

German police shut down major 'darknet' illegal trading site

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German police have shut down one of the world's largest illegal online markets in the so-called darkweb and arrested the three men allegedly running it, prosecutors said Friday.

The "Wall Street Market" (WSM) site enabled trade in cocaine, heroin, cannabis and amphetamines as well as stolen data, fake documents and malicious software.

The encrypted platform had more than one million customer accounts, over 5,000 registered sellers and more than 60,000 sales offers, according to Frankfurt prosecutors and affidavits filed by US prosecutors in federal court in Los Angeles.

"WSM operated like a conventional e-commerce website, such as eBay and Amazon. However, its sole existence was geared to the trafficking of contraband," US prosecutors said.

Three German administrators of WSM were arrested, while a fourth man—a Brazilian who acted as an online mediator for the website—was being pursued in Brazil.

In addition, two people US prosecutors said were top WSM vendors and major drug dealers operating out of Los Angeles were also arrested in an international operation that involved Europol, German and Dutch police and the FBI.

Launched in 2016, WSM grew over the past three years to be the largest darknet site after the 2017 shutdown of the notorious AlphaBay and Hansa marketplaces.

The site was accessed through the encrypted Tor network to shield customers from detection and transactions were made with crypto currencies Bitcoin and Monero.

It offered interfaces in six languages—English, German, Spanish, French, Portuguese and Italian—and numerous separate categories for merchandise, including drugs, jewelry, equipment and support for credit card fraud, software and malware, among others.

One vendor category was simply called "fraud," according to the court filings.

Like legal online marketplaces, buyers could search by product, product popularity, vendor ratings, payment type and price.

The operators allegedly received commissions of two to six percent of the sales value.

The police operation started after Finnish authorities shut down the illegal Tor trade site Silkkitie (Valhalla) earlier this year, said Europol.

This had led some Finnish narcotics traders to move to WSM.

In April, the WSM administrators were apparently alarmed at the sudden surge of customers and, the court documents said, enacted an exit plan that involved freezing the escrow accounts and customer wallets and taking all the virtual currency held in them at the time—estimated at \$11 million.

That spurred investigators to act and on April 23 and 24 they arrested the three German suspects, aged 22 to 31, in the states of Hesse, Baden-Wuerttemberg and North Rhine-Westphalia.

They also seized servers, over 550,000 euros (about \$600,000) in cash, and hundreds of Bitcoin and Monero, as well as several vehicles and a gun.

In the United States, an investigation in Los Angeles led to the arrests of two of the highest-selling suppliers of narcotics, and the seizure of illegal weapons as well as millions of dollars in cash, said German authorities.

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