IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	No. 1:19-CR-253-8
v.	The Honorable T.S. Ellis, III
LUIS ANGEL VILLARINO	
Defendant.	

STATEMENT OF FACTS

The United States and the defendant, Luis Angel Villarino, agree that the allegations in the indictment and the following facts are true and correct, and that had this matter proceeded to trial, the United States would have proven the following facts beyond a reasonable doubt with admissible and credible evidence:

1.   From approximately December 2016 to at least June 2017, the defendant worked with co-defendants Kristopher Lee Dallmann, Jared Edward Jaurequi a/k/a "Jared Edwards," and others to operate Jetflicks. Based in Las Vegas, Nevada, Jetflicks was an online, subscription-based service that permitted users to stream (and, at times, to download) copyrighted works without permission from the copyright owners. Jetflicks was accessible from a variety of devices and platforms, including computer operating systems, smartphones, tablets, smart televisions, video game consoles, digital media players, set-top boxes, and web browsers.

2.   At Jetflicks, Dallmann, Jaurequi, the defendant, and others willfully reproduced tens of thousands of copyrighted television episodes, without the permission of copyright owners, and streamed and distributed the infringing programs to tens of thousands of paid subscribers located throughout the United States, including many individuals located within the

Eastern District of Virginia. For example, a Jetflicks customer transaction list shows 7,142 successful subscription transactions by individuals around the United States to Jetflicks in a five-month period from February 9, 2016 through July 7, 2016, which equates to an average of over 47 subscriptions each day. Over 100 of these transactions came from subscribers in Virginia, many of whom were in the Eastern District of Virginia.

Sourcing and Hosting of Infringing Works

3.   The defendant and his co-defendants used servers and computers in the United States and Canada to search for, download, process, store, stream, and make available for download infringing (or, "pirated") television shows.

4.   The television shows made available for streaming and downloading on Jetflicks were primarily sourced from torrent sites and Usenet NZB sites hosting pirated content. The defendant and his co-defendants used automated software programs—such as SickRage, Sick Beard, and SABnzbd—to scour popular torrent and NZB Usenet sites for pirated television shows; download those works; and then process, store, and make those works available for streaming and download through Jetflicks. These tools allowed the defendant and his co-defendants to search and locate television shows on many of the most popular torrent sites in the world such as The Pirate Bay, RARBG, and TorrentDay, as well as many of the largest Usenet NZB index sites such as NZBplanet, NZBgeek, and NZB Finder. The programs essentially operated 24 hours a day, seven days a week.

5.   On November 16, 2017, the Federal Bureau of Investigation (FBI) conducted a search of Dallmann's two residences in Las Vegas. The search yielded copies of approximately 32,293 television episodes on various electronic devices located within Dallmann's residences, a

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small percentage of the total number of works available on Jetflicks that were stored on—and streamed and distributed from—rented servers in Canada.

Jetflicks' Subscribers and Subscription Payments

6.   Jetflicks' subscribers accessed the service's infringing content through the Internet. For example, Jetflicks customers could go to Jetflicks by visiting the domain *jetflicks.mobi*. Jetflicks also used the domains *jetflicks.net* and *jetflicks.com*. In addition, Jetflicks could be accessed through smartphone applications (apps) and a private channel on Roku, a set-top streaming video player. Dallmann controlled the domains *jetflicks.mobi*, *jetflicks.net*, and *jetflicks.com*, the Jetflicks mobile apps, and the private Roku channel, and he provided administrator and developer access to the domains, the apps, and private channel to others at Jetflicks. For example, Dallmann provided the defendant with the administrative credentials to control Jetflicks and the application program interface (API) key for SickRage, along with other passwords and logins. An API key is a unique identifier and secret token for authentication that allows a person to integrate an account and associated software with other computer programs and databases for automated downloading, processing, and other functions.

7.   To become a user of Jetflicks, customers visited *jetflicks.mobi* through an Internet-connected device and then used a debit or credit card to purchase a subscription. The available subscription plans were as follows: a monthly option at $9.99, a quarterly option at $19.99, a semi-annual option at $29.99, and a yearly option at $49.99.

8.   A subscription payment typically would go through a payment gateway and then be executed by a payment processor. The payment gateway acted like an online point-of-sale terminal to authorize payments for card-not-present transactions and then transmit the online payment data to the payment processor. The payment processor, in turn, executed the

transaction by transmitting the data between the merchant, the customer, the bank that issued the customer's debit or credit card, and the bank that provided the merchant's processing services. Dallmann used numerous payment gateways and processors in his operation of Jetflicks, including PayPal and Stripe.

Roles at Jetflicks

9.   The defendant worked with at least Dallmann and Jaurequi to operate Jetflicks. Individuals performed various roles at Jetflicks (and sometime multiple roles) that served to promote the success of the conspiracy. Some of the roles included management; computer programming and coding; design of website, apps, and customer interface, and technical assistance; subscriptions and revenue; and customer support.

10.   **The defendant.** From around December 2016 through at least June 2017, the defendant served as a programmer for Jetflicks, taking over responsibilities from co-defendant Yoany Vaillant a/k/a "Yoany Vaillant Fajardo." Like Vaillant, the defendant received root passwords, logins, and keys from Dallmann to help control Jetflicks and to use SickRage and Sick Beard in connection with the Jetflicks. The defendant mostly worked on solving problems with the Jetflicks' computer scripts that co-defendants Darryl Julius Polo, Peter H. Huber, and Vaillant had written or refined and that were designed to help locate, download, process, store, stream, and make available for downloaded pirated television shows. Jaurequi and Dallmann would draft lists of tasks for the defendant to complete. For his work at Jetflicks, Dallmann paid the defendant approximately $13,675 from January 2017 to November 2017.

11.   **Dallmann.** As the head of Jetflicks, Dallmann played numerous roles, including running the Jetflicks operation; coding and writing computer programs and scripts; designing the Jetflicks website, apps, and customer interface and providing technical assistance; working to

increase subscriptions and revenue; and supervising and providing customer support. Dallmann, in short, was involved in every significant aspect of managing Jetflicks.

12.   **Jaurequi.** Jaurequi primarily assisted Dallmann with managing the service and also provided customer support. Among other things, Jaurequi dealt with vendors and payment processors; monitored the downloading and launching of infringing episodes through Sick Beard and SickRage, and helped ensure that the infringing works downloaded, processed, and streamed properly; identified problems with the Jetflicks interface, the Jetflicks television program inventory, and show quality; drafted a master list of Jetflicks television programs; tested Jetflicks on different devices; worked on customer lists and emails to customers; handled billing and revenue issues; and responded to customer questions and complaints.

The Defendant's FBI Interview, Knowledge, and Willfulness

13.   On May 21, 2018, the defendant agreed to a voluntary interview with the FBI. During this interview, the defendant admitted that he worked as a programmer for Jetflicks. The defendant stated that Dallmann hired him, and he worked with both Dallmann and Jaurequi at the service. The defendant also acknowledged that he knew Polo from a previous job, was aware that Polo ran a similar service to Jetflicks called iStreamItAll (ISIA), and was told by Dallmann that Polo used Jetflicks' customer base for ISIA.

14.   The defendant admitted that at Jetflicks he worked on billing issues and the processing of Jetflicks' television shows through SickRage, and indicated that Dallmann's goal was to try to automate Jetflicks fully, including identifying, obtaining, processing, cataloguing, and distributing television programs to subscribers with minimal human input or oversight. The defendant admitted that he knew that Jetflicks' content was Internet-sourced and pirated, and that Jetflicks used SickRage and other tools to obtain this infringing content.

15.   In fact, Dallmann and the defendant frequently communicated about working on scripts to enable and improve the ability of Jetflicks to use SickRage, Sick Beard, and other tools to help locate, download, process, store, stream, and make available for download pirated television programs to paid subscribers.

a.   For instance, on May 2, 2017, in an Internet chat, Dallmann stated to the defendant, "well, we should probably design the show launching system... but which ever you want to work on first ... and so you know, I will have at least $1,000 for you on wednesday." the defendant responded, "ok." The next day, Dallmann and the defendant had the following exchange:

Dallmann	and what should we start working on, lol
The Defendant	When you will have the new design ready?
Dallmann	well, security obviously, but we'll have to adapt our show launching system
Dallmann	and we will be using a different version of SickRage API ...
The Defendant	Ok
Dallmann	so maybe that part of it... once we know content can go into the correct folders, be secure, and write all info to the database properly from the SickRage API... then we can finish the site
Dallmann	sound cool?

Dallmann	so Security with Flowplayer... 1
Dallmann	Setup 2 Servers in the office ...2
Dallmann	create launch modifications with Sickrage...3
Dallmann	write to database... 3 (part 2)
Dallmann	lol
Dallmann	finish site... 4
The Defendant	Ok
Dallmann	awesome, I'll start creating more content tonite... and see you tomororw... what time?

On May 4, 2017, Dallmann transferred $1,000 to the defendant from his Chase bank account ending in 8817.

   b.   Then, on May 9, 2017, the defendant communicated with Dallmann through an Internet chat, asking if Dallmann had any shows that would launch shortly. Dallmann looked and mentioned "NCIS Los Angeles," "Death in Paradise," "Dragonball Super," and "Jane the Virgin." Dallmann then stated, "Well, do you want the shows to launch if they are uploaded? I can watch the progress, and check if the files process properly... if that's ok? I need a copy of the files that the process upload to the server."

   c.   Similarly, on May 18, 2017, Dallmann and the defendant had the following exchange in an Internet chat:

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Dallmann	let me explain the background of how we got there first...
Dallmann	the shows were out of sync with what was on the servers...
Dallmann	and the script that launches shows automatically (the scripts on [servers] s1001-s1004) weren't launching the shows properly either...
Dallmann	so we decided the best solution was to delete the entire shows database, and re-add the shows and have yonay [Vaillant] create an admin interface where we could use this new scripting to add shows if there ever was an issue
The Defendant	ok
Dallmann	so he created it for us... which is the method you see when you go in the admin to...
Dallmann	file manager – TV Shows
Dallmann	he did a pretty good job creating his script that adds shows to the database...
The Defendant	ok
Dallmann	then he tried to fix the scripting on s1001-s1004 so that new shows and episodes would launch in the same methods he created in his scripting
Dallmann	obviously that wasn't perfect... since special characters aren't handled the same way

Dallmann	which i don't blame him for... he was just trying to fix Darryl [Polo]'s scripting [...]
The Defendant	"Add-TV Show" was develop by ?
Dallmann	Yonay [Vaillant]
Dallmann	that was the scripting that he developed to get all shows via server-side and repopulate the database based on that information
Dallmann	using the TVDB and Sickrage
Dallmann	so basically he took the folder name, and used that in conjunction with the TVDB ID, and the files listed on the server to repopulate the database
Dallmann	i will take credit for the design...lol

d. On May 22, 2017, Dallmann corresponded with the defendant through Internet chat that Jetflicks episodes were launching without the names being changed from SickRage, stating, "Hey Luis, I'm sure you're at work, but there's an issue we're having with the shows launching." The defendant responded, "What is the problem?" Dallmann then noted, "The episodes are launching without changing the name, and then launching them as seasons." He then sent the defendant a screenshot of five episodes with file names showing that they came from pirate sites including, for example, "Switched.at.Birth.S05E10.1080p.AMZN. WEBRip.DD5.1.x264-KiNGS-3G.mp1." This was the episode "Long Live Love" of the television program "Switched at Birth," which originally aired April 11, 2017, on Freeform and was then available on Amazon Prime Video; according to the file name, the episode was

"ripped" from Amazon by the KiNGS, a "release group" that distributed infringing content. The defendant then responded, "Jared [Jaurequi] took it upon himself to put shows in the folders without renaming them properly." Shortly after that, Dallmann told the defendant, "We launched over 600 episodes the past 4 days."

e.   Moreover, on May 25, 2017, in an Internet chat, the defendant stated to Dallmann, "the launch process was broken, we have to reimport all the episodes that we process in the last 3 days example https://www.jetflicks.mobi/live/stream-tyler-perry-s-if-loving-you-is-wrong-season-1-bundle-2798.html 2017-05-25 04:00:58." Dallmann then responded, "Hmm... do you have a list of approved? I can have jared [Jaurequi] use that to re download and launch." And, on May 22, 2017, Dallmann asked the defendant, "is there an easy way to fix the air date? ..." The defendant stated, "I have to create a cronjob [a script to schedule tasks to run on a server] that update the tv show information from the sickbear[d] ..." Dallmann responded, "so why not just write a script that fills all the fields in one swoop... then we make sure the date is added when a new episode is added to the system ..." About 1.5 hours later, Dallmann told the defendant, "hey, jared [Jaurequi] just let me know that the fix isn't working across the entire site..."

16.   In addition, Dallmann and the defendant discussed developing measures to prevent subscribers from "stealing" the television shows Jetflicks had obtained and were distributing illegally. Between May 4 and 5, 2017, for instance, Dallmann and the defendant communicated in an Internet chat about encrypting the television programs being offered on Jetflicks. Specifically, Dallmann expressed an interest in encrypting ".mp4 files . . . so there aren't open files sitting on the server," which led to the following exchange on or about May 5, 2017:

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Dallmann	I suppose I can do the encryption here... it gives me more control... then just save the unencrypted files instead of the encrypted ones as backups...
Dallmann	i dunno, you decide, lol
The Defendant	read this https://github.com/kaltura/nginx-vod-module/issues/596
Dallmann	so it'll be DRM [digital rights management] instead of the regular encryption?
Dallmann	https://github.com/Axinom/clearkey-server
The Defendant	I already ask the developer fi we can secure the video with out a license server
Dallmann	haha, that wasn't there when i opened the page
Dallmann	☺
Dallmann	if we need a license server, that link will probably be what we need... and it's no big deal... as long as we have redundant servers in different locations
Dallmann	but I'd rather not have a license server if possible... but be as secure as if we had a license server configuration
Dallmann	PlayReady isn't an option...
The Defendant	ok

Dallmann	just saying…lol
Dallmann	let's just say… the requirements are not aligned with our business model…
Dallmann	☺

PlayReady is a digital rights management technology developed by Microsoft that is intended to prevent the unauthorized copying of media files; to use PlayReady, a company must enter into a license agreement with Microsoft.

17.   The defendant also was aware of how lucrative Jetflicks was. For example, on April 3, 2017, Dallmann and the defendant had the following exchange during an Internet chat:

Dallmann	When Jetflicks starts making crazy $$ in a few months… How much do you need to make to be full-time for Jetflicks only?
The Defendant	120k a year
Dallmann	That's doable…
Dallmann	Jetflicks made 750k 3 years ago… 500k in 2015… And a sad 350k last year
Dallmann	If we didn't have the people that took advantage, we'd be awesome

*   *   *

18.   In sum, the defendant admits that from at least February 2017 and continuing through at least June 2017, he, along with Dallmann, Jaurequi, and others at Jetflicks knowingly and intentionally conspired and agreed to willfully and for purposes of commercial advantage and private financial gain infringe copyrights by reproduction and distribution of at least ten copies of one or more copyrighted works without permission from the right holders during a 180-day period with a total retail value of more than $2,500.

19.   The defendant also admits the following overt acts occurred in furtherance of the conspiracy and to effectuate its objects:

a.   On December 29, 2016, members of the conspiracy, without permission from the copyright owner, caused the streaming of a copy of the episode "Paradise" of the television program "The OA," which was originally aired on Netflix on December 16, 2016, when an undercover agent streamed this work in the Eastern District of Virginia from Jetflicks;

b.   On January 4, 2017, members of the conspiracy, without permission from the copyright owner, caused the distribution of a copy of the episode "Blood Washed Away" of the television program "12 Monkeys," which was originally aired on Syfy on July 11, 2016, when an undercover agent downloaded this work in the Eastern District of Virginia from Jetflicks;

c.   On January 4, 2017, members of the conspiracy, without permission from the copyright owner, caused the distribution of a copy of the episode "Memory of Tomorrow" of the television program "12 Monkeys," which was originally aired on Syfy on July 18, 2016, when an undercover agent downloaded this work in the Eastern District of Virginia from Jetflicks;

d.   On January 10, 2017, members of the conspiracy caused a $29.99 charge

to Capital One Bank card number ending in 1449, which belonged to R.L., a resident of

Woodbridge, Virginia, in the Eastern District of Virginia, for a six-month Jetflicks subscription;

        e.   On January 23, 2017, members of the conspiracy caused a charge of

$133.75 to Visa card number ending in 4242, which belonged to M.B., a resident of Ashburn,

Virginia, in the Eastern District of Virginia, for an annual Jetflicks subscription with additional

services;

        f.   On January 27, 2017, using his Wells Fargo bank account number ending

in 6241 in the name of Jetflicks, LLC, Dallmann paid $400 to the defendant for services for

Jetflicks;

        g.   On April 18, 2017, members of the conspiracy caused a $16.97 charge to

Visa card ending in 0104, which belonged to an undercover FBI agent located in the Eastern

District of Virginia, for a one-month Jetflicks subscription; and

        h.   On May 20, 2017, members of the conspiracy caused a charge of $133.75

to a Chase Bank card Visa number ending in 0563, which belonged to J.P., a resident of

Alexandria, Virginia, in the Eastern District of Virginia, for an annual Jetflicks subscription with
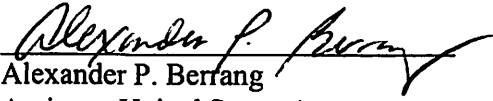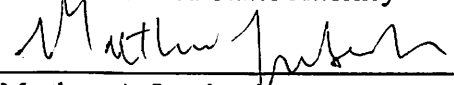
additional services.

20.   The actions taken by the defendant, as described above, were all taken willfully,

intentionally, and knowingly. The defendant did not take those actions by accident, mistake, or

with the belief that they did not violate the law.

21.   The defendant admits that the infringement amount for his offenses is more than

$15,000, but not greater than $40,000, and that the offenses involved the manufacture,

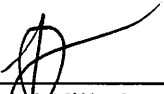importation, or uploading of infringing items.

22.   This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include each and every fact known to the defendant or to the United States, and is not intended to be a full enumeration of all the facts surrounding the defendant's case.

Respectfully submitted,

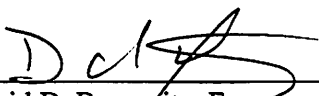G. Zachary Terwilliger
United States Attorney

By: _____
Alexander P. Berrang
Assistant United States Attorney

_____
Matthew A. Lamberti
Senior Counsel, U.S. Department of Justice

Defendant's Signature: After consulting with my attorney and pursuant to the plea agreement entered into this day between the United States and me, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Date: 12/13/19 _____

Luis Angel Villarino
Defendant

Defense Counsel Signature: I am counsel for Luis Angel Villarino. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

Date: 12/13/19 _____

David B. Benowitz, Esq.
Counsel for the Defendant