

WHY DID THE FEDS TAKE DOWN RENTBOY?

Yesterday, federal officers (overwhelmingly Department of Homeland Security, not FBI) busted the 7 people who run RentBoy.com, the largest online portal for male escorts. In doing so, they put 10,000 sex workers out of business – or pushed them into more dangerous means of meeting customers.

This is the second time the Feds have taken down a sex worker portal. In June 2014, Feds took down RedBook, which included links to ads but also had a lot of chat rooms. At one level, then, that bust was even more of an assault on First Amendment rights, but the operators were also indicted on money laundering charges (and FBI found profiles of people under 18 posting advertisements, which it used to ratchet up the pressure). Thus far, at least, there's no indication of additional charges against RentBoy's operators, even though two outlets yesterday claimed there were money laundering charges involved. Though as I'll explain, I wouldn't be surprised to see immigration charges, I bet the government will charge the money laundering they've already leaked to the press, and I fully expect once the government wades through the servers they seized yesterday, they'll come up with a list of advertisers who were also underage.

The bust leaves me with several questions. As Conor Friedersdorf asks, why is this a priority of law enforcement? Aren't there more pressing crimes – like bank money laundering – to pursue, or more dangerous forms of sex trafficking?

Some potential answers may lie in some observations from the complaint.

Where did this come from?

RentBoy has been operating happily since 1997. So why did the Feds choose to take it down

yesterday?

One hint about where this inquiry may have come from is on page 19-20 of the complaint, after all the salacious descriptions of slang for kinds of sex and discussions of a few escorts' profiles that have been highlighted in other reporting on this. RentBoy twice applied for an H1B for its accountant, Marco Soto Decker.

In September 2010 and March 2013, EASY RENT SYSTEMS, INC. applied to the United States Department of Homeland Security, Citizenship and Immigration Services for an H1-B non-immigrant work visa on behalf of SOTO DECKER. The application identified that EASY RENT SYSTEMS, INC. runs RENTBOY.COM which "revolutionized the escorting industry by moving it online and away from agencies and disreputable bars." The application also said that SOTO DECKER had been operating as the accountant from July 2012, a position that reported directly to JEFFREY HURANT and which required him to prepare all financial statements and to strategically analyze, manipulate, and interpret financial data "in order to develop strategies and make recommendations critical for the CEO to utilize in his work to successfully manage and grow the company."

In connection with the application, EASY RENT SYSTEMS, INC. also submitted a job offer letter addressed to SOTO DECKER dated July 20, 2012, which identified the duties and responsibilities of the position. Among those duties was meeting with market, IT, sales, and customer service staff to review monthly expenses and see revenue and expenses optimization; supervising the company's daily e-commerce transactions; managing the entire accounting, budgeting and reconciliation process for the company's events, including the HOOKIES [an awards

ceremony RentBoy puts on].

The application also included some of EASY RENT SYSTEM, INC.'s books and records. Among the expenses identified was a listing for "Viagra – Sean." In addition, the application included numerous articles about RENTBOY.COM. Many of those articles identified unambiguously that the escorts advertising on RENTBOY.COM were having sex with their customers in exchange for money.

In other words, RentBoy's parent company twice applied to DHS for an H1B visa for its accountant, the more recent application of which DOJ alleges included clear evidence the company was buying Viagra for an employee and reporting on the company made it clear that RentBoy sold sex.

Note, the complaint didn't tell us what happened with those applications. That there were two of them suggests Soto Decker may have either gotten it renewed (I need to double check but I believe it is still the case you can get two H1Bs for a total of 6 years, then you have to go home to your home country for a period) or been denied in the first application. Assuming he got the H1B would also suggest that immigration authorities not only agreed with Easy Rent that Soto Decker was a skilled employee (there's no reason to doubt that) but also that the company could find no Americans to do an accounting job. Immigration authorities are very lenient with those H1B determinations, but they almost certainly could have refused that visa back in 2013.

Still, that application to DHS in March 2013 was almost 30 months ago, and there's just one sign I saw of active investigation since *in the complaint*. That detail appears on page 14.

HURANT was present at the 2015 HOOKIES, where he provided an undercover agent a

card with the RENTBOY.COM name on one side. On the opposite side the card says "Jeffrey Davids, Principal." It also lists his email address as "cyberpimp@rentboy.com." HURANT was asked by the undercover agent how the Hookies awards started. HURANT responded "Have you ever had sex with anyone and it was so good you had to tell someone? That's what it's all about!"

In other words, in March 2013, Easy Rent submitted an H1B application that may have given DHS an opening to start this investigation. Two years later, they had an undercover officer attend the Hookies and get RentBoy's CEO to say some damning things.

That timeline – if it indeed shows the span of the investigation – is interesting for several reasons.

First, it would suggest the investigation was started while Loretta Lynch was still US Attorney in Eastern District of NY (more on that in a sec). If this investigation started in 2013, it means Lynch, now the Attorney General, may well have been the one ultimately overseeing the investigation.

Second, the investigation – with an undercover officer attending awards ceremonies and who knows what else – was active after the time the head of RedBook pled guilty in December 2014. DOJ had a proof of concept in that earlier bust.

Finally, as a reader noted, the investigation had already started before the time, in July, when a RentBoy escort exposed his discussions with Tim Geithner's brother, David, at Gawker. That is, this investigation is not retaliation for a RentBoy escort embarrassing the family member of a very powerful New Yorker. But the bust did happen after that. (And if I were that escort, I'd be very worried about what evidence that DHS seized yesterday might be used in a blackmail case against me.)

One more note on timing: One of the employees busted yesterday, Diana Milagros Mattos, left Easy Rent in June, in spite of being its highest commissioned sales agent. There's no explanation of why she left. I find that worth noting.

Why was this charged in EDNY?

I always ask this question, but you have to ask it. Why was this charged in the Eastern District of NY, when RentBoy is headquartered in Manhattan, in the Southern District, and only one of the employees appears to live in EDNY (though the complaint reviews three profiles whose owners live in Brooklyn)? When asked yesterday, one of the Feds apparently simply said, "the Internet is everywhere." But that response raises more questions than it answers.

I raise this not just for the Loretta Lynch connection, but also because by virtue of JFK airport's location in EDNY, where many defendants get flown into, the district has developed a slew of precedents having to do with asserting a fairly aggressive jurisdiction overseas. Again, it's possible this whole thing started from an immigration inquiry. But I wonder whether there's some more to it, especially since RentBoy has facilities in England.

In other words, is this just the first step in a larger, more international crackdown?

What other investigative means did they use?

As noted, someone leaked to several outlets yesterday this case involved money laundering, but there's no hint of that in this complaint *or even that they used investigative methods to prove it*. While RentBoy's ISP, Cogent Communications, is mentioned in an aside – in the context of how communications with the ISP described Soto Decker's responsibilities – there's no mention of any orders for traffic

logs or other electronic service provider records. Still, it's fairly clear the Feds do have some records from Cogent they aren't yet telling us about.

Then there's the means by which the agent who wrote this, Susan Ruiz, identified aliases of some of the employees. In footnote after footnote, she says she compared the defendant's driver's license picture with an online picture and decided they were the same person. Neither those aliases nor the means by which she identified them are critical at this point. But I would suggest she almost certainly used more reliable means to connect the identities of these people. That could just be an insider's testimony, but it could also include traffic logs connecting certain computers with the online profiles using those aliases.

In other words, I suspect they've got electronic records they don't want to tell us about, even as simply as records obtained from Cogent using a subpoena.

Why didn't they bust DaddysReviews.com?

As the complaint makes clear, RentBoy has clear warnings against advertising sex and prices (which will be one of the defenses the accused will use). It bills itself as an escort site that will not permit the selling of sex.

To prove that the profiles the complaint describes in depth involve prostitution, it relies heavily on DaddysReviews.com, which is a review site that not only describes completed acts of sex, but the price paid for that sex.

I'm going to ask people who know the industry better than I about this. But I do wonder why DHS and DOJ chose to bust the site that doesn't explicitly tie sex to payment, but didn't bust the one that does.

Update: One suggestion on this question is that DaddysReviews wouldn't be prosecuted because

they don't take money.