United States District Court for the Eastern District of California charging the defendant ABDULLAH ALMASHWALI with distributing and conspiring to distribute heroin, a Schedule I controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 846.

The source of your deponent's information and the grounds for his belief are as follows:¹

1. On or about July 29, 2016, a complaint was filed in the United States District Court in the Eastern District of California charging the defendant ABDULLAH

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

ALMASHWALI with distributing and conspiring to distribute heroin, a Schedule I controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 846. A copy of the criminal complaint and underlying affidavit is attached hereto as Exhibit A.

2. On the same date, a warrant for the arrest of ALMASHWALI was issued by the United States District Court in the Eastern District of California. A copy of the arrest warrant is attached hereto as Exhibit B.


3. I am one of the case agents involved in the underlying investigation in the Eastern District of California.

4. On August 2, 2016, at approximately 12:55 P.M., I and other case agents initiated a traffic stop on a cab that transported ALMASHWALI in Brooklyn, within the Eastern District of New York. I identified ALMASHWALI by comparing the individual in the cab to photographs of ALMASHWALI taken at a U.S. Postal Service Self-Service Kiosk when ALMASHWALI purchased postage, as noted in Exhibit A.

5. ALMASHWALI had several boxes in the cab. He gave permission to the case agents to search the boxes. Case agents found computer equipment and manila envelopes. ALMASHWALI stated that he was using the computer equipment to mine Bitcoins, and that he was using the manila envelopes to send compact discs to people. The manila envelopes have the same appearance as the envelopes that contained the heroin I purchased on Alpha Bay, as described in the attached complaint. ALMASHWALI was subsequently arrested pursuant to the complaint.

WHEREFORE, your deponent respectfully requests that the defendant

ABDULLAH ALMASHWALI be removed to the Eastern District of California to be dealt with according to law.



JOHN T. RABAUT
Special Agent
Drug Enforcement Administration

Sworn to before me this
3d day of August, 2016

THE HONORABLE STEVEN M. GOLD
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK

EXHIBIT A

SEALED

ORIGINAL FILED

AO 91 (Rev. 11/11) Criminal Complaint

JUL 29 2016

UNITED STATES DISTRICT COURT
for the
Eastern District of California

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY DEPUTY CLERK

United States of America
v.
ABDULLAH ALMASHWALI, and
CHAUDHRY AHMAD FAROOQ.

Under Seal

Case No.

7:16MJ 00095 EPG

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of January 2016 - July 2016 in the county of Fresno in the Eastern District of California, the defendant(s) violated:

Code Section	Offense Description
21 U.S.C. Sec. 841(a)(1)	Manufacture, Distribution, and Possession with Intent to Distribute a Controlled Substance (Heroin)
21 U.S.C. Sec. 846	Conspiracy to Manufacture, Distribute, and Possess with Intent to Distribute a Controlled Substance (Heroin)

This criminal complaint is based on these facts:

See attached Affidavit of John T. Rabaut, attached hereto and incorporated herein.

Continued on the attached sheet.

Complainant's signature

John T. Rabaut, Special Agent, DEA

Printed name and title

Sworn to before me and signed in my presence.

Date: 7/29/16

Judge's signature

City and state: Fresno, California

Hon. Erica P. Grosjean, U.S. Magistrate Judge

Printed name and title

AFFIDAVIT OF JOHN T. RABAUT
IN SUPPORT OF CRIMINAL COMPLAINT

I, John T. Rabaut, being firstly duly sworn, hereby depose and state as follows:

I. INTRODUCTION AND AGENT BACKGROUND

1. I have been employed as a Special Agent with the Drug Enforcement Administration (DEA) since January 2013 and am presently assigned to the DEA Resident Office in Fresno, California. I have successfully completed a seventeen (17) week DEA Basic Agent Training Academy at the DEA Academy in Quantico, Virginia. This training included instruction in the investigation of federal drug violations, including, but not limited to Title 21, United States Code, sections 841 and 846. Additionally, I have discussed with numerous law enforcement officers, defendants, and informants, the methods and practices used by narcotics distributors. I have also been the affiant of previous federal and state search warrants and have testified in court about narcotics.

2. Further, I have completed various training programs provided by the DEA and local law enforcement agencies, including, but not limited to training on identifying characteristics associated with the manufacture, sale, and transportation of various narcotics, including, but not limited to phencyclidine (PCP), methamphetamine, heroin, cocaine, and marijuana. These training programs involved the use, possession, packaging, sale, concealment, manufacturing, and transportation of various controlled substances as well as its precursors and chemicals used in the manufacturing process. I am familiar with narcotics traffickers' methods of operation including the distribution, storage, manufacturing, and transportation of narcotics and the collection of money proceeds of narcotics trafficking. I have assisted on the execution of several federal and state narcotics search warrants that resulted in the arrest of suspects and seizure of narcotics.

3. I have participated in other narcotics investigations, either as a case agent or in a supporting role. I also have debriefed defendants, informants, and witnesses who had personal knowledge regarding narcotics trafficking organizations. Additionally, I have participated in many other aspects of drug investigations including, but not limited to, undercover operations, conducting physical and electronic surveillance, and arrests. These investigations have included the unlawful manufacture, possession, distribution, and transportation of controlled substances, as well as conspiracies associated with criminal narcotics, in violation of Title 21, United States Code, sections 841(a)(1), 841(c)(2), 843, and 846, along analogous sections of the State of California Health and Safety Code.

4. The information contained in this Affidavit is submitted for the sole purpose of demonstrating probable cause to obtain a criminal complaint charging **Abdullah ALMASHWALI** and **Chaudhry Ahmad FAROOQ** with violations of Title 21, United States Code, Sections 841(a)(1) and 846 (Distribution and Possession with Intent to Distribute Heroin, and Conspiracy). Because this Affidavit is being submitted for the limited purpose of demonstrating probable cause, it does not contain all of the information known to me and/or other law enforcement officers involved in this case.

II. BACKGROUND ON DIGITAL CURRENCY

5. Digital currency (also known as crypto-currency) is generally defined as an electronic-sourced unit of value that can be used as a substitute for fiat currency (i.e. currency created and regulated by a government). Digital currency exists entirely on the Internet and is not stored in any physical form. Digital currency is not issued by any government, bank, or company and is instead generated and controlled through computer software operating on a decentralized peer-to-peer network. Digital currency is not illegal in the United States and may

be used for legitimate financial transactions. However, digital currency is often used for conducting illegal transactions, such as the sale of controlled substances.

6. Bitcoin is a type of digital currency. Bitcoin payments are recorded in a public ledger that is maintained by peer-to-peer verification, and is thus not maintained by a single administrator or entity. Individuals can acquire bitcoins either by “mining” or by purchasing bitcoins from other individuals. An individual can “mine” for bitcoins by allowing his/her computing power to verify and record the Bitcoin payments into a public ledger. Individuals are rewarded for this by being given newly created bitcoins.

7. An individual can send and receive bitcoins through peer-to-peer digital transactions or by using a third-party broker. Such transactions can be done on any type of computer, including laptop computers and smart phones.

8. Bitcoins are stored on digital “wallets.” A digital wallet essentially stores the access code that allows an individual to conduct bitcoin transactions on the public ledger. To access bitcoins on the public ledger, an individual must use a public address (or “public key”) and a private address (or “private key”). The public address can be analogized to an account number while the private key is like the password to access that account.

9. Even though the public addresses of those engaging in bitcoin transactions are recorded on the public ledger, the true identities of the individuals or entities behind the public addresses are not recorded. If, however, a real individual or entity is linked to a public address, it would be possible to determine what transactions were conducted by that individual or entity. Bitcoin transactions are, therefore, described as “pseudonymous,” meaning they are partially anonymous.

10. Through the dark-web or dark-net, i.e. websites accessible only through encrypted

means, individuals have established online marketplaces, such as Alpha Bay, for narcotics and other illegal items.¹ These markets often only accept payment through digital currencies, such as bitcoin. Accordingly, a large amount of bitcoin sales or purchases by an individual is often an indicator that the individual is involved in narcotics trafficking or the distribution of other illegal items. Individuals intending to purchase illegal items on Alpha Bay-like websites need to purchase or barter for bitcoins. Further, individuals who have received bitcoin as proceeds of illegal sales on Alpha Bay-like websites need to sell their bitcoin to convert them to fiat (government-backed) currency. Such purchases and sales are often facilitated by peer-to-peer bitcoin exchangers who advertise their services on websites designed to facilitate such transactions.

11. Dark websites, such as Alpha Bay, operate on “The Onion Router” or “TOR” network. The TOR network (“TOR”) is a special network of computers on the Internet, distributed around the world, that is designed to conceal the true Internet Protocol (“IP”) addresses of the computers accessing the network, and, thereby, the locations and identities of the network’s users. TOR likewise enables websites to operate on the network in a way that conceals the true IP addresses of the computer servers hosting the websites, which are referred to as “hidden services” on the TOR network. Such “hidden services” operating on TOR have complex web addresses, generated by a computer algorithm, ending in “.onion” and can only be accessed through specific web browser software designed to access the TOR network.

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¹ Alpha Bay is a dark website operated as a TOR hidden service. Alpha Bay allows its users to browse anonymously to purchase a variety of illegal goods, including controlled substances. Bitcoin was the form of payment accepted by the site. A further description of Alpha Bay is included below.

III. FACTS ESTABLISHING PROBABLE CAUSE

A. *Drug Enforcement Administration (DEA) Identifies Chaudhry Ahmad FAROOQ and Abdullah ALMASHWALI as a Heroin Distributor*

12. **Chaudhry Ahmad FAROOQ** is a 24-year old male who was born in Pakistan and is a United States citizen. He is approximately 6'3" and 160 lbs with black hair and brown eyes. **Abdullah ALMASHWALI** is a 31-year old male who was born in Yemen and is a United States citizen. He is approximately 6'0" and 180 lbs with black hair and brown eyes.

13. I am part of a dark web/digital currency task force focused on identifying narcotics vendors operating on the dark web and using dark marketplaces (like Alpha Bay) to advertise and sell narcotics. As part of this task force, I have been trained by various law enforcement agencies about how to operate an undercover dark marketplace account and, acting in an undercover capacity, purchase narcotics on these market places, which includes how to encrypt messages utilizing Pretty Good Privacy (PGP) keys and how to purchase and use digital currency (bitcoins) to make payments for narcotics. PGP is a data encryption program that provides for cryptographic privacy and data communication, i.e. e-mails. Each public PGP key is bound to a user name or e-mail address, which is publicly available. Communications to that public PGP key are then decrypted with a private PGP key, which means only the user with the private PGP key can access those communications.

14. As a result of this training, I began analyzing and investigating the top heroin vendors operating on the dark marketplace, Alpha Bay, in January of 2016. Through the course of my initial investigation, I came across two vendors, "AREA51" and "DARKAPOLLO," who were advertising that they import heroin directly from Afghanistan and whose vendor web pages were selling the exact same products and quantities. Based on my training and experience I suspected that these two vendors were operated by same individual(s).

15. During March of 2016, I initiated a full investigation into AREA51 and DARKAPOLLO. Popular dark market online forums that review Alpha Bay vendors indicated

that customers who had previously received shipments from AREA51 and DARKAPOLLO indicated that the packages originated from Brooklyn, New York.

16. AREA51 and DARKAPOLLO advertise on AlphaBay as vendors of Burmese and Afghan heroin, as well as uncut Peruvian and Columbian cocaine. The quantities of each of the heroin and cocaine range from one gram to five grams. Based on my review of AlphaBay transactions, as of July 25, 2016, DARKAPOLLO has sold approximately 610 grams of heroin and approximately 25 grams of cocaine. In total, DARKAPOLLO has made approximately \$139,594 from the sale of heroin and cocaine on AlphaBay. As of July 25, 2016, AREA51 has sold approximately 810.5 grams of heroin and approximately 47 grams of cocaine.

17. Initial analysis of DARKAPOLLO and AREA51's public PGP key indicated that both keys were registered to the same email address: Adashc31@gmail.com. A social media search for the phrases "Adashc31" and "Adashc" resulted in the discovery of a Twitter, Instagram, and Facebook account belonging to someone identified as "Ahmed Farooq" or "Ch. Ahmed Farooq" (Hereinafter referred to as **FAROOQ**). The Facebook profile belonging to **FAROOQ** indicated that he resided in Brooklyn, New York. As a result, in April of 2016, I submitted a grand jury subpoena to Facebook for the subscriber information for **FAROOQ**.

18. On May 3, 2016, I received the grand jury information from Facebook. Analysis of the Facebook information indicated a verified telephone number for **FAROOQ**'s Facebook account: ***-***-0414. A DEA de-confliction search for this telephone number indicated that the user of this telephone number was part of an on-going investigation targeting a Drug Trafficking Organization (DTO) that was selling heroin in Brooklyn, New York.

19. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

B. *ALMASHWALI and FAROOQ Sells Heroin on Alpha Bay*

21. On May 11, 2016, I purchased approximately .451 bitcoins to use in purchasing heroin from either DARKAPOLLO or AREA51.

22. On May 16, 2016, acting in an undercover capacity, I logged into my undercover Alpha Bay account and purchased approximately one gram of heroin from AREA51 for \$165. I included a message to AREA51 to send the package to a predetermined undercover address. I also instructed AREA51 to address the package to "Alex Mendoza."

23. On May 19, 2016, DEA SA Christen Brook received a notice from US Postal Service Inspector Jessica Burger that a package had arrived at the undercover address I had instructed to AREA51.

24. On May 20, 2016, I retrieved the package from Inspector Burger and noticed that

the package from addressed to "Alex Mendoza." The return address of this package was to "Jessica Brown" at 286 Ave X, Brooklyn, NY 11223. The tracking number for this parcel was identified as "EL390130821US" (hereafter referred to as "UC PARCEL #1")

25. I brought UC PARCEL #1 back to the Fresno Resident Office to open it and to begin processing it into evidence. I, as witnessed by DEA SA Jay Dial, opened UC PARCEL #1 and located a silver Mylar envelope inside the parcel. Inside of the silver Mylar envelope was a small clear zip lock bag that contained a white powder. I, as witnessed by SA Jay Dial, conducted a presumptive test on the powder, which tested positive for the presence of heroin. I submitted all of the contents of UC PARCEL #1 to the DEA Western Regional Lab for fingerprint and drug analysis. On this same day, I also released approximately .3507 BTC that was in escrow to AREA51 as payment for UC PARCEL #1.

26. On May 24, 2016, I purchased approximately .458 bitcoin for another undercover purchase of heroin from AREA51. On this same date, I, acting in an undercover capacity, purchased approximately 1 gram of heroin from AREA51, as witnessed by SA Jay Dial. I instructed AREA51 to ship the package to a pre-established undercover address. I also instructed AREA51 to again address the package to "Alex Mendoza."

27. On May 27, 2016, Inspector Burger notified me that a package had been delivered to the undercover address I provided to AREA51. On this date, I picked up the package from Inspector Burger and noticed that the package was addressed to "Alex Mendoza" (hereafter referred to as UC PARCEL #2). The return name and address written on UC PARCEL #2 was "Valerie Desperado" at 286 Avenue X, Brooklyn, NY. This return address was the same address as UC PARCEL #1. The tracking number for UC PARCEL #2 was EK739980413US.

28. I then brought UC PARCEL #2 to the DEA Fresno Resident Office for processing. When I opened UC PARCEL #2, as witnessed by SA Jay Dial, I found a cream colored envelope. Inside of the envelope was another silver Mylar envelope. Inside of the Mylar envelope was a small clear plastic bag that contained a white powder. SA Jay Dial and I conducted a presumptive test on the powder, which tested positive for the presence of heroin.

SA Dial and I sent all of the contents of UC PARCEL #2 to the Western Regional Lab for fingerprint and drug analysis.

29. On May 31, 2016, I received the laboratory and fingerprint analysis back for UC PARCEL #1. According to the drug analysis, the white powder was identified to be heroin. Additionally, three latent fingerprints were found on the Mylar envelope located inside of UC PARCEL #1. These fingerprints were positively identified as belonging to **ALMASHWALI**.

30. On June 13, 2016, I received the laboratory and fingerprint analysis for UC PARCEL #2. The white powder was positively identified as heroin. Additionally, one latent fingerprint was found on the silver Mylar envelope inside of UC PARCEL #2 and three latent fingerprints were found on the USPS envelope. All of these latent fingerprints were known fingerprints for **ALMASHWALI**.

C. ALMASHWALI and FAROOQ Purchase Postage for Narcotics Parcels

31. As a result of the undercover purchases that I conducted, Inspector Burger was able to conduct comparative analysis on these parcels to identify who purchased the postage for them.

32. Inspector Burger was able to identify the time, date, and location the postage was purchased via the Postage Validation Imprinter (PVI) label. The postage for UC PARCEL #1 was purchased via an SSK (Self Service Kiosk) located at the Homecrest Post Office, 2302 Avenue U, Brooklyn, New York 11229, on May 18, 2016 at approximately 19:39 Greenwich time (15:39 Eastern time). This location is approximately .8 miles from the **FAROOQ**'s residence and .5 miles from the **ALMASHWALI**'s residence. Upon pulling the transaction data, Inspector Burger identified five (5) total transactions conducted utilizing the same credit card number, in which postage was purchased for a total of twenty-five (25) PVI labels in the amount of \$22.95 each, including the postage for UC PARCEL #1. Below is a list of the transaction;

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Card Number	SiteID	Date	Time	Amount
4563 3100 2224 1214	3509739557	05/18/2016	15:37:00	\$114.75
4563 3100 2224 1214	3509739557	05/18/2016	15:37:53	\$114.75
4563 3100 2224 1214	3509739557	05/18/2016	15:39:03	\$114.75
4563 3100 2224 1214	3509739557	05/18/2016	15:40:13	\$114.75
4563 3100 2224 1214	3509739557	05/18/2016	15:41:11	\$114.75

33. Due to SSK transactions being a non-face to face transactions, photos are taken during each transaction that is conducted. Inspector Burger retrieved the photo of the suspect who purchased the postage for UC PARCEL #1 and provided the photo to me. I positively identified the individual in the photo as **ALMASHWALI**.

34. Based on historical data, and postal databases, Inspector Burger was able to identify additional postage being purchased utilizing card number 4563 3100 2224 1214.

35. Inspector Burger identified the following transactions that occurred on May 4, 2016, at the James A. Farley Post Office located at 421 8th Ave, New York, NY 10001, which is approximately 12 miles from **FAROOQ**'s residence and approximately 12 miles from **ALMASHWALI**'s:

Card Number	SiteID	Date	Time	Amount
4563 3100 2224 1214	3596289550	05/04/2016	20:09:05	\$114.75
4563 3100 2224 1214	3596289552	05/04/2016	20:10:09	\$114.75
4563 3100 2224 1214	3596289550	05/04/2016	20:10:35	\$114.75
4563 3100 2224	3596289552	05/04/2016	20:11:15	\$114.75

1214				
4563 3100 2224 1214	3596289552	05/04/2016	20:12:09	\$114.75
4563 3100 2224 1214	3596289552	05/04/2016	20:13:03	\$114.75
4563 3100 2224 1214	3596289552	05/04/2016	20:13:53	\$114.75
4563 3100 2224 1214	3596289552	05/04/2016	20:14:49	\$114.75

36. Because SSK transactions are not face-to-face transactions, photos are taken during each transaction that is conducted. In pulling the photos Inspector Burger identified **ALMASHWALI** conducting the transactions that occurred from 20:09:05 through 20:11:15. The transactions which occurred from 20:12:09 through 20:14:49 were conducted by **FAROOQ**, using credit card number 4563 3100 2224 1214. Inspector Burger was able to locate USPS Priority Mail Express parcel EL390130574US, in which postage was purchased by **ALMASHWALI** during the above listed transactions. This parcel was addressed to Scott Simonson, 322 Coronation Dr., Amherst, New York 14226, and listed a return address of Jessica Brown, 286 Ave X, Brooklyn, New York 11223, the same address listed on the two undercover purchases I conducted.

37. The investigation is ongoing and I do not believe that **ALMASHWALI** or **FAROOQ** are aware of the investigation. I also believe that if they became aware of the investigation, they would likely destroy evidence, flee prosecution, or intimidate potential witnesses.

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IV. CONCLUSION

38. Based upon my training and experience, and on the facts set forth in this affidavit, there is probable cause to believe that **Chaudhry Ahmad FAROOQ** and **Abdullah ALMASHWALI** have violated Title 21, United States Code, Sections 841(a)(1) & (b)(1)(C) (Distribution of Controlled Substances), and 21 U.S.C. § 846 and 841(a)(1) & (b)(1)(C) (Conspiracy to Distribute Controlled Substances). I therefore request that you issue the attached arrest warrant and criminal complaint.

Approved as to form:

/s/ Grant B. Rabenn
Grant B. Rabenn
Assistant United States Attorney


John T. Rabaut
Special Agent
Drug Enforcement Administration

Sworn to before me this
27 day of July 2016

HON. ERICA P. GROSJEAN
United States Magistrate Judge
Eastern District of California

EXHIBIT B

SEALED COPY

AO 442 (Rev. 11/11) Arrest Warrant

UNITED STATES DISTRICT COURT

for the

Eastern District of California

United States of America

v.

ABDULLAH ALMASHWALI

Case No.

1:16MJ 00095 EPG

Defendant

ARREST WARRANT

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay

(name of person to be arrested) ABDULLAH ALMASHWALI

who is accused of an offense or violation based on the following document filed with the court:

- Indictment Superseding Indictment Information Superseding Information Complaint
- Probation Violation Petition Supervised Release Violation Petition Violation Notice Order of the Court

This offense is briefly described as follows:

Manufacture, Distribution, and Possession with Intent to Distribute a Controlled Substance (Heroin), in violation of Title 21 U.S.C. Sec. 841(a)(1), and Conspiracy, in violation of Title 21, U.S.C. Sec. 846.

Date: 7/29/16

Issuing officer's signature

City and state: Fresno, California

Hon. Erica P. Grosjean, U.S. Magistrate Judge

Printed name and title

Return

This warrant was received on (date) _____, and the person was arrested on (date) _____
at (city and state) _____

Date: _____

Arresting officer's signature