

# EXHIBIT 5

**To:** Osborn, Phillip L[Phillip.L.Osborn@ice.dhs.gov]  
**From:** DerYeghiayan, Jared  
**Sent:** Wed 5/15/2013 12:18:52 PM  
**Importance:** Normal  
**Sensitivity:** None  
**Subject:** Mt Gox/ KARPELES Baltimore money seizures DWOLLA and Mutum Sigillum

Phil,

Here are the facts of the most recent money made by HSI and SS Baltimore on bank accounts and Dwolla accounts belonging to the target of our HSI investigation (Mark KARPELES).

-In July of 2012, HSI Chicago identified links between the owner of the Mt. Gox bitcoin exchange (Mark KARPELES) and the Silk Road website.

-In early August of 2012, HSI Chicago notified HSI Baltimore of the connection made and stated that KARPELES was a target of HSI Chicago's investigation.

-HSI Baltimore was provided a copy of the HSI Chicago's ROI that highlighted all the facts of the connection.

-HSI Baltimore was asked not to share the connection with any other Agencies in their unofficial task force comprised of Secret Service, DEA, IRS, and potentially others. HSI Baltimore agreed not to share the information.

-In August of 2012, HSI Chicago inputted KARPELES in DICE/SOU as a target of the investigation and OCDETF provided an intelligence product on KARPELES in return. In the intelligence product HSI Chicago found that the DEA agent in Baltimore had inputted similar information on passports and details that were identical to HSI Chicago's TECS record on KARPELES in DEA's system NADDIS.

-HSI Chicago contacted HSI Baltimore and they confirmed that they shared all of HSI Chicago's information on KARPELES with members of their task force. HSI Chicago discovered that their IRS Agent, DEA Agent and SS Agent all inputted KARPELES into their individual investigations as a target and a potential administrator of the Silk Road based on HSI Chicago's ROI/information.

-In January of 2013, HSI Chicago opened a UC Bank account for the purpose of being able to move money through Mt. Gox and the other companies owned by KARPELES (Mutum Sigillum LLC). HSI Chicago's AUSA Marc Krickbaum was briefed on the

transaction and was in concurrence.

-On April 03, 2013, HSI Chicago initiated an UC purchase of evidence from the Silk Road using Mt. Gox/ Mutum Sigillum. The purpose of the transaction was mainly to develop venue and provide evidence to successfully charge the 1960 violation in the Northern District of Illinois.

-On April 23, 2013, all of the transfers were complete and HSI Chicago arranged a meeting on May 16, 2013 with HSI Chicago's AUSA to discuss the 1960 charges that were developed on KARPELES through the transactions.

-In April of 2013, on several occasions, HSI Chicago briefed HSI Baltimore's case Agent Michael McFarland and the Baltimore AUSA Justin Herring (Who is the AUSA over all the agencies in the Baltimore task force) that HSI Chicago was pursuing KARPELES and his company Mutum Sigillum/ Mt. Gox with criminal 18 USC 1960 charges for operating as an unlicensed Money Service Business (MSB). Each acknowledged and stated that KARPELES was not an active target of their investigation and they did not believe he was involved in operating the Silk Road. Their AUSA knew HSI Chicago was pursuing KARPELES/ Mt. Gox/ Mutum Sigillum and their DWOLLA account and on May 08, 2013 provided to HSI Chicago copies of records they previously subpoenaed DWOLLA for on KARPELES and contacts for Dwolla's attorneys.

-On May 09, 2013, HSI Chicago sent a Grand Jury subpoena to Dwolla for all their account activity associated to Mutum Sigillum.

-On May 10, 2013, HSI Chicago case Agent Jared Der-Yeghiayan was contacted by the HSI case agent and the Baltimore AUSA that the SS agent in their task force had issued a civil seizure warrant for Mutum Sigillum's Wells Fargo bank account. Both the case agent and AUSA stated they were not notified by the SS agent in their task force of the seizure warrant before it was already filed. The AUSA stated that he learned that the SS headquarters was notified that Wells Fargo had closed down Mutum Sigillum account over suspicions of 1960 violations and the money was going to be returned to KARPELES. It is not exactly known at this time, but HSI Chicago believes that SS Headquarters notified the SS agent in Baltimore based on his record on KARPELES and therefore he got involved in making the seizure.

-HSI Chicago was told by the Baltimore AUSA that the SS agent never contacted him or the HSI Agent in Baltimore about the money and instead went to a different AUSA in the Baltimore office to seize the money. The Baltimore AUSA and HSI Baltimore agent only found out about the seizure after the AUSA writing the warrant contacted him.

-This is when the HSI Baltimore and the Baltimore AUSA then contacted the HSI Chicago agent to notify him of the seizure. They stated that they (meaning the SS and

the other Baltimore AUSA) were not pursuing criminal charges for the 1960 violation on KARPELES.

-The following Monday May 13, 2013, HSI Baltimore and the Baltimore AUSA Justin Herring contacted HSI Chicago to notify him that they negotiated with SS Baltimore to seize the money in KARPELES's Dwolla account using the same affidavit written by the SS. The total in the account was said to be over 3 million USD. HSI Baltimore stated that they would add Chicago's project code for their CUC and case number to their seizure of 3 million.

-The Chicago AUSA Marc Krickbaum is aware of both seizures and has informed the AUSA Justin Herring in Baltimore that Chicago was still intending on possibly pursuing criminal charges for 1960 violations that occurred in the State of Illinois. AUSA Marc Krickbaum had no objections to the SS seizure or HSI's seizure over the accounts even though HSI Chicago felt they should be making the seizure on the Dwolla account.

-It is HSI Chicago's and HSI Baltimore's case agent position that the SS Baltimore Agent would have never been alerted by SS headquarters about KARPELES's bank account had it not been for the record they entered as a direct result of it being provided to them by HSI Chicago through HSI Baltimore. HSI Chicago is the source of the information for HSI Baltimore's work on KARPELES as well. HSI Chicago maintains the longest standing TECS records on KARPELES, and exclusive TECS records on Mt. Gox and Mutum Sigillum.

-Case agent Jared Der-Yeghiayan is also of the opinion that that HSI Baltimore should have offered to defer the Dwolla seizure of 3 million USD plus to HSI Chicago knowing that they had developed the charges in their district and were pursuing criminal charges.

-HSI Chicago is still pursuing to educate and persuade the AUSA in Chicago to criminally charge KARPELES for 1960 violations. The meeting with the AUSA is still scheduled for tomorrow morning.

Jared