

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS
(TOPEKA DOCKET)

FILED IN OPEN COURT
6/6/2016
TIMOTHY M. O'BRIEN, CLERK
BY M. Ganett
DEPUTY CLERK

UNITED STATES OF AMERICA

Plaintiff,

v.

Case No. 15-40050-01-DDC

MICHAEL ANDREW RYAN,
a.k.a. "Brad Jones,"
"Gunrunner,"

Defendant.

PLEA AGREEMENT

The United States of America, by and through Assistant United States Attorney, Gregory G. Hough, and Senior Counsel Marie-Flore V. Johnson of the Computer Crime and Intellectual Property Section, and the defendant, MICHAEL ANDREW RYAN, a.k.a. "Brad Jones," "Gunrunner," personally and by and through his counsel, Christopher M. Joseph, hereby enter into the following Plea Agreement pursuant to Rule 11 of the Federal Rules of Criminal Procedure:

1. Defendant's Guilty Plea.

The defendant agrees to forfeiture of all ammunition and firearms seized during the investigation which gives rise to the Indictment in this matter and to plead guilty to Counts 7, 10, 12, 14, 16 and 18 of the Indictment each charging separate and distinct violations of 18 U.S.C. § 554, that is, exporting and

attempting to export and send mailings containing firearms, some from which the manufacturer's serial number had been removed, altered and obliterated, and ammunition, from the United States to Cork, Ireland; Pinner, England; Edinburgh, Scotland; Victoria, Australia; and Mallow, Ireland, contrary to the laws and regulations of the United States. By entering into this Plea Agreement, the defendant admits to knowingly committing these offenses, and to being guilty of these offenses. The defendant understands that the maximum sentence which may be imposed as to each of Counts 7, 10, 12, 14, 16 and 18 of the Indictment to which he has agreed to plead guilty is not more than 10 years of imprisonment, a \$250,000 fine, not more than 3 years of supervised release, a \$100 mandatory special assessment, and forfeiture of all ammunition and firearms seized during the investigation which gives rise to the Indictment in this matter.

2. **Factual Basis for the Guilty Plea.**

The parties agree the facts constituting the offense to which the defendant is pleading guilty are as follows:

On August 7, 2013, in the District of Kansas and elsewhere, the defendant, MICHAEL ANDREW RYAN, a.k.a. "Brad Jones," "Gunrunner," did willfully and knowingly export and attempt to export and send FedEx AirWay Bill (AWB) 8982-9681-3440 containing a Beretta 9 millimeter pistol, from which the manufacturer's serial number had been removed, altered and obliterated; a Taurus .38 Special revolver, from which the manufacturer's serial number had been removed, altered and obliterated; a 15-round 9 millimeter magazine; 32 rounds of millimeter ammunition; one round of .380 ammunition; and 41 rounds

of .40 caliber ammunition from the United States to Cork, Ireland, contrary to the laws and regulations of the United States.

On August 7, 2013, in the District of Kansas and elsewhere, the defendant, MICHAEL ANDREW RYAN, a.k.a. "Brad Jones," "Gunrunner," did willfully and knowingly export and attempt to export and send FedEx AirWay Bill (AWB) 8982-9681-3439 containing a Glock model 17, 9 millimeter pistol, from which the manufacturer's serial number had been removed, altered and obliterated; a Glock model 19, 9 millimeter pistol, from which the manufacturer's serial number had been removed, altered and obliterated; one 15-round 9 millimeter magazine; one 17-round 9 millimeter magazine; and 49 rounds of 9 millimeter ammunition, from the United States to Cork, Ireland, contrary to the laws and regulations of the United States.

On August 7, 2013, in the District of Kansas and elsewhere, the defendant, MICHAEL ANDREW RYAN, a.k.a. "Brad Jones," "Gunrunner," did willfully and knowingly export and attempt to export and send FedEx AirWay Bill (AWB) 8982-9681-3417 containing an IWI .22 caliber, UZI, from which the manufacturer's serial number had been removed, altered and obliterated; a .22 caliber magazine for the IWI UZI; 98 rounds of .22 caliber ammunition; and 89 rounds of .270 long ammunition, from the United States to Pinner, England, contrary to the laws and regulations of the United States.

On August 7, 2013, in the District of Kansas and elsewhere, the defendant, MICHAEL ANDREW RYAN, a.k.a. "Brad Jones," "Gunrunner," did willfully and knowingly export and attempt to export and send FedEx AirWay Bill (AWB) 8982-9681-3428 containing a Highpoint .45 caliber pistol, from which the manufacturer's serial number had been removed, altered and obliterated; a .45 caliber magazine; and 19 rounds of .45 caliber ammunition, from the United States to Edinburgh, Scotland, contrary to the laws and regulations of the United States.

On August 7, 2013, in the District of Kansas and elsewhere, the defendant, MICHAEL ANDREW RYAN, a.k.a. "Brad Jones," "Gunrunner," did willfully and knowingly export and attempt to export and send FedEx AirWay Bill (AWB) 8982-9681-3391

containing a Walther P22, .22 caliber pistol, from which the manufacturer's serial number had been removed, altered and obliterated; and a .22 caliber magazine, from the United States to Victoria, Australia, contrary to the laws and regulations of the United States.

On August 7, 2013, in the District of Kansas and elsewhere, the defendant, MICHAEL ANDREW RYAN, a.k.a. "Brad Jones," "Gunrunner," did willfully and knowingly export and attempt to export and send a FedEx AirWay Bill containing a Glock model 27, .40 caliber pistol, from which the manufacturer's serial number had been removed, altered and obliterated; a Glock model 22, .40 caliber pistol, from which the manufacturer's serial number had been removed, altered and obliterated; one 9-round, .40 caliber Glock magazine; one 10-round, .40 caliber, Glock magazine; 9 rounds of .40 caliber ammunition; and 10 rounds of 9 millimeter ammunition, from the United States to Mallow, Ireland, contrary to the laws and regulations of the United States.

The defendant, MICHAEL ANDREW RYAN, used the website *Black Market Reloaded*, or *BMR*, to facilitate the interstate and international trafficking of firearms, in violation of federal laws. In committing his acts, the defendant, MICHAEL ANDREW RYAN, used the online moniker "Gunrunner" and alias "Brad Jones" to conceal his identity. *BMR* was a .onion hidden Tor website which allowed its users to sell controlled substances, firearms and other illegal goods.

3. Application of the Sentencing Guidelines.

The parties request that the Court apply the United States Sentencing Guidelines (Guidelines) to calculate the applicable sentence and impose a sentence consistent with the Guidelines. The defendant agrees to waive all constitutional challenges to the validity of the Guidelines. The defendant understands and acknowledges that the Court will find, by a preponderance of the evidence, the

facts used to determine the offense level, and in making its findings, that the Court may consider any reliable evidence, including hearsay. Nothing in this section prevents the parties from filing objections to the Presentence Report prepared by the United States Probation Office, or from arguing the application of specific sections of the Guidelines. The parties agree that the Court will determine the final Guideline range. The parties understand this Plea Agreement binds the parties only and does not bind the Court.

4. **Relevant Conduct.**

The parties have agreed to the application of the Guidelines. Therefore, the defendant agrees that the conduct charged in any dismissed counts, as well as all other uncharged related criminal activity, will be considered as relevant conduct for purposes of calculating the offense level for the count(s) of conviction, in accordance with United States Sentencing Guidelines (U.S.S.G.) § 1B1.3.

5. **Government's Agreements.**

In return for the defendant's plea of guilty as set forth herein, the United States Attorney for the District of Kansas agrees:

- (a) to move to dismiss the remaining counts of the Indictment at the time of sentencing;
- (b) to not file any additional charges against the defendant arising out of the facts forming the basis for the present Indictment;
- (c) to recommend the defendant receive a two (2) level reduction in the applicable offense level under U.S.S.G. § 3E1.1 for acceptance of responsibility. In addition, if his offense level is

16 or greater, prior to any reduction for acceptance of responsibility, and the Court finds he qualifies for a two-level reduction, the United States will move at the time of sentencing for an additional one-level reduction for acceptance of responsibility because he timely notified the government of his intention to enter a plea of guilty;

- (d) to recommend a sentence at the low end of the applicable Guideline range;
- (e) to agree that U.S.S.G. § 3A1.4 is inapplicable in this matter because there is no evidence that the offenses committed by the defendant, MICHAEL ANDREW RYAN, a.k.a. "Brad Jones," "Gunrunner," involved, or were intended to promote, a federal crime of terrorism; and
- (f) if appropriate, prior to sentencing, to file a motion pursuant to U.S.S.G. § 5K1.1 to reduce his sentence to reflect his subsequent substantial assistance, if any, in the investigation and/or prosecution of another person[s] involved in this offense or other offenses.

The United States' obligations under this Paragraph are contingent upon the defendant's continuing to manifest an acceptance of responsibility. If the defendant denies or gives conflicting statements as to his involvement, falsely denies or frivolously contests relevant conduct the Court determines to be true, willfully obstructs or impedes the administration of justice, as defined by U.S.S.G. § 3C1.1 (or willfully attempts to do so), or has engaged in additional criminal conduct, the United States reserves the right to petition the Court for a hearing to determine if he has breached this Plea Agreement.

If the Court finds by a preponderance of the evidence that the defendant (1) has breached or violated this Plea Agreement; (2) has willfully obstructed or impeded the administration of justice, as defined by U.S.S.G. § 3C1.1 (or willfully attempted to do so); (3) has engaged in additional criminal conduct; or (4) has otherwise failed to adhere to this Plea Agreement's terms, the United States shall not be bound by this Paragraph, and may pursue any additional charges arising from the criminal activity under investigation, as well as any charges for any perjury, false statement, or obstruction of justice that may have occurred.

If the Court finds the defendant has violated this Plea Agreement, he understands and agrees that all statements he made, any testimony given before a grand jury or other tribunal, or any leads from such statements or testimony, shall be admissible against him in any and all criminal proceedings. The defendant waives any rights which might be asserted under the United States Constitution, any statute, Federal Rule of Criminal Procedure 11(f), Federal Rule of Evidence 410, or any other federal rule that pertains to the admissibility of any statements he made subsequent to this Plea Agreement.

6. **Defendant's Agreements.**

The defendant agrees to cooperate fully and truthfully with the United States. Specifically, the defendant agrees:

- (a) to provide truthful, complete, and accurate information and testimony in the trial of this matter, before any grand jury proceeding, or in any related hearing;

- (b) to provide all information concerning the defendant's knowledge of, and participation in the offenses charged in the Indictment and all related conduct;
- (c) in the event the United States requests the Court to consider reducing the defendant's sentence for his substantial assistance, as discussed below, to not request a downward departure for anything other than his substantial assistance, and to not request a variance for any reason under 18 U.S.C. § 3553(a);
- (d) if deemed necessary and appropriate by law enforcement and/or the United States Attorney's Office for the District of Kansas, defendant agrees to submit to a polygraph examination and pass same for truthfulness, regarding defendant's knowledge of all matters related to the investigation of this case, his suppliers of controlled substances and the charges contained in the Indictment;
- (e) defendant acknowledges and understands that the decisions, whether to conduct a polygraph examination, what questions will be asked and by whom, are matters that reside in the sole and exclusive discretion of the United States Attorney for the District of Kansas;
- (f) defendant acknowledges and understands that the results of any polygraph examination will be admissible only at the defendant's sentencing, and the Government may rely on these results in determining whether the defendant has fulfilled any obligation under this agreement;
- (g) defendant agrees that if the United States determines the defendant has not provided full and truthful cooperation, or has committed any local, state, or federal crime between the date of this plea agreement and his/her sentencing, or has otherwise violated any other provision of this plea agreement, [or has violated the terms and conditions of his/her release while on bond as required by the Court,] the plea agreement may be voided and the defendant shall be subject to prosecution for any federal crime of which the United States has knowledge including, but not limited to, perjury, obstruction of justice, and any substantive offenses arising from this investigation. Such prosecution may be based upon any information provided by the defendant during the course of the defendant's cooperation, or upon

leads derived therefrom, and this information may be used as evidence against the defendant. In addition, the defendant's previously entered plea of guilty will remain in effect and cannot be withdrawn;

- (h) defendant agrees to fully and completely assist the United States in the identification and recovery of forfeitable assets, either domestic or foreign, which have been acquired directly or indirectly through the unlawful activities of the defendant, co-defendants, and/or co-conspirators and further agrees to not contest any forfeiture proceedings.

7. **Substantial Assistance.**

The defendant acknowledges and understands that he has not yet provided substantial assistance within the meaning of U.S.S.G. § 5K1.1 and 18 U.S.C. § 3553(e). He also acknowledges and understands that the determination as to whether he has provided substantial assistance and whether a U.S.S.G. § 5K1.1 motion will be filed are left entirely and exclusively within the discretion of the United States. If the United States makes a determination that he has provided substantial assistance, the United States shall request that the Court consider reducing the sentence he would otherwise receive under the applicable statutes and/or sentencing guidelines, pursuant to 18 U.S.C. § 3553(e), 28 U.S.C. § 994(n), and U.S.S.G. § 5K1.1.

8. **Sentence to be Determined by the Court.**

The defendant understands that the sentence to be imposed will be determined solely by the United States District Judge. The United States cannot

and has not made any promise or representation as to what sentence he will receive.

9. **Information Provided by Defendant.**

The United States agrees to not use new information the defendant provides about his own criminal conduct, except as specifically authorized by U.S.S.G. § 1B1.8. As such, this information may be revealed to the Court, but may not be used against him to determine his applicable Guideline range or to depart above the applicable Guideline range. Defendant understands and agrees, however, that under U.S.S.G. § 1B1.8, there shall be no such restrictions on the use of the information: (1) previously known to the United States; (2) revealed to the United States by, or discoverable through, an independent source; (3) in a prosecution for perjury or giving a false statement; or (4) if the defendant breaches this Plea Agreement.

10. **Forfeiture of Assets.**

The defendant knowingly and voluntarily agrees and consents to the forfeiture of all ammunition and firearms seized during the investigation which gives rise to the Indictment in this matter to the United States. The defendant agrees that this property was involved in and used in the commission of unlawful activities which give rise to the Indictment in this matter and Counts 1-18. The defendant knowingly and voluntarily waives his right to a jury trial regarding the forfeiture of property, and voluntarily waives all constitutional, legal and equitable

defenses to the imposition of a forfeiture judgment. The defendant acknowledges and agrees that the forfeiture of this property shall not be deemed an alteration of his sentence or this agreement, and shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon him in addition to forfeiture. Additionally, the defendant agrees to the immediate entry of the Preliminary Order of Forfeiture, and agrees to sign any and all documents necessary to effectuate the forfeiture and transfer of his interest and possession of the property identified in this paragraph to the United States prior to the imposition of sentence.

11. **Withdrawal of Plea Not Permitted.**

The defendant understands that if the Court accepts this Plea Agreement, but imposes a sentence with which he does not agree, he will not be permitted to withdraw his guilty plea.

12. **Payment of Special Assessment.**

The defendant understands that a mandatory special assessment of \$100 per count of conviction will be entered against him at the time of sentencing. The defendant agrees to deliver to the Clerk of the United States District Court payment in the appropriate amount no later than the day of sentencing. If the defendant fails to make full payment of the special assessment, the United States will no longer be bound by the provisions contained in Paragraph 5 of this agreement. The defendant has the burden of establishing an inability to pay the required special

assessment. The parties acknowledge that if the Court finds the defendant is without resources to pay the special assessment at the time of sentencing, the Court may allow payment during his period of incarceration.

13. **Waiver of Appeal and Collateral Attack.**

The defendant knowingly and voluntarily waives any right to appeal or collaterally attack any matter in connection with this prosecution, his conviction, or the components of the sentence to be imposed herein, including the length and conditions of supervised release, as well as any sentence imposed upon a revocation of supervised release. The defendant is aware that 18 U.S.C. § 3742 affords him the right to appeal the conviction and sentence imposed. The defendant also waives any right to challenge his sentence, or the manner in which it was determined, or otherwise attempt to modify or change his sentence, in any collateral attack, including, but not limited to, a motion brought under 28 U.S.C. § 2255 (except as limited by *United States v. Cockerham*, 237 F.3d 1179, 1187 (10th Cir. 2001)), or a motion brought under Federal Rule of Civil Procedure 60(b). In other words, the defendant waives the right to appeal the sentence imposed in this case, except to the extent, if any, the Court departs upwards from the sentencing Guideline range that the Court determines to be applicable. However, if the United States exercises its right to appeal the sentence imposed, as authorized by 18 U.S.C. § 3742(b), the defendant is released from this waiver and may appeal the sentence received, as authorized by 18 U.S.C. § 3742(a). Notwithstanding the

forgoing waivers, the parties understand that the defendant in no way waives any subsequent claims with regards to ineffective assistance of counsel or prosecutorial misconduct.

14. **F.O.I.A. and Privacy Act Waiver.**

The defendant waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including, without limitation, any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552. The defendant further waives any rights conferred under the Privacy Act of 1974, 5 U.S.C. § 552a, to prevent or object to the disclosure of records or materials pertaining to this case.

15. **Waiver of Claim for Attorney's Fees.**

The defendant waives all claims under the Hyde Amendment, 18 U.S.C. § 3006A, for attorney's fees and other litigation expenses arising out of the investigation or prosecution of this matter.

16. **Full Disclosure by United States.**

The defendant understands the United States will provide to the Court and the United States Probation Office all information it deems relevant to determining the appropriate sentence in this case. This may include information concerning his background, character, and conduct, including the entirety of his criminal activities. The defendant understands these disclosures are not limited to the count

to which he is pleading guilty. The United States may respond to comments he or his attorney makes, or to positions he or his attorney takes, and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject only to any limitations set forth in this Plea Agreement. The defendant also has the right to provide information concerning the offense and to make recommendations to the Court and the United States Probation Office.

17. **Parties to the Agreement.**

The defendant understands this Plea Agreement binds only him and the United States Attorney's Office for the District of Kansas and the Computer Crime and Intellectual Property Section of the U.S. Justice Department, and that it does not bind any other federal, state, or local prosecution authority.

18. **No Other Agreements.**

The defendant has had sufficient time to discuss this case, the evidence, and this Plea Agreement with his attorney and he is fully satisfied with the advice and representation his attorney provided. Further, the defendant acknowledges that he has read the Plea Agreement, understands it, and agrees it is true and accurate and not the result of any threats, duress or coercion. The defendant further understands that this Plea Agreement supersedes any and all other agreements or negotiations between the parties, and that this Plea Agreement embodies each and every term of the agreement between the parties.

19. The defendant acknowledges that he is entering into this Plea Agreement and is pleading guilty because he is guilty. He further acknowledges that he is entering his guilty plea freely, voluntarily, and knowingly.




GREGORY G. HOUGH, #12860
Assistant United States Attorney

Date: 6/6/16




Duston Slinkard
Criminal Chief/Supervisor

Date: 6/6/2016

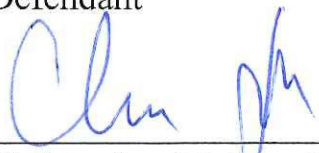


Marie-Flore V. Johnson
Computer Crime and Intellectual Property Section
U.S. Department of Justice, Washington D.C.
Senior Counsel



MICHAEL ANDREW RYAN,
a.k.a. "Brad Jones,"
"Gunrunner,"
Defendant

Date: 6/6/2016



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Date: 6-6-16