



U.S. Immigration
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Enforcement

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News Release

Leaders of “Regpay” Internet Child Porn and Money Laundering Conspiracy Sentenced to 25 Years in Prison

NEWARK, N.J. – The president and technical administrator of “Regpay,” a Belarus-based child pornography and money-laundering enterprise, were both sentenced to 25 years in federal prison today for their roles in running the internet child pornography operation, which catered to thousands of subscribers worldwide, according to U.S. Attorney Christopher J. Christie. U.S. District Judge Dennis M. Cavanaugh also order Yahor Zalatarou, 27, of Minsk, Belarus, president of Regpay Co. LTD, and Aliaksandr Boika, 30, of Minsk, the company’s technical administrator, each to pay a \$25,000 fine and to serve five years of supervised release upon the completion of their prison terms.

Additionally, \$1.15 million was seized and forfeited in connection with the case. Zalatarou and Boika bring to nine the number of guilty pleas and sentencing in the government’s case against Regpay, its principals and those involved in other companies that assisted in the child porn money laundering operation. Hundreds of arrests of subscribers to the Regpay-affiliated websites have occurred in the United States and in countries acting on information passed on by U.S. law enforcement.

“Child pornography and those who profit from it are a blight on civilized society,” Christie said. “These two defendants will spend their adult lives in prison because they care more about money than the lives of innocent young children.”

“Today’s sentencing should send a strong message throughout the world that this type of criminal behavior cannot and will not be tolerated,” said Kyle Hutchins, Special Agent in Charge for Immigration and Customs Enforcement in New Jersey. “This case clearly illustrates ICE’s ability to identify, arrest, and prosecute those individuals who engage in the creation and distribution of child pornography.”

“Today’s sentencing should reinforce the message that money launderers can no longer hide behind click of the mouse anonymity,” said Patricia J. Haynes, Special Agent in Charge for IRS Criminal Investigation Division in Newark.



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On February 28, 2005, the day before jury selection was to commence, both Zalatarou and Boika pleaded guilty. Zalatarou pleaded guilty to conspiracy to transport and ship via computer visual depictions of minors engaging in sexually explicit conduct. Boika pleaded guilty to conspiracy to advertise child pornography. Both men also pleaded guilty to their roles in the conspiracy to commit money laundering in connection with the proceeds of their illegal activity.

Zalatarou and Alexei Buchnev, another Belarusian named in a Superseding Indictment, were arrested at a Paris hotel restaurant on July, 30, 2003, after they were persuaded to travel to France in a ruse arranged by federal agents investigating them and Regpay's international pornography operation. Boika was arrested in Tarragona, Spain on July 31, 2003, while vacationing and was extradited.

On Feb. 16, Buchnev pleaded guilty to conspiracy to transport and ship by computer visual depictions of minors engaging in sexually explicit conduct. He was sentenced to 40 months in prison by Judge Cavanaugh on May 26, 2006.

Regpay ran a global Internet pornography business that had thousands of paid memberships to dozens of websites featuring children. In addition to operating several of its own websites, the company earned millions of dollars by processing credit card fees for more than fifty other websites. The Regpay websites were operated from Minsk, Belarus and were "hosted" by Internet service companies in the United States and abroad.

During his guilty plea today before Judge Cavanaugh, Zalatarou admitted that from at least as early as in or about July 2002, he, Boika and others at Regpay agreed to provide credit card billing services for child pornography websites available to subscribers worldwide. Zalatarou also admitted that in about September 2002, after receiving a warning from law enforcement they were processing payments for websites containing child pornography, his company changed its name from Trustbill to Regpay and continued to process subscriptions.

Zalatarou and Boika admitted that Regpay processed between \$2.5 million and \$7 million in credit card transactions for the sale of websites containing child pornography.

Zalatarou also admitted that Regpay operated its own child pornography websites, including www.darkfeeling.com, www.lust-gallery.com, www.lolittles.com, and www.veiledpages.com. Each of these sites contained numerous images of prepubescent children engaged in sexually explicit conduct, specifically lascivious exhibition of the genitals or pubic area.

During his guilty plea, Boika also admitted that he was involved in the illegal sale of memberships to websites containing child pornography. Boika admitted that he and others at Regpay operated a child porn advertising website, "www.redlagoon.com," which advertised and rated 11 child porn websites.



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During his plea Boika also admitted that he and others at Regpay used computer hosting companies located in the United States to maintain the Redlagoon website enabling individuals located in New Jersey, elsewhere in the United States and in foreign countries to obtain access to the website. Individuals from Regpay maintained and operated the Redlagoon website remotely from Belarus as well as at least four of the websites described in Redlagoon.

For its work in extraditing the defendants, Christie credited the Justice Department's Office of International Affairs, under the direction of Mary Ellen Warlow, OIA director.

For the criminal investigation, Christie credited Special Agents of the IRS Criminal Investigation Division, under the direction of Special Agent in Charge Patricia J. Haynes, in Newark; Special Agents of the U.S. Immigration and Customs Enforcement, under the direction of Special Agent in Charge Kyle Hutchins, in Newark; Postal Inspectors of the U.S. Postal Inspection Service, under the direction of Thomas C. Van De Merlen, Inspector in Charge, in Newark; the Department of Justice Criminal Division's Child Exploitation and Obscenity Section, under the direction of Section Chief Andrew G. Oosterbaan; and local law enforcement in Ft. Lauderdale and Broward County, Fla.

Christie also thanked those in the international law enforcement community, without whose assistance the case would not have been a success: the National High Tech Crime Unit in London, England, under the direction of Mick Deats, Detective Superintendent; Officers of the Ministere De L'Interior in Paris, France, under the direction of Chief Constable Richard Srecki; Law enforcement in Spain and Germany.

Finally, Christie thanked Mastercard, VISA and the National Center for Missing and Exploited Children for their cooperation in the Regpay investigation. Assistant U.S. Attorney Kevin M. O'Dowd, of the Criminal Division in Newark, prosecuted this case.

ICE

U.S. Immigration and Customs Enforcement (ICE) was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.