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DEFENSE CRIMINAL INVESTIGATIVE SERVICE
LONG BEACH RESIDENT AGENCY
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(Investigations)

REPORT OF INVESTIGATION

200701667W-17-AUG-2007-50ES-W1/Z

31-JANUARY-2008



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NARRATIVE

1. On July 18, 2007 [REDACTED] [REDACTED] [REDACTED], DCIS Arlington Resident Agency, referred identifying information for sixteen persons with ties to the Department of Defense (DoD) who are in the DCIS Long Beach Resident Agencies (50ES) Area of Responsibility (AOR) and are suspected of purchasing and supporting the child pornography trade. [REDACTED] [REDACTED] initially received the information from Assistant United States Attorney Gerald Smagala, United States Attorney's Office (USAO), Eastern District of Virginia. The persons identified are active, reserve & retired military members, DoD civilians and DoD contractor employees, several of whom have security clearances.
2. In April 2006, the Immigration and Customs Enforcement/Cyber Crimes Center/Child Exploitation Section (ICE/C3/CES) initiated an investigation into a criminal organization operating a commercial child pornography website known as "Home Collection." The investigation revealed that the same organization is operating numerous commercial child pornography websites. In addition, the organization utilizes various PayPal accounts to process the payments for access to the member restricted websites. The investigation is being worked jointly with ICE/C3/CES, ICE/Birmingham, the U.S. Postal Inspection Service, the U.S. Department of Justice/Child Exploitation and Obscenity Section, and the USAO for the Northern District of Alabama. ICE has designated this operation as Project Flicker.
3. ICE/C3/CES conducted over 60 undercover transactions at the advertising websites associated with this investigation. The investigation determined that a specific criminal organization operates approximately 18 commercial child pornography portal websites which provide access to approximately 18 child pornography member-restricted websites, using a specific and identifiable payment website known as "iWest." The investigation identified that the criminal organization (1) uses various PayPal accounts to facilitate the customer payments; (2) uses specific subject identifiers within the PayPal accounts to identify purchases into the various member restricted websites; and (3) uses specific administrative e-mail accounts that are used to distribute access to the member restricted websites.
4. Project Flicker data was sorted to identify individuals who used their personal e-mail addresses, .mil e-mail address, Fleet Post Office, or Army Post Office military zip codes to register for the PayPal service to access the child pornography websites. The four suspects identified in the 50ES AOR have been titled as subjects based upon the initial evidence that was provided to the DCIS by ICE. Based upon the fact that the subjects are DoD employees and possess security clearances, ICE has listed them as a Tier 1 priority. This investigation was coordinated with ICE [REDACTED], Child Exploitation Unit, Long Beach, CA, [REDACTED] ICE [REDACTED] [REDACTED] has been assigned as the investigating agent, [REDACTED] [REDACTED]

5. After a review of [REDACTED] transactions in December 2007, it was determined that the probable cause for a search warrant was stale and that more recent evidence was not available. In addition to this information, it was also determined that a portion of the original nexus for the initiation of the investigation was incorrect. The information report referred had indicated that the subject had used his/her .mil account to conduct the illegal purchase of child pornography. At the time it was decided that the use of a .mil account in conjunction with the fact that the subject was a contractor to the U.S. military was sufficient nexus to initiate an investigation. However, once it was determined that the use of a .mil account did not occur and that the PC was stale and no further evidence is available, this investigation is closed. There were no management control deficiencies identified during the course of this investigation.

IDENTITY OF SUBJECTS

Identifying Data:

Name
Alias
Social Security Number
Date/Place of Birth
Race
Sex
Residence

Employment/Occupation
Telephone Number
Education

[REDACTED]

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EXHIBITS

No Exhibits

Prepared By; SA [REDACTED], Long Beach Resident Agency APPR: [REDACTED]

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