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F. #2015R01982

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

U.S. DISTRICT COURT
EASTERN DISTRICT
OF NEW YORK

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UNITED STATES OF AMERICA

INDICTMENT

CR 16 - 00045

- against -

Cr. No. (T. 18, U.S.C., §§ 981(a)(1)(C), 982(a)(1),
982(b)(1), 1952(a)(3)(A), 1956(a)(1)(A)(i),
1956(h), 2 and 3551; T. 21, U.S.C. § 853(p);
T. 28, U.S.C., § 2461(c))

EASY RENT SYSTEMS, INC.,
also known as "RENTBOY.COM,"
and
JEFFREY HURANT,
also known as "Jeffrey Davids,"

BRODIE, J.

Defendants.

LEVY, M.J.

----- X

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

I. RENTBOY.COM

1. RENTBOY.COM was a commercial male escort advertising site that promoted prostitution. RENTBOY.COM was founded in 1997 and advertised itself to be the "original and largest male escort service online." Escorts paid fees to RENTBOY.COM to advertise sexual services on the site. Customers then contacted the escorts directly to arrange meetings.

2. RENTBOY.COM advertised that they received approximately 500,000 unique visitors to the site each day, about 70 percent of whom accessed the site from the United

States. There were several thousand escort advertisements on RENTBOY.COM in 2015.

Between 2010 and 2015, RENTBOY.COM generated over \$10 million in gross revenue.

3. JEFFREY HURANT, also known as “Jeffrey Davids,” was the founder and chief executive officer of RENTBOY.COM.

A. RENTBOY.COM WEBSITE ADVERTISEMENTS

4. RENTBOY.COM’s primary business was conducted through its website at www.rentboy.com. While RENTBOY.COM had disclaimers that the advertisements on the site are for companionship only and not for sexual services, RENTBOY.COM was designed primarily for the advertisement of sexual services, and the advertisements on RENTBOY.COM plainly advertised sexual services.

5. Escorts managed their advertisements by logging into the RENTBOY.COM site through a special account page created solely for escorts. When an escort set up an advertisement with RENTBOY.COM, the top of the page stated: “Make a profile, field calls and emails, count your money.” The escort could enter a small amount of text. This text often described the escorts and the sexual activities that they enjoyed. In addition, there were several categories pre-programmed into the advertisement by RENTBOY.COM for which an escort was asked to select options. In the “Physical Attributes” category, the escorts were asked to select answers for the attributes: “Foreskin,” “Cock Size” and “Build.” The escorts were asked to provide in the “Preferences” category their “Sexual Orientation,” “Safe Sex” and “Sexual Position.”

6. The profile page also had fields for the “Escort’s In Rate,” “Escort’s Out Rate,” “Escort’s Overnight Rate” and “Escort’s Weekend Rate.” The rates were generally listed in the amount of United States Dollars per hour.

7. RENTBOY.COM made money primarily through payments from escorts for advertisements on the site. It also sold space on the site for banner advertisements for other adult-related companies. RENTBOY.COM offered four different advertisement levels to escorts: classic, gold, platinum, and diamond. The more expensive advertisement levels moved the placement of the escort's profile up in searches. The prices for advertisements depended on the type of advertisement and the escort's location. Advertisements ranged in price from \$59.95 for a one month Classic advertisement to \$299.95 for a one month Platinum advertisement. Diamond advertisement prices were based on an auction system and could cost significantly more than other types of advertisements. In addition, escorts could bid for a "powerboost" that would move their advertisement to the top of the searches for a period of time.

B. EMPLOYEE REVIEW OF ADVERTISEMENTS

8. RENTBOY.COM included a disclaimer to escorts about what content may be included in advertisements. The disclaimer stated that "Text cannot include the following: Offers of sexual conduct in exchange for money; Explicit sexual conduct expected as part of your time; Offers or references to illegal drugs, illegal drug paraphernalia, or illegal use of drugs, and Slanderous [sic.], violent, or unprofessional text." RENTBOY.COM employees reviewed the text and photographs of all advertisements prior to making the advertisement available to the public. RENTBOY.COM employees also reviewed all changes an escort sought to make to an advertisement prior to the changes being posted publically on the site.

9. On numerous occasions, escorts submitted advertisements that explicitly offered sexual services in exchange for money. RENTBOY.COM employees would generally reject the advertisement text and send an email stating:

"The following advertisement has been ***rejected*** due to inappropriate content. Specifically, the ad was rejected for the following reason:

Your text has not been approved. All text needs to avoid saying you will have sex for money, since that is illegal in most places in the world. For legal purposes, you are selling your time only. You can say things about what you look like, what you like to do, what other people say about you, how much you like sex; just don't indicate you will do any specific sexual act during a meeting with a client. If you describe a sex act to be performed in exchange for money, the authorities may use it as evidence in prosecuting you."

The escort could then resubmit the advertisement with revised text to be approved.

In many cases, RENTBOY.COM employees would change the advertisement themselves to eliminate the offending text and approve the advertisement.

10. On one occasion, after editing an escort's advertisement, a RENTBOY.COM employee advised the escort that "In the eyes of the law you can sell your TIME only" and that "This is for your own safety." On another occasion, after editing an escort's advertisement, the same employee told an escort that his original advertisement would "get [him] into trouble with the law." On another occasion, the same employee rejected an advertisement's content and told the escort that it was "way over the line in terms of making the sale of sex explicit." The employee went on to say that "We have to be careful not to attract the wrong attention from the law."

11. RENTBOY.COM employees also gave escorts advice on how to alter their advertisements to increase the escorts' appeal to customers. In one case, after altering an advertisement, a RENTBOY.COM employee sent an escort an email stating: "Hey, I took the liberty of spicing up your RB ad—we need you WORKING, babyyy!"

12. RENTBOY.COM employees advised escorts when they learned of law enforcement actions against prostitution. On one occasion, a RENTBOY.COM employee sent an email to escorts in the Miami, Florida-area warning them of police operations resulting in the arrests of escorts and specifically identifying hotels where police operations occurred. The email

advised escorts that: “ESCORTING IS LEGAL as long as you are offering your time and companionship, or non-sexual massage in exchange for money. OFFERING SEX FOR MONEY IS ILLEGAL. You cannot offer sexual services in exchange for money.” The email also advised escorts “If you receive a call from someone claiming to be from the police department, you should ask for a telephone number and badge number and call the department to verify that the caller is real.”

C. AGENCY15 DISCOUNT

13. Although RENTBOY.COM primarily dealt with escorts themselves, it also promoted the site to escort agencies. Specifically, it offered a 15 percent discount to any escort agency that purchased three advertisements. That discount was applied in the RENTBOY.COM computer system with the code “AGENCY15.” The code was also available to individual escorts purchasing three or more advertisements.

14. RENTBOY.COM generally referred to anyone managing escorts as an “escort agency” in official internal documents. However, the escort agencies sometimes consisted of only one person. In unofficial communications, employees sometimes referred to the escort agencies as “pimps.” In one case, the manager of an escort agency offered the sexual services of his escorts to a RENTBOY.COM employee for free at any time. The employee told friends that he was not going to accept the offer because “the pimp is taking advantage of the escort.”

15. Escort agencies could purchase advertisements for escorts working for their agencies. RENTBOY.COM often had no interaction with the escorts being advertised by the escort agencies. In one case, a RENTBOY.COM employee told a manager that an account was held by a “guy who brings in 10-12 boys/year to pimp out here.”

16. One agency that RENTBOY.COM did business with was run by Viktor Berki, Andras Vass, and Gabor Acs. Berki, Vass, and Acs were arrested and charged with racketeering and sex trafficking in Miami-Dade County court for luring Hungarian men into the United States, and then forcing them into sexual slavery. Berki, Vass, and Acs advertised the men on RENTBOY.COM, among other places. Vass was subsequently found guilty at trial of the charges and was sentenced to eleven years in prison. Berki and Acs are scheduled for trial. When one RENTBOY.COM employee learned of the above sex trafficking arrests, he wrote in an email: "I highly doubt [the victims] are 'Sex slaves.'"

D. AGE VERIFICATION

17. RENTBOY.COM policies did not allow advertisements by escorts under 18 years of age; nonetheless, RENTBOY.COM did not verify the ages of all escorts advertising on the site. RENTBOY.COM had a policy that required that escorts provide identification if an escort appeared to be under 21. This policy was not strictly applied. Instead, RENTBOY.COM employees generally required identification only from escorts who appeared to be under 18.

18. As late as 2014, RENTBOY.COM employees called age verification a "gray area." RENTBOY.COM employees did not always remove advertisements when the advertisers failed to provide identification. In one case, after an escort agency failed to provide photo identification for an escort, a RENTBOY.COM employee advised the escort agency that he had deleted photographs with the face of the subject escort, but left the advertisement online and left photographs that showed only the escort's body. In another case, after a different escort agency refused to provide identification for several escorts who appeared underage, the same RENTBOY.COM employee "suggested to [him] to crop the faces of those super young escorts."

RENTBOY.COM employees did not report these escorts or the escort agencies to law enforcement or to any organization dedicated to helping exploited children.

19. RENTBOY.COM also failed to comply with its own standards requiring age verification with respect to advertisements in Asia. From at least 2006, RENTBOY.COM offered free advertisements to escorts advertising in Asia. From approximately that time forward, RENTBOY.COM employees complained to RENTBOY.COM management about the quantity of underage escort advertisements. One 2006 email to the defendant JEFFREY HURANT, titled "ASIA MARKET IS OUT OF CONTROL," stated: "So many ads/acct's are coming through above market. They are free but the real issue is that all the boys look 'very young' !!! We have to do something about these markets." The author of the email indicated that he had "seen many articles, documentaries about 'child-black market trade, etc etc etc'" and suggested that that RENTBOY.COM should amend its policies so it could "be able to verify billing and age in writing ALWAYS!" In another email, another RENTBOY.COM employee speaking about the Asia-market ads said "Christ...talk about copyrighted and underage pics! TONS in that area...ALWAYS!" Until the date it shut down in August 2015, RENTBOY.COM continued to provide free advertisements in Asia and did not require age verification.

20. RENTBOY.COM employees reviewing Asia advertisements were also told by the defendant JEFFREY HURANT and other RENTBOY.COM managers to apply lesser standards in doing age verification of Asia-market advertisements. As was summarized in one email, "In Asia ok to approve them...unless you see a baby... :)"

E. RENTBOY.COM OWNERSHIP

21. From 1999, RENTBOY.COM was controlled by EASY RENT SYSTEMS, INC., which did business as RENTBOY.COM. EASY RENT SYSTEMS, INC., which was

sometimes also referred to as EZ RENT SYSTEMS, was a New York corporation whose President and Chief Executive Officer was the defendant JEFFREY HURANT. HURANT had been the chief executive officer since its incorporation. EASY RENT SYSTEMS, INC. had offices at 6 West 14th Street, Suite 4W, New York, New York.

22. The domain name RENTBOY.COM was registered on January 18, 1996. Public records indicated that the registrant name was Easyrent Systems located at 6 West 14th Street. The Administrator Name was identified as Jeffrey Davids at Easy Rent Systems, Inc., with the email address jeff@rentboy.com.

23. On April 2, 2002, EASY RENT SYSTEMS, INC. applied to the United States Patent and Trademark Office for a trademark on the name RENTBOY.COM. The application also included an affidavit signed by the defendant JEFFREY HURANT, which identified him as the President of EASY RENT SYSTEMS, INC. The RENTBOY.COM website had a copyright notice that the copyright was owned by EASY RENT SYSTEMS, INC.

24. RENTBOY.COM allowed payment for advertisements in cash at its office, money order, and credit card. However, RENTBOY.COM did not have an internet credit card processing system. Rather, to pay by credit card an escort had to fill out a "Credit Card Authorization Form" and send it by fax or email to RENTBOY.COM. The "Credit Card Authorization Form," which was provided on the RENTBOY.COM site had the name EASY RENT SYSTEMS, INC. at the top and states "I, [blank]____, authorize Easy Rent Systems, Inc. to charge my credit card listed below for the following services." The authorization form then listed various advertisement types available on RENTBOY.COM.

25. BRAVE NEW TELEMEDIA, INC. was a New York corporation. The defendant JEFFREY HURANT was the Principal Executive Officer of BRAVE NEW

TELEMEDIA, INC. On a monthly basis, BRAVE NEW TELEMEDIA received payments from EASY RENT SYSTEMS, INC. and then made payments to an internet service provider located in Virginia that provided services relating to the RENTBOY.COM domain. The internet service provider's records identified HURANT as the Primary Technical Officer at BRAVE NEW TELEMEDIA.

COUNT ONE
(Promotion of Prostitution)

26. The allegations contained in paragraphs 1 through 25 are realleged and incorporated as if set forth fully in this paragraph.

27. In or about and between January 1997 and August 2015, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants EASY RENT SYSTEMS, INC., also known as "RENTBOY.COM," and JEFFREY HURANT, also known as "Jeffrey Davids," together with others, did knowingly and intentionally use one or more facilities in interstate commerce, to wit: one or more telephones and the internet, with intent to distribute the proceeds of and promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful activity, to wit: a business enterprise involving prostitution, in violation of the laws of the State of New York, to wit: promoting prostitution in the third degree, in violation of New York Penal Law Sections 230.25(2) and 20.00, promoting prostitution in the fourth degree, in violation of New York Penal Law Sections 230.20 and 20.00, and criminal facilitation in the fourth degree, in violation of New York Penal Law Sections 115.00 and

20.00, and thereafter perform and attempt to perform the distribution of proceeds of and promotion, management, establishment, carrying on and facilitation of such unlawful activity.

(Title 18, United States Code, Sections 1952(a)(3)(A), 2 and 3551 et seq.)

COUNT TWO
(Money Laundering Conspiracy)

28. The allegations contained in paragraphs 1 through 25 are realleged and incorporated as if set forth fully in this paragraph.

29. In or about and between January 1997 and August 2015, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants EASY RENT SYSTEMS, INC., also known as "RENTBOY.COM," and JEFFREY HURANT, also known as "Jeffrey Davids," together with others, did knowingly and intentionally conspire to conduct one or more financial transactions in and affecting interstate and foreign commerce, to wit: checks, deposits and transfers of funds, which transactions in fact involved the proceeds of specified unlawful activity, to wit: the use of one or more facilities in interstate or foreign commerce, to wit: the Internet and telephones, with intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful activity, to wit: a business enterprise involving prostitution in violation of the laws of the State of New York, in violation of Title 18, United States Code, Section 1952(a)(3), knowing that the property involved in such transactions represented the proceeds of some form of unlawful activity, and with the intent to promote the carrying on of said specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(1)(A)(i).

(Title 18, United States Code, Sections 1956(h) and 3551 et seq.)

COUNT THREE
(Money Laundering)

30. The allegations contained in paragraphs 1 through 25 are realleged and incorporated as if set forth fully in this paragraph.

31. In or about and between January 1997 and August 2015, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants EASY RENT SYSTEMS, INC., also known as "RENTBOY.COM," and JEFFREY HURANT, also known as "Jeffrey Davids," together with others, did knowingly and intentionally conduct one or more financial transactions in and affecting interstate and foreign commerce, to wit: checks, deposits and transfers of funds, which transactions in fact involved the proceeds of specified unlawful activity, to wit: the use of one or more facilities in interstate or foreign commerce, to wit: the Internet and telephones, with intent to promote, manage, establish, carry on and facilitate the promotion, management, establishment and carrying on of unlawful activity, to wit: a business enterprise involving prostitution in violation of the laws of the State of New York, in violation of Title 18, United States Code, Section 1952(a)(3), knowing that the property involved in such transactions represented the proceeds of some form of unlawful activity, and with the intent to promote the carrying on of said specified unlawful activity.

(Title 18, United States Code, Sections 1956(a)(1)(A)(i), 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION AS TO COUNT ONE

32. The United States hereby gives notice to the defendants that, upon their conviction of the offense charged in Count One, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States

Code, Section 2461(c), which require any person convicted of such offense to forfeit any property, real or personal, constituting or derived from proceeds traceable to such offense, including but not limited to:

SPECIFIC PROPERTY

- a. Approximately \$70,851.75 in United States currency, seized from 6 West 14th Street, Suite 4W, New York, New York, on or about August 25, 2015, and all proceeds traceable thereto;
- b. Approximately \$99,268.57 in United States currency, formerly on deposit in Citibank account number 44779781, held in the name of Easy Rent Systems, Inc., which was seized on or about August 25, 2015, and all proceeds traceable thereto;
- c. Approximately \$22,943.20 in United States currency, formerly on deposit in Citibank account number 9985319665, held in the name of Brave New Telemedia, Inc., which was seized on or about August 25, 2015, and all proceeds traceable thereto;
- d. Approximately \$101,002.10 in United States currency, formerly on deposit in Citibank account number 52008872, held in the name of Jeffrey D. Hurant, which was seized on or about August 25, 2015, and all proceeds traceable thereto;
- e. Approximately \$5,682.28 in United States currency, formerly on deposit in TD Bank account number 426-0332477, held in the name of HB Events, Inc., which was seized on or about August 25, 2015, and all proceeds traceable thereto;

f. Approximately \$618,700.00 in United States currency, formerly on deposit in TD Ameritrade account number 882-582293, held in the name of Jeffrey Hurant, which was seized on or about August 25, 2015, and all proceeds traceable thereto;

g. Approximately \$658,040.91 in United States currency, formerly on deposit in TD Ameritrade Account number 862-729381, held in the name of Easy Rent Systems, Inc., which was seized on or about August 25, 2015, and all proceeds traceable thereto; and

h. The Internet domain name rentboy.com, which was seized on or about August 25, 2015.

33. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c)).

CRIMINAL FORFEITURE ALLEGATION AS TO COUNTS TWO AND THREE

34. The United States hereby gives notice to the defendants, that, upon their conviction of either of the offenses charged in Counts Two and Three, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(1), of all property, real or personal, involved in a transaction or attempted transaction in violation of such offenses, or conspiracy to commit such offenses, and all property traceable to such property, including but not limited to:

SPECIFIC PROPERTY

- a. Approximately \$70,851.75 in United States currency, seized from 6 West 14th Street, Suite 4W, New York, New York, on or about August 25, 2015, and all proceeds traceable thereto;
- b. Approximately \$99,268.57 in United States currency, formerly on deposit in Citibank account number 44779781, held in the name of Easy Rent Systems, Inc., which was seized on or about August 25, 2015, and all proceeds traceable thereto;
- c. Approximately \$22,943.20 in United States currency, formerly on deposit in Citibank account number 9985319665, held in the name of Brave New Telemedia, Inc., which was seized on or about August 25, 2015, and all proceeds traceable thereto;
- d. Approximately \$101,002.10 in United States currency, formerly on deposit in Citibank account number 52008872, held in the name of Jeffrey D. Hurant, which was seized on or about August 25, 2015, and all proceeds traceable thereto;

e. Approximately \$5,682.28 in United States currency, formerly on deposit in TD Bank account number 426-0332477, held in the name of HB Events, Inc., which was seized on or about August 25, 2015, and all proceeds traceable thereto;

f. Approximately \$618,700.00 in United States currency, formerly on deposit in TD Ameritrade account number 882-582293, held in the name of Jeffrey Hurant, which was seized on or about August 25, 2015, and all proceeds traceable thereto;

g. Approximately \$658,040.91 in United States currency, formerly on deposit in TD Ameritrade Account number 862-729381, held in the name of Easy Rent Systems, Inc., which was seized on or about August 25, 2015, and all proceeds traceable thereto; and

h. The Internet domain name rentboy.com, which was seized on or about August 25, 2015.

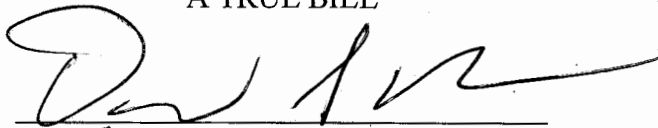
35. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Section 982(a)(1) and 982(b)(1); Title 21, United States Code, Section 853(p)).

A TRUE BILL



MAY B FOREPERSON

ROBERT L. CAPERS
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

No. _____

UNITED STATES DISTRICT COURT

EASTERN *District of* NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA


vs.

*EASY RENT SYSTEMS, INC., also known as "RENTBOY.COM," and
JEFFREY HURANT, also known as "Jeffrey Davids,"*

Defendants.

INDICTMENT

(T. 18, U.S.C., §§ 981(a)(1)(C), 982(a)(1), 982(b)(1), 1952(a)(3)(A),
1956(a)(1)(A)(i), 1956(h), 2 and 3551; T. 21, U.S.C. § 853(p); T. 28,
U.S.C., § 2461(c))

A true bill.


Andy Pe Foreperson

Filed in open court this _____ day, of _____ A.D. 20 _____

Clerk

Bail, \$ _____

Tyler Smith, Assistant U.S. Attorney (718) 254-6186