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EASTERN DISTRICT OF LOUISIANA

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

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**BILL OF INFORMATION FOR CONSPIRACY TO COMMIT WIRE FRAUD,
CONSPIRACY TO COMMIT TRADEMARK COUNTERFEITING,
AND NOTICE OF FORFEITURE**

UNITED STATES OF AMERICA *

CRIMINAL NO. **15-136**

v. *

SECTION: **SECT. B MAG. 1**

BEAU WATTIGNEY *
a/k/a PurpleLotus, GoldenLotus, *
MoxDiamond, and NickMode *

VIOLATIONS: 18 U.S.C. § 1349
18 U.S.C. § 2320
18 U.S.C. § 2

* * *

The United States Attorney charges that:

COUNT ONE
(18 U.S.C. §1349 – Conspiracy to Commit Wire Fraud)

A. AT ALL TIMES MATERIAL HEREIN:

1. The defendant, **BEAU WATTIGNEY** (hereinafter “**WATTIGNEY**”), was a resident of New Orleans, Louisiana, within the Eastern District of Louisiana.

2. The Silk Road online marketplace (hereinafter, Silk Road 1.0) was an online “Dark Market,” that is, an internet forum that was available to users across the United States and around the world for, among other things, selling illegal drugs, goods, and services.

3. In about 2013, Silk Road 1.0 was dismantled as part of a federal law enforcement operation. Based on forensic analysis of images of servers seized during the dismantlement of Silk Road 1.0, the Federal Bureau of Investigation (“FBI”) was able to recover, among other things, transaction histories and private message communications associated with Silk Road 1.0 users.

4. Following the Silk Road 1.0 dismantlement, another Silk Road website (hereinafter, Silk Road 2.0) came online on November 6, 2013, run by former administrators of Silk Road 1.0. Silk Road 2.0 was also later dismantled, and the alleged operator arrested on or about November 6, 2014.

5. **WATTIGNEY** created and used online monikers, including “GoldenLotus,” “PurpleLotus,” “MoxDiamond,” and “NickMode,” among others, on Silk Road 1.0 and 2.0.

6. **WATTIGNEY** used the aforementioned monikers to create and sell counterfeit coupons for various goods and services to users of Silk Road 1.0 and Silk Road 2.0. For example, one counterfeit coupon **WATTIGNEY** created and sold allowed users to purchase \$50.00 Visa Gift Cards for approximately \$0.01 each.

7. The coupons **WATTIGNEY** sold on Silk Road 1.0 and Silk Road 2.0 affected more than 50 manufacturers, retailers, and online coupon retailers when they were used by the people purchasing them, resulting in an intended loss to the manufacturers and retailers in excess of \$1,000,000.

B. THE CONSPIRACY:

Beginning on or about May 12, 2012, and continuing through on or about November 6, 2014, in the Eastern District of Louisiana and elsewhere, the defendant, **BEAU WATTIGNEY**, and others known and unknown, having devised a scheme and artifice to defraud, and to obtain

money and property by means of false and fraudulent pretenses, representations, and promises, willfully, knowingly, and intentionally combined, conspired, confederated, and agreed together with other unidentified coconspirators, to execute such scheme and artifice by transmitting and causing to be transmitted writings, signs, signals, pictures and sounds by means of wire communication in interstate and foreign commerce, in violation of Title 18, United States Code, Section 1343.

C. MANNER AND MEANS:

In furtherance of the conspiracy, and to effect the objects of the conspiracy, the following acts, among others, were committed in the Eastern District of Louisiana and elsewhere:

1. Designing the counterfeit coupons to look like original print-at-home manufacturer's coupons by knowingly using and including counterfeit trademarks in connection with, and on, the counterfeit coupons, including Hopster, Coupons.Com, SmartSource, and Redplum.
2. Selling, on or about October 1, 2013, a selection of counterfeit coupons he created entitled "The Original S.R. Exclusive Coupon Collection!" for approximately \$54.44 to a purchaser located in the District of Columbia via Silk Road 1.0.
3. Finalizing approximately 1228 distinct sales of counterfeit coupons via Silk Road 1.0 for a total price of approximately \$37,718.16 between about May 26, 2012, and about May 26, 2013.
4. Finalizing approximately 923 distinct sales of counterfeit coupons via Silk Road 1.0 for a total price of approximately \$37,136.92 between about May 26, 2012, and about May 26, 2013.

5. Using the moniker GoldenLotus to send a message via the Silk Road 1.0 chat system to Person A stating:

Take care Yes bud, you take it to Walmart and use the Self Checkout. That's the reason I created that coupon. Can't vouche [sic] for other stores selfcheckouts [sic] but can tell you with certainty it works at Walmart, just dont use any other coupons, and try to catch the atendantet [sic] when they are walking around or busy helping a customer and not stairing [sic] down their screen. I have had no issues though, done it 10 times in one day myself. (over like 6-7 stores, haha not 10 at all one place). Only one per transaction, no other coupons... 450 is the magic number that needs assistance, so \$49.99 is Golden. GL

All in violation of Title 18, United States Code, Sections 1349 and 2.

COUNT TWO

(18 U.S.C. §2320(a)(4) – Conspiracy to Commit Trademark Counterfeiting)

A. AT ALL TIMES MATERIAL HEREIN:

The allegations contained in Count 1 are re-alleged and incorporated by reference as if fully set forth herein.

B. CONSPIRACY TO COMMIT TRADEMARK COUNTERFEITING:

From on or about May 12, 2012, through on or about November 6, 2014, in the Eastern District of Louisiana and elsewhere, **BEAU WATTIGNEY** willfully, knowingly, and intentionally conspired together with other unidentified coconspirators to traffic in goods and services, and to use a counterfeit mark on and in connection with such goods and services, to wit: fraudulent coupons for products and services.

All in violation of Title 18, United States Code, Sections 2320(a)(4), 2320(a)(1), 2320(a)(2), and 2.

NOTICE OF FORFEITURE

1. The allegations of Counts 1 through 2 of this Information are re-alleged and incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States of America pursuant to the provisions of Title 18, United States Code, Sections 1349, 2323 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461.

2. As a result of the offense alleged in Count 1, **BEAU WATTIGNEY**, shall forfeit to the United States pursuant to Title 18, United States Code, Sections 1349, and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461, any and all property, real or personal, which constitutes or is derived from proceeds traceable to the violation of Title 18, United States Code, Sections 1349.

3. As a result of the offense alleged in Count 2, **BEAU WATTIGNEY**, shall forfeit to the United States pursuant to Title 18, United States Code, Sections 2320(c) and 2323(b), any and all property, real or personal, including:

- a. Any article, the making or trafficking of which is prohibited under Section 2320;
- b. Any property used, or intended to be used, in any manner or part to commit or facilitate the commission of the violation of Section 2320; and
- c. Any property constituting, or derived from any proceeds obtained directly or indirectly as a result of a violation of Section 2320.

4. If any of the property subject to forfeiture pursuant to Paragraphs 2 or 3 of this Notice of Forfeiture, as a result of any act or omission of the defendant:

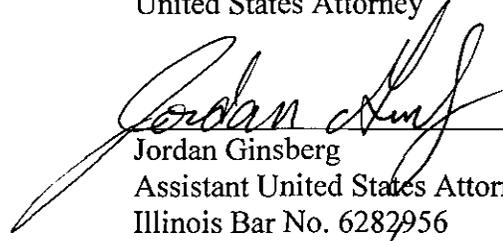
- a. cannot be located upon the exercise of due diligence;

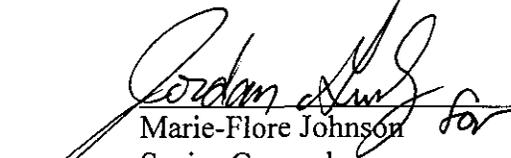
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said Defendant up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Sections 1349 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461, and Title 18, United States Code, Section 2323(b).

KENNETH ALLEN POLITE, JR.
United States Attorney


Jordan Ginsberg
Assistant United States Attorney
Illinois Bar No. 6282956


Marie-Flore Johnson
Senior Counsel
U.S. Department of Justice
Computer Crime and
Intellectual Property Section

New Orleans, Louisiana
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