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## **FORMER SILK ROAD TASK FORCE AGENT PLEADS GUILTY TO EXTORTION, MONEY LAUNDERING AND OBSTRUCTION**

### *Ex-DEA Agent Used Undercover Status to Fraudulently Obtain Digital Currency Worth Over \$700,000*

WASHINGTON – A former DEA agent pleaded guilty today to extortion, money laundering and obstruction of justice, which he committed while working as an undercover agent investigating Silk Road, an online marketplace used to facilitate the purchase and sale of illegal drugs and other contraband.

Assistant Attorney General Leslie R. Caldwell of the Justice Department’s Criminal Division, U.S. Attorney Melinda Haag of the Northern District of California, Chief Richard Weber of the IRS-Criminal Investigation (IRS-CI), Special Agent in Charge David J. Johnson of FBI’s San Francisco Division, Special Agent in Charge Michael P. Tompkins of the Department of Justice Office of the Inspector General’s Washington, D.C. Field Office and Special Agent in Charge Lori Hazenstab of the Department of Homeland Security’s Office of the Inspector General in Washington D.C. made the announcement.

“While investigating the Silk Road, former DEA Agent Carl Force crossed the line from enforcing the law to breaking it,” said Assistant Attorney General Caldwell. “Seduced by the perceived anonymity of virtual currency and the dark web, Force used invented online personas and encrypted messaging to fraudulently obtain bitcoin worth hundreds of thousands of dollars from the government and investigative targets alike. This guilty plea should send a strong message: neither the supposed anonymity of the dark web nor the use of virtual currency nor the misuse of a law enforcement badge will serve as a shield from the reach of the law.”

“Mr. Force has admitted using his position of authority to weave a complex veil of deception for personal profit,” said U.S. Attorney Haag. “Mr. Force’s actions put at risk other important investigations and betrayed the trust placed in him by his law enforcement partners and the public. We are grateful for the work done by our federal partners to assist in unraveling this crime.”

“Through following the money in the Silk Road investigation it became clear that the defendant was engaged in wire fraud, money laundering, and other related offenses,” said Chief Weber. “He used his position in the investigation to bring himself significant personal financial

gain. This investigation sends a clear message -- no person, especially those entrusted with the public's trust such as federal law enforcement, is above the law and IRS-CI will use their financial investigative skills to track you down."

Carl M. Force, 46, of Baltimore, Maryland, pleaded guilty before U.S. District Judge Richard Seeborg of the Northern District of California to an information charging him with money laundering, obstruction of justice and extortion under color of official right. Force's sentencing hearing is scheduled for Oct. 19, 2015.

Force was a Special Agent with the DEA for 15 years. Between 2012 and 2014, he was assigned to the Baltimore Silk Road Task Force, a multi-agency group investigating illegal activity on the Silk Road. Force was the lead undercover agent in communication with [Ross Ulbricht](#), aka "Dread Pirate Roberts," who ran the Silk Road.

In connection with his guilty plea, Force admitted that, while working in an undercover capacity using his DEA-sanctioned persona, "Nob," in the summer of 2013, Force offered to sell Ulbricht fake drivers' licenses and "inside" law enforcement information about the Silk Road investigation, which information Nob claimed to have accessed through a corrupt government employee. Force admitted that he attempted to conceal his communications with Ulbricht about the payments by directing Ulbricht to use encrypted messaging. Although Force understood these payments, which were made in bitcoin, to be government property, as they constituted evidence of a crime, he admitted that he falsified official reports and stole the funds, depositing the bitcoin into his own personal account and then converting them into dollars. Force admitted that, at the time, the value of the bitcoin he received from Ulbricht was in excess of approximately \$100,000.

Force also admitted that he devised and participated in a scheme to fraudulently obtain additional funds from Ulbricht through another online persona, "French Maid," of which his Task Force colleagues were not aware. Force admitted that, as French Maid, he solicited and received bitcoin payments from Ulbricht worth approximately \$100,000 in exchange for information concerning the government's investigation into the Silk Road.

In connection with his guilty plea, Force also admitted that, in late 2013, in his personal capacity, he invested \$110,000 worth of bitcoin in CoinMKT, a digital currency exchange company. Although he did not receive permission from the DEA to do so, he served as CoinMKT's Chief Compliance Officer. In this role, in February 2014, Force was alerted by CoinMKT to what the company initially believed to be suspicious activity in a particular account. Force admitted that, thereafter, in his capacity as a DEA agent, but without authority or a legal basis to do so, he directed CoinMKT to freeze \$337,000 in cash and digital currency from the account and he subsequently transferred the approximately \$300,000 of digital currency funds into a personal account that he controlled.

Force also admitted to entering into a \$240,000 contract with 20<sup>th</sup> Century Fox Film Studios related to a film concerning the government's investigation into the Silk Road. Force admitted that he did not secure the necessary approvals from the DEA to do so.

According to his plea agreement, Force admitted that he had obstructed justice both by soliciting and accepting bitcoin from Ulrich and by lying to federal prosecutors and agents who were investigating potential misconduct by Force and others.

The investigation is ongoing. To date, Force is one of two federal agents charged with crimes in connection to their roles in investigating the Silk Road. Shaun W. Bridges, 32, of Laurel, Maryland, a former Special Agent with the U.S. Secret Service, is charged in a two-count information with money laundering and obstruction of justice related to his diversion of over \$800,000 in digital currency that he gained control over as part of the Silk Road investigation. The charges contained in an information are merely accusations, and a defendant is presumed innocent until and unless proven guilty.

The case was investigated by the FBI's San Francisco Division, the IRS-CI's San Francisco Division, the Department of Justice Office of the Inspector General and the Department of Homeland Security Office of the Inspector General in Washington, D.C. The following additional components assisted with the investigation: IRS-CI's New York Field Office, HSI's Chicago/O'Hare Division, the U.S. Attorney's Office for the Southern District of New York, the Criminal Division's Computer Crime and Intellectual Property Section, the Criminal Division's Office of International Affairs, the U.S. Embassy in Slovenia and the FBI Legal Attaché Office in Tokyo.

The case is being prosecuted by Assistant U.S. Attorneys Kathryn Haun and William Frentzen of the Northern District of California and Trial Attorney Richard B. Evans of the Criminal Division's Public Integrity Section, with assistance from Assistant U.S. Attorney Arvon Pertee.

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