

FILED
6/13/2024

KG

THOMAS G. BRITTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

THOMAS PAVEY,
also known as “Dopenugget”

and RAHEIM HAMILTON,
also known as “Sydney” and
“ZeroAngel”

Case No. 22 CR 323

Violations: Title 18, United States Code,
Sections 371, 473, 1029(a)(3), (b)(2),
1956(h) and Title 21,
United States Code, Section 846.

SUPERSEDING INDICTMENT

The SPECIAL JANUARY 2023 GRAND JURY charges:

COUNT ONE

1. At times material to Count One of this Indictment,

a. AlphaBay was an online marketplace operating on what is often referred to as the dark web, which is available via the Internet to users with certain software. AlphaBay provided an online platform for illegal goods and services to be offered for sale and exchanged, and allowed buyers and sellers of these goods and services to conceal their true identities. To buy or sell goods or services on AlphaBay, users were required to establish accounts with unique usernames. AlphaBay allowed customers and vendors to communicate electronically via direct messages. To sell goods or services on AlphaBay, a user had to pay a vendor bond. A vendor bond was a payment that an AlphaBay user paid in order to set up a vendor account.

b. In order to sell or buy items on AlphaBay, users needed to use virtual currency, such as bitcoin. Virtual currencies are electronically-sourced units

of value that exist on the Internet and are not typically stored in a physical form. Virtual currencies are not issued by a government but are generated and controlled through computer software operating on decentralized peer-to-peer networks.

c. THOMAS PAVEY used the username “dopenugget” on AlphaBay.

d. RAHEIM HAMILTON used the username “ZeroAngel” on AlphaBay.

e. Customer 1, Customer 2, and Customer 3 were customers on AlphaBay. Customer 2 resided in the Northern District of Illinois.

f. THOMAS PAVEY maintained a bank account at Bank 1, which he used to purchase virtual currency using his account on a Cryptocurrency Exchange Platform 1.

g. RAHEIM HAMILTON maintained an account on Cryptocurrency Exchange Platform 2, which he used to purchase virtual currency.

2. Beginning on or about June 15, 2016 to on or about July 5, 2017, in the Northern District of Illinois and elsewhere,

THOMAS PAVEY,
also known as “dopenugget,”and

RAHEIM HAMILTON,
also known as “ZeroAngel,”

defendants herein, knowingly conspired with each other and with others known and unknown to the Grand Jury, to sell, transfer, and deliver false, forged, counterfeited and altered obligations and securities of the United States, with the intent that the

same be passed, published, and used as true and genuine, in violation of Title 18, United States Code, Section 473.

3. It was part of the conspiracy that PAVEY and HAMILTON opened and operated vendor accounts on AlphaBay.

4. It was further part of the conspiracy that PAVEY and HAMILTON used AlphaBay accounts to advertise and sell counterfeit U.S. currency.

5. It was further part of the conspiracy that PAVEY and HAMILTON represented on AlphaBay that PAVEY created counterfeit currency, and that HAMILTON was PAVEY's authorized retailer.

6. It was further part of the conspiracy that PAVEY and HAMILTON communicated to potential customers on AlphaBay the methods PAVEY used to create counterfeit currency, including the tools and materials PAVEY used.

7. It was further part of the conspiracy that PAVEY and HAMILTON communicated to potential customers on AlphaBay that the counterfeit currency had features designed to thwart counterfeit detection tools and make the counterfeit currency appear to be genuine currency.

8. It was further part of the conspiracy that PAVEY and HAMILTON communicated to their customers methods to modify counterfeit currency to make the counterfeit currency appear and feel more like genuine currency.

9. It was further part of the conspiracy that PAVEY and HAMILTON sold counterfeit U.S. currency for a fraction of the face value of the counterfeit currency.

10. It was further part of the conspiracy that PAVEY and HAMILTON sold or caused to be sold counterfeit currency to AlphaBay users, including Customer 1 and Customer 2.

11. It was further part of the conspiracy that PAVEY and HAMILTON shipped or caused to be shipped counterfeit currency to AlphaBay users, including Customer 1 and Customer 2.

12. It was further part of the conspiracy that PAVEY and HAMILTON concealed, misrepresented and hid and caused to be concealed, misrepresented, and hidden the existence and the purpose of the conspiracy and the acts done in furtherance of the conspiracy.

13. In furtherance of this conspiracy and to effect its objects and purposes, PAVEY and HAMILTON committed and caused to be committed the following overt acts, among others, within the Northern District of Illinois and elsewhere:

a. On or about June 15, 2016, HAMILTON paid a vendor bond on AlphaBay using virtual currency.

b. On or about June 15, 2016, HAMILTON created product listings on AlphaBay advertising counterfeit U.S. currency for sale.

c. On or about June 15, 2016, on HAMILTON's AlphaBay product listing, PAVEY and HAMILTON wrote or caused to be written, that "ZeroAngel" was an endorsed seller of "dopenugget's" counterfeit U.S. currency.

d. On or about June 18, 2016, HAMILTON sent or caused to be sent a message to another AlphaBay user stating HAMILTON was going to be “dopenugget’s” retailer.

e. On or about June 18, 2016, HAMILTON posted or caused to be posted a message in a AlphaBay forum related to counterfeit currency vendors, stating that HAMILTON was the “official retailer” of “dopenugget’s” counterfeit bills.

f. On or about June 18, 2016, HAMILTON posted a message in a AlphaBay forum related to counterfeit currency vendors, stating that HAMILTON’s vendor site would “go live” that day.

g. On or about June 21, 2016, PAVEY used his encryption key to endorse a message on AlphaBay’s forum, indicating AlphaBay user “ZeroAngel” [HAMILTON] was selling PAVEY’s counterfeit notes, that “ZeroAngel” was trustworthy, and that having “ZeroAngel” sell PAVEY’s counterfeit currency and deal with customers would allow PAVEY to have more time to improve the quality of his counterfeit currency.

h. On or about July 24, 2016, HAMILTON sent or caused to be sent a message to another AlphaBay user stating “dopenugget” was working on improving the counterfeit currency and offered to send a sample to the AlphaBay user.

i. On or about September 4, 2016, HAMILTON posted or caused to be posted a message to a AlphaBay forum regarding “dopenugget’s” progress adding a certain feature to the counterfeit currency to avoid detection.

j. From on or about June 18, 2016 to on or about July 5, 2017, HAMILTON made over 2,700 sales of counterfeit currency on AlphaBay.

k. On or about June 29, 2016, HAMILTON received an order for counterfeit currency from Customer 1.

l. On or about July 7, 2016, HAMILTON received an order for counterfeit currency from Customer 1.

m. On or about July 15, 2016, HAMILTON received an order for counterfeit currency from Customer 1.

n. On or about July 27, 2016, HAMILTON received an order for counterfeit currency from Customer 1.

o. On or about August 4, 2016, HAMILTON received an order for counterfeit currency from Customer 1.

p. On or about October 9, 2016, HAMILTON received an order for counterfeit currency from Customer 1.

q. On or about January 13, 2017, HAMILTON received an order for counterfeit currency from Customer 1.

r. On or about May 15, 2017, HAMILTON received an order for counterfeit currency from Customer 1.

s. On or about June 14, 2017, HAMILTON accepted an order for counterfeit currency from Customer 2.

t. On or about June 14, 2017, HAMILTON instructed Customer 2 how Customer 2 should communicate shipping information for counterfeit currency Customer 2 had purchased.

u. On or about June 16, 2017, HAMILTON responded to inquiries from Customer 2 about Customer 2's counterfeit currency order.

v. Between on or about June 10, 2017 and July 4, 2017, HAMILTON exchanged messages with a potential customer, indicating HAMILTON would send the potential customer sample counterfeit in exchange for a detailed review.

w. On or about July 4, 2017, HAMILTON accepted an order of counterfeit currency from Customer 3.

x. HAMILTON maintained a vendor page offering counterfeit currency for sale on AlphaBay, until July 5, 2017, when AlphaBay closed.

In violation of Title 18, United States Code, Section 371.

COUNT TWO

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. At times material to Counts Two, Three, Four and Five of this Indictment:

a. PAVEY and HAMILTON owned and operated Empire Market from approximately February 1, 2018 through approximately August 22, 2020.

b. PAVEY and HAMILTON were administrators of Empire Market. In this capacity, PAVEY and HAMILTON had access to nonpublic Empire Market infrastructure and information.

c. HAMILTON used the screen name “Sydney” on Empire Market to conduct activity on Empire Market.

d. Empire Market was a marketplace for vendors and buyers to buy and sell illegal products and services anonymously.

e. Empire Market was a hidden service on the dark web. Empire Market could not be searched for or located on the Internet like a traditional online store or website. Instead, a user seeking to access Empire Market needed specialized anonymizing software and the address of Empire Market, which ended in “.onion.”

f. Empire Market allowed individuals to register as vendors to sell goods and services. Empire Market typically required vendors to pay a vendor bond using cryptocurrency and to attest that the vendor would accurately describe the products and services the vendor offered for sale. Vendors that did not follow the rules could be removed from Empire Market, including by site administrators PAVEY and HAMILTON.

g. Thousands of vendors advertised goods and services for sale on Empire Market, including controlled substances, compromised and stolen account credentials, stolen and counterfeit credit card information, and counterfeit currency, among others. The controlled substances sold by vendors on Empire Market included heroin, methamphetamine, cocaine, LSD, opioids, and others.

h. Vendors openly advertised the illegal nature of products and services they sold. Vendor pages often included advertisements with photographs and descriptions of items and services for sale. Vendor pages were visible to anyone with access to Empire Market, including other vendors, potential buyers, and site administrators PAVEY and HAMILTON.

i. Buyers on Empire Market could browse goods and services available by category. Categories of products and services offered on Empire Market included: “Fraud,” “Drugs & Chemicals,” “Counterfeit Items,” and “Software & Malware,” among others. These categories also had sub-categories. For example, the category “Drugs & Chemicals” included the sub-categories, “Cocaine,” “Heroin,” “Morphine,” “OxyCodone,” “Prescription,” “Meth,” “Opium,” and others.

j. Buyers who purchased items from Empire Market could review and rate their purchases. Buyers could also rate vendors on multiple criteria, including “stealth.”

k. Empire Market employed moderators, who were paid to resolve disputes between vendors and buyers.

l. Financial transactions on Empire Market used cryptocurrency. Cryptocurrency was used to conceal the nature of the transactions and to conceal the identities of Empire Market administrators, moderators, vendors and buyers.

m. Empire Market's administrators encouraged users to use "tumbling" services to obfuscate their transactions and conceal and disguise connections to Empire Market. Tumbling services use a series of transactions to mix and exchange cryptocurrencies to obscure their origin. For instance, by in or about approximately October 2018, Empire Market advertised that "Tumbling your coins is a popular way to erase any trace of your coins coming from Empire Market. In some cases, using the blockchain, a determined investigator can trace you back to this Empire. Tumbling your coins for a small fee (normally 1-3% ensure that you will never be traced back to here."

n. During the operation of Empire Market, PAVEY and HAMILTON facilitated over approximately 4,000,000 transactions between vendors and buyers valued at over approximately \$430,000,000.

o. Empire Market vendors delivered items to buyers in the United States, including in the Northern District of Illinois, and to buyers outside the United States. Items were delivered digitally and via physical packages shipped to addresses provided by buyers.

p. PAVEY and HAMILTON paid themselves by retaining portions of cryptocurrency transactions on Empire Market. They used those funds to pay themselves and to pay Empire Market moderators.

2. Beginning in or about August 2017 and continuing until on or about August 22, 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

THOMAS PAVEY,
also known as “dopenugget,” and

RAHEIM HAMILTON,
also known as “Sydney” and “ZeroAngel,”

defendants herein, conspired with each other and with others known and unknown to the Grand Jury, to knowingly and intentionally possess with the intent to distribute and distribute a controlled substance, namely, one kilogram or more of a mixture and substance containing a detectable amount of heroin, a Schedule I Controlled Substance, five kilograms or more of a mixture and substance containing a detectable amount of cocaine, a Schedule II Controlled Substance, and 500 grams or more of a mixture and substance containing a detectable amount of methamphetamine, a Schedule II Controlled Substance, in violation of Title 21, United States Code, Section 841(a)(1).

In violation of Title 21, United States Code, Section 846.

COUNT THREE

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraph 1 of Count Two is incorporated here.

2. Beginning in or about August 2017 and continuing until on or about August 22, 2020, in the Northern District of Illinois and elsewhere,

THOMAS PAVEY,
also known as “dopenugget,” and

RAHEIM HAMILTON,
also known as “Sydney” and “ZeroAngel,”

defendants herein, conspired with each other and with others known and unknown to the Grand Jury, to knowingly and with the intent to defraud, possess fifteen or more devices which are counterfeit or unauthorized access devices, in and affecting interstate and foreign commerce, in violation of 18 U.S.C. § 1029(a)(3).

3. It was part of the conspiracy that beginning in approximately August 2017, PAVEY and HAMILTON agreed to create, own, and operate a dark web marketplace for illegal goods and services, which they named Empire Market.

4. It was further part of the conspiracy that PAVEY and HAMILTON designed Empire Market to provide categories of items for vendors to list products, including “Fraud,” and sub-categories including “CVV & Cards,” “Dumps,” “Accounts & Bank Drops,” and “Personal Information & Scans.”

5. It was further part of the conspiracy that Empire Market vendors offered stolen and fraudulently-obtained credit card numbers and account login credentials for sale.

6. It was further part of the conspiracy that Empire Market's "Autoshop" streamlined sales of account login credentials and credit card information. The Autoshop feature was accessible from Empire Market's homepage and allowed vendors to upload credit card information and account login credentials to the Autoshop which could then be sold to buyers.

7. It was further part of the conspiracy that buyers could access the Autoshop and search for credit card information and login credentials by specific criteria, such as by geographic location.

8. It was further part of the conspiracy that PAVEY and HAMILTON paid themselves by retaining a portion of sales of stolen and fraudulently-obtained credit card numbers and account login credentials on Empire Market.

9. It was further part of the conspiracy that PAVEY and HAMILTON concealed, misrepresented and hid and caused to be concealed, misrepresented, and hidden the existence and the purpose of the conspiracy and the acts done in furtherance of the conspiracy.

10. In furtherance of this conspiracy and to effect its objects and purposes, PAVEY, HAMILTON and others committed and caused to be committed the following overt acts, among others, within the Northern District of Illinois and elsewhere:

a. Beginning on or about February 1, 2018, PAVEY and HAMILTON made Empire Market available to users as a platform to buy and sell stolen and unlawfully obtained credit card numbers and account login credentials.

b. On or about February 17, 2018, HAMILTON caused Customer 1 to post a video online advertising Empire Market which included the .onion address for Empire Market.

c. Beginning on or about March 11, 2018 through at least approximately August 2020, HAMILTON accessed Empire Market using an account with the username "Sydney."

d. In or about October 2018, Vendor 1 advertised credit card numbers for sale on Empire Market.

e. In or about October 2018, Vendor 2 advertised account login credentials for sale on Empire Market.

f. In or about August 2018, an Empire Market administrator created Moderator 1's account.

g. In or about October 2018, Empire Market Moderator 1 was assigned a dispute related to the sale of credit card information.

h. On or about October 15, 2019, Empire Market Vendor 2 sold a database containing approximately 590,000 accounts to a buyer who, unbeknownst to Vendor 1, was a law enforcement employee. The database included email addresses, passwords, and physical addresses.

i. On or about August 22, 2020, Vendor 3 advertised credit card numbers for sale on Empire Market.

j. On or about August 22, 2020, Vendor 4 advertised account login credentials for sale on Empire Market.

In violation of Title18, United States Code, Section 1029(b)(2).

COUNT FOUR

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraph 1 of Count Two is incorporated here.

2. Beginning in or about August 2017 and continuing until on or about August 22, 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

THOMAS PAVEY,
also known as “dopenugget,” and

RAHEIM HAMILTON,
also known as “Sydney” and “ZeroAngel,”

defendants herein, conspired with each other and with others known and unknown to the Grand Jury to sell, transfer, and deliver false, forged, counterfeited and altered obligations and securities of the United States, with the intent that the same be passed, published, and used as true and genuine, in violation of Title 18, United States Code, Section 473.

3. It was part of the conspiracy that beginning in approximately August 2017, PAVEY and HAMILTON agreed to create, own, and operate a dark web marketplace for illegal goods and services, which they named Empire Market.

4. It was further part of the conspiracy that PAVEY and HAMILTON designed Empire Market to provide categories of items for vendors to list products, including “counterfeit,” and the sub-category “money.”

5. It was further part of the conspiracy that Empire Market vendors offered counterfeit currency for sale.

6. It was further part of the conspiracy that the administrators of Empire Market, including PAVEY and HAMILTON, paid themselves by retaining a portion of sales of counterfeit currency on Empire Market.

7. It was further part of the conspiracy that PAVEY and HAMILTON concealed, misrepresented and hid and caused to be concealed, misrepresented, and hidden the existence and the purpose of the conspiracy and the acts done in furtherance of the conspiracy.

8. In furtherance of this conspiracy and to effect its objects and purposes, PAVEY, HAMILTON and others committed and caused to be committed the following overt acts, among others, within the Northern District of Illinois and elsewhere:

a. Beginning on or about February 1, 2018, PAVEY and HAMILTON made Empire Market available to users as a platform to buy and sell illegal goods and services, including counterfeit currency.

b. On or about February 17, 2018, HAMILTON caused Customer 1 to post a video online advertising Empire Market which included the .onion address for Empire Market.

c. Beginning on or about March 11, 2018, through at least approximately August 2020, HAMILTON accessed Empire Market through an account with the username "Sydney."

d. In or about October 2018, Vendor 5 advertised counterfeit currency for sale on Empire Market.

e. On or about April 16, 2019, Vendor 6 sold five counterfeit twenty dollar bills for \$26.95 to a buyer who, unbeknownst to Vendor 6, was a law enforcement employee.

f. On or about August 22, 2020, Vendor 7 advertised counterfeit currency for sale on Empire Market.

In violation of Title 18, United States Code, Section 371.

COUNT FIVE

The SPECIAL JANUARY 2023 GRAND JURY further charges:

1. Paragraph 1 of Count Two is incorporated here.

2. Beginning in or about August 2017, and continuing until on or about August 22, 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

THOMAS PAVEY,
also known as “dopenugget,” and

RAHEIM HAMILTON,
also known as “Sydney” and “ZeroAngel,”

defendants herein, conspired with each other and with others known and unknown to the Grand Jury, to knowingly conduct a financial transaction affecting interstate and foreign commerce, which transaction involved the proceeds of a specified unlawful activity, that is, felony violations of Title 21, United States Code, Section 841(a)(1) involving distributing and possessing with intent to distribute a controlled substance; Title 18, United States Code, Section 1029, involving access device fraud; and Title 18, United States Code, Section 473, involving the distribution of counterfeit currency, and, knowing that the transaction was designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting such financial transaction knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i);

In violation of Title 18, United States Code, Section 1956(h).

FORFEITURE ALLEGATIONS

The SPECIAL JANUARY 2023 GRAND JURY further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Sections 371 and 473, as set forth in Count One and Four of this indictment, defendants PAVEY and or HAMILTON shall forfeit to the United States of America any property which constitutes and is derived from proceeds traceable to the offenses, including a personal money judgment, as provided in Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Upon conviction of an offense in violation of Title 21, United States Code, Section 846, as set forth in Count Two of this indictment, defendants PAVEY and HAMILTON shall forfeit to the United States of America any property which constitutes and is derived from proceeds obtained, directly and indirectly, as a result of the offense; and any property used, and intended to be used, in any manner and part, to commit and facilitate commission of the offense, as provided in Title 21, United States Code, Sections 853(a)(1) and (2).

3. Upon conviction of an offense in violation of Title 18, United States Code, Sections 1029(a)(3) and (b)(2), as set forth in Count Three of this indictment, defendants PAVEY and HAMILTON shall forfeit to the United States of America any property constituting and derived from proceeds obtained directly and indirectly as a result of the offense, as provided in Title 18, United States Code, Section 982(a)(2)(B); and any personal property used and intended to be used to commit the offense, as provided in Title 18, United States Code, Section 1029(c)(1)(C).

4. Upon conviction of an offense in violation of Title 18, United States Code, Section 1956(h), as set forth in Count Five, defendants PAVEY and HAMILTON shall forfeit to the United States, any property, real or personal, involved in the offense, or any property traceable to such property, pursuant to Title 18, United States Code, Section 982(a)(1).

5. If any of the property described above, as a result of any act or omission by a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code, Section 853(p). Substitution of assets shall not be ordered, however, where the convicted defendant acted merely as an intermediary who handled but did not retain the property in the course of the money laundering offense unless the defendant, in committing the offense or offenses giving rise to the forfeiture, conducted three or more separate transactions involving a total of \$100,000.00 or more in any twelve-month period.

A TRUE BILL:

FOREPERSON

signed by Steven J. Dollear on behalf of the
UNITED STATES ATTORNEY