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ORIGINAL

Approved: Michael Neff
MICHAEL D. NEFF / ALINE R. FLODR / RYAN B. FINKEL
Assistant United States Attorneys

Before: THE HONORABLE DEBRA FREEMAN
United States Magistrate Judge
Southern District of New York

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UNITED STATES OF AMERICA	:	<u>SEALED COMPLAINT</u>
- v. -	:	Violations of
RICHARD CASTRO,	:	21 U.S.C. §§ 812, 841,
a/k/a "Chemsusa,"	:	846, and 18 U.S.C.
a/k/a "Chems_usa,"	:	§§ 1956 and 2
a/k/a "Chemical_usa," and	:	COUNTY OF OFFENSE:
LUIS FERNANDEZ,	:	NEW YORK
Defendants.	:	

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SOUTHERN DISTRICT OF NEW YORK, ss.:

JOSEPH J. AZZATA, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI"), and charges as follows:

COUNT ONE

1. From at least in or about November 2015 up to and including at least in or about the present, in the Southern District of New York and elsewhere, RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," and LUIS FERNANDEZ, the defendants, and others known and unknown, intentionally and knowingly did combine, conspire, confederate, and agree together and with each other to violate the narcotics laws of the United States.

2. It was a part and an object of the conspiracy that RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," and LUIS FERNANDEZ, the defendants, and others known and unknown, would and did distribute and possess with the intent to distribute controlled substances, in violation of 21 U.S.C. § 841(a)(1).

3. The controlled substances that RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," and LUIS FERNANDEZ, the defendants, conspired to distribute and possess with the intent to distribute were (1) 100 grams and more of mixtures and substances containing a detectable amount of carfentanil, an analogue of N-phenyl-N-[1-(2-phenylethyl)-4-piperidinyl] propanamide ("fentanyl"); (2) 100 grams and more of mixtures and substances containing a detectable amount of phenyl fentanyl, an analogue of fentanyl; and (3) 400 grams and more of mixtures and substances containing a detectable amount of fentanyl, each in violation of 21 U.S.C. § 841(b)(1)(A).

(Title 21, United States Code, Section 846.)

COUNT TWO

4. From at least in or about November 2015, up to and including the present, in the Southern District of New York and elsewhere, RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," and LUIS FERNANDEZ, the defendants, delivered, distributed, and dispensed controlled substances by means of the Internet, in a manner not authorized by law, and aided and abetted such activity, in violation of Title 21, United States Code, Section 841(h).

5. The controlled substances that RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," and LUIS FERNANDEZ, the defendants, delivered, distributed, and dispensed by means of the Internet, were (1) 100 grams and more of mixtures and substances containing a detectable amount of carfentanil, an analogue of N-phenyl-N-[1-(2-phenylethyl)-4-piperidinyl] propanamide ("fentanyl"); (2) 100 grams and more of mixtures and substances containing a detectable amount of phenyl fentanyl, an analogue of fentanyl; and (3) 400 grams and more of mixtures and substances containing a detectable amount of fentanyl, each in violation of 21 U.S.C. § 841(b)(1)(A).

Title 21, United States Code, Sections 812, 841(h) and 841(b)(1)(A); and Title 18, United States Code, Section 2.)

COUNT THREE

6. From at least in or about November 2015, up to and including the present, in the Southern District of New York and elsewhere, RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," the defendant, and others known and unknown, knowing that the property involved in a financial transaction

represented the proceeds of some form of unlawful activity, did willfully and knowingly conduct and attempt to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity, to wit, narcotics trafficking, 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 specified unlawful activity, to wit, CASTRO converted into gold, foreign currency, and other valuable assets proceeds obtained by selling narcotics.

(Title 18, United States Code, Section 1956(a)(1)(B)(i) and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

7. I am a Special Agent with FBI, and I have been involved in the investigation of the above-described offenses. The information contained in this Complaint is based upon my personal knowledge and participation in this investigation, as well as on my conversations with other law enforcement officers and employees and my examination of reports and records. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated. Where figures, calculations, and dates are set forth herein, they are approximate, unless stated otherwise.

Overview

8. Since at least in or about December 2016, the FBI, the United States Postal Inspection Service ("USPIS"), the New York City Police Department ("NYPD"), and the Internal Revenue Service ("IRS") have been investigating the online distribution of carfentanil, fentanyl, and other controlled substances (including sales on dark web marketplaces such as AlphaBay and Dream), as well as the laundering of illicit proceeds of these drug crimes (including digital-currency proceeds such as bitcoin), occurring across the country, including in the Southern District of New York.

9. RICHARD CASTRO, the defendant, using monikers or nicknames that include "Chemsusa," "Chems_usa," and "Chemical_usa," is a prolific online distributor of narcotics, including of carfentanil, fentanyl, and fentanyl analogues. Fentanyl is a synthetic opioid that is significantly more potent

than heroin, and carfentanil is a fentanyl analogue that is approximately 100 times more potent than fentanyl and approximately 1,000 times more potent than heroin. "Chemsusa" or "Chems_usa" or "Chemical_usa" has sold drugs both on multiple dark web marketplaces and by directly communicating with customers through an encrypted email service (so-called "off-market" sales). On one dark web market (Dream Market), "Chemsusa"/"Chems_usa" boasted that it had completed hundreds of transactions on other dark web marketplaces, including more than "500 deals" on Agora, more than "700 transactions" on Nucleus, more than 200 on Abraxus, and "1850 transactions" on AlphaBay. "Chemsusa"/"Chems_usa" further advised that it would ship "only within the United States no worries about customs inspections," and that all shipping would use "priority shipping."

10. RICHARD CASTRO, the defendant, among other things is an operator of the "Chemsusa," "Chems_usa," and "Chemical_usa" monikers; communicates with customers; and receives customer orders for substances including carfentanil, fentanyl, and fentanyl analogues. CASTRO is paid in Bitcoin. LUIS FERNANDEZ, the defendant, among other things ships narcotics on behalf of the conspiracy, including from West Nyack, New York and Brooklyn, New York.

Terminology

11. Based on my training, research, education, and experience, I am familiar with the following relevant terms:

a. The "dark web" is a colloquial name for a number of extensive, sophisticated, and widely used criminal marketplaces operating on the Internet, which allow participants to buy and sell illegal items, such as drugs, firearms, and other hazardous materials with greater anonymity than is possible on the traditional Internet. These online black market websites use a variety of technologies, including the Tor network (defined below) and other encryption technologies, to ensure that communications and transactions are shielded from interception and monitoring. A famous dark web marketplace, Silk Road, operated similar to legitimate commercial websites such as Amazon and eBay, but offered illicit goods and services. Law enforcement shut down Silk Road in 2013. More recently active markets have included AlphaBay and HANSA.

b. "Vendors" are the dark web's sellers of goods and services, often of an illicit nature, and they do so through the creation and operation of "vendor accounts." Customers,

meanwhile, operate "customer accounts." It is possible for the same person to operate one or more customer accounts and one or more vendor accounts at the same time.

c. The "Tor network," or simply "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, including a major dark web browser known as "Tor Browser," designed to access the Tor network.

d. "Bitcoin" is an online digital currency that allows users to transfer funds more anonymously than would be possible through traditional banking and credit systems. Users store their bitcoins in digital "wallets," which are identified by unique electronic "addresses." Although they are legal and have known legitimate uses, bitcoins are also known to be used by cybercriminals for money-laundering purposes, and are believed to be the most oft-used means of payment for illegal goods and services on "dark web" websites operating on the Tor network. By maintaining multiple bitcoin wallets, those who use bitcoins for illicit purposes can attempt to thwart law enforcement's efforts to track purchases within the dark web marketplace. As of March 9, 2019, one bitcoin was worth approximately \$3,897, though bitcoins' value is much more volatile than that of fiat currencies.

e. "VPN" or Virtual Private Network is a private network of computers that connects over a public network. The computers which are inside the VPN have enhanced security and, while inside the VPN, a device's IP address can be masked to obscure its true IP and its location. VPN services are available for purchase and, while they have known legitimate uses, VPNs are also used by cybercriminals to conceal their activities on the internet.

The Former Dark Web Market Known as AlphaBay

12. As set forth in more detail below, based on my participation in the investigation, my training and experience, my conversations with others including other law enforcement agents,

my review of Internet websites used to conduct narcotics trafficking, and my review of records obtained from an Internet service provider, I have learned, among others things, that:

a. AlphaBay was a dark web market launched in late 2014, after the closure of dark web market Silk Road. AlphaBay grew to become the largest market on the dark web and was frequently used to facilitate sales of drugs in addition to other contraband (e.g., stolen credit card numbers, firearms, etc.). Sales on AlphaBay are believed to have generally exceeded \$500,000 per day. AlphaBay remained in operation until early July 2017, when law enforcement shut it down, partly because many vendors sold synthetic opioids on AlphaBay, including more than 100 vendors who advertised fentanyl for sale.

A Vendor with the Username "Chemical usa" Sold Several Powerful Drugs on AlphaBay, Including Carfentanil and Fentanyl

13. Based on, among other things, my review of screenshots taken of AlphaBay, my review of "Orders" placed by an undercover law enforcement account on AlphaBay, and my conversations with a law enforcement officer, I have learned the following, among other things:

a. A vendor with the username "Chemical_usa" maintained a user profile page on AlphaBay.

b. "Chemical_usa" advertised several products for sale, including carfentanil, fentanyl, and "China White" heroin.

The First Undercover Buy

c. On or about December 20, 2016, a law enforcement officer ("UC-1"¹), acting in an undercover capacity, purchased 50 milligrams of carfentanil from "Chemical_usa" for approximately \$109.99. "Chemical_usa" had advertised this product as follows: **"**New** 50mg Carfentanil 99.9% pure **EXTREME CAUTION**"**.

d. UC-1 paid in Bitcoin. UC-1 requested that the carfentanil be shipped to a particular post office box in New York, New York controlled by law enforcement ("UC Address-1"). On or

¹ At various points in the investigation, different law enforcement officers assumed the identity of UC-1.

about January 12, 2017, a package ("Package-1") arrived at "UC Address-1."

e. Based on my participation in this investigation, I am aware that the NYPD subsequently conducted a laboratory test of the substance contained within Package-1. Based on my review of the laboratory test results, I am aware that the contents of Package-1 contained approximately 0.53 milligrams of a substance that indicated the presence of carfentanil.²

f. Based on my review of publicly available information, I have learned, among other things, that carfentanil is approximately 100 times more potent than fentanyl, and that carfentanil is used commercially to sedate large animals; approximately two milligrams will sedate a 2,000 pound elephant.

The Second Undercover Buy

g. On or about January 12, 2017, UC-1 purchased approximately 100 milligrams of "fentanyl 99.5%," as well as 1 gram of "China White Synthetic Heroin Acetyl Mix," from "Chemical_usa," for approximately \$110 and \$100, respectively. UC-1 again paid in Bitcoin and supplied the same address. On or about February 6, 2017, a package ("Package-2") arrived at UC Address-1.

h. Based on my participation in this investigation, I am aware that the FBI subsequently conducted a laboratory test of the substances contained within Package-2. Based on my review of the laboratory test results, I am aware the contents of Package-2 both tested positive for the presence of fentanyl, among other things.

The Third Undercover Buy

i. On or about March 28, 2017, UC-1 purchased five grams from "Chemical_usa" of a substance described by "Chemical_usa" as "5g China White Synthetic Heroin Fentanyl Mix." UC-1 paid approximately \$610 in Bitcoin and supplied the same address. The type of postage was again listed on AlphaBay, in part, as "Priority."

² Specifically, the NYPD laboratory test stated, in substance and in part, a "controlled substance, carfentanil, is indicated; however, because a standard is not available for comparison purposes, the identification cannot be confirmed at this time."

j. Based on my involvement in this investigation, I believe that "Priority" refers to U.S.P.S. Priority Mail. Based on my review of photographs of each controlled purchase of narcotics from "Chemical_usa," I have learned, among other things, that each controlled purchase was sent in a U.S.P.S. Priority Mail white envelope.

k. Based on my review of screenshots of "Chemsusa"'s profile on Dream Marketplace, I am aware that "Chemsusa" told its customers, in substance and in part, "I DON'T WORK FOR USPS ITS UP TO THEM TO DELIVER I HAVE NO CONTROL OF THAT!!"

l. On or about April 4, 2017, a package ("Package-3") arrived at UC Address-1. Based on my participation in this investigation, I am aware that the FBI subsequently conducted a laboratory test of the substance contained within Package-3, which tested positive for the presence of fentanyl.

The Fourth Undercover Buy

m. On or about April 24, 2017, UC-1 purchased five grams from "Chemical_usa" of a substance described by "Chemical_usa" as "5g China White Synthetic Heroin Fentanyl Mix." UC-1 again paid approximately \$610 in Bitcoin and supplied the same address. The type of postage was listed, in part, as "Priority." On or about May 4, 2017, a package ("Package-4") arrived at UC Address-1. Based on my participation in this investigation, I am aware that the FBI subsequently conducted a laboratory test of the substance contained within Package-4, which tested positive for the presence of fentanyl.

The Fifth Undercover Buy

n. On or about June 10, 2017, UC-1 purchased five more grams from "Chemical_usa" of a substance described, by "Chemical_usa," as "5g China White Synthetic Heroin Fentanyl Mix." UC-1 paid approximately \$660 in Bitcoin and supplied the same address. The type of postage was listed, in part, as "Priority." The AlphaBay "Purchase Item" page noted: "Sold by Chemical_usa - 11 sold since Nov. 9, 2015 - Unlimited items left" (emphasis in original). On or about June 16, 2017, a package ("Package-5") arrived at UC Address-1. Based on my participation in this investigation, I am aware that the FBI subsequently conducted a laboratory test of the substance contained within Package-5, which tested positive for the presence of fentanyl.

"Chemical usa" Uses Several Bitcoin Wallets

14. Based on, among other things, my review of screenshots taken of AlphaBay, my review of "Orders" placed by UC-1 on AlphaBay and my conversations with other law enforcement officers, I have learned that, as noted, law enforcement paid with Bitcoin for all five aforementioned narcotics purchases from "Chemical_usa" during 2016 and 2017. In the course of making these payments using bitcoin, law enforcement learned that a particular bitcoin "wallet" -- essentially an address where bitcoins are sent and stored -- is associated with a particular account ("Bitcoin Profile-1") on a particular bitcoin exchange ("Bitcoin Exchange-1").³ A particular email address ("Email Address-1") is associated with Bitcoin Profile-1.⁴

15. Based on the analysis of documents from Bitcoin Exchange-1, which analysis was conducted in part by an FBI employee and a confidential source ("CS-1")⁵, I have learned the following, among other things:

a. Between 2015 and 2017, "Chemical_usa" deposited more than approximately \$1.8 million into a particular bitcoin wallet ("Bitcoin Wallet-1").

b. Between 2015 and 2017, more than approximately \$1.77 million was withdrawn from Bitcoin Wallet-1. This amount was funneled to other bitcoin wallets and subsequently withdrawn

³ Bitcoin Exchange-1, like the other bitcoin exchanges discussed herein, is a legitimate business that facilitates over-the-counter trading of local currencies (like the dollar or pound) for bitcoins. However, Bitcoin Exchange-1 can also be used for unlawful purposes, including laundering drug proceeds.

⁴ Email Address-1 is hosted by a secure, end-to-end encrypted email provider that is based overseas (the "Encrypted Email Service"). The Encrypted Email Service markets itself as providing, anonymous, highly encrypted, secure emails that is largely immune from the reach of law enforcement in the United States and the European Union.

⁵ CS-1 has been charged with, and has pled guilty to, several felonies in this District. CS-1 is cooperating with the Government in the hope of receiving leniency at sentencing. CS-1 has provided information that has proved reliable and has been corroborated by other evidence.

through various methods, including cash withdrawals, gift card purchases, and wire transfers.

c. Based on my training, experience, and involvement in this investigation, I know that these are common methods for laundering proceeds of illicit drug sales. Among other things, I have learned the following:

i. The user profile associated with Bitcoin Account-1 has hundreds of bitcoin wallets with Bitcoin Exchange-1.

ii. Bitcoin Wallet-1 was accessed from at least one device that used a particular IP address ("IP-2").⁶

"Chemsusa", a/k/a "Chems usa" Sold Several Powerful Drugs on Dream Market

16. Based on my review of screenshots from Dream Market taken on or about April 26, 2018 and August 10, 2018, I have learned, among other things, the following:

a. "Chemsusa" maintained a vendor profile on Dream Market, which noted that "Chemsusa" had joined Dream Market on April 7, 2015 and had conducted hundreds of transactions on other dark web markets, including AlphaBay, Agora, Abraxus, and Nucleus.

b. With respect to feedback from customers on Dream Market, "Chemsusa" received:

i. Approximately 30 instances of feedback from customers within the past month (as of April 2018), 29 of whom provided "Chemsusa" the highest rating (5 stars).

ii. Approximately 96 instances of feedback from customers within the past three months (as of April 2018), 91 of whom provided "Chemsusa" the highest rating.

iii. Approximately 161 instances of customer feedback that were more than three months old, with 151 customers providing "Chemsusa" the highest rating.

c. Customers' written feedback included, among other things, the following, in part:

⁶ An IP address is a unique series of numbers, separated by periods, that identifies each device using the Internet Protocol to communicate over a network.

- i. "Awesome vendor !!! A++".
 - ii. "perfect as always".
 - iii. "10 stars out of 5"
 - iv. "...Extremely potent and definitely the real Carf..."
 - v. "The Carfent is unbelievably well synthesized, keep up the amazing work."
 - vi. "FE [finalized early] SINCE AB [AlphaBay] DAYS. CHEMS IS THE BEST FOR YEARS. THE 4-PHEN IS GREAT, BUT I'M A SERIOUS F USER AND REAL CARF IS THE ONLY WAY TO GO."
 - vii. "FE will update upon delivery. UPDATE: 5DD to South East Coast, circa 10% overweight and product upon testing kikcked me on my fucking ass with the tiniest bump. VERY good batch, am very pleased as custys should be as well. next order is literally around the corner, catch em on the flipside A++ Vendor. keep it comin!"
 - viii. "...THIS SHIT IS FIRE! The best stuff I've gotten in the US in years. On par with most China vendors..."
 - ix. "5dd - stuff is SUPER strong ... I highly recommend this / just be careful!"
 - x. "This is my only trusted vendor right now on any market place. ... they have by far the highest quality / purity of products I have yet to find. Also, each time they resupply each package is consistent which is rare to find..."
- d. "Chemsusa" offered various narcotic products for sale, including fentanyl analogues. At least one product listed by "Chemsusa" had the moniker "Chems_usa" (with an underscore) written, in color, in the photo of the drugs themselves:

Dream Market
Ichudifyeqm4ldjj.onion
Established 2013

Shop

Messages: 0

B

Browse by category

- Drugs 62015
- Opioids 4049
- Buprenorphine 131
- Codeine 145
- Dihydrocodeine 16
- Fentanyl 267
- Heroin 2331
- Hydrocodone 37
- Hydromorphone 44
- Morphine 65
- Opium 107
- Other 100
- Oxycodone 413

- Digital Goods 48728
- Drugs 62015
- Drugs Paraphernalia 347
- Services 4289

1g China White Synthetic Heroin Acetyl Mix*

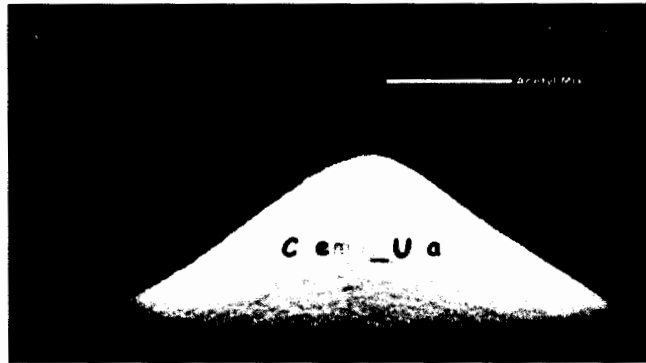
Vendor Chemsusa (460) (4.92★) (฿ 500, 4.95/5) (฿ 16/2/0)
(฿ 662, 4.98/5) (a 844/4/3) (↔ 100-200, 5.00/5)

Price \$156

Ships to North America, Canada

Ships from USA

Escrow No



"Chems usa" Moves to "Off-Market" Sales of Potent Drugs

17. In or around June 2018, "Chems_usa" (the moniker used on Dream Market) informed its customers that it was moving its business off dark net marketplaces and would accept purchase requests for narcotics only via encrypted email. To learn the off-market email address, "Chems_usa" required willing customers to pay a fee of approximately \$104.

a. On or about August 14, 2018, UC-1 paid "Chems_usa" approximately \$104 by sending an equivalent amount of bitcoins to a particular bitcoin address that "Chems_usa" provided. Per "Chems_usa"'s instructions, UC-1 provided an email address for "Chems_usa" to email that was hosted by the Encrypted Email Service.

b. On or about September 11, 2018, a particular email address hosted by the Encrypted Email Service ("Email

Address-2") sent a message to the UC-1 account and instructed UC-1, in sum and substance, to use Email Address-2 as "our contact for orders and info."

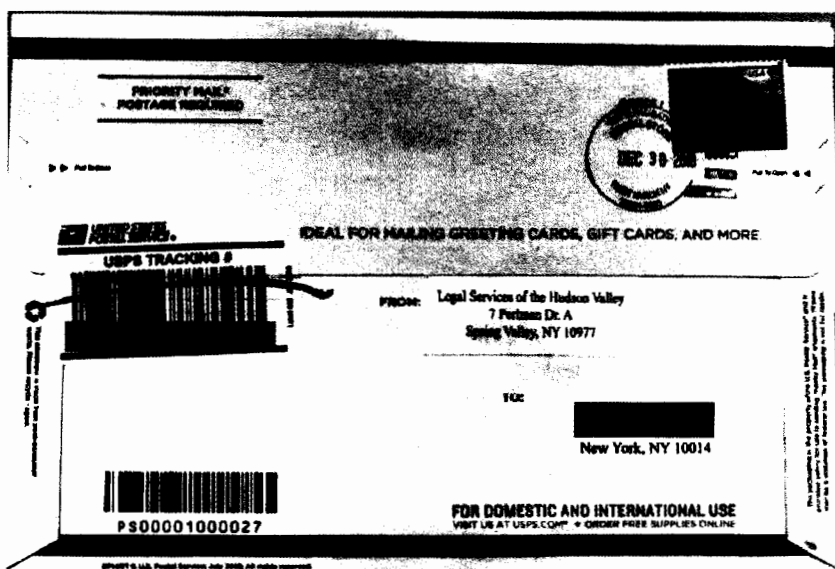
Transactions with Email Address-2

18. On or about December 27, 2018, UC-1 arranged to purchase 100 milligrams of a fentanyl analogue from Email Address-2. Based on my review of UC-1's undercover communications, I have learned the following about UC-1 and Email Address-2's correspondence and bitcoin exchange, in substance and in part:

a. UC-1 placed an order with Email Address-2 for 100 milligrams of a fentanyl analogue in exchange for \$250 worth of bitcoin. UC-1 told Email Address-2 that the package should be delivered to a particular postal box, which, in fact, is a law enforcement controlled undercover post office box in New York, New York ("UC Address-2").

b. On December 27, 2018, at approximately 2:09 p.m. UTC, Email Address-2 provided UC-1 a bitcoin wallet ("Bitcoin Wallet-2") to consummate their transaction and to which UC-1 later sent \$250 worth of bitcoin.

c. On or about January 7, 2019, I recovered a package that was intercepted by USPIS ("Package-6"). Package-6 was shipped via United States Postal Service ("USPS") Priority Mail and UC Address-2. Below is a copy of a photograph of the outside packaging of Package-6 that I recovered on or about January 7, 2019 ("Photograph-1"):



Package-6 contained inside, among other things, a clear plastic bag containing a white powdery substance.⁷ The return address on Package-6 was "Legal Services of the Hudson Valley,⁷ Perlman Dr. A Spring Valley, NY 10977."⁸ Package-6 had an ink post-mark of December 30, 2018, with the location of "West Nyack, NY," which based on my discussions with a USPIS inspector, indicated that Package-6 was mailed from a particular post office in West Nyack, New York ("Post Office-1") on December 30, 2018.

19. Based on my review of video surveillance obtained from Post Office-1, and my discussions with a USPIS inspector, I have learned that an individual -- subsequently identified as LUIS FERNANDEZ, the defendant, as explained below -- dropped off Package-6 at Post Office-1 on or about December 30, 2018. In addition to Package-6, it appeared -- from both video surveillance and a subsequent analysis of envelopes -- that FERNANDEZ dropped off at least approximately five additional priority mail packages (the "Additional Packages") at the same time that Package-6 was dropped off.

a. Specifically, based on my discussions with a USPIS inspector and my review of USPS records, I am aware that the Additional Packages FERNANDEZ dropped off at Post Office-1 on December 30, 2018 had identical or extremely similar features to Package-6 (e.g., the color and size envelope used, the size labels used, the font used, the stamps, and various repeat addressees). Based on my training, experience, and participation in this investigation, I believe the Additional Packages were the same packages that FERNANDEZ was observed dropping off on the video, and these packages, too, likely contained controlled substances.

b. The individual who dropped off these six or more packages was identified as FERNANDEZ based on, among other things, the following:

⁷ Based on the texture and hue, in my training and experience, the white, powdery, crystalline substance appeared to be fentanyl. The substance was subsequently field-tested and returned positive results for the presence of fentanyl and possibly at least one other controlled substance.

⁸ Based on my review of publicly available information, I am aware that this appears to be an actual address for a legitimate entity that provides legal services.

i. A comparison of the individual captured on video surveillance, at Post Office-1, to a photograph of FERNANDEZ in a law enforcement database;

ii. A comparison of the individual captured on video surveillance at Post Office-1 to the individual captured on video surveillance at Best Buy the same day (in the same mall as Post Office-1), as FERNANDEZ made a purchase at Best Buy a short time after he left Post Office-1, based in part on my review of a Best Buy purchase receipt; and

iii. Subsequent physical surveillance on March 7, 2019. On that day, FERNANDEZ was observed entering a Mercedes SUV in the vicinity of an address listed on his New York State Driver's License; driving in a work truck to (among other places) a post office in Coney Island, New York; approaching a mailbox holding at least one envelope; walking away from that mailbox no longer holding any envelopes; and that mailbox contained (among other things) four U.S.P.S Priority Mail envelopes bearing a number of hallmarks of this conspiracy, including the use of "Pre-Paid Legal Services" as the sender for all four packages. For these reasons, among others, I believe FERNANDEZ was the person who mailed six or more packages at Post Office-1 on December 30, 2018, including Package-6.

20. Based on similarities between these packages dropped off on December 30, 2018 and others believed to be sent by the conspiracy (discussed in depth below), on or about February 14 and 17, 2019, a USPIS inspector identified two packages in the USPS mail stream ("Package-7" and "Package-8"), before they reached their intended recipients. Based in part on these similarities, the Government obtained a judicially authorized warrant to search Packages-7 and -8.

a. Based on my involvement in this investigation, I am aware that the Drug Enforcement Administration conducted a laboratory test of the contents of Packages-7 and -8, which tested positive in both cases for the presence of carfentanil.

March 7, 2019 Seizure of Four Packages Dropped Off By FERNANDEZ

21. Based on summaries written by law enforcement officers who conducted physical surveillance on or about March 7, 2019, and my review of surveillance photographs taken that day, I am aware of the following, among other things:

a. An individual believed to be LUIS FERNANDEZ, the defendant, entered a Mercedes SUV parked in the vicinity of an address, in the Bronx, New York, that is listed as his address on his New York State Driver's License. He appeared to be the only individual in the car. He drove to a business in the Bronx where he is believed to be employed, parked his Mercedes, and entered a truck with Business-1's name printed on the side ("Truck-1").

b. FERNANDEZ drove to various locations, including to a post office located on Coney Island Avenue in Brooklyn, New York ("Post Office-2").

c. At approximately 8:50 a.m., FERNANDEZ exited Truck-1. He appeared to be holding at least one USPS priority mail envelope. FERNANDEZ then approached the door of Post Office-2. Instead of entering Post Office-2, he approached blue USPS boxes that were outside of the Post Office-2.

d. At approximately 8:51 a.m., FERNANDEZ walked back toward the truck he was driving and no longer appeared to be carrying any USPS priority mail envelopes.

22. Based on my conversations with a USPIS Inspector, and my review of photographs, I have learned, among other things, that this inspector retrieved four envelopes from a blue USPS Mailbox outside of Post Office-2, which share similar attributes to each other and to other packages received and recovered during this investigation, as discussed in depth below, see *infra* ¶¶ 23-24. Based in part on these similarities, the Government obtained a judicially authorized warrant to search these four packages. Based on my participation in the execution of this search warrant, I am aware, among other things, that these four packages all contained a clear plastic bag containing a white powdery substance, which was packaged in a nearly identical manner to the contents of Package-6 (UC-1's controlled purchase on or about December 27, 2018). The contents of these four packages have not yet been tested; however, based on their appearance, my training and experience, and their visual similarities to seized packages containing confirmed carfentanil, I believe these four packages contain carfentanil.

Package Analysis

23. Based on my participation in this investigation, I have learned that, from in or around November 2018 through the present, there were at least approximately 94 packages believed to

be sent by this conspiracy: approximately two undercover purchases (one from December 2018, one from January 2019), approximately six seizures, and approximately 86 packages that were identified by USPS based on various identical or extremely similar features to those packages that were seized or purchased (e.g., among other things, the color and size envelope used, the size labels used, the font used, the postage stamp used for various (but not all) packages, various repeat addressees, various repeat sender addresses (including several law offices, social services offices, and a governmental entity), and other information on the face of the envelopes). Based on a USPS Inspector's analysis of photographs of these approximately 94 packages, I have learned the following, among other things:

a. Envelopes: Each envelope was a "Priority Mail Flat Rate" envelope. Approximately two sizes were used -- the Small Flat Rate envelope and the Regular Flat Rate envelope.

b. Labels: For all approximately 94 packages, the recipient's address and the sender's return address were provided on separate labels. In addition, for each package, these labels were printed rather than hand-written, with the exception of approximately two packages. The labels all appear to be the same size, and the printed lettering on the labels all appear to be the same font.

c. Recipients: There are various repeat recipients' names/addresses among the approximately 94 packages, including approximately eight packages sent to an individual with a particular address in California, approximately six (each) to two different individuals in Florida, approximately five to an individual with a particular address in Washington, etc. In total, there were approximately 40 different addressees in approximately 20 different states.

d. Purported Senders: There are various repeat return addresses for the purported sender among the approximately 94 packages, including approximately 22 as "Fedcap Bronx", approximately eleven as "Legal Aid Society" or a variant thereof, approximately ten as "Legal Services of the Hudson Valley," approximately six as "Bronxworks", approximately four as "Pre-Paid Legal Services", approximately two as "Legal Services for the Elderly", and various other law offices in the names of specific individuals. All 94 sender's addresses are located in the Bronx, Manhattan, Brooklyn, Queens, or Spring Valley, New York.

e. Eleven Sender Addresses are Specifically Linked to RICHARD CASTRO, the defendant: Based on my review of photographs taken by USPS, I am aware that eleven of the aforementioned 94 packages (the "Westchester Hardware Packages"), including one sent on or about March 1, 2019, had a particular return address in the Bronx, New York (the "Return Address"). Based on my participation in this investigation, my review of documents from law enforcement databases, and my review of documents obtained from the U.S. Department of Labor ("DOL"), I am aware that the Return Address is associated with a business operated by at least one family member of RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," the defendant, and is the address associated with CASTRO's last known source of legitimate income.⁹

24. In sum, based on my participation in this investigation, I am aware that the conspiracy is responsible for mailing approximately 94 packages from in or about November 2018 to the present. Of these packages, approximately six packages were lawfully seized, approximately two were received through undercover purchases (through off-market orders via encrypted email), and approximately 86 additional packages were identified based in part on criteria described above, see *supra* ¶ 23. These approximately 94 packages are in addition to the five packages purchased from this conspiracy over AlphaBay in 2016 and 2017, as described above, see *supra* ¶ 13.

Attribution of "Chemsusa," a/k/a "Chems usa," a/k/a "Chemical usa" to RICHARD CASTRO, the defendant¹⁰

25. CASTRO's email account. Based on documents obtained from a gold broker, I have learned, among other things, that on or about April 7, 2017 and April 25, 2017, an individual named "Richard Castro" purchased gold from a domestic gold broker. On those occasions, "Castro" purchased the gold with bitcoin that was sent to the broker from an account funded by Bitcoin Profile-1.

⁹ Based on my review of documents obtained from DOL, I am aware that CASTRO's last reported income received was in 2007.

¹⁰ In an earlier stage of this investigation, law enforcement officers participating in this investigation suspected that another individual was "Chems_usa," "Chemsusa," and "Chemical_usa." For the reasons described herein, the investigation has revealed that RICHARD CASTRO, the defendant, is an operator of the "Chemsusa," "Chems_usa," and "Chemical_usa" monikers.

And, to effectuate these gold purchases, Castro provided the gold broker a particular email address ("Email Account-3").

a. Pursuant to a judicially authorized search warrant, law enforcement officers obtained the content associated with Email Address-3 and, based on law enforcement officers' and my own review of that content, Email Address-3 appears to be the personal email account of RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," the defendant. Indeed, for a time, Email Address-3 was associated with the name "Richard Castro." In addition, emails within the account contain what appears to be CASTRO's personal correspondence with friends, an individual with whom he resides ("Individual-1"), and others.

b. Email Address-3 received numerous emails associated with Bitcoin Profile-1 (the recipient of payments made to "Chemical_usa" on AlphaBay, see *supra* ¶ 14). In particular, from in or around, February 2017 through on or about May 27, 2017, Email Address-3 received approximately 84 emails from Exchange-1 notifying the user of Email Address-3 that Bitcoin Profile-1 was accessed from a new web browser. Those emails then inquired whether the user of Email Address-3 would permit or decline that new web browser from accessing Bitcoin Profile-1. After May 27, 2017 and through at least on or about February 27, 2019, Email Address-3 does not appear to have received any emails associated with Bitcoin Profile-1.

c. Based on documents provided by Bitcoin Exchange-1, I have learned that on or about May 28, 2017 (the day that Email Address-3 stopped receiving emails concerning Bitcoin Profile-1), Email Account-1 was verified as Bitcoin Profile-1's email address.

26. CASTRO's Assets. Based on a review of law enforcement databases, including driver's license records and bank records, I learned that RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," the defendant, resides in a particular home in Florida ("Castro Home").

a. From at least on or about June 28, 2018 through at least on or about February 22, 2019, Email Address-3 received dozens of "shipment notification" emails alerting CASTRO that merchandise CASTRO appears to have purchased was en route to the Castro Home. For example:

i. On or about June 28, 2018, CASTRO purchased approximately 100 quadrillion Zimbabwe bank notes, which were shipped to the Castro Home.

ii. On or about September 6, 2018, CASTRO purchased approximately \$9,975 worth of luxury automobile rims.

b. Based on a review of publically available information, I have learned that the Castro Home is more than 6,000 square feet and valued at more than \$1,500,000. In addition, I have learned that the Castro Home is located in an affluent neighborhood of Florida.

c. Based on documents reviewed by law enforcement officers, I have learned that CASTRO and Individual-1 are the record owners of valuable assets, including vehicles worth several hundred thousand dollars.

d. Based on DOL records, I have learned that neither CASTRO nor Individual-1 appear to have a job or other source of income.

27. "ISP Account-1," and the "IP Pen" on the Castro Home. On or about November 7, 2018, law enforcement officers received a Court Order authorizing the use of a pen register and trap-and-trace device on the internet service provider account associated with Individual-1 ("ISP Account-1"). Based on my review of the information obtained from the IP Pen and ISP Account-1, I have learned among other things, the following:

a. ISP Account-1 is currently associated with a particular IP address ("IP-1"). IP-1 is the IP address associated with the Castro Home.¹¹ Prior to that, ISP Account-1 was associated with a prior residence of CASTRO and Individual-1 and, at that time, a particular IP address ("IP-2").¹²

¹¹ Law enforcement officers have associated IP-1 with the Castro Home in other ways. For example, IP-1 was used approximately 16 times, from on or about August 13, 2018 through on or about January 17, 2019, to access Individual-1's Facebook account.

¹² Law enforcement officers have associated IP-2 with a prior residence of CASTRO and Individual-1 in other ways. For example, IP-2: (a) from on or about August 12, 2016 through on or about November 15, 2017, accessed Bitcoin Profile-1 approximately 502 times; (b) from on or about December 9, 2017 through on or about

b. From on or about December 3, 2018 through on or about February 11, 2019, the Castro Home, from IP-1, accessed IP addresses associated with the Encrypted Email Service approximately 170 times.

c. As described *supra* ¶ 18.b., on or about December 27, 2018, UC-1 received an email from Email Account-2 at approximately 2:09 p.m. UTC. On or about December 27, 2018 at approximately 2:09 p.m. UTC, the Castro Home, from IP-1, accessed an IP address associated with the Encrypted Email Service.¹³

28. Bitcoin Wallets. As described *supra* ¶ 18.b., on or about December 27, 2018, UC-1 was instructed by Email Address-2 to send bitcoins to Bitcoin Wallet-2, which UC-1 later did, to purchase narcotics. Based on documents received from a particular bitcoin exchange ("Bitcoin Exchange-2"), six accounts at that exchange also sent bitcoin to Bitcoin Wallet-2. Based on my participation in this investigation and my conversations with other law enforcement officers and employees, I have learned the following:

a. Law enforcement officers and employees analyzed the bitcoin block chain¹⁴ and identified other bitcoin wallets to which Bitcoin Wallet-2 sent bitcoins. The recipient of the largest number of bitcoins (approximately 46 bitcoins¹⁵) from

March 12, 2018, accessed CASTRO's Facebook account; (c) from on or about December 8, 2016 through on or about May 18, 2018, accessed Individual-1's Facebook account approximately 170 times.

¹³ During all of the other occasions during which UC-1 interacted with Email Address-2, the IP Pen did not indicate it was accessing the Encrypted Email Service. Based on my training and experience and involvement in this investigation, I believe this is because that, generally, CASTRO used a VPN to access the Encrypted Email Service.

¹⁴ Based on my training and experience and involvement in this investigation, I have learned that the Bitcoin block chain is a publically available data source that is essentially a ledger containing a history of previously consummated Bitcoin transactions.

¹⁵ Applying the present exchange rate 46 bitcoins is approximately \$179,997. In or around December 2017, 46 bitcoins was worth approximately \$910,018.

Bitcoin Wallet-2 is a particular bitcoin wallet ("Bitcoin Wallet-3").

b. Based on documents received from a particular bitcoin exchange ("Bitcoin Exchange-3"), I have learned that, on or about February 6, 2019, a particular individual ("Individual-2") with a specific address ("Individual-2 Address") sent approximately .23 bitcoin to Bitcoin Wallet-3. Based on the package analysis described above, see *supra* ¶ 23, I have learned that approximately six packages with identical or extremely similar features to the other 88 packages (including Package-6, see *supra* ¶ 18.c), were addressed to Individual-2 Address and contained on the envelope Individual-2's last name.

c. Based on documents received from Bitcoin Exchange-3, I have learned that, from on or about September 10, 2017 through on or about September 16, 2017, a particular account ("Bitcoin Profile-2"), which is associated with a particular email address ("Email Address-4"),¹⁶ on Bitcoin Exchange-3 sent a total of approximately 13 Bitcoins to Bitcoin Wallet-2 and Bitcoin Wallet-3. Based on my training, experience, and involvement in this investigation, I believe that the transfer of approximately 13 Bitcoins appears to be a transfer of funds, not purchases of narcotics. I believe this because round numbers of bitcoins were transferred whereas purchases of narcotics from "Chemical_usa" and "Chemsusa"/"Chems_usa," as well as "off-market" transactions, were priced in dollars and therefore cost small fractional amounts of a bitcoin; a large amount of money was transferred (more than approximately \$32,000); the transfers occurred over a period of six days; and the transfers began on the same day that Bitcoin Profile-2 was created. Based on my training, experience, and involvement in this investigation, I believe that the purpose of these transfers was to conceal narcotics proceeds.

d. Law enforcement officers and employees analyzed the IP addresses that accessed Bitcoin Profile-2 and learned that its IP history is associated with ISP Account-1. In particular, from the date that Bitcoin Profile-2 was created, on or about September 10, 2017, through on or about August 23, 2018, Bitcoin Profile-2 was accessed approximately 113 times by certain IP addresses associated with CASTRO, for example:

¹⁶ Email Address-4 is hosted by the Encrypted Email Service.

i. IP-1, (*i.e.* the IP address associated with the Castro Home), accessed Bitcoin Profile-2 approximately 11 of those 113 occasions.

ii. IP-2, (*i.e.* the IP address associated with a prior residence of Castro) accessed Bitcoin Profile-2 approximately 39 of those 113 occasions.

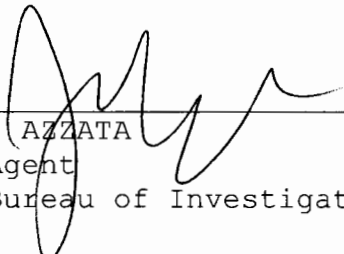
iii. On approximately 47 of the 113 occasions Bitcoin Profile-2 was accessed by IP addresses associated with locations in Denmark, Singapore, Romania, Germany, Hong Kong, Brazil, and Poland. I believe this is because CASTRO used a VPN to attempt to disguise his location while accessing Bitcoin Profile-2. Indeed, on or about February 15, 2018 Bitcoin Profile-2 was logged into by an IP address associated with Seattle, Washington and approximately 46 minutes later Bitcoin Profile-2 was accessed from an IP address associated with Hong Kong.

29. Use of "104." Accounts associated with both RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," the defendant, use common identifiers with monikers used as part of the conspiracy. For example:

a. Email Address-4 has a two-word username followed by the number "104." Based on emails sent to Email Address-3, the number 104 follows the username associated with CASTRO's "Slack" (a messaging app) account. Based on an email received on or about February 15, 2019 by Email Address-3, CASTRO's user ID to access a particular bank's online service ends with "104." Based on a review of databases available to law enforcement, an email address with the username "Richardcastro104" is associated with CASTRO. 104 was the price, in dollars, "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa" charged to join its "off market" distribution network. (*See supra* ¶ 15.a.)


b. Based on a review of law enforcement databases, I have learned that CASTRO was born on October 4 -- *i.e.*, 10/4.

WHEREFORE, I respectfully request that warrants be issued for the arrests of RICHARD CASTRO, a/k/a "Chemsusa," a/k/a "Chems_usa," a/k/a "Chemical_usa," and LUIS FERNANDEZ, the defendants, and that they be arrested and imprisoned, or bailed, as the case may be.



JOSEPH J. AZZATA
Special Agent
Federal Bureau of Investigation

Sworn to before me this
9th day of March 2019



THE HONORABLE DEBRA FREEMAN
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK