Transcript for Nick Bilton | American Kingpin (Episode 624) Full show notes found here: https://theartofcharm.com/624/

NICK:

In one of the diary entries he's like, "I had to recalibrate the server. Paid Enigo 500 bucks for his employee, hired the Hells Angels to kill six people -- it's a line item on his spreadsheets. It becomes almost nothing.

JORDAN:

Welcome to The Art of Charm, I'm Jordan Harbinger. On this episode we'll be talking with my friend Nick Bilton. He's a special correspondent for Vanity Fair, where he writes about technology, politics, business, and culture, and he was a columnist and reporter for The New York Times for a decade. He wrote *Hatching Twitter*, which chronicles the turmoil and chaos inside Twitter as it grew from a fledgling start up into a multi billion dollar company.

But today, we'll tell the story of Ross Ulbricht, a young Texas boy scout who decided to build a website where you could buy or sell anything, which soon became a \$1.2 billion drug, guns, and hacking tools website and made him the most wanted man on the Internet. Nick researched this story and its subject, kingpin Ross Ulbricht so much I think he may actually know him better than he even knows himself. We'll discuss that process, of course, and in an age where technology consumes every moment of our lives, people need to know how their ideas can be used for both good and bad, positive and negative, and this story is the perfect parable to teach that. So get ready and enjoy this episode with Nick Bilton.

Nick, thanks for joining us man. Super interesting stuff you've written recently here.

NICK: Thank you so much for having me.

> Now, this book kind of freaked me out, right? Because Silk Road, fascinating, cool and -- you're thinking about this kid, Ross Ulbricht, and people on the Internet have all these differing opinions. "Oh, they just made an example out of him. Yeah, he's

JORDAN:

this innocent Internet entrepreneur that kind of got taken away. The best years of his life -- he's going to be in prison forever and he just made a couple simple mistakes." But then when I read this book -- when I read <u>American Kingpin</u>, I'm thinking, "This guy -- he might have been good in the beginning,but he certainly didn't end up one of the good guys towards the end."

NICK:

Yeah I mean I think you're completely right. I mean I think that he kind of embodies -- I had been covering Silicon Valley for more than a decade and he embodies a lot of the CEOs I covered for a long, long time. You know, Ross was this sweet kid from Texas -- Austin, Texas -- who, you know, grew up in a family where, you know, rather than talking about football and whatnot on a Sunday evening around the dinner table, there was libertarian politics and he got super into that concept of this idea that the government shouldn't be able to tell people what they can and cannot do, and decided to start a website called The Silk Road where you could buy and sell drugs without having to worry about being arrested for that or anything bad happening.

And the site explodes, essentially becomes a phenomenon and by the end of it, you know, while it may have started with these altruistic libertarian philosophies, you know, Ross thinks he's having people killed, he's selling poisons, discussing selling body parts, all these things that were not what the ideals of the site were from the start.

JORDAN:

Yeah he's almost like a pathetic figure in the beginning, right? He's this dork kind of kid who lives in a basement and has a garbage bag full of old hand me down--

NICK: Two garbage bags.

JORDAN: Yeah, two garbage bags.

NICK: Yeah he has -- one is his clean clothes and one is his dirty clothes. That's literally everything he owns right there.

JORDAN:

When you meet somebody like this in real life, usually you're thinking, "Wow, you're essentially a homeless person that -- temporarily anyway -- has shelter," and you just think, "How is this person going to make anything out of himself?" This guy was a genius though, in many ways. And the potential went towards something that got -- just spiraled wildly out of control.

NICK:

Yeah I mean he's a genius in numerous ways. I mean he decided when he was going to start, you know, working on the website, he didn't have -- he had never studied, you know, computer engineering in college or anything like that. He wasn't like Mark Zuckerberg who had gone to school and studied any of this stuff or any of the other entrepreneurs that built these companies, he taught himself. And Ross ended up -- essentially when he launched the site, he had grown his own magic mushrooms, he had rented a small little place in the outskirts of Boston and secretly grown his magic mushrooms there. And even that is really hard. You know, I spoke to people who have done it and when you try to do it in bulk, like he was doing, it's not an easy thing to do.

And then he built the site, he did the front end, the back end, he did the UI, the design, the marketing, everything. That's not an easy task to pull off. And like you said, you know, it's funny when you kind of think about where Ross ended up and where he is today, you can see that this was kind of the kid that we all knew in college, the weird guy that had these weird philosophies and had he not gone off and built this drug website, there's a chance that he could have just ended up going and getting a pretty standard job or even ended up going and working for the government and doing the thing that he hated. And of course it went in a completely opposite direction, and I think in a direction that he had never thought it would end up taking him.

JORDAN:

It's weird I read this book and I thought, "There's a good chance that you know this story and maybe even this kid better than he knows himself for that period of his life." NICK:

It's interesting because as a reporter who has covered stories from, you know, kind of one view on daily, if not hourly basis, and then a reporter who's written books several years after the fact. You get a completely different perspective when you do that. You get to kind of -- to patiently sit back, go through all the evidence, all the research, and the thing with this book that was kind of astounding was the amount of information that Ross had left in his wake as he had built the site and run it.

For the better part of three years, literally every single communication he had with his employees or with anyone related to the site, was captured on his computer, in chat logs, in emails, and I was able to get access to all the stuff including photos and videos and then got access to his social media profiles and all the things that were on there. And working with the research we kind of built this database that ended up including -- I'm not just saying this -- it's literally millions of words of different pieces of information and that stuff all came together and showed this version of this person, and actually showed him changing and morphing over time, going from this kid who was like, "I really truly believe this thing I'm building is going to make the world a better place," and then by the end of it sanctioning the murders and paying for the murders of people that have wronged him on the site or that could potentially, you know, lead to its demise.

JORDAN:

First of all, I don't even remember chats I had last week so the fact that you had chat records and email records from this guy from so long ago -- the amount of insight you get into someone's mind is tremendous. It's certainly more than you would get with trying to look back at your own 20/20 hindsight or maybe even 20/15 hindsight, right? Because everything is tainted by emotions. You're looking at the actual raw data here. You can't really deny anything. How do you think the process begins for someone to go from, ideologue idealist libertarian, "Everybody should be able to do what they want with their body. Recreational drugs are healthy for your psyche," to "Yeah, let me pay some Hell's Angels 50 grand to torture slash murder

some guy who I think stole from me, even though I have no proof?"

NICK:

Look I think that one thing that happens is, in traditional instances in traditional business, things don't change that quickly. You kind of open up shop and more customers lead to more customers and so on and so forth. And if you're lucky, you're successful. There's a very, very slim chance that you reach a huge audience and grow to become a big entity. With the Internet, it is incredibly different. You can build a business, a website with a few people that can take off in seconds. And when it does, it goes from one person using it or a dozen people using it to 100 million people using it. And it doesn't necessarily mean that you've built a successful business. I mean Twitter is a perfect example of that. This is a company that's got over 330 million people on it and it's still struggling to figure out what it is and where it's going and if it's going to survive. But a lot of these instances it happens, you know, almost like a rocketship taking off and that was what happened with Ross Ulbricht and the Silk Road.

He built the site, he had a few trickles of people coming in and using it, buying the mushrooms he'd grown, the weed that he was selling and things like that. And then more people started buying and selling on the site and then on June 1st of 2011, Gawker ran an article -- Adrian Chen, a reporter from Gawker, ran this article -- and the article was talking about the Silk Road, this website where you could buy and sell any drug imaginable. And it exploded from that point on.

It was picked up in every news site on the Internet and around the world -- NPR, local news, you name it. And from that point on, the site became essentially an instant phenomenon. And people had realized, okay well whoever started this, and no one had any idea who started it, whoever had started it, if they hadn't been caught by now, then they weren't going to be caught and -- if the site was still going.

And so, people felt emboldened to use it and next thing you know, they're selling -- they're allowing people to sell guns, then it's poisons, then it's bomb stuff, then it's how to build your own drug laboratory, then it's cyanide, then there's discussions of selling livers and kidneys, there's hacker tools -- I mean it was just endless the number of things that you could get on there that you couldn't get very easily in the real world. And there were all these repercussions from that, and you know, for Ross I think, from a personal standpoint -- and you can see this when you kind of read the chats as he starts to change -- he starts to kind of become more aggressive in certain instances. He still remains like a sweet guy but it clearly -- it's so clear that it goes to his head.

And it's funny because, you know, in the beginning, when I first found emails of his from when he was younger, when he was in college, or when he ran a business before -- it was a book selling business -- he never cursed, he would always write the word fudge. Like, "Oh, fudge I just did this." It was very hokey the way he spoke and wrote. And even as he is running this website, and ordering the hits of these people, he's still using those words. He's like, still saying, "Oh, fudge I wish I hadn't have had to kill him," you know? And so, his personality is changing in the respect of he is becoming more emboldened, he's completely fearless at this point -- he doesn't believe there's ever a chance he could ever caught -- but at the same time he's still got these quirks that remain the same all the way through.

JORDAN:

That's so bizarre and it kind of speaks to that separation that we can have when we're interacting with people online.

NICK:

Without question. There is someone who goes on Twitter and, you know, tweets at me or you or anyone and says, "You're an X,Y, or Z piece of X whatever," they would never, ever, ever say that to your face. They have no connection with the fact that the words that they're typing into a computer are affecting a human being on the other side of that screen.

And I think that the same exact thing was happening with Ross. He had no concept that the drugs he was selling were enabling, you know, teenagers and kids that would not necessarily have been able to get access to some of these things, to get access to them. You know there's a story in the book where Ross goes camping for a weekend and he -enlivened by how well the site's doing, he's making tens of millions of dollars in commision fees on all these drug sales -he meets a girl and falls in love and over that same exact weekend, there's a kid in Perth, Australia who gets access to this drug called N-Bomb which you could never have gotten in Perth before. And I spoke to law enforcement there and they said that you could never have gotten it if it wasn't for the Silk Road because it connected you with this labs in China that make these things called N-Bomb and other synthetic drugs. And the kid had an adverse reaction and died. You know, for Ross, I don't think he had any concept of the negative effects of the website. He only chose to see the good side because he was behind a computer. That was it.

## (COMMERCIAL BREAK)

JORDAN:

You see these sort of, attempts for him to rationalize things that are going on and how he becomes more and more isolated from the women that he's dating and his friends can't know about it. He's even people help code the site that they don't know exactly what they're creating. So he becomes more isolated and in that sort of weird sphere of isolation, he starts to change in probably ways that he doesn't even recognize and yet, he doesn't seem to notice that it's happening because all of the people that are doing these things are super far away, he's never met them, he's never spoken with them in his libertarian -- super libertarian ideology it also is their fault. So he's able to isolate himself from that and just kind of go retreat back into the ideology in a way.

NICK:

Yeah, the ideology was his justification all along and I think that that's where I completely can understand where Ross is coming from and I understand the arguments and the defense

of him and the site when it comes to certain aspects of it. I do believe that certain mild drugs should not be illegal. I think it's just ludicrous. You know, this is one of Ross' original arguments when you look at the number of people who die from eating Big Macs every single year -- tens of thousands of people -- from heart disease and so on, or the number of people that die from alcohol and then you compare it with the number of people who die from taking magic mushrooms for example. There's only -- literally, in the last 30 years -- there's only two recorded instances of people dying from magic mushrooms and those are not even proven to be from the actual magic mushrooms. Yet, if you get caught dealing that in Texas for example -- dealing magic mushrooms -- you can go to jail for life and I think that's insane. And I think that's part of the broken system.

But where I don't agree -- and I do agree with him on that where I don't agree is that things like heroin and Fentanyl, last year alone, more people died from heroin and Fentanyl, the synthetic version of it than died of gun deaths in America, and I don't think that those things should be legal and I think that we have responsibilities as a society to stop them. Is the war on drugs working? No. It doesn't work in the way that it does but that doesn't mean that these things should be legal. And I think that that's where there's was this huge disconnect with Ross too, that he was never able to see that these drugs that he was selling were having incredibly negative effects on people's lives. He was just -- in his mind, he thought he was saving the world from the tyrannies of government and the rules that exist and that was it.

JORDAN:

Have you ever spoken with him? I mean I would imagine he's kind of -- literally on lockdown. Are you able to get in there at all and talk with him?

NICK:

No I didn't speak to him, I spoke to his mom a little bit on the courthouse steps and I, you know, saw him during the trial. And for listeners, that's not giving away the ending, believe it or not. I didn't actually need to speak to him. Like you said in the

beginning, you know, if I would have sat down with him and said, "Hey, Tuesday the 14th of June in 2013," you know, "you ordered the hit of someone. What were you doing?" A, he probably wouldn't remember, and B, he's not going to tell me because he's in the middle of an appeal process and so on. And those chat logs, when you kind of take those chat logs, you take thousands of photos I had access to, the videos, his social media posts, which all happened concurrently, you can see exactly where he was and what he was thinking. And he had diaries that he kept on his computer, he would write online about dreams he'd had. I mean, he kept probably the most robust amount of information online in a digital form about himself than any single person I've ever written about in my entire life.

JORDAN:

It seems like a strange contradiction because here's this guy that uses Tor and these encrypted Web browsers and all of the, you know -- Bitcoin is all the payment system, he's moving around, he pays for things in cash, but this jackass can't get a moleskine and write things down or at least, you know -- he's in live chatting with his criminal business partner every single thing that's going on all day long. I mean, how do you reconcile all that level of carelessness?

NICK:

You know, for all of his geniusness there was also stupidity and hubris is actually the biggest downfall. A lot of people say, "Oh, he went to jail for the drugs," and so on, I don't agree with that. I think he went to jail because of his hubris. I think he could have, at the end of this whole -- said "Look, I screwed up. I made a mistake and got carried away," and instead he decided that he was going to fight it and what he believed, win. You know, I don't think that he would have ever thought that he would be caught.

There's a couple of conversations he has with some of his employees, one employee in particular, this guy Variety Jones, who is an incredible character in the story. But I think he looks at -- you know, he has this conversation where he says, you know, "I will eventually be able to unmask myself as the Dread

Pirate Roberts," and the Dread Pirate Roberts was Ross' pseudonym on the Silk Road, "Because I will eventually prove that legalizing drugs will make the world a safer place." So he actually truly did believe that eventually, so many people would be using the site and he would be making so much money and drug overdoses would reduce and so on -- that he would be able to come out and say, "Hey it was me all along." Even if this thing would have grown to be the biggest drug system in the entire world, that would not have proven to be correct because I think what we're seeing is that the Silk Road and other drug websites like it are actually contributing to more overdoses than in the past. But at the same time, I think his hubris was -- he made these dumb, dumb mistakes, you know, in the very beginning when he starts the site.

He goes and posts on a forum and actually for the first two seconds uses his real email address and then goes back and quickly deletes it but doesn't realize it had stored in the server. And another thing he does is he keeps these chat logs on his computer and he thinks that his computer is encrypted, but his password is so simple. It's purple orange beach, It's not like 692-7-#-#, you know? It's just a word that a computer could crack in a couple of weeks. And so there are all these kind of hypocrisies in the things that he does and those are the things that his arrogance, I think, allowed him to do them and that was what ended up being the thing that he fell to.

JORDAN:

That's unbelievable. First of all, do you go in chronological order researching? I'm curious about your process here because you ended up with an absolute pile. There's a whole library full of chat logs, transactions and things like that, not to mention the research you have to do, just on his life in general. What's the process of even beginning to triage all that information?

NICK:

Well it's interesting because I had a researcher I work with, she's amazing and she was able to kind of help me. We found stuff, she found stuff that I couldn't have found online using, you know, online databases and Wayback Machine and all these different things. There was a -- people she connected to

that a lot of the times when you're trying to connect to these people that you want to interview, you go to them and you figure out, through social media, through Facebook -- like if you have a mutual friend in common and if you don't, you figure out someone that does. And then you get an introduction and it's a lot easier to talk to them and so that's something that she did. And we ended up interviewing, you know, at least over 100 people. But for me, it's a process of getting literally as much stuff as I possibly can. And I know that I am completing my research when I get to the point that I am telling people that I am interviewing things that they didn't know. And, that usually takes for a book about a year or so.

And because the book is written kind of like a novel, it's very narrative nonfiction like and I go to the places where these things happened, so if there's a photo of a restaurant, I figure out where the restaurant is, I go to the restaurant, I try to order the same food and sit in the same seat. And it's a little OCD but then I can describe what that seat feels like or what that sushi tastes like or that coffee. So I go to the places I got to spend a lot of time with law enforcement, I got to see where the drugs come in in Chicago, follow the trail of all these different drugs that come in through the normal flights across the tarmac to the big sorting facility, see the conveyor belts, meet the dogs that do the drug sniffing, I mean everything.

And it's just -- it's a tremendous amount of stuff and you just kind of have to keep it in your head and organize it that way. And the best way I describe, kind of, the writing process is if you imagine you have like a 10,000 piece jigsaw puzzle, you don't start in the left hand corner and start putting it together that way. At least I would not. You start, kind of, trying to find a couple of pieces that stick together and eventually they all come together by the end. And so you have -- the writing process is like I'll start on chapter 72 and then I'll find myself needing more information so I'll go to chapter 34 and work on that, and one, and seven, and bounce around in that respect.

JORDAN: Yeah, it seems like just a tremendous amount of work and

organization. I feel sorry for your researcher, obviously. She's

born for this.

NICK: She used to work for the DNC actually and part of her job was to

find good and bad things on congress people.

JORDAN: Yikes. Speaking of email hacks and chat logs, right?

NICK: Yeah, exactly.

JORDAN: So, going back to Ross and -- I mean he's in prison for the rest of

his life, there's zero chance he's going to get out pretty much, I think, given the amount of things that he's been convicted of here. Do you think that this was a slow process of him turning into a monster or do you think that it happened guicker than

you would have expected?

NICK: That's a great question. I think it was both slow and fast. I think

that he didn't believe that he was turning. There's a great conversation between him and his employee Variety Jones. And Variety Jones was essentially his like -- his concilier. He was the guy he went to if he was trying to figure out if he should have someone killed or if he should do this drug deal for a kilo of coke or, you know, if there were problems on the site -- and there were a lot of problems on the site -- what he should

do about them.

One of the big problems that was kind of comical actually is that, everyone on there is selling something -- some illegal contraband -- but they don't actually all like each other. And so the weed guys are like, "Well I don't want anything to do with those gun people because I think guns are terrible." And the gun people are like, "Well I don't want anything to do with the heroin people because they're just a bunch of addicts and, you know, bad people that sell heroin." And so there were like problems like that, there were hackers that would try to take over the site and Ross would have to pay \$100,000 ransom.

And Variety Jones was the guy who helped him come up with the solutions for these problems. But there's a great conversation where pretty far into a couple years into the site, and Variety Jones mentions something about them being drug dealers and bad people. Variety Jones and Ross got along very, very well, and Ross kind of snaps back and he's like, "What are you talking about? We're not bad people," And Variety Jones is like, "Of course we are, like, look at the things we're doing. We're selling these drugs and guns and, you know, having people tortured and," you know, at least they think they are. "All these things that we're doing," he's like, "We've crossed a line a long time ago," and Ross' response is, "I don't believe we have crossed a line, I think we've just moved it." And so for him, I think that he believed all along, or at least he justified all along that the things he was doing were not bad and they weren't wrong and that it was the price he had to pay for greatness, in the same way that Steve Jobs thought being an \*\*\*\*\*\* to his employees was the price he had to pay for greatness. And you know -- and I think that Ross just kind of was oblivious to the fact that he was actually doing some really, really bad stuff.

JORDAN:

It just seems so unbelievable and I'd like to think, "Wow, you know, I wouldn't have done that. This couldn't happen," but it's also kind of scary because you see him starting a business essentially and it's working and he's living pretty large and he's able to accomplish goals that most people with his ideology have only dreamed about. People are giving him a lot of credit for it, right? He's this legendary online, villain slash hero to the people using the site. Is it fair to say he was one of the most wanted men in the world at one point?

NICK:

I think he was the most wanted man in the history of the Internet at some point, without a doubt. I don't know about most wanted man in the world because I'm sure that there's some people out there we don't even know about. Especially some ISIS and Al-Oaeda folks.

JORDAN: Well, sure.

NICK:

But he was, without question, the most wanted man in the history of the Internet. And the thing that had happened with him was, he had a point where he actually believes that -- he has a conversation with his girlfriend, they get back together -- and his girlfriend, of course, knew about this site in the beginning. That was why they broke up. She has no idea -- she hasn't been on the site -- she has no idea all the bad things that are happening. But she says to him, you know -- she's a born again Christian and she tries to convince him to bring God into his life because she thinks that that's going to be the solution that's going to get him to stop doing the site and to realize the error of his ways. And his response is, "I don't need God."

He essentially says to himself, you know I think that -- says to her, "I think that a man can be his own god and I think that I know what's right and wrong and I don't need anyone else to tell me," and he was essentially saying like, "I believe I'm God in this world I've created," and he was. You know, he was the person who decided who lived, who died, who was allowed in, who was allowed out, what you could sell, what you couldn't, and how much commision he charged. And he was on track to a billion dollars in sales that year that he was eventually caught and the numbers had just continued to grow and to himself he was unstoppable.

## (COMMERCIAL BREAK)

JORDAN:

Do you think that he would have just continued on forever? Do you think at some point he thought, "I'm going to retire?" Because he didn't buy anything. That's even more strange.

NICK:

No that's a really good question. It's interesting because, you know, the people that are out there still defending him -- and there are quite a number of them -- they liken him to the CEO of Craigslist or eBay or something like that -- that there are bad things that are sold on those sites but those people don't go to jail. And I think the huge difference is that there's negligence on the part of those people -- those companies that do sell those things -- but there is not an intention to do that.

You know, I spoke to one of the founders of eBay about this because I was curious and they were saying, "Look, you know, when we first started we had no idea someone would come on the site and try to sell drugs. We had to institute policies to insure that didn't happen. And then when people started selling guns, we had to institute policies to insure that didn't happen," and so on and so forth. So, it was a process of eliminating those things whereas with the Silk Road, the intention -- the entire intention -- was to sell those things. And the entire system was built up, built to ensure that people didn't get caught. There was tumblers to ensure that your money couldn't be traced. There were tips on how to get certain drugs in through the mail or how to create a dead drop which is where you leave things in certain places for people to get them. You know, the entire intention was to subvert the law and to get around the government. And so it's not necessarily a very valid argument in my point of view.

And as far as the question of if he would have quit, he had this goal and it's bizarre that he had this goal, but he had this goal and he told a few people about this. He actually told people in the real world about it but he also told his employees on the website that he wanted to be a billionaire by the time he was 30. And when he started the site he was in his mid twenties. If he hadn't have been caught he would have gone to that point pretty quickly because the value of Bitcoin was doubling, tripling, on almost like a daily basis. So if he had a dollar in his Bitcoin wallet one day, it was worth \$2 the next and \$4 the next and so on.

And I wonder if he would have gotten to that point and then he would have quit, if he would have been unable to walk away -- The irony -- something I'm sure that he regrets -- is that if he would have walked away literally two weeks before he was caught, he would have gotten away. Even if they knew who he was they would never have been able to charge him. And he would have gotten away with tens of millions of dollars.

JORDAN:

Yeah he could have just wiped his laptop and been like, "I'm staying in Thailand and I'm going to launder this."

NICK:

And they would never have been able to prove it was him. He could have said, "Well I didn't register that account. It was somebody else," or, "I have nothing to do with it." Because they had to catch him red handed with his hands on the laptop, logged into the site, to be able to prove that it was him.

JORDAN:

Geez. High bar. I mean, the law enforcement officers that were chasing him must have just been sweating bullets the entire time.

NICK:

They told me they didn't sleep for weeks. I mean, that's another aspect of the story that's fascinating. I mean, if you really -- if you think about the book, it's really a book about ambition. You know, it's a story of ambition of people trying to be successful and to doing it at all costs. You know when you kind of look at the law enforcement side of it you have essentially four or five main groups around the country that are trying to figure out who this -- The Dread Pirate Roberts and the founder of the Silk Road is.

You've got the Department of Homeland Security in Chicago, you've got the DEA in Baltimore, FBI in New York, the IRS in New York, you've got local and state police and then a secret service agent that's part of this DEA task force. Two of the people end up turning bad. The DEA agent, this guy Carl Force, starts selling information the Dread Pirate Roberts about his case and starts bribing him for Bitcoins. The other secret service agent steals over a million dollars in Bitcoin during an arrest and blames it on the person he arrested and it just becomes -- the story just becomes insane after a little while, where it gets to the point where you're like, "Are you kidding me? This is what's happening?"

JORDAN:

Yeah we see the secret service agent, essentially they're kind of keeping one of the informants incognito. They rob his Bitcoin wallet or his Blockchain wallet and then that causes Ross slash Dread Pirate Roberts to think, "I better kill this guy because he's stealing from me."

NICK:

And then he hires the DEA agent to kill the guy because he thinks the DEA agent is a South American drug smuggler. I mean just even saying these things out loud is just insane. And it turns out the DEA agent fake kills the guy and then takes the money that he was supposed to give back to the DEA for the murder and keeps it and you know it's just crazy. And then, you know, there was these other bizarre little parallels that happen like, Ross when he started the website he got really into the TV show Breaking Bad. And so he would sit there, you know, half naked in this room of chemicals and drug equipment, growing shelves full of magic mushrooms in secret with cardboard taped to doors and the windows so no one could see in, watching Breaking Bad. And when he's finally caught, in this library in San Francisco, he gets caught trying to download a conversation about the last episode of Breaking Brad because the grand finale of the show had happened the night before, and that was the whole reason he went to the library in the first place.

JORDAN:

Of course he's watching Breaking Bad. And instead of, "Yeah, science," it's, "Yeah, Javascript," or whatever sort of encryption crap he's using. Do you think that this can happen to anyone? I mean, do you think, "Look this isn't just youthful," -- or, "This is maybe just youthful folly. This type of corruption of the brain can happen to anybody who ends up with this type of success this quickly," or something like that?

NICK

No, I don't think it can. I think that it's a specific personality. I think that there are a few things that come into play. One is -- He had a family that loved him. He had parents and siblings and cousins and aunts and uncles and so on. But he became so insular, he wasn't telling about what he was doing, right? And so, he didn't have -- his girlfriend kept saying to him, "You shouldn't be doing this, you shouldn't be doing this," in the early days of the site, before it really kind of got out of control. He

chose not to listen to her and he chose not to listen to another friend who knew about it.

And I think that -- the thing that I have found covering the biggest CEOs in the world for so long when I used to be at the New York Times and now Vanity Fair, and interacting with them is the ones that are -- that are the most successful, not in a financial way, because I don't actually say that -- I don't think that is the key to success in any way, shape, or form -- but are the most successful in feeling that they have accomplished something, that they have contributed and so on, are the ones that have a family and that that's more important to them than the thing that they're creating. The thing they're creating is fulfilling and it's important, but it's not more important than the people around them that they care about.

And the other folks I think that are willing to do anything at all costs to win, there's never going to be anything that they will win it because they're going to need more and more and more. And the perfect example of that is the president of the United States today. You know, Donald Trump wants to be more famous and more famous and more famous and there's no amount of fame that will ever satiate his appetite for feeling loved by this fame. Kanye West is the same way, a lot of CEOs in Silicon Valley are the same way as far as their success. It is a personality type that is able to build a huge business, it is a divergence of personality that decides that they're going to do everything at all costs to win and one that understands that this is not everything.

JORDAN:

What about the parallels, if any, between Ross and Silk Road and the founders of Twitter? Is there a link between personality change and success that you've identified here?

NICK:

Well, I wouldn't just say with the personalities of Twitter but I would say with a lot of personalities in Silicon Valley. It's interesting because Ross read the same -- he read all those Ayn Rand books all the Valley CEOs read. You know, on Facebook he quotes the same libertarian quotes like, "Ask for forgiveness not

for permission," all these kind of bizarre Ayn Rand quotes that I've seen, you know, founders tweet or post on social media.

And the way that he ran his business was very similar, you know, to what the way these guys ran their businesses -- defiant and recalcitrant and in a point of pride that they are willing and capable of making decisions that could harm other people in order to save the business. That to them, to all these folks, is a point of, "Okay, well I'm doing the right thing and I'm the only person that can make this decision," and I think that that was a huge similarity between Ross and all these other CEOs.

JORDAN:

It seems like a little bit of a dangerous slope because it -- when I read this I thought I would never do this. I just don't have the ideology really to back it up. It seems like it starts with the ideology and then, you have to almost have quick success that you can't really handle or kind of acclimate to in order to have this. It's almost like a snapping point at which you just -- you become somebody who's totally different. And it's not even just your dark side coming out, it's almost like you're becoming someone else. What do you think about that?

NICK:

I don't think you're becoming someone else. I think what happens actually is -- so in the Twitter book, which was the story of the founding of Twitter, <u>Hatching Twitter</u>, that I wrote -- I remember there's a point at the penultimate chapter, the last four chapters are essentially the closing of the four co-founders, and the second to last one is Biz Stone and Biz Stone is incredibly sweet, kind, and thoughtful individual, grew up with a lot of hardships and I think was molded in those. The last chapter is, of course, of Jack Dorsey.

And I remember saying to Biz, you know, "You grew up with no money, you know, you were literally on food stamps. Your mom gave you a bowl cut hair cut once a week by literally placing a bowl on your head and snapping the scissors around to make your hair look that way. The Twitter story is four friends who accidentally create this thing two become billionaires and two

do not. Biz is one of the folks who doesn't but he still ends up making quite a bit of money. He makes tens of millions of dollars in the IPO. And I said to Biz, "Did it change you?" and he said, "No." He said, you know, "The money, without a doubt, didn't change me." He goes, "The thing I've learned about money, being in Silicon Valley, is that it doesn't change who you are, it only magnifies who you are. It magnifies the good things about you and the bad things."

And the next chapter in the book is the last chapter which goes into Jack Dorsey. And I think for Jack, he had always wanted to be perceived as someone important, who had created some great things and so on, in the same way that Donald Trump needs to be famous and there's nothing that can satiate that. There's no amount of attention that could satiate that for Dorsey. And he ends up taking credit for everything, especially things he didn't create, and he ends up alienating everyone as a result of that and I think that the money only made him do that more. And so, if your question is, you know, "Could I go along, Jordan, and say, 'I am going to start this drug website because I think that weed should be legal. Will I end up ordering the hits of people by the end of it and being okay selling AR-15s to teenagers?" No, you would probably get to a point where you're like, "Wait a second, this thing is getting a little out of hand. I should probably have some rules on here because anarchy does not work on the Internet," and I think that you wouldn't get to that point.

JORDAN:

Yeah, I would like to think so. And that's kind of what scared me a little bit about the book was, you look at all of his mistakes and you kind of go, "Well I wouldn't do that. Well, I hope I wouldn't do that."

NICK:

I think that you wouldn't do that if you wouldn't do that if you had no money and no power. There's a great Abraham Lincoln quote and I'm going to bastardize it a little bit here but it says something to the effect of, "To really see a true man, give him power, and that's when someone's true personality will come out," and I think that that's evident in the Silk Road more than

anything I've ever written about. But it's evident in the Silicon Valley every single day.

You know, when Travis Kalanick and his friends started Uber, they believed that the taxi system was broken and they were completely right. And they believed they were going to make the world a better place by creating a world where you didn't have to wait for a taxi for five hours at the airport or, you know, have a taxi driver speed off because they don't want to go to Brooklyn on a Friday night or whatever it is. And that was the original concept and then fast forward five years and \$70 billion company later, and there's this fear by Travis and his co-founders and board members and so on that they could be usurped by someone else. They could be overtaken by someone else and they do anything they possibly can to win including breaking more laws than I can count. Telling the DMV that they're not going to pay attention to their rules, you know, creating fake apps that throw regulators off their scent, all these things -- screwing over their employees, screwing over drivers, cutting the amount of money they're going to pay them.

And in the end, sure, Uber is amazing because drunk driving is down and we can all get a car whenever we want, but at the same time, they ended up becoming the thing that they were trying to stop. And I think that's the exact same thing that happened with Ross and the Silk Road. You know, he thought the government was terrible because of what it did to people who dealt drugs and in the end, he ended up doing the exact same things.

JORDAN:

Nick this has been brilliant and a little scary, depending on how introspective one might be.

NICK:

Should we go off and start a Dark Web website, me and you? We can see who ends up becoming the good guy and the bad guy by the end.

JORDAN:

Exactly. I don't know if I could handle the pressure.

NICK:

That's the thing for me that was, I mean, the most breathtaking parts of the story, are that, you know, there's a point where, the government is after him, he knows it, there's press conferences by senators saying, "We have to catch these people." He fully understands that he could even get the electric chair for what he's doing and he is just going on dates on OkCupid while running the website, as if it's just a day in the life of a regular startup entrepreneur. That's the part -- for me I would have been popping Xanax and Ambien and God knows what else to make it through the day.

JORDAN:

Yeah, it's like when you hear about those mafia guys that are older and they get caught and it's like, "That was my neighbor for 10 years. What the hell?"

NICK:

Yeah. It's true. It's completely the case. It's how much intensity and pressure and anxiety I felt just reading the chat logs and his diary entries. In the beginning, he's definitely stressed out about these things. By the end, he has these diaries he keeps of like, what he's done every day and in one of the diary entries he's like, you know, "Had to recalibrate the server, paid Enigo 500 grand or whatever," you know, 500 bucks for his employee, "hired the Hells Angels to kill six people," just like it's a line item on his spreadsheets. It becomes almost nothing.

JORDAN:

Yeah, yeah, brings a little bit of life to the cliche, "He was such a quiet boy," right? I too would be popping Xanax, which by the way, is available for purchase on the Silk Road, along with AK-47s and explosives and everything else. Nick, thank you so much, man. This has been super enlightening.

NICK:

Thank you for having me.

JORDAN:

This kid -- I mean, he just crumbled and corrupted. And the story was super interesting in the book as well. *American Kingpin*, of course we'll have that linked in the show notes, and a great big thank you to Nick. We'll have him linked up in the show notes -- his Twitter that is. And if you enjoyed this one, don't forget to thank Nick on Twitter. Also, tweet at me your

number one takeaway from Nick, here during the show. I'm @theartofcharm on Twitter. This was a slightly different format than our usual how-to but I just thought the story was really compelling. Remember, you can tap our album art in most mobile podcast players, to see the show notes for this episode, we'll link to the show notes directly on your phone.

I also want to encourage you to join us on our AoC challenge at theartofcharm.com/challenge or you can text the word 'charmed' to 33444. That's C-H-A-R-M-E-D to 33444. The challenge is about improving your networking and connection skills and inspiring those around you to develop a personal and professional relationship with you. It's free. Of course it's free, that's the idea. It's a fun way to start the ball rolling and get some forward momentum. We'll also email you our fundamentals Toolbox that I mentioned earlier on the show, which includes some great practical stuff, ready to apply, right out of the box, on reading body language and having charismatic nonverbal communication, the science of attraction, negotiation techniques, networking and influence strategies, persuasion tactics, and everything else that we teach, here at The Art of Charm. It will make you a better networker, it'll make you a better connector, and a better thinker. That's theartofcharm.com/challenge or text the word 'charmed,' C-H-A-R-M-E-D to 33444. For full show notes for this and all previous episodes, head on over to theartofcharm.com/podcast

This episode of AoC was produced by Jason DeFillippo. Jason Sanderson is our audio engineer and editor. Show notes on the website are Robert Fogarty, theme music by Little People, transcriptions by <a href="mailto:TranscriptionOutsourcing.net">TranscriptionOutsourcing.net</a>, I'm your host Jordan Harbinger. Go ahead, tell your friends, because the greatest compliment you can give us is a referral to someone else, either in person or shared on the Web. Word of mouth is everything so share the show with friends and enemies, stay charming, and leave everything and everyone better than you found them.