

DeepDotWeb Administrator Sentenced for Money Laundering Scheme

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Press Release

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For Immediate Release

Office of Public Affairs

Defendants Received Over \$8 Million in Kickbacks from Purchases of Contraband on Darknet Marketplaces

An Israeli national was sentenced yesterday to 97 months in prison for operating DeepDotWeb (DDW), a website that connected internet users with Darknet marketplaces, where they purchased illegal firearms, malware and hacking tools, stolen financial data, heroin, fentanyl and other illicit materials.

According to court documents, Tal Prihar, 37, an Israeli citizen residing in Brazil, pleaded guilty to conspiracy to commit money laundering in March 2021. Beginning in October 2013, Prihar owned and operated DDW, along with co-defendant Michael Phan, 34, of Israel. In addition to providing general information about the Darknet, DDW provided users with direct links to illegal Darknet marketplaces, which are not accessible through traditional search engines.

For providing these links, Prihar and Phan received kickback payments from the marketplaces in the form of virtual currency, including approximately 8,155 bitcoins (worth approximately \$8.4 million at the time of the transactions). To conceal the nature and source of these illegal kickback payments, Prihar transferred the payments from his DDW bitcoin wallet to other bitcoin accounts and to bank accounts he controlled in the names of shell companies. DDW was seized by federal authorities in April 2019, and Prihar has agreed to forfeit \$8,414,173. Phan remains abroad and is currently undergoing extradition proceedings in Israel.

Assistant Attorney General Kenneth A. Polite Jr. of the Justice Department's Criminal Division and U.S. Attorney Cindy K. Chung for the Western District of Pennsylvania made the announcement.

The FBI's Pittsburgh Field Office investigated the case.

Assistant U.S. Attorney Jessica Lieber Smolar for the Western District of Pennsylvania and Trial Attorneys C. Alden Pelker of the Criminal Division's Computer Crime and Intellectual Property Section and Alexander Gottfried of the Criminal Division's Organized Crime and Gang Section prosecuted the case.

The department thanks French authorities as well as its law enforcement colleagues at the U.S. Postal Inspection Service, IRS-Criminal Investigation, Brazilian Federal Police Cyber Division, Israeli National Police, Dutch National Police, Europol Darkweb Team, Federal Criminal Police Office of Germany, and National Crime Agency in the United Kingdom. Significant assistance was provided by the Justice Department's Office of International Affairs.

This case was brought in conjunction with the Joint Criminal Opioid and Darknet Enforcement (J-CODE) Team. Established within the FBI's Hi-Tech Organized Crime Unit, J-CODE is a U.S. Government initiative aimed at targeting drug trafficking, especially fentanyl and other opioids, on the Darknet. The J-CODE team brings together agents, analysts, and professional staff with expertise in drugs, gangs, health care fraud and more.

This prosecution is also a result of an Organized Crime Drug Enforcement Task Force (OCDETF) investigation.

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Topic

Cybercrime

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