

PARKS

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	Cr. No.: <u>2:21-CR-20011-MSN-cgc</u>
)	
vs.)	18 U.S.C. § 2
)	18 U.S.C. § 1341
)	18 U.S.C. § 1956
KEVIN OLANDO OMBISI and)	21 U.S.C. § 331(i)(3)
ERIC BERNARD RUSSELL, JR.)	21 U.S.C. § 841
a/k/a "Yo yo," a/k/a "Big Bro,")	21 U.S.C. § 846
)	
Defendants.)	
)	<u>Notice of Forfeiture</u>

INDICTMENT

THE GRAND JURY CHARGES:

At all times material to this Indictment:

THE DEFENDANTS AND THE SCHEME

1. Defendants **KEVIN OLANDO OMBISI** and **ERIC BERNARD RUSSELL, JR.** participated in Darknet controlled substances trafficking activities using the moniker CARDINGMASTER. Under CARDINGMASTER, **OMBISI** and **RUSSELL** conspired and attempted to, and did unlawfully distribute the Schedule II controlled substance methamphetamine, which was falsely represented to be Adderall, through the mail to be delivered by the Postal Service, in the Western District of Tennessee, and elsewhere, in exchange for Bitcoin cryptocurrency.

2. **OMBISI, RUSSELL**, and co-conspirators known and unknown to the Grand Jury unlawfully enriched themselves by (a) falsely advertising and causing the false advertisement of Adderall for sale on the Darknet and through encrypted messaging; (b)

unlawfully selling, distributing, and shipping and causing the sale, distribution, and shipment of controlled substances, specifically methamphetamine, through the Postal Service, which purported to be Adderall; (c) shielding their identities through the use of the moniker CARDINGMASTER and other business entities; and (d) concealing the receipt of proceeds from the unlawful distribution of controlled substances and the scheme to defraud through the use of pseudo anonymous Bitcoin cryptocurrency, cash, and various business and personal accounts.

THE DARKNET AND CRYPTOCURRENCY

3. The “Darknet” was a portion of the Internet not indexed by search engines, where individuals used anonymizing software to access content and websites. This specialized software included protocols that encrypted and anonymized internet traffic for both those browsing and hosting websites on the Darknet. The use of these protocols limited the ability of governments and law enforcement to track the usage and hosting of the sites, and as a result, the Darknet included a large quantity of websites that existed primarily as marketplaces for illicit substances and services, for example, controlled substances and falsified identifications.

4. “Vendors” were Darknet sellers of goods and services, often of an illicit nature, and they did so through the creation and operation of “vendor accounts” on Darknet marketplaces. Customers, meanwhile, operated “customer accounts.” Vendor and customer accounts were not identified by numbers, but rather monikers or “handles,” much like the usernames used on the Internet.

5. Empire Market launched on the Darknet in January 2018, and was one of largest Darknet marketplaces until approximately August 2020. A variety of illicit drugs and services were made available for purchase from vendors worldwide on Empire Market.

6. Cryptocurrency, a type of virtual currency, was a decentralized peer-to-peer, network-based medium of value or exchange that was used as a substitute for fiat currency to buy goods or services or exchanged for fiat currency or other cryptocurrencies. Cryptocurrency was exchanged directly person to person, through a cryptocurrency exchange, or through intermediaries. Individuals sent and received cryptocurrencies online using many types of electronic devices, including laptop computers and smart phones. Generally, cryptocurrency was not issued by any government, bank, or company; it was instead generated and controlled through computer software operating on a decentralized peer-to-peer network. Most cryptocurrencies had a “blockchain,” which was a distributed public ledger, run by the decentralized network, containing an immutable and historical record of every transaction. Some cryptocurrencies operated on blockchains that were not public and operated in such a way to obfuscate transactions, which made it difficult to trace or attribute transactions. Cryptocurrency was not illegal in the United States.

7. Bitcoin was a type of cryptocurrency. As of February 11, 2021, the value of one Bitcoin was approximately \$47,000 US Dollars. Payments or transfers of value made with bitcoins were recorded in the Bitcoin blockchain and thus were not maintained by

any single administrator or entity. As mentioned above, individuals could acquire Bitcoin through exchanges, Bitcoin ATMs, or directly from other people.

8. Even though the public address of those engaging in Bitcoin transactions were recorded on a public blockchain, the identities of the individuals or entities behind the public addresses were not recorded on these ledgers. It was possible to potentially identify transactions conducted by Individuals or entities linked to public addresses. Bitcoin transactions were therefore sometimes described as “pseudonymous,” meaning that they were partially anonymous. While not completely anonymous, Bitcoin allowed users to transfer funds more anonymously than was possible through traditional banking and financial systems.

9. Cryptocurrency was stored in digital “wallets.” A wallet essentially stored the access code that allowed an individual to conduct cryptocurrency transactions on the public ledger. To conduct transactions on the public ledger, an individual used a public address (or “public key”) and a private address (or “private key”). The public address can be analogized to a traditional bank account number, while the private key was like the password or PIN used to access that bank account.

10. Although cryptocurrencies, such as Bitcoin, had legitimate uses, because of the ability to transfer money anonymously or pseudo-anonymously, cryptocurrency was also used by individuals and organizations for criminal purposes, such as money laundering, and to purchase illegal goods and services.

CONTROLLED SUBSTANCES

11. The Controlled Substances Act (“CSA”) governed the manufacture, distribution, and dispensing of controlled substances in the United States. With limited exceptions for medical professionals, the CSA made it unlawful for any person to knowingly or intentionally manufacture, distribute, or dispense a controlled substance or conspire or attempt to do so.

12. The CSA and its implementing regulations set forth which drugs and other substances were defined by law as “controlled substances,” and assigned those controlled substances to one of five Schedules (Schedule I, II, III, IV, or V) depending on their potential for abuse, likelihood of physical or psychological dependency, accepted medical use, and accepted safety for use under medical supervision.

13. A controlled substance assigned to Schedule II meant that the drug had a high potential for abuse which may lead to severe psychological or physical dependence.

a. Adderall, a brand name of amphetamine/dextroamphetamine, was a Schedule II controlled substance, primarily used to treat Attention Deficit Hyperactivity Disorder (ADHD) and narcolepsy. Teva Pharmaceuticals manufactures Adderall 30mg instant release tablets.

b. Methamphetamine was a Schedule II controlled substance, and while there was one legal product with limited use in the treatment of obesity and ADHD, it was commonly used as a recreational drug. The FDA issued a “black box warning,” its strongest warning, to the drug labeling of methamphetamine about the potential for abuse

and the possibility of subjects obtaining methamphetamine for non-therapeutic use or distribution.

COUNT 1
Conspiracy to Distribute Controlled Substances
(21 U.S.C. § 846)

14. Paragraphs 1 through 13 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

15. From in or around April 2019, and continuing through on or about February 11, 2021, in the Western District of Tennessee, and elsewhere, the defendants,

KEVIN OLANDO OMBISI and
ERIC BERNARD RUSSELL, JR.,

did knowingly and intentionally combine, conspire, confederate, and agree with each other and with others known and unknown to the Grand Jury, to violate Title 21, United States Code, Section 841(a)(1), that is, to knowingly and intentionally distribute a mixture and substance containing a detectable amount of methamphetamine, a Schedule II controlled substance, in violation of Title 21, United States Code, Section 846.

COUNT 2
Unlawful Distribution of Controlled Substances
(21 U.S.C. § 841)

16. Paragraphs 1 through 13 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

17. On or about November 14, 2019, in the Western District of Tennessee, and elsewhere, the defendant,

KEVIN OLANDO OMBISI,

aided and abetted by others known and unknown to the Grand Jury, did knowingly and intentionally distribute 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), (b)(1)(C), and Title 18, United States Code, Section 2.

COUNT 3
Unlawful Distribution of Controlled Substances
(21 U.S.C. § 841)

18. Paragraphs 1 through 13 of this Indictment are re-alleged and are incorporated by reference as though full set forth herein.

19. On or about February 28, 2020, in the Western District of Tennessee, and elsewhere, the defendant,

KEVIN OLANDO OMBISI,

aided and abetted by others known and unknown to the Grand Jury, did knowingly and intentionally distribute 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), (b)(1)(C), and Title 18, United States Code, Section 2.

COUNT 4
Unlawful Distribution of Controlled Substances
(21 U.S.C. § 841)

20. Paragraphs 1 through 13 of this Indictment are re-alleged and are incorporated by reference as though full set forth herein.

21. On or about June 15, 2020, in the Western District of Tennessee, and elsewhere, the defendant,

KEVIN OLANDO OMBISI,

aided and abetted by others known and unknown to the Grand Jury, did knowingly and intentionally distribute 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), (b)(1)(C), and Title 18, United States Code, Section 2.

COUNT 5
Attempted Unlawful Distribution of Controlled Substances
(21 U.S.C. § 846)

22. Paragraphs 1 through 13 of this Indictment are re-alleged and are incorporated by reference as though full set forth herein.

23. On or about December 10, 2020, in the Western District of Tennessee, and elsewhere, the defendant,

KEVIN OLANDO OMBISI,

aided and abetted by others known and unknown to the Grand Jury, did knowingly and intentionally attempt to distribute a mixture and substance containing a detectable amount of methamphetamine, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 846, 841(a)(1), (b)(1)(C), and Title 18, United States Code, Section 2.

COUNT 6
Sale of Counterfeit Drugs
(21 U.S.C. § 331(i))

24. Paragraphs 1 through 13 of this Indictment are re-alleged and are incorporated by reference as though full set forth herein.

25. From in or around April 2019, and continuing through on or about February 11, 2021, in the Western District of Tennessee, and elsewhere, the defendant,

KEVIN OLANDO OMBISI,

aided and abetted by others known and unknown to the Grand Jury, did knowingly and with intent to defraud and mislead, and without authorization of Teva Pharmaceuticals,

sell, dispense, and hold for sale and dispensing tablets bearing the markings of the FDA-approved Teva Adderall 30mg orange tablets, embossed on one side of each tablet with the letters “AD,” and on the other side of each tablet, the number “30,” which were not manufactured by or under the authorization of Teva, thereby causing the tablets to be counterfeit, as defined in Title 21, United States Code, Section 321(g)(2), in violation of Title 21, United States Code, Sections 331(i)(3) and 333(b)(8) and Title 18, United States Code, Section 2.

COUNT 7
Money Laundering Conspiracy
(18 U.S.C. § 1956(h))

26. Paragraphs 1 through 13 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

27. From in or around April 2019, and continuing through on or about February 11, 2021, in the Western District of Tennessee, and elsewhere, the defendants,

KEVIN OLANDO OMBISI and
ERIC BERNARD RUSSELL, JR.,

did knowingly and intentionally combine, conspire, confederate, and agree with each other and with others known and unknown to the Grand Jury, to commit an offense against the United States in violation of Title 18, United States Code, Section 1956, that is, to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which financial transactions involved the proceeds of specified unlawful activity, knowing that the property involved in the transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation

of Title 18, United States Code, Section 1956(a)(1)(B)(i).

It is further alleged that the specified unlawful activity included the unlawful manufacture, distribution, and possession with intent to distribute methamphetamine, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 846 and 841(a)(1), and the placing in a post office or authorized depository for mail matter, a matter or thing to be sent or delivered by the Postal Service, for the purpose of knowingly and with intent to defraud and mislead, selling, dispensing, and holding for sale and dispensing tablets represented to be Adderall that were not, in fact, Adderall, and to obtain money or property by means of false or fraudulent pretenses, representations, or promises, in violation of Title 18, United States Code Section 1341, punishable under the laws of the United States;

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

COUNTS 8 - 10
Mail Fraud
(18 U.S.C. § 1341)

28. Paragraphs 1 through 13 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

29. On or about the dates specified as to each count below, in the Western District of Tennessee, and elsewhere, the defendant,

KEVIN OLANDO OMBISI,

aided and abetted by others known and unknown to the Grand Jury, for the purpose of executing a scheme and artifice to defraud, to wit: knowingly and with intent to defraud and mislead, selling, dispensing, and holding for sale and dispensing tablets represented to be Adderall that were not, in fact, Adderall, and to obtain money and property by means

of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, did knowingly place in a post office and authorized depository for mail, a matter and thing to be sent and delivered by the Postal Service, and caused to be delivered by mail, according to the directions thereon, as more particularly described in each count below:

COUNT	APPROX. DATE	DESCRIPTION OF MAILING
8	November 14, 2019	Counterfeit Adderall mailed from Texas to P.O. Box in Shelby County, Tennessee
9	February 28, 2020	Counterfeit Adderall mailed from Texas to P.O. Box in Shelby County, Tennessee
10	June 15, 2020	Counterfeit Adderall mailed from Texas to P.O. Box in Shelby County, Tennessee

In violation of Title 18, United States Code, Section 1341.

NOTICE OF CRIMINAL FORFEITURE
(18 U.S.C. §§ 981 and 982, 21 U.S.C. § 853, 28 U.S.C. § 2461)

30. The allegations contained in Paragraphs One through Twenty-nine of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981 and 982, Title 21, United States Code, Section 853, and Title 28, United States Code, Section 2461.

31. Upon conviction of a violation of Title 18, United States Code, Section 1956(h), as alleged in this Indictment, the defendants,

**KEVIN OLANDO OMBISI and
ERIC BERNARD RUSSELL, JR.,**

shall forfeit to the United States any property, real or personal, involved in such violation, and any property traceable to such property, pursuant to Title 18, United States Code, Section 982(a)(1).

32. Upon conviction of a violation of Title 18, United States Code, Section 1341, as alleged in this Indictment, the defendant,

KEVIN OLANDO OMBISI,

shall forfeit to the United States any property constituting, or derived from, proceeds traceable to such violation, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

33. Pursuant to Title 21, United States Code, Section 853, upon conviction of an offense in violation of Title 21, United States Code, Sections 841 and 846, the defendants,

**KEVIN OLANDO OMBISI and
ERIC BERNARD RUSSELL, JR.,**

shall forfeit to the United States of America any property constituting, or derived from, any proceeds obtained, directly or indirectly, as the result of such offense and any property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, the offense.

34. The property to be forfeited includes, but is not limited to, the following:

(1) Money Judgment

- A sum of money representing the amount of proceeds obtained as a result of, and/or the amount involved in, the offense of conviction.

(2) All United States currency funds or other monetary instruments credited to the following bank accounts:

- TD Ameritrade account # 497-438429 and TD Ameritrade account # 279-770606 for Kevin Ombisi;
- Regions Bank account # 0293502060 and Regions Bank account # 0293502079 for Eric Russell, Jr. and Alexys K. Stephens;

- Frost Bank account # 502874377 for Russell Capital Group, LLC; and
 - TD Ameritrade accounts # 868-779745 for Eric Russell, Jr.;
- (3) Approximately \$100,000 recovered from Regions Bank Safe Deposit Box # 0004028;
- (4) Approximately \$400,000 recovered from Community Self Storage Unit #2516;
- (5) Personal property, including the following vehicles:
- One 2020 Acura RDX, VIN # 5J8TC1H69LL007472, with all appurtenances and attachments thereon, owned by Eric Russell, Jr.
 - One 2020 BMW X5, VIN # 5UXCR4C01L9B38234, with all appurtenances and attachments thereon, owned by Eric Russell, Jr.

35. If any of the property described above, as a result of any act or omission of the defendant[s]:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- 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 divided without difficulty; and

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

A TRUE BILL:

FOREPERSON

DATED: _____

D. MICHAEL DUNAVANT
UNITED STATES ATTORNEY

DANIEL KAHN
ACTING CHIEF, FRAUD SECTION, CRIMINAL DIVISION

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a/k/a "Yo yo," a/k/a "Big Bro,")	21 U.S.C. § 846
)	
Defendants.)	
)	<u>Notice of Forfeiture</u>

NOTICE OF PENALTIES

Counts 1-5

nmt 20 years imprisonment, nmt a \$1,000,000 fine, 3 years of supervised release; however, if the Defendant has a prior conviction for a felony drug offense then not more than 30 years imprisonment, a \$2,000,000 fine, 6 years supervised release, and a special assessment of \$100.

Count 6

nmt 10 years imprisonment, nmt a \$250,000 fine or both, 3 years of supervised release, and a special assessment of \$100.

Count 7

nmt 20 yrs imprisonment; plus \$500,000 fine or twice the value of the property involved in the transaction, whichever is greater, 5 yrs. supervised release, and a special assessment of \$100.

Counts 8-10

nmt 20 yrs imprisonment, nmt a \$250,000 fine or both, 3 years of supervised release, and a special assessment of \$100.