

## UNITED STATES DISTRICT COURT

for the

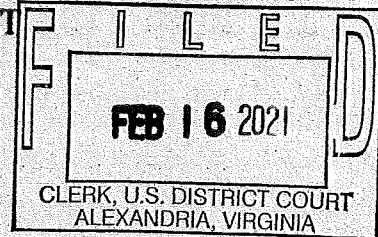
Eastern District of Virginia

United States of America

v.

ALBIE PAGAN

Case No. 1:21-MJ-24

UNDER SEAL

Defendant(s)

## CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of October 2016 through the present in the county of Loudoun in the  
Eastern District of Virginia, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
21 U.S.C. § 841(a)(1)	Distribution of controlled substances.

This criminal complaint is based on these facts:

SEE AFFIDAVIT

☒ Continued on the attached sheet.

Reviewed by AUSA/SAUSA:

Bibeane Metsch

Complainant's signature

Dereck Franklin, FBI Special Agent

Printed name and title

Attested to by the applicant in accordance with the requirements  
of Fed. R. Crim. P. 4.1 by telephone.

Date: 02/16/2021City and state: Alexandria, Virginia

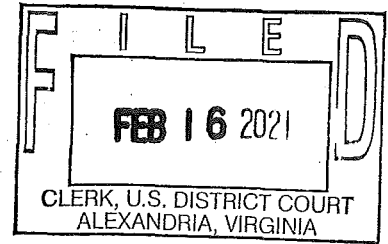
/s/

Ivan D. Davis

United States Magistrate Judge

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA

v.

ALBIE PAGAN,

*Defendant.*

Case No: 1:21-MJ-24

**UNDER SEAL**

**AFFIDAVIT IN SUPPORT OF  
CRIMINAL COMPLAINT AND ARREST WARRANT**

I, Dereck Franklin, being duly sworn, depose and state as follows:

**Introduction and Agent Background**

1. I am submitting this affidavit in support of an arrest warrant and a criminal complaint charging the defendant, ALBIE PAGAN, with the distribution of controlled substances, including oxycodone and hydrocodone, Schedule II controlled substances, in violation of Title 21, United States Code, Section 841(a)(1).

2. I am a duly appointed Special Agent with the Federal Bureau of Investigation ("FBI") and have been employed as such since 2016. I am currently assigned to the Washington (D.C.) Field Office ("WFO"), Northern Virginia Resident Agency. I am on a squad that investigates darknet related narcotics trafficking and I have been assigned to this squad since July 2019.

3. As an FBI Special Agent, I have participated in investigations involving narcotics trafficking offenses and computer-facilitated crimes. As a result, I am familiar with the use, effects, distribution techniques, appearance, and method of manufacture of controlled substances. I have experience with computer intrusion, including spear phishing attacks, credential reuse,

cryptocurrency mining, and malware development and deployment schemes. I have conducted or participated in arrests, the execution of search warrants, surveillance, debriefings of informants, and reviews of forensic computer data. Additionally, I am familiar with the functioning and structure of narcotics markets operating on internet-based darknet markets ("DMs") including the operations of sellers on such markets ("vendors") and the purchasers on such markets ("buyers").

4. Prior to my assignment to WFO, I was a Computer Scientist with the U.S. Secret Service ("USSS"), where I served as a technical advisor to various investigative programs in support of financially-motivated cyber intrusion investigations. I also served in several computer-security related positions while employed by the National Security Agency prior to working for the USSS. I have also received training in cyber-crime investigation techniques, computer evidence identification, offensive and defensive cybercrime measures and analyzing and tracing digital currency. Along with this training I hold several certifications in the field of computer security along with a Bachelor of Science in Computer Science.

5. This affidavit does not contain every fact known to me regarding this investigation, but rather contains information necessary to demonstrate probable cause in support of the above-referenced criminal complaint and arrest warrant. All information contained in this affidavit is either personally known to me, has been related to me by other law enforcement officers, or has been related to me through reports, records or documents gathered during this investigation.

#### **Initiation of Investigation**

6. Since January 2020, the United States, including the FBI, U.S. Postal Inspection Service ("USPIS") and the USSS has been conducting a criminal investigation of the darknet market ("DM") vendor using the moniker H00k3d. H00k3d operates on a portion of the Internet that is often referred to as the TOR network, darkweb, or darknet. A DM operates as a black

market, selling or brokering transactions involving legal products as well as drugs, weapons, counterfeit currency, stolen credit card details, forged documents, unlicensed pharmaceuticals, steroids, and other illicit goods.

7. DM vendors are typically paid using a type of digital cryptocurrency such as Bitcoin.<sup>1</sup> Functionally, it serves the same purpose as United States dollars, except that it is not tied to a central bank and is not regulated by a government body such as a treasury. Cryptocurrency transactions take place entirely online and offer a degree of anonymity to users. The transactions are securely recorded in a public ledger called a blockchain. Based on my training and experience, individuals who are involved in criminal activity over the darkweb often purchase items in cryptocurrency to conceal the true nature of the funds from law enforcement.

#### **H00k3d's Vendor Accounts**

8. Based on the investigation, H00k3d has a history of advertising and selling controlled substances including opioids and counterfeit U.S. currency on various DMs going back as far as at least October 2016. I know through my training and experience working on cases involving the distribution of narcotics through the darknet that it is common for vendors to change the DM platform that they are using given the shutting down of markets and other considerations including vendor fees and DM market restrictions.

9. Law enforcement has shut down DMs over the years and seized the server data from these markets including vendor names, vendor pages, vendor transaction history and reviews, among other information. DMs that have been shut down and recovered by law enforcement

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<sup>1</sup> Since Bitcoin is both a currency and a protocol, capitalization differs. Accepted practice is to use "Bitcoin" (singular with an uppercase letter B) to label the protocol, software, and community, and "bitcoin" (with a lowercase letter b) to label units of the currency. That practice is adopted here.

include Alphabay and Wall Street both of which H00k3d was operating on in the past before the sites became defunct. According to records, H00k3d joined Alphabay in October 2016 and Wall Street in February 2018. Analysis of the seized servers for the DMs AlphaBay and Wall Street revealed that the vendor H00k3d sold large quantities of counterfeit U.S. currency and controlled substances across the markets including hydrocodone, oxycontin, Percocet, and Adderall.

10. During an August 2019 review of H00k3d's profile on the DM Cryptonia, law enforcement observed that H00k3d had joined Cryptonia on August 3, 2019 and stated that they had previously been a vendor on the DMs Wall Street, Dream, and Nightmare.

11. During a February 2020 review of H00k3d's profile on the DM Avaris, law enforcement saw the following message on the vendor's profile: "We are 'H00k3d' formally of Alphabay, Dream, Nightmare, Wallstreet, Cryptonia and Apollon. We sell USA pharmaceutical prescription pills and Counterfeit \$20 Bills. If you have any questions feel free to ask!" The only shipping option was "FREE USPS Priority Shipping 2-4 Business Days."

12. H00k3d used the same avatar, a fish with a hook in it as depicted below, on at least the DMs Apollon, Avaris and Darkode:



13. Until at least December 15, 2020, H00k3d advertised prescription opioids and counterfeit U.S. currency for sale on the DM Dark Market and ships via the U.S. Postal Service ("USPS"). As of January 2021, Dark Market was no longer live.

14. A September 2020 review revealed that H00k3d created a vendor profile on Dark Market in May 2020. H00k3d's profile stated: "We are 'H00k3d' Vendor of Counterfeit USD Bills and Pharmaceutical Prescription Pills, which we will be adding soon! Feel free to message

us with any questions, comments or concerns 😊.” H00k3d has advertised for sale at least the following items on Dark Market: gabapentin, hydrocodone, tramadol, oxycodone, Adderall, morphine and counterfeit U.S. currency. With respect to shipping, the H00k3d vendor page said shipping “will take 2-3 BUSINESS DAYS,” “We ship all our packages via USPS Priority Mail envelope,” and “All packages will be shipped within 48 hours of ordering, but usually ship same day.”

15. As of December 3, 2020, on Dark Market H00k3d had completed at least 691 orders, with 475 of those orders rated by customers (leaving a rating is optional). 471 of the ratings were positive, three were neutral and one was negative. Based on my training and experience, I know that achieving such a high positive rating for a vendor is extremely difficult and indicates that the quality of the drugs and the customer service provided by a particular vendor is likely high. On December 3, 2020, H00k3d had a rating on Dark Market of 4.8/5 for “Quality,” 4.89/5 for “Communication” and 4.87/5 for “Shipping.”

16. The 475 rated orders as of December 3, 2020 on Dark Market reflect purchases for the following items:

Item	Total Quantity Sold
hydrocodone	3,293
oxycodone	2,250
gabapentin	1,770
morphine	504
hydromorphone	382
adderall	220
suboxone	205

Item	Total Quantity Sold
buprenorphine	80
tramadol	65
twenty U.S. dollar counterfeit bills	3,293

17. Law enforcement reviewed H00k3d's Pretty Good Privacy ("PGP")<sup>2</sup> public keys on the vendor's accounts on the DMs Alphabay, Apollon, Avaris, Wall Street, Dark Market and Darkode. PGP keys from the other markets that H00k3d operated on are not currently accessible.

18. Law enforcement decoded<sup>3</sup> the PGP public keys listed on the aforementioned market accounts associated with H00k3d. The PGP public keys listed for H00k3d on all of the aforementioned sites were identical. Law enforcement identified H00k3d@sigaint.org embedded in the PGP public key for the H00k3d account on the above-listed five DMs. Based on my training and experience, the purpose of providing an email in the PGP public key is to give others an alternative communication method for reaching the vendor. As DMs have been disrupted over the past few years and vendors are forced to create new accounts on new markets, use of the same public PGP key across markets is considered the best way for a vendor to prove that the vendor is who the vendor purports to be and is the same vendor as on other DMs previously or currently used. Therefore, based on the use of the same PGP key by the vendor H00k3d on all of the markets

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<sup>2</sup> PGP encryption, while having various legitimate uses, is also used by darknet vendors to encrypt their communications with customers. When a user creates a PGP encryption key, the user is provided a public and a private key. Both the public and private keys are unique and would not generate duplicates. Darknet vendors advertise their public keys on marketplaces as a way for customers to encrypt messages to them, while keeping their private keys secret to be used to decrypt the messages.

<sup>3</sup> A PGP public key can include a series of letters, numbers, and special characters. One can decode a public key by copying and pasting the public key into a decoding application on a publicly available website. Sometimes an email account is listed after the public key is decoded.

discussed above, I believe that the same individual has been running the vendor across the platforms over a period of years.

19. On February 7, 2021, an FBI undercover discovered a new H00k3d vendor profile on the DM Darkode. The account was created on January 27, 2021 and displayed one completed sale as of February 11, 2021. H00k3d's vendor profile also contained the same avatar mentioned in paragraph 12 and PGP key referenced in paragraph 17. The active listings were several types of prescription opioids and various amount of counterfeit twenty dollar bills—like the products listed in paragraph 16.

#### **Undercover Drug and Counterfeit U.S. Currency Purchases From H00k3d**

20. Beginning in January 2020, investigators began to conduct undercover drug and counterfeit U.S. currency purchases from the vendor H00k3d via the DMs Apollon and Dark Market. To initiate the transactions, the investigators logged into their undercover accounts on DMs and placed orders with H00k3d. The undercover investigators paid for the suspected narcotics and counterfeit U.S. currency with cryptocurrency obtained with official government funds. The suspected narcotics and counterfeit currency were then sent to the investigators via USPS First Class Mail and the items were received several days after the undercover investigator ordered them. The arrival of the packages was consistent with H00k3d's advertised shipping methods.

21. The below table lists thirteen undercover purchases from H00k3d since January 2020. The table denotes the following: (1) the date that the undercover purchase was initiated; (2) the items ordered in each specific transaction; (3) the city where the undercover investigator designated the drugs to be shipped; and (4) the DM that the controlled buy was purchased through.



Date Ordered	Items Ordered <sup>4</sup>	Location Mailed To	DM
1/7/2020	25 hydrocodone 5/325 mg. pills <sup>5</sup>	(Manassas, VA)	Apollon
6/11/2020	20 oxycodone 10/325 mg. pills <sup>6</sup>	(Dulles, VA)	Dark Market
6/19/2020	20 oxycodone 10/325 mg. pills	(Dulles, VA)	Dark Market
6/25/2020	10 counterfeit twenty U.S. dollar bills	(Lorton, VA)	Dark Market
8/16/2020	20 morphine ABG 60 mg. pills	(Dulles, VA)	Dark Market
8/26/2020	20 morphine ABG 60 mg. pills	(Dulles, VA)	Dark Market
9/15/2020	90 gabapentin D-40 400 mg. pills	(Dulles, VA)	Dark Market
9/15/2020	20 counterfeit twenty U.S. dollar bills	(Vienna, VA)	Dark Market
9/16/2020	10 Adderall M-30 mg. pills <sup>7</sup>	(North Kansas City, MO)	Dark Market
9/18/2020	40 oxycodone 10/325 mg. pills	(Haymarket, VA)	Dark Market
11/15/2020	15 hydrocodone 10 mg. pills	(Dulles, VA)	Dark Market
11/15/2020	39 morphine 60 mg. pills	(Haymarket, VA)	Dark Market
12/15/2020	80 oxycodone 7.5/325 mg. pills	(Dulles, VA)	Dark Market

<sup>4</sup> Unless otherwise noted, controlled substances purchased have been submitted to a laboratory for testing and are pending analysis.

<sup>5</sup> The pills were analyzed by the DEA Mid-Atlantic Laboratory and were determined to contain hydrocodone.

<sup>6</sup> The pills were analyzed by the DEA Mid-Atlantic Laboratory and were determined to contain oxycodone.

<sup>7</sup> These pills were tested using a TruNarc (a handheld drug analyzer used in the preliminary identification of controlled substances/hazardous materials) and received a positive response for the presence of "Amphetamine."

22. The pills received were all consistent with the images advertised on the H00k3d vendor pages on Apollon and Dark Market.

23. All except for one of the aforementioned items were shipped in white USPS Priority Mail flat rate envelopes bearing a tracking number, a \$7.75 stamp, self-adhesive printed address label and bore no sender name or return address. The outlier parcel contained the same exact features except that the recipient address was handwritten. H00k3d offered free Priority Mail shipping with purchases conducted through Dark Market. Most of the packages contained an inner white letter size envelope with a thin blue rubber band around it that contained within it a heat-sealed clear bag with the suspected narcotics or counterfeit U.S. currency inside. I know that individuals involved in selling drugs and other illicit goods via the darknet try to disguise their shipments in order to avoid detection by law enforcement.

24. Analysis of mailings associated to the undercover controlled purchases revealed many parcels with the same characteristics being mailed out of Utica, New York where PAGAN resides.

#### **Identification of ALBIE PAGAN**

25. A review of a now defunct DM referred to hereinafter as DM1 that was seized by law enforcement revealed that the vendor H00k3d made at least 222 withdrawal transactions of cryptocurrency funds paid by customers between October 2016 and July 2017. Withdrawal transactions occur when the vendor removes cryptocurrency proceeds from a marketplace into a cryptocurrency wallet owned and operated by the vendor. The seized server contained full transaction information, including the withdrawal address, for several of the transactions. For the remainder of the transactions the server listed the transaction time and amount of the withdrawal. Five of those withdrawal transactions were associated with a peer-to-peer bitcoin exchange

marketplace ("Exchange 1") account "rclempo2020." Records provided by Exchange 1 revealed that the account was registered using the email address rclempo2020@gmail.com.

26. Internet Protocol ("IP") address history from Exchange 1 related to the email address rclempo2020@gmail.com revealed that the Exchange 1 account was accessed on November 20, 2017 from an IP address registered to PAGAN. Based on records from an internet service provider that serviced the IP address at the time, the IP address was associated with a residence on the 1200 block of Noyes Street, Utica, New York, 13502, where PAGAN still resides.

27. Based on physical surveillance, a review of New York Department of Motor Vehicles ("DMV") license records and Utica, New York property records, PAGAN resides at the residence on the 1200 block of Noyes Street, Utica, New York, 13502. In addition, based on records obtained from Sprint, a cellular phone is registered to PAGAN at this address.

28. The rclempo2020@gmail.com address was also used to register an account at another cryptocurrency exchange ("Exchange 2"). Though the account listed the name of "Rodger Clempo," Exchange 2 know-your-customer records showed that the account was registered to a relative of PAGAN's. Based on my training and experience, I know that drug traffickers typically use fictitious names to avoid identification and evade law enforcement. Through analysis of the partially identified DM1 bitcoin withdrawals and the transaction history of the Exchange 2 account, at least two H00k3d withdrawals from DM1 were deposited into the Exchange 2 account.

29. Pursuant to a Pen Register/Trap and Trace authorized by the Honorable Judge John F. Anderson for PAGAN's home internet on December 18, 2020, records show network connections from PAGAN's home internet to TOR nodes on multiple days which indicates the use of TOR which is needed to connect to the darkweb.

### **2016 New York Investigation Involving PAGAN**

30. During the course of the investigation, agents learned that the USPIS and USSS Syracuse Office had conducted an investigation in 2016 involving the sale of counterfeit U.S. currency being shipped via the U.S. Mail from the Utica, NY area. The mailings identified in the investigation were USPS Priority Mail flat rate envelopes with pre-paid stamps, bearing a tracking number and no sender name or return address, like the packages received in the controlled buys described above.

31. On June 14, 2016, U.S. Postal Inspectors in Syracuse, New York in the same region as Utica, New York where PAGAN resides, were made aware of six (6) parcels emitting a suspicious odor. A U.S. Postal Inspector obtained consent from the intended recipient of one of the parcels to open it. That parcel was found to contain twenty-two (22) counterfeit ten U.S. dollar bills.

32. On June 15, 2016, agents were notified by the Whitesboro, New York postmaster of five (5) mailings emitting a suspicious odor that were deposited into the same collection box as the previously mentioned six (6) parcels and contained similar characteristics.

33. On June 17, 2016, USPS employees notified authorities of a customer purchasing Priority Mail stamps and inquiring about envelopes. The customer drove a white vehicle with a spotlight and bore New York license plate \*\*\*2808 which matches the vehicle which PAGAN has recently been seen driving and using to drop packages.

34. The eleven parcels contained the same type of USPS Priority Mail flat rate stamps purchased and Priority Mail flat rate envelopes inquired about by the customer driving the vehicle with New York license plate \*\*\*2808. DMV records showed that the aforementioned vehicle was registered to PAGAN.

35. On June 21, 2016, pursuant to a search warrant (5:16-MJ-351) authorized by the Honorable David E. Peebles, U.S. Magistrate Judge for the District Court for the Northern District of New York, the eleven parcels (five from June 14, 2016 and six from June 15, 2016), were found to contain counterfeit U.S. currency in ten and twenty U.S. dollar denominations.

36. On July 11, 2016, six (6) additional USPS Priority Mail envelopes were seized from a blue USPS collection box located in Yorkville, New York and these packages displayed similar characteristics to those seized on June 14, 2016 and June 15, 2016. Yorkville, New York is an approximately a five (5) minute drive from Utica, New York, where PAGAN currently resides.

37. On September 12, 2016, pursuant to a search warrant (5:16-MJ-463) authorized by Northern District of New York Magistrate Judge David E. Peebles, law enforcement found the parcels to contain 55 pills identified as being controlled substances including hydrocodone, hydromorphone, hydrochloride, and acetaminophen.

#### **Surveillance of PAGAN**

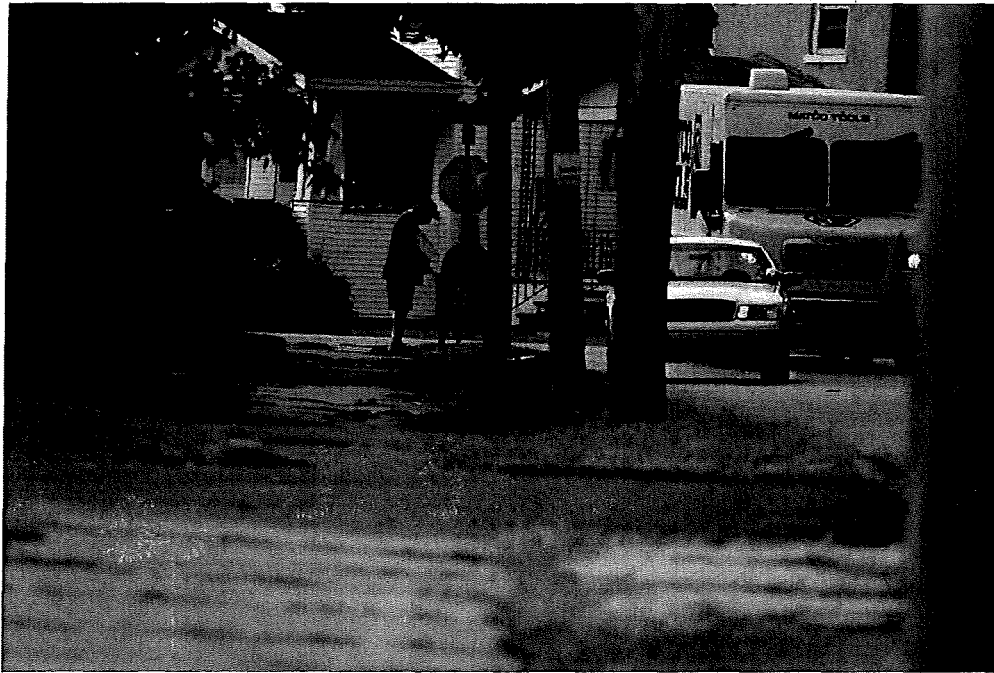
38. According to USPS employees, PAGAN is currently known to buy postal supplies at a local post office located at 1709 Genesee Street, Utica, New York, hereinafter the "Kernan Post Office." In July 2020, a U.S. Postal Inspector spoke with a USPS sales associate at the Kernan Post Office regarding a male customer who was described as having previously purchased Priority Mail \$7.75 stamps on numerous occasions and always paying with either a \$50 or \$100 bill.

39. On July 8, 2020, a male customer matching the description of PAGAN purchased twelve (12) \$7.75 stamps. On August 24, 2020, the same male customer purchased twenty-four (24) \$7.75 stamps. On October 21, 2020 the same male customer purchased twelve (12) \$7.75 stamps. On December 11, 2020, this same male customer purchased sixteen (16) priority mail stamps. On January 2, 2021 the same male customer purchased twelve (12) priority mail stamps.

On February 2, 2021 the same male customer purchased fifty (50) .20 cent stamps. I believe this was due to the cost of a USPS Priority Mail flat rate envelope increasing from \$7.75 to \$7.95. As discussed above, \$7.75 stamps were used on the parcels received in controlled purchases. The customer was driving an old white Ford Crown Victoria with a spotlight and New York license tag—the same type of vehicle PAGAN has been observed driving. This vehicle matches the vehicle described in paragraphs 33 and 34.

40. On September 9, 2020, an FBI undercover messaged H00k3d on Dark Market inquiring about a restock of H00k3d's pill supply. H00k3d replied on September 9, 2020 stating that most of their sources get pills every 30 days and when H00ked lists those pills they sell out in a week. H00ked was considering opening on the 16th of every month until the pill supply runs out.

41. Law enforcement conducted surveillance in connection with the controlled purchases initiated on September 15, 2020 listed in the table above. On the morning of September 15, 2020, agents in Utica, New York observed PAGAN exit his home on the 1200 block of Noyes Street, Utica, New York carrying a large white package in his hands and enter the driveway. They observed PAGAN drive a white Ford Crown Victoria with New York license plate \*\*\*2808. Agents observed PAGAN deposit Priority Mail envelopes into twelve different USPS collection boxes in Utica, New York. Below is a photograph depicting PAGAN on September 15, 2020 dropping mail at a USPS collection box with the vehicle bearing license plate \*\*\*2808 parked on the street by the box:



42. A U.S. Postal Inspector reviewed the mail deposited into eight of the twelve collection boxes (mail at the other four had already been retrieved prior to the inspector's arrival) and identified thirteen mailings that shared similar characteristics. The thirteen mailings were in USPS Priority Mail flat rate envelopes bearing a tracking number, a \$7.75 stamp, self-adhesive printed address label and bore no sender name or return address. The parcels were destined for addresses throughout the United States.

43. A U.S. Postal Inspector also observed that a Priority Mail parcel was also in the collection box located near 126 Business Park Drive, Utica, New York and was destined for an address in Memphis, Tennessee. On September 25, 2020, a U.S. Postal Inspector in Memphis, Tennessee interviewed the intended recipient of that parcel and obtained written consent to open the parcel. The parcel contained eleven (11) suspected counterfeit twenty U.S. dollar bills.

44. A U.S. Postal Inspector also reviewed USPS records for two Priority Mail flat rate envelopes deposited at the Utica Main Post Office on September 16, 2020. Both parcels contained tracking numbers, self-adhesive printed address labels, a \$7.75 stamp and no sender name or return

address. One of the parcels was addressed to the undercover agent and destined for an address in the Eastern District of Virginia. This parcel is believed, based on the recipient name and address, to be the September 15, 2020 controlled purchase for 90 gabapentin D-40 400 mg pills. The timing of this shipment is consistent with the promise on H00k3ed's Dark Market vendor page that: "All packages will be shipped within 48 hours of ordering, but usually ship same day."

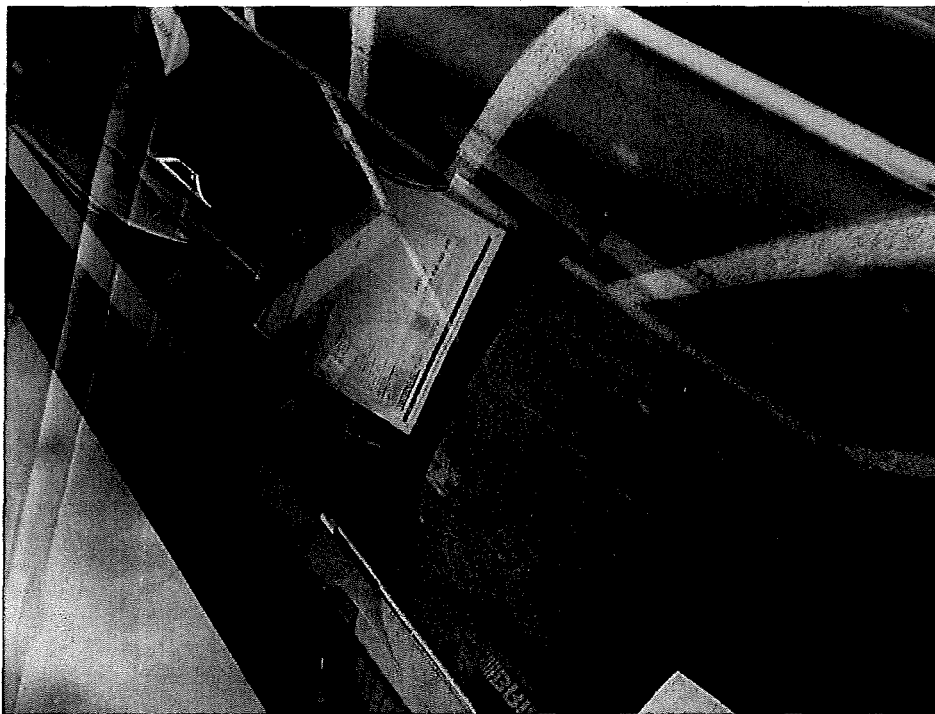
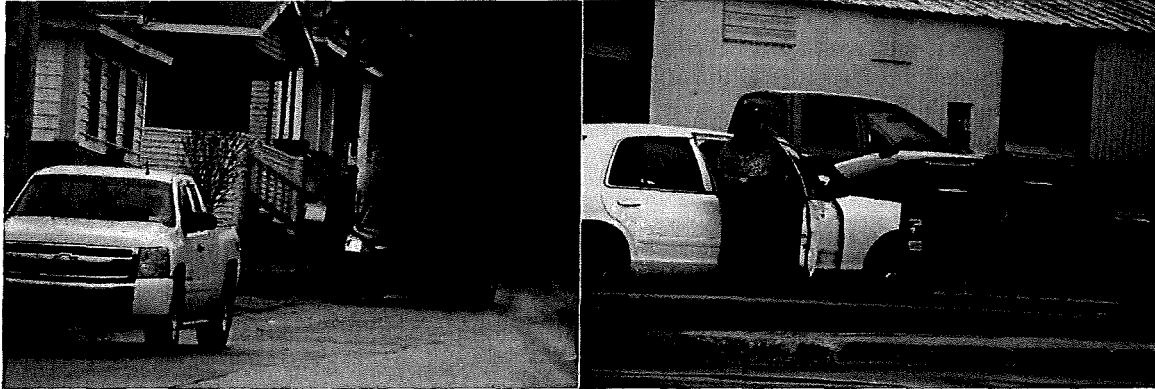
45. On September 16, 2020, while at the blue collection box located in front of 114 Business Park Drive, Utica, NY, a USPS employee collected a Priority Mail flat rate envelope from a customer. The customer was described as a white male who was driving a white older model sedan bearing New York license plate \*\*\*2808, the same vehicle driven by PAGAN on the previous day as described above. The parcel matched the description of the previous parcels discussed bearing only a tracking number, a \$7.75 stamp, a self-adhesive printed address label and had no sender name or return address. It was destined for an address in Gloucester City, New Jersey.

46. On October 7, 2020, pursuant to a search warrant (5:20-MJ-493) was authorized by the Honorable Miroslav Lovric, U.S. Magistrate Judge for the United States District Court of the Northern District of New York, law enforcement searched the contents of the parcel. The parcel contained ten (10) buprenorphine and naloxone sublingual film 8 mg./2m packets. These packets were advertised for sale on H00k3d's Dark Market vendor page.

47. On November 16, 2020, agents observed PAGAN exit his residence carrying a clear plastic container. PAGAN entered the white Ford Crown Victoria bearing New York License plate \*\*\*2808. PAGAN drove to a grocery store, where he met another individual inside. While inside of the grocery store, agents were able to see inside the vehicle and observed inside PAGAN's vehicle a package believed to contain a controlled purchase order made on November

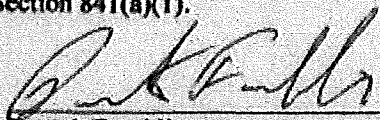


15, 2020. Below are photographs taken on November 16, 2020, depicting PAGAN leaving his residence; dropping mail at a USPS collection box; and the inside of PAGAN's vehicle, showing a package on the floorboard of the vehicle which is believed to contain a controlled purchase order made online by undercover agents on November 15, 2020:




### CONCLUSION

48. Based on the foregoing, I submit that there is probable cause to believe that, from at least in or about October 2016 up to and including the present, both dates being approximate, in the Eastern District of Virginia and elsewhere, the defendant ALBIE PAGAN, distributed controlled substances, including oxycodone and hydrocodone, Schedule II controlled substances, in violation of Title 21, United States Code, Section 841(a)(1).

  
Dereck Franklin  
Special Agent  
Federal Bureau of Investigation

Attested to by the applicant in accordance with  
Fed. R. Crim. Proc. 4.1 by telephone on  
February 16, 2021.

 /s/ \_\_\_\_\_  
Ivan D. Davis  
United States Magistrate Judge



IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

UNITED STATES OF AMERICA

v.

ALBIE PAGAN,

Defendant.

Criminal No. 1:21-CR-95 (LMB)

STATEMENT OF FACTS

The United States and the defendant, ALBIE PAGAN (hereinafter, "the defendant"), agree that at trial, the United States would have proven the following facts beyond a reasonable doubt with admissible and credible evidence:

1. Over the years the defendant used the moniker H00k3d on various darknet markets including Alphabay, Apollon, Avaris, Cryptonia, Dark Market, Darkode, Dream, Nightmare, and Wall Street.

2. From in or around October 2016 through at least in or around February 2021, in the Eastern District of Virginia and elsewhere, the defendant did knowingly, intentionally, and unlawfully distribute controlled substances.

3. The defendant was personally involved in the distribution of at least 3,000 kilograms but less than 10,000 kilograms of converted drug weight.

4. From in or around 2018 through at least in or around February 2021, in the Eastern District of Virginia and elsewhere, the defendant did unlawfully and knowingly sell, with intent to defraud, falsely made, forged and counterfeited obligations of the United States, that is, \$10 and \$20 Federal Reserve Notes ("FRN"), which the defendant then knew to be falsely made, forged and counterfeited.

5. The defendant advertised for sale through moniker H00k3d counterfeit \$10 and \$20 FRN that was stored at his residence for packing and shipping.

6. The defendant sold through H00k3d at least \$250,000 but not more than \$550,000 in counterfeit FRN. It was reasonably foreseeable to the defendant that his customers would use the counterfeit currency as though it was legitimate FRN, thereby defrauding businesses and individuals.

7. The defendant advertised and sold prescription opioids and medications including oxycodone, hydromorphone, hydrocodone, and Adderall, Schedule II controlled substances, as well as counterfeit U.S. currency through the H00k3d on various darknet markets.

8. H00k3d joined Alphabay on October 2016, Wall Street in February 2018, Cryptonia on August 3, 2019, and Dark Market on May 2020.

9. On Wall Street alone, the defendant sold over \$325,000 in counterfeit FRN. On the darknet market Dark Market alone, as of December 3, 2020, H00k3d had 475 rated orders (customers are not required to rate or leave a review) that reflected purchases for several items including 3,293 Hydrocodone orders, 2,250 Oxycodone orders, and 382 Hydromorphone orders.

10. On Alphabay, the defendant's gross proceeds for his sale of narcotics was at least \$90,399.50. On Wall Street, the defendant's gross proceeds for his sale of narcotics and counterfeit FRN was at least \$1,011,079.75. On Dark Market, the defendant's gross proceeds for his sale of reviewed transactions of narcotics and counterfeit FRN was at least \$131,948.

11. The defendant would acquire and then package and ship nationwide mailings containing controlled substances and counterfeit currency that he sold for a profit using the moniker H00k3d.



12. The defendant was observed mailing packages ordered from H00k3d on September 15, 2020, September 16, 2020, and November 16, 2020.

13. On February 17, 2021, a search warrant was conducted at the defendant's residence. Therein, agents located prescription medications, packaging materials consistent with those received by law enforcement through the controlled purchases made from H00k3d, \$177,920 in legitimate U.S. currency, and counterfeit currency including trashed versions that were apparently deemed inadequate to sell.

14. This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include each and every fact known to the defendant or to the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant's case.

15. The actions of the defendant, as recounted above, were in all respects knowing and deliberate, and were not committed by mistake, accident, or other innocent reason.

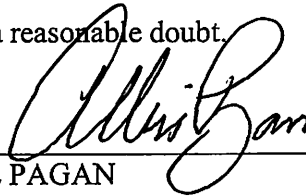
Respectfully submitted,

Raj Parekh  
Acting United States Attorney

Date: May 11, 2021

By:   
Bibeane Metsch  
Assistant United States Attorney

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, ALBIE PAGAN, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

 4-23-21  
\_\_\_\_\_  
ALBIE PAGAN

I am Lula Hagos, defendant's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

  
\_\_\_\_\_  
Lula Hagos, Esq.  
Attorney for ALBIE PAGAN

## UNITED STATES DISTRICT COURT

for the

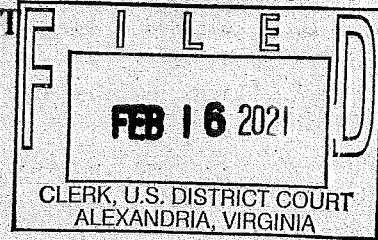
Eastern District of Virginia

United States of America

v.

ALBIE PAGAN

Case No. 1:21-MJ-24

UNDER SEAL

Defendant(s)

## CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of October 2016 through the present in the county of Loudoun in the  
Eastern District of Virginia, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
21 U.S.C. § 841(a)(1)	Distribution of controlled substances.

This criminal complaint is based on these facts:

SEE AFFIDAVIT

☒ Continued on the attached sheet.

Reviewed by AUSA/SAUSA:

Bibeane Metsch

Complainant's signature

Dereck Franklin, FBI Special Agent

Printed name and title

Attested to by the applicant in accordance with the requirements  
of Fed. R. Crim. P. 4.1 by telephone.

Date: 02/16/2021City and state: Alexandria, Virginia

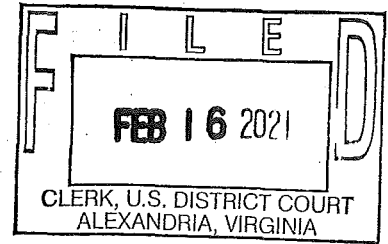
/s/

Ivan D. Davis

United States Magistrate Judge

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA

v.

ALBIE PAGAN,

*Defendant.*

Case No: 1:21-MJ-24

**UNDER SEAL**

**AFFIDAVIT IN SUPPORT OF  
CRIMINAL COMPLAINT AND ARREST WARRANT**

I, Dereck Franklin, being duly sworn, depose and state as follows:

**Introduction and Agent Background**

1. I am submitting this affidavit in support of an arrest warrant and a criminal complaint charging the defendant, ALBIE PAGAN, with the distribution of controlled substances, including oxycodone and hydrocodone, Schedule II controlled substances, in violation of Title 21, United States Code, Section 841(a)(1).

2. I am a duly appointed Special Agent with the Federal Bureau of Investigation ("FBI") and have been employed as such since 2016. I am currently assigned to the Washington (D.C.) Field Office ("WFO"), Northern Virginia Resident Agency. I am on a squad that investigates darknet related narcotics trafficking and I have been assigned to this squad since July 2019.

3. As an FBI Special Agent, I have participated in investigations involving narcotics trafficking offenses and computer-facilitated crimes. As a result, I am familiar with the use, effects, distribution techniques, appearance, and method of manufacture of controlled substances. I have experience with computer intrusion, including spear phishing attacks, credential reuse,



cryptocurrency mining, and malware development and deployment schemes. I have conducted or participated in arrests, the execution of search warrants, surveillance, debriefings of informants, and reviews of forensic computer data. Additionally, I am familiar with the functioning and structure of narcotics markets operating on internet-based darknet markets ("DMs") including the operations of sellers on such markets ("vendors") and the purchasers on such markets ("buyers").

4. Prior to my assignment to WFO, I was a Computer Scientist with the U.S. Secret Service ("USSS"), where I served as a technical advisor to various investigative programs in support of financially-motivated cyber intrusion investigations. I also served in several computer-security related positions while employed by the National Security Agency prior to working for the USSS. I have also received training in cyber-crime investigation techniques, computer evidence identification, offensive and defensive cybercrime measures and analyzing and tracing digital currency. Along with this training I hold several certifications in the field of computer security along with a Bachelor of Science in Computer Science.

5. This affidavit does not contain every fact known to me regarding this investigation, but rather contains information necessary to demonstrate probable cause in support of the above-referenced criminal complaint and arrest warrant. All information contained in this affidavit is either personally known to me, has been related to me by other law enforcement officers, or has been related to me through reports, records or documents gathered during this investigation.

#### **Initiation of Investigation**

6. Since January 2020, the United States, including the FBI, U.S. Postal Inspection Service ("USPIS") and the USSS has been conducting a criminal investigation of the darknet market ("DM") vendor using the moniker H00k3d. H00k3d operates on a portion of the Internet that is often referred to as the TOR network, darkweb, or darknet. A DM operates as a black

market, selling or brokering transactions involving legal products as well as drugs, weapons, counterfeit currency, stolen credit card details, forged documents, unlicensed pharmaceuticals, steroids, and other illicit goods.

7. DM vendors are typically paid using a type of digital cryptocurrency such as Bitcoin.<sup>1</sup> Functionally, it serves the same purpose as United States dollars, except that it is not tied to a central bank and is not regulated by a government body such as a treasury. Cryptocurrency transactions take place entirely online and offer a degree of anonymity to users. The transactions are securely recorded in a public ledger called a blockchain. Based on my training and experience, individuals who are involved in criminal activity over the darkweb often purchase items in cryptocurrency to conceal the true nature of the funds from law enforcement.

#### **H00k3d's Vendor Accounts**

8. Based on the investigation, H00k3d has a history of advertising and selling controlled substances including opioids and counterfeit U.S. currency on various DMs going back as far as at least October 2016. I know through my training and experience working on cases involving the distribution of narcotics through the darknet that it is common for vendors to change the DM platform that they are using given the shutting down of markets and other considerations including vendor fees and DM market restrictions.

9. Law enforcement has shut down DMs over the years and seized the server data from these markets including vendor names, vendor pages, vendor transaction history and reviews, among other information. DMs that have been shut down and recovered by law enforcement

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<sup>1</sup> Since Bitcoin is both a currency and a protocol, capitalization differs. Accepted practice is to use "Bitcoin" (singular with an uppercase letter B) to label the protocol, software, and community, and "bitcoin" (with a lowercase letter b) to label units of the currency. That practice is adopted here.

include Alphabay and Wall Street both of which H00k3d was operating on in the past before the sites became defunct. According to records, H00k3d joined Alphabay in October 2016 and Wall Street in February 2018. Analysis of the seized servers for the DMs AlphaBay and Wall Street revealed that the vendor H00k3d sold large quantities of counterfeit U.S. currency and controlled substances across the markets including hydrocodone, oxycontin, Percocet, and Adderall.

10. During an August 2019 review of H00k3d's profile on the DM Cryptonia, law enforcement observed that H00k3d had joined Cryptonia on August 3, 2019 and stated that they had previously been a vendor on the DMs Wall Street, Dream, and Nightmare.

11. During a February 2020 review of H00k3d's profile on the DM Avaris, law enforcement saw the following message on the vendor's profile: "We are 'H00k3d' formally of Alphabay, Dream, Nightmare, Wallstreet, Cryptonia and Apollon. We sell USA pharmaceutical prescription pills and Counterfeit \$20 Bills. If you have any questions feel free to ask!" The only shipping option was "FREE USPS Priority Shipping 2-4 Business Days."

12. H00k3d used the same avatar, a fish with a hook in it as depicted below, on at least the DMs Apollon, Avaris and Darkode:



13. Until at least December 15, 2020, H00k3d advertised prescription opioids and counterfeit U.S. currency for sale on the DM Dark Market and ships via the U.S. Postal Service ("USPS"). As of January 2021, Dark Market was no longer live.

14. A September 2020 review revealed that H00k3d created a vendor profile on Dark Market in May 2020. H00k3d's profile stated: "We are 'H00k3d' Vendor of Counterfeit USD Bills and Pharmaceutical Prescription Pills, which we will be adding soon! Feel free to message

us with any questions, comments or concerns 😊.” H00k3d has advertised for sale at least the following items on Dark Market: gabapentin, hydrocodone, tramadol, oxycodone, Adderall, morphine and counterfeit U.S. currency. With respect to shipping, the H00k3d vendor page said shipping “will take 2-3 BUSINESS DAYS,” “We ship all our packages via USPS Priority Mail envelope,” and “All packages will be shipped within 48 hours of ordering, but usually ship same day.”

15. As of December 3, 2020, on Dark Market H00k3d had completed at least 691 orders, with 475 of those orders rated by customers (leaving a rating is optional). 471 of the ratings were positive, three were neutral and one was negative. Based on my training and experience, I know that achieving such a high positive rating for a vendor is extremely difficult and indicates that the quality of the drugs and the customer service provided by a particular vendor is likely high. On December 3, 2020, H00k3d had a rating on Dark Market of 4.8/5 for “Quality,” 4.89/5 for “Communication” and 4.87/5 for “Shipping.”

16. The 475 rated orders as of December 3, 2020 on Dark Market reflect purchases for the following items:

Item	Total Quantity Sold
hydrocodone	3,293
oxycodone	2,250
gabapentin	1,770
morphine	504
hydromorphone	382
adderall	220
suboxone	205

Item	Total Quantity Sold
buprenorphine	80
tramadol	65
twenty U.S. dollar counterfeit bills	3,293

17. Law enforcement reviewed H00k3d's Pretty Good Privacy ("PGP")<sup>2</sup> public keys on the vendor's accounts on the DMs Alphabay, Apollon, Avaris, Wall Street, Dark Market and Darkode. PGP keys from the other markets that H00k3d operated on are not currently accessible.

18. Law enforcement decoded<sup>3</sup> the PGP public keys listed on the aforementioned market accounts associated with H00k3d. The PGP public keys listed for H00k3d on all of the aforementioned sites were identical. Law enforcement identified H00k3d@sigaint.org embedded in the PGP public key for the H00k3d account on the above-listed five DMs. Based on my training and experience, the purpose of providing an email in the PGP public key is to give others an alternative communication method for reaching the vendor. As DMs have been disrupted over the past few years and vendors are forced to create new accounts on new markets, use of the same public PGP key across markets is considered the best way for a vendor to prove that the vendor is who the vendor purports to be and is the same vendor as on other DMs previously or currently used. Therefore, based on the use of the same PGP key by the vendor H00k3d on all of the markets

<sup>2</sup> PGP encryption, while having various legitimate uses, is also used by darknet vendors to encrypt their communications with customers. When a user creates a PGP encryption key, the user is provided a public and a private key. Both the public and private keys are unique and would not generate duplicates. Darknet vendors advertise their public keys on marketplaces as a way for customers to encrypt messages to them, while keeping their private keys secret to be used to decrypt the messages.

<sup>3</sup> A PGP public key can include a series of letters, numbers, and special characters. One can decode a public key by copying and pasting the public key into a decoding application on a publicly available website. Sometimes an email account is listed after the public key is decoded.

discussed above, I believe that the same individual has been running the vendor across the platforms over a period of years.

19. On February 7, 2021, an FBI undercover discovered a new H00k3d vendor profile on the DM Darkode. The account was created on January 27, 2021 and displayed one completed sale as of February 11, 2021. H00k3d's vendor profile also contained the same avatar mentioned in paragraph 12 and PGP key referenced in paragraph 17. The active listings were several types of prescription opioids and various amount of counterfeit twenty dollar bills—like the products listed in paragraph 16.

#### **Undercover Drug and Counterfeit U.S. Currency Purchases From H00k3d**

20. Beginning in January 2020, investigators began to conduct undercover drug and counterfeit U.S. currency purchases from the vendor H00k3d via the DMs Apollon and Dark Market. To initiate the transactions, the investigators logged into their undercover accounts on DMs and placed orders with H00k3d. The undercover investigators paid for the suspected narcotics and counterfeit U.S. currency with cryptocurrency obtained with official government funds. The suspected narcotics and counterfeit currency were then sent to the investigators via USPS First Class Mail and the items were received several days after the undercover investigator ordered them. The arrival of the packages was consistent with H00k3d's advertised shipping methods.

21. The below table lists thirteen undercover purchases from H00k3d since January 2020. The table denotes the following: (1) the date that the undercover purchase was initiated; (2) the items ordered in each specific transaction; (3) the city where the undercover investigator designated the drugs to be shipped; and (4) the DM that the controlled buy was purchased through.

Date Ordered	Items Ordered <sup>4</sup>	Location Mailed To	DM
1/7/2020	25 hydrocodone 5/325 mg. pills <sup>5</sup>	(Manassas, VA)	Apollon
6/11/2020	20 oxycodone 10/325 mg. pills <sup>6</sup>	(Dulles, VA)	Dark Market
6/19/2020	20 oxycodone 10/325 mg. pills	(Dulles, VA)	Dark Market
6/25/2020	10 counterfeit twenty U.S. dollar bills	(Lorton, VA)	Dark Market
8/16/2020	20 morphine ABG 60 mg. pills	(Dulles, VA)	Dark Market
8/26/2020	20 morphine ABG 60 mg. pills	(Dulles, VA)	Dark Market
9/15/2020	90 gabapentin D-40 400 mg. pills	(Dulles, VA)	Dark Market
9/15/2020	20 counterfeit twenty U.S. dollar bills	(Vienna, VA)	Dark Market
9/16/2020	10 Adderall M-30 mg. pills <sup>7</sup>	(North Kansas City, MO)	Dark Market
9/18/2020	40 oxycodone 10/325 mg. pills	(Haymarket, VA)	Dark Market
11/15/2020	15 hydrocodone 10 mg. pills	(Dulles, VA)	Dark Market
11/15/2020	39 morphine 60 mg. pills	(Haymarket, VA)	Dark Market
12/15/2020	80 oxycodone 7.5/325 mg. pills	(Dulles, VA)	Dark Market

<sup>4</sup> Unless otherwise noted, controlled substances purchased have been submitted to a laboratory for testing and are pending analysis.

<sup>5</sup> The pills were analyzed by the DEA Mid-Atlantic Laboratory and were determined to contain hydrocodone.

<sup>6</sup> The pills were analyzed by the DEA Mid-Atlantic Laboratory and were determined to contain oxycodone.

<sup>7</sup> These pills were tested using a TruNarc (a handheld drug analyzer used in the preliminary identification of controlled substances/hazardous materials) and received a positive response for the presence of "Amphetamine."

22. The pills received were all consistent with the images advertised on the H00k3d vendor pages on Apollon and Dark Market.

23. All except for one of the aforementioned items were shipped in white USPS Priority Mail flat rate envelopes bearing a tracking number, a \$7.75 stamp, self-adhesive printed address label and bore no sender name or return address. The outlier parcel contained the same exact features except that the recipient address was handwritten. H00k3d offered free Priority Mail shipping with purchases conducted through Dark Market. Most of the packages contained an inner white letter size envelope with a thin blue rubber band around it that contained within it a heat-sealed clear bag with the suspected narcotics or counterfeit U.S. currency inside. I know that individuals involved in selling drugs and other illicit goods via the darknet try to disguise their shipments in order to avoid detection by law enforcement.

24. Analysis of mailings associated to the undercover controlled purchases revealed many parcels with the same characteristics being mailed out of Utica, New York where PAGAN resides.

#### **Identification of ALBIE PAGAN**

25. A review of a now defunct DM referred to hereinafter as DM1 that was seized by law enforcement revealed that the vendor H00k3d made at least 222 withdrawal transactions of cryptocurrency funds paid by customers between October 2016 and July 2017. Withdrawal transactions occur when the vendor removes cryptocurrency proceeds from a marketplace into a cryptocurrency wallet owned and operated by the vendor. The seized server contained full transaction information, including the withdrawal address, for several of the transactions. For the remainder of the transactions the server listed the transaction time and amount of the withdrawal. Five of those withdrawal transactions were associated with a peer-to-peer bitcoin exchange



marketplace ("Exchange 1") account "rclempo2020." Records provided by Exchange 1 revealed that the account was registered using the email address rclempo2020@gmail.com.

26. Internet Protocol ("IP") address history from Exchange 1 related to the email address rclempo2020@gmail.com revealed that the Exchange 1 account was accessed on November 20, 2017 from an IP address registered to PAGAN. Based on records from an internet service provider that serviced the IP address at the time, the IP address was associated with a residence on the 1200 block of Noyes Street, Utica, New York, 13502, where PAGAN still resides.

27. Based on physical surveillance, a review of New York Department of Motor Vehicles ("DMV") license records and Utica, New York property records, PAGAN resides at the residence on the 1200 block of Noyes Street, Utica, New York, 13502. In addition, based on records obtained from Sprint, a cellular phone is registered to PAGAN at this address.

28. The rclempo2020@gmail.com address was also used to register an account at another cryptocurrency exchange ("Exchange 2"). Though the account listed the name of "Rodger Clempo," Exchange 2 know-your-customer records showed that the account was registered to a relative of PAGAN's. Based on my training and experience, I know that drug traffickers typically use fictitious names to avoid identification and evade law enforcement. Through analysis of the partially identified DM1 bitcoin withdrawals and the transaction history of the Exchange 2 account, at least two H00k3d withdrawals from DM1 were deposited into the Exchange 2 account.

29. Pursuant to a Pen Register/Trap and Trace authorized by the Honorable Judge John F. Anderson for PAGAN's home internet on December 18, 2020, records show network connections from PAGAN's home internet to TOR nodes on multiple days which indicates the use of TOR which is needed to connect to the darkweb.

### **2016 New York Investigation Involving PAGAN**

30. During the course of the investigation, agents learned that the USPIS and USSS Syracuse Office had conducted an investigation in 2016 involving the sale of counterfeit U.S. currency being shipped via the U.S. Mail from the Utica, NY area. The mailings identified in the investigation were USPS Priority Mail flat rate envelopes with pre-paid stamps, bearing a tracking number and no sender name or return address, like the packages received in the controlled buys described above.

31. On June 14, 2016, U.S. Postal Inspectors in Syracuse, New York in the same region as Utica, New York where PAGAN resides, were made aware of six (6) parcels emitting a suspicious odor. A U.S. Postal Inspector obtained consent from the intended recipient of one of the parcels to open it. That parcel was found to contain twenty-two (22) counterfeit ten U.S. dollar bills.

32. On June 15, 2016, agents were notified by the Whitesboro, New York postmaster of five (5) mailings emitting a suspicious odor that were deposited into the same collection box as the previously mentioned six (6) parcels and contained similar characteristics.

33. On June 17, 2016, USPS employees notified authorities of a customer purchasing Priority Mail stamps and inquiring about envelopes. The customer drove a white vehicle with a spotlight and bore New York license plate \*\*\*2808 which matches the vehicle which PAGAN has recently been seen driving and using to drop packages.

34. The eleven parcels contained the same type of USPS Priority Mail flat rate stamps purchased and Priority Mail flat rate envelopes inquired about by the customer driving the vehicle with New York license plate \*\*\*2808. DMV records showed that the aforementioned vehicle was registered to PAGAN.

35. On June 21, 2016, pursuant to a search warrant (5:16-MJ-351) authorized by the Honorable David E. Peebles, U.S. Magistrate Judge for the District Court for the Northern District of New York, the eleven parcels (five from June 14, 2016 and six from June 15, 2016), were found to contain counterfeit U.S. currency in ten and twenty U.S. dollar denominations.

36. On July 11, 2016, six (6) additional USPS Priority Mail envelopes were seized from a blue USPS collection box located in Yorkville, New York and these packages displayed similar characteristics to those seized on June 14, 2016 and June 15, 2016. Yorkville, New York is an approximately a five (5) minute drive from Utica, New York, where PAGAN currently resides.

37. On September 12, 2016, pursuant to a search warrant (5:16-MJ-463) authorized by Northern District of New York Magistrate Judge David E. Peebles, law enforcement found the parcels to contain 55 pills identified as being controlled substances including hydrocodone, hydromorphone, hydrochloride, and acetaminophen.

#### **Surveillance of PAGAN**

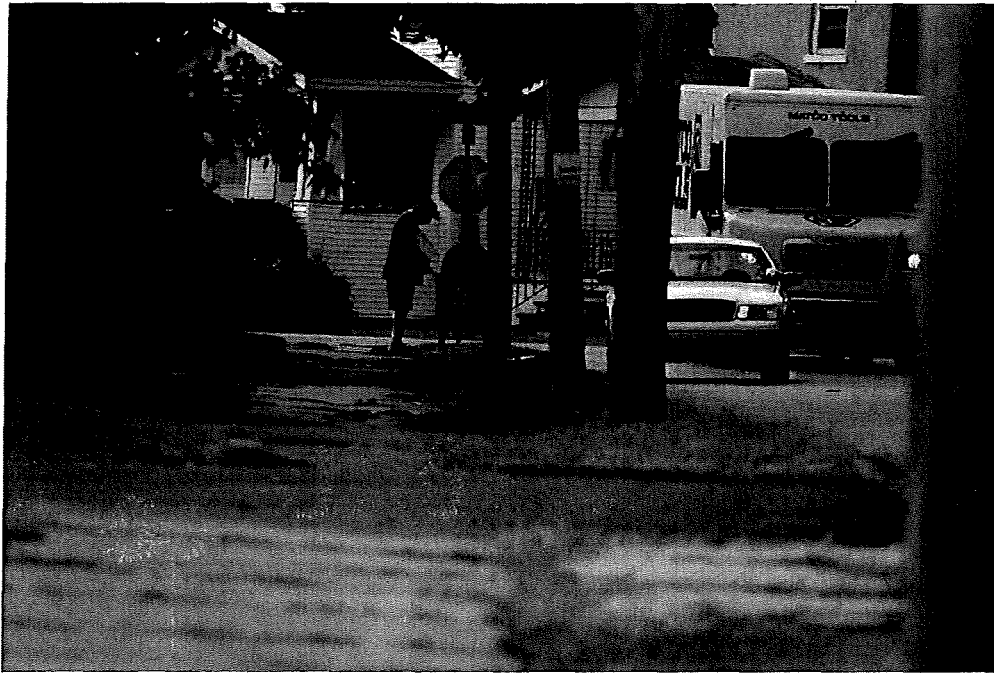
38. According to USPS employees, PAGAN is currently known to buy postal supplies at a local post office located at 1709 Genesee Street, Utica, New York, hereinafter the "Kernan Post Office." In July 2020, a U.S. Postal Inspector spoke with a USPS sales associate at the Kernan Post Office regarding a male customer who was described as having previously purchased Priority Mail \$7.75 stamps on numerous occasions and always paying with either a \$50 or \$100 bill.

39. On July 8, 2020, a male customer matching the description of PAGAN purchased twelve (12) \$7.75 stamps. On August 24, 2020, the same male customer purchased twenty-four (24) \$7.75 stamps. On October 21, 2020 the same male customer purchased twelve (12) \$7.75 stamps. On December 11, 2020, this same male customer purchased sixteen (16) priority mail stamps. On January 2, 2021 the same male customer purchased twelve (12) priority mail stamps.

On February 2, 2021 the same male customer purchased fifty (50) .20 cent stamps. I believe this was due to the cost of a USPS Priority Mail flat rate envelope increasing from \$7.75 to \$7.95. As discussed above, \$7.75 stamps were used on the parcels received in controlled purchases. The customer was driving an old white Ford Crown Victoria with a spotlight and New York license tag—the same type of vehicle PAGAN has been observed driving. This vehicle matches the vehicle described in paragraphs 33 and 34.

40. On September 9, 2020, an FBI undercover messaged H00k3d on Dark Market inquiring about a restock of H00k3d's pill supply. H00k3d replied on September 9, 2020 stating that most of their sources get pills every 30 days and when H00ked lists those pills they sell out in a week. H00ked was considering opening on the 16th of every month until the pill supply runs out.

41. Law enforcement conducted surveillance in connection with the controlled purchases initiated on September 15, 2020 listed in the table above. On the morning of September 15, 2020, agents in Utica, New York observed PAGAN exit his home on the 1200 block of Noyes Street, Utica, New York carrying a large white package in his hands and enter the driveway. They observed PAGAN drive a white Ford Crown Victoria with New York license plate \*\*\*2808. Agents observed PAGAN deposit Priority Mail envelopes into twelve different USPS collection boxes in Utica, New York. Below is a photograph depicting PAGAN on September 15, 2020 dropping mail at a USPS collection box with the vehicle bearing license plate \*\*\*2808 parked on the street by the box:



42. A U.S. Postal Inspector reviewed the mail deposited into eight of the twelve collection boxes (mail at the other four had already been retrieved prior to the inspector's arrival) and identified thirteen mailings that shared similar characteristics. The thirteen mailings were in USPS Priority Mail flat rate envelopes bearing a tracking number, a \$7.75 stamp, self-adhesive printed address label and bore no sender name or return address. The parcels were destined for addresses throughout the United States.

43. A U.S. Postal Inspector also observed that a Priority Mail parcel was also in the collection box located near 126 Business Park Drive, Utica, New York and was destined for an address in Memphis, Tennessee. On September 25, 2020, a U.S. Postal Inspector in Memphis, Tennessee interviewed the intended recipient of that parcel and obtained written consent to open the parcel. The parcel contained eleven (11) suspected counterfeit twenty U.S. dollar bills.

44. A U.S. Postal Inspector also reviewed USPS records for two Priority Mail flat rate envelopes deposited at the Utica Main Post Office on September 16, 2020. Both parcels contained tracking numbers, self-adhesive printed address labels, a \$7.75 stamp and no sender name or return

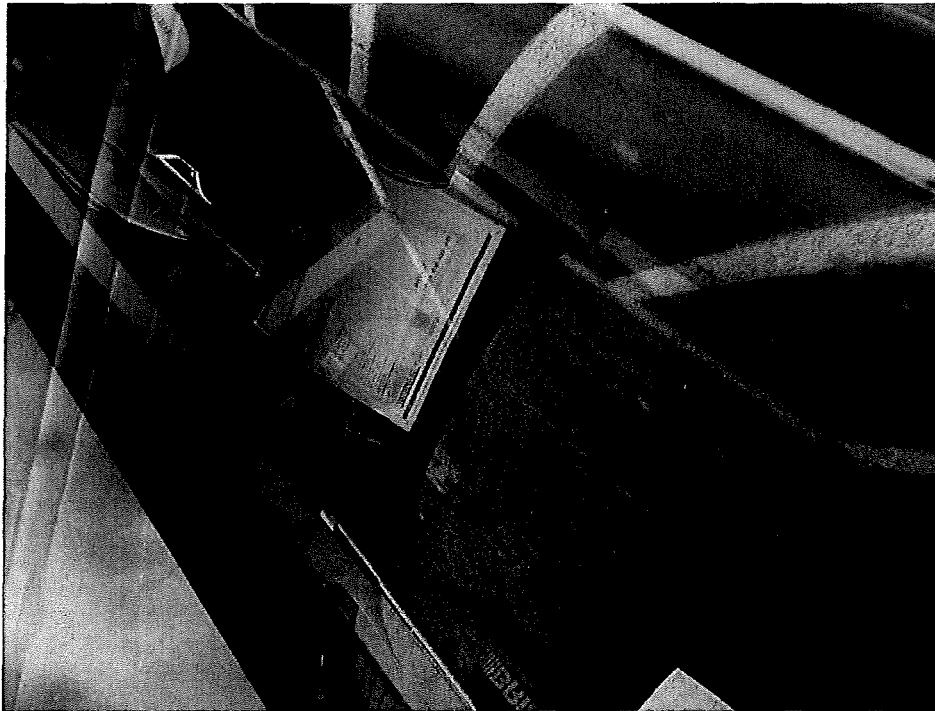
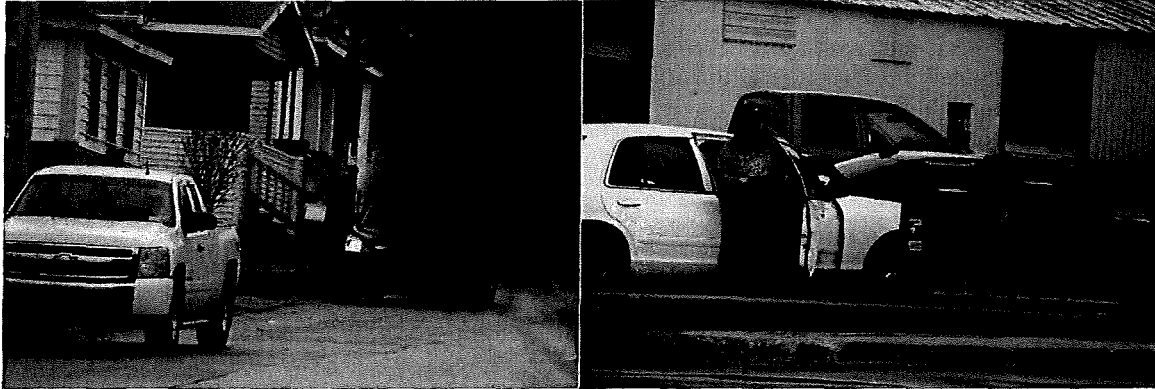
address. One of the parcels was addressed to the undercover agent and destined for an address in the Eastern District of Virginia. This parcel is believed, based on the recipient name and address, to be the September 15, 2020 controlled purchase for 90 gabapentin D-40 400 mg pills. The timing of this shipment is consistent with the promise on H00k3ed's Dark Market vendor page that: "All packages will be shipped within 48 hours of ordering, but usually ship same day."

45. On September 16, 2020, while at the blue collection box located in front of 114 Business Park Drive, Utica, NY, a USPS employee collected a Priority Mail flat rate envelope from a customer. The customer was described as a white male who was driving a white older model sedan bearing New York license plate \*\*\*2808, the same vehicle driven by PAGAN on the previous day as described above. The parcel matched the description of the previous parcels discussed bearing only a tracking number, a \$7.75 stamp, a self-adhesive printed address label and had no sender name or return address. It was destined for an address in Gloucester City, New Jersey.

46. On October 7, 2020, pursuant to a search warrant (5:20-MJ-493) was authorized by the Honorable Miroslav Lovric, U.S. Magistrate Judge for the United States District Court of the Northern District of New York, law enforcement searched the contents of the parcel. The parcel contained ten (10) buprenorphine and naloxone sublingual film 8 mg./2m packets. These packets were advertised for sale on H00k3d's Dark Market vendor page.

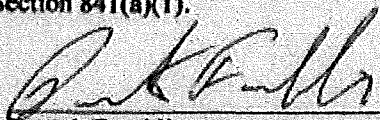
47. On November 16, 2020, agents observed PAGAN exit his residence carrying a clear plastic container. PAGAN entered the white Ford Crown Victoria bearing New York License plate \*\*\*2808. PAGAN drove to a grocery store, where he met another individual inside. While inside of the grocery store, agents were able to see inside the vehicle and observed inside PAGAN's vehicle a package believed to contain a controlled purchase order made on November

15, 2020. Below are photographs taken on November 16, 2020, depicting PAGAN leaving his residence; dropping mail at a USPS collection box; and the inside of PAGAN's vehicle, showing a package on the floorboard of the vehicle which is believed to contain a controlled purchase order made online by undercover agents on November 15, 2020:




### CONCLUSION

48. Based on the foregoing, I submit that there is probable cause to believe that, from at least in or about October 2016 up to and including the present, both dates being approximate, in the Eastern District of Virginia and elsewhere, the defendant ALBIE PAGAN, distributed controlled substances, including oxycodone and hydrocodone, Schedule II controlled substances, in violation of Title 21, United States Code, Section 841(a)(1).

  
Dereck Franklin  
Special Agent  
Federal Bureau of Investigation

Attested to by the applicant in accordance with  
Fed. R. Crim. Proc. 4.1 by telephone on  
February 16, 2021.

 /s/ \_\_\_\_\_  
Ivan D. Davis  
United States Magistrate Judge





IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

UNITED STATES OF AMERICA

v.

ALBIE PAGAN,

*Defendant.*

Criminal No. 1:21-CR-95 (LMB)

Count One: 21 U.S.C. § 841(a)(1)  
Distribution of controlled Substances

Count Two: 18 U.S.C. § 472  
Selling Counterfeited Obligations of the  
United States

CRIMINAL INFORMATION

COUNT ONE

*(Distribution of Controlled Substances)*

THE UNITED STATES ATTORNEY CHARGES THAT from in or around October 2016 continuing up to and including in or around February 2021, in Loudoun County, Virginia, within the Eastern District of Virginia, and elsewhere, the defendant, ALBIE PAGAN, did knowingly, intentionally, and unlawfully distribute a quantity of controlled substances including oxycodone, hydromorphone, hydrocodone, and Adderall, Schedule II controlled substances.

(In violation of Title 21, United States Code, Section 841(a)(1)).

COUNT TWO

THE UNITED STATES ATTORNEY CHARGES THAT

The United States Department of the Treasury, through the Bureau of Engraving and Printing (“BEP”), develops and produces United States currency notes, which are trusted worldwide. As its primary function, the BEP oversees the production of billions of dollars, referred to as Federal Reserve Notes (“FRN”). The production of FRN is not a simple or easy task and involves highly-trained and skilled craftspeople, specialized equipment and a combination of traditional, old-world printing techniques merged with sophisticated, cutting-edge technology. Overall, there are numerous, distinctive steps required in the production process and the design, paper and ink used in the production of FRN are distinct. The FRN also have various security features as a means to protect against counterfeiting. Genuine FRN are circulated through the Federal Reserve, which operates as the nation’s central bank and serves to ensure that adequate amounts of currency are in circulation.

From in or around 2018, and continuing thereafter up to and including in or around February 2021, in Fairfax County, in the Eastern District of Virginia and elsewhere, the defendant ALBIE PAGAN did unlawfully and knowingly sell, with intent to defraud, falsely made, forged and counterfeited obligations of the United States, that is, \$10 and \$20 FRN, which the defendant then knew to be falsely made, forged and counterfeited, in violation of Title 18, United States Code, Section 472.

FORFEITURE NOTICE

Pursuant to Fed. R. Crim. P. 32.2(a), the defendant, ALBIE PAGAN, is hereby notified that if convicted of the controlled substance offense alleged in Count One of the Criminal information, the defendant ALBIE PAGAN shall forfeit to the United States, pursuant to Title 21, United States Code, Section 853(a), the following: (1) any property constituting, or derived from, any proceeds the defendant obtained, directly or indirectly, as the result of such violation; and (2) any of the defendant's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation.

Pursuant to Fed. R. Crim. P. 32.2(a), the defendant, ALBIE PAGAN, is hereby notified that if convicted of the offense alleged in Count Two of the Criminal information, the defendant ALBIE PAGAN shall forfeit to the United States, pursuant to 18 U.S.C. 982(a)(2)(B), 18 U.S.C. § 492, and 28 U.S.C. § 2461 the following: (1) any property constituting, or derived from, any proceeds obtained, directly or indirectly, as the result of the violation; and (2) any coins or obligations or other securities of the United States or of any foreign government, or any articles, devices, and other things made, possessed, or used in violation of the offense, or any material or apparatus used or fitted or intended to be used, in the making of such counterfeits, articles, devices or things, found in the possession of any person without authority from the Secretary of the Treasury, or other proper officer.

Pursuant to Fed. R. Crim. P. 32.2(a), the defendant, ALBIE PAGAN, is hereby notified that upon conviction of any of the violations set forth in this Criminal Information, he shall forfeit to the United States, pursuant to 18 U.S.C. § 924(d)(1) and 28 U.S.C. § 2461(c), any firearm or ammunition involved in or used in the violation.

Pursuant to 21 U.S.C. § 853(p), ALBIE PAGAN, shall forfeit substitute property, if, by any act or omission of ALBIE PAGAN, the property referenced above cannot be located upon the exercise of due diligence; has been transferred, sold to, or deposited with a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.


(All in accordance with 18 U.S.C. § 982(a)(2)(B), 18 U.S.C. § 924(d)(1), 28 U.S.C. § 2461(c), 21 U.S.C. § 853(a), 18 U.S.C. § 492, and Fed. R. Crim. P. 32.2.)

Respectfully submitted,

Raj Parekh  
Acting United States Attorney

Date: May 11, 2021

By: \_\_\_\_\_

  
Bibeane Metsch  
Assistant United States Attorney



IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

UNITED STATES OF AMERICA

v.

ALBIE PAGAN,

Defendant.

Criminal No. 1:21-CR-95 (LMB)

STATEMENT OF FACTS

The United States and the defendant, ALBIE PAGAN (hereinafter, "the defendant"), agree that at trial, the United States would have proven the following facts beyond a reasonable doubt with admissible and credible evidence:

1. Over the years the defendant used the moniker H00k3d on various darknet markets including Alphabay, Apollon, Avaris, Cryptonia, Dark Market, Darkode, Dream, Nightmare, and Wall Street.

2. From in or around October 2016 through at least in or around February 2021, in the Eastern District of Virginia and elsewhere, the defendant did knowingly, intentionally, and unlawfully distribute controlled substances.

3. The defendant was personally involved in the distribution of at least 3,000 kilograms but less than 10,000 kilograms of converted drug weight.

4. From in or around 2018 through at least in or around February 2021, in the Eastern District of Virginia and elsewhere, the defendant did unlawfully and knowingly sell, with intent to defraud, falsely made, forged and counterfeited obligations of the United States, that is, \$10 and \$20 Federal Reserve Notes ("FRN"), which the defendant then knew to be falsely made, forged and counterfeited.

5. The defendant advertised for sale through moniker H00k3d counterfeit \$10 and \$20 FRN that was stored at his residence for packing and shipping.

6. The defendant sold through H00k3d at least \$250,000 but not more than \$550,000 in counterfeit FRN. It was reasonably foreseeable to the defendant that his customers would use the counterfeit currency as though it was legitimate FRN, thereby defrauding businesses and individuals.

7. The defendant advertised and sold prescription opioids and medications including oxycodone, hydromorphone, hydrocodone, and Adderall, Schedule II controlled substances, as well as counterfeit U.S. currency through the H00k3d on various darknet markets.

8. H00k3d joined Alphabay on October 2016, Wall Street in February 2018, Cryptonia on August 3, 2019, and Dark Market on May 2020.

9. On Wall Street alone, the defendant sold over \$325,000 in counterfeit FRN. On the darknet market Dark Market alone, as of December 3, 2020, H00k3d had 475 rated orders (customers are not required to rate or leave a review) that reflected purchases for several items including 3,293 Hydrocodone orders, 2,250 Oxycodone orders, and 382 Hydromorphone orders.

10. On Alphabay, the defendant's gross proceeds for his sale of narcotics was at least \$90,399.50. On Wall Street, the defendant's gross proceeds for his sale of narcotics and counterfeit FRN was at least \$1,011,079.75. On Dark Market, the defendant's gross proceeds for his sale of reviewed transactions of narcotics and counterfeit FRN was at least \$131,948.

11. The defendant would acquire and then package and ship nationwide mailings containing controlled substances and counterfeit currency that he sold for a profit using the moniker H00k3d.



12. The defendant was observed mailing packages ordered from H00k3d on September 15, 2020, September 16, 2020, and November 16, 2020.

13. On February 17, 2021, a search warrant was conducted at the defendant's residence. Therein, agents located prescription medications, packaging materials consistent with those received by law enforcement through the controlled purchases made from H00k3d, \$177,920 in legitimate U.S. currency, and counterfeit currency including trashed versions that were apparently deemed inadequate to sell.

14. This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include each and every fact known to the defendant or to the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant's case.

15. The actions of the defendant, as recounted above, were in all respects knowing and deliberate, and were not committed by mistake, accident, or other innocent reason.

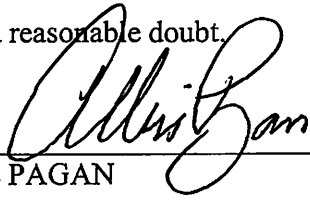
Respectfully submitted,

Raj Parekh  
Acting United States Attorney

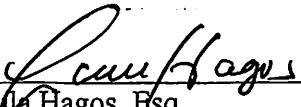
Date: May 11, 2021

By:   
Bibeane Metsch  
Assistant United States Attorney

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, ALBIE PAGAN, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

 4-23-21  
\_\_\_\_\_  
ALBIE PAGAN

I am Lula Hagos, defendant's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

  
\_\_\_\_\_  
Lula Hagos, Esq.  
Attorney for ALBIE PAGAN