

JUDGE CHIN

CRIMINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

- v - : INDICTMENT

ALEXANDER BOBNEV, :
ALEKSEY VOLYNSKIY, : 08 Cr. ____

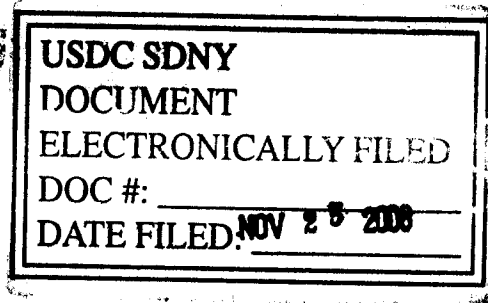
Defendants. :

COUNT ONE

(Conspiracy)

The Grand Jury charges:

Background



1. At certain times relevant to this Indictment, ALEKSEY VOLYNSKIY, the defendant, resided in or frequented locations in Manhattan, New York.

2. At certain times relevant to this Indictment, ALEXANDER BOBNEV, the defendant, resided in or frequented locations in Volgograd, Russia.

3. At certain times relevant to this Indictment, certain co-conspirators not named as defendants herein resided in Poughkeepsie, New York.

The Scheme

4. From approximately in or about September 2006 through in or about December 2007, ALEXEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, and others known and unknown, participated in a scheme to steal funds from bank and brokerage

accounts by hacking into those accounts through the internet, using personal financial information obtained through computer viruses, and then laundering the stolen proceeds.

5. From approximately in or about September 2006 through in or about December 2007, ALEKSEY VOLYNSKIY, the defendant, participated in a scheme to steal funds from bank accounts by withdrawing money from those accounts at ATMs, using stolen credit card numbers.

The Conspiracy

6. From in or about September 2006 through in or about December 2007, in the Southern District of New York and elsewhere, ALEKSEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, and others known and unknown, unlawfully, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, violations of Title 18, United States Code, Sections 1343, 1030(a)(5)(A)(i), and 1030(a)(2)(C) and (c)(B)(i).

The Objects of the Conspiracy

7. It was a part and an object of the conspiracy that ALEKSEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses,

representations, and promises, unlawfully, willfully and knowingly, would and did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, a writing, sign, signal, picture and sound for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

8. It was further a part and an object of the conspiracy that ALEKSEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, and others known and unknown, unlawfully, willfully and knowingly would and did cause the transmission of a program, information, code, and command, and as a result of such conduct would and did intentionally cause damage without authorization, to a protected computer, causing loss to one and more persons during a one-year period aggregating at least \$5,000 in value, in violation of Title 18, United States Code, Sections 1030(a)(5)(A)(i) and 1030(a)(5)(B)(i).

9. It was further a part and an object of the conspiracy that ALEKSEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, and others known and unknown, unlawfully, intentionally, and knowingly, acting in interstate and foreign commerce, would and did access a computer without authorization, and exceed authorized access, and thereby obtain information from a protected computer for the purposes of commercial advantage and private financial gain, in violation of Title 18, United States

Code, Sections 1030(a)(2)(C) and 1030(c)(2)(B)(i).

The Means and Methods of the Conspiracy

10. Among the means and methods by which ALEKSEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, along with others known and unknown, would and did carry out the conspiracy were the following:

a. BOBNEV and co-conspirators known and unknown in Russia used concealed computer codes known as "Trojan Horses" or "Trojans" to hack into the personal computers of multiple victims in the United States. These Trojan Horses were designed to steal personal account information from individual victims as they accessed their bank and brokerage accounts through the internet.

b. After the Trojan Horses captured the victims' personal account information, BOBNEV and other co-conspirators known and unknown used the information to access victims' bank and brokerage accounts, and thereafter made unauthorized sales of securities, and unauthorized wire transfers out of these accounts.

c. VOLYNSKIY, along with co-conspirators known and unknown residing in the United States, set up various "drop" accounts to receive the funds stolen from their victims' bank and brokerage accounts.

d. VOLYNSKIY, along with co-conspirators known

and unknown, sent a portion of the stolen funds from the various "drop" accounts to co-conspirators known and unknown in Russia, through money remitting services, keeping a portion of the fraud proceeds for themselves.

Overt Acts

11. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. In or about June 2007, a confidential source ("the CS") emailed to BOBNEV and VOLYNSKIY, account information for an undercover bank account controlled by law enforcement ("UC account").

b. On or about June 7, 2007, the UC account received an unauthorized wire transfer of \$15,400, from a Charles Schwab brokerage account located in San Jose, California ("Schwab account-1").

c. On or about July 27, 2007, BOBNEV sent the CS an email containing a link showing a fraudulent transfer in the amount of approximately \$4,700 out of a Charles Schwab account located in San Jose, California ("Schwab Account-2"), into the UC account.

d. On or about July 30, 2007, the UC account received an unauthorized transfer in the amount of \$4,700 from

Schwab account-2.

e. On or about July 30, 2007, VOLYNSKIY met the CS, in Manhattan, New York, and collected from the CS \$2,350 of the funds stolen from Schwab account-2.

f. During a telephone conversation on or about July 30, 2007, VOLYNSKIY asked the CS for information on sending BOBNEV a Western Union transfer.

g. On or about July 30, 2007, VOLYNSKIY sent approximately \$1000 to BOBNEV, in Russia, by Western Union.

(Title 18, United States Code, Section 371.)

COUNT TWO

The Grand Jury further charges:

12. The allegations in paragraphs 1-5, 10, and 11 are repeated, re-alleged and reincorporated as if set forth fully herein.

13. From in or about September 2006 through in or about December 2007, in the Southern District of New York and elsewhere, ALEKSEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, along with others known and unknown, unlawfully, willfully and knowingly did combine, conspire, confederate and agree together and with each other to violate Sections 1956(a)(1)(B)(i) and 1956(a)(2)(B)(i) of Title 18, United States Code.

14. It was a part and an object of the conspiracy that ALEKSEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, along with others known and unknown, in an offense involving and affecting interstate and foreign commerce, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct such a financial transaction which in fact involved the proceeds of specified unlawful activity, to wit, wire fraud, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of specified unlawful activity, in violation of Section 1956(a)(1)(B)(i) of Title 18, United States Code.

15. It was further a part and an object of the conspiracy that ALEKSEY VOLYNSKIY and ALEXANDER BOBNEV, the defendants, along with others known and unknown, in an offense involving and affecting interstate and foreign commerce, would and did transport, transmit, and transfer, and attempt to transport, transmit, and transfer, a monetary instrument and funds, from a place in the United States to and through a place outside the United States, knowing that the monetary instrument and funds involved in the transportation, transmission, and transfer represent the proceeds of some form of unlawful activity, to wit, wire fraud, and knowing that such

transportation, transmission, and transfer was designed in whole and in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of specified unlawful activity, in violation of Section 1956(a)(2)(B)(i) of Title 18, United States Code.

Overt Acts

16. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. In or about June 2007, a confidential source ("the CS") emailed to BOBNEV and VOLYNSKIY, account information for an undercover bank account controlled by law enforcement ("UC account").

b. On or about June 7, 2007, the UC account received an unauthorized wire transfer of \$15,400, from a Charles Schwab brokerage account located in San Jose, California ("Schwab account-1").

c. On or about July 27, 2007, BOBNEV sent the CS an email containing a link showing a fraudulent transfer in the amount of approximately \$4,700 out of a Charles Schwab account located in San Jose, California ("Schwab Account-2"), into the UC account.

d. On or about July 30, 2007, the UC account

received an unauthorized transfer in the amount of \$4,700 from Schwab account-2.

e. On or about July 30, 2007, VOLYNSKIY met the CS, in Manhattan, New York, and collected from the CS \$2,350 of the funds stolen from Schwab account-2.

f. During a telephone conversation on or about July 30, 2007, VOLYNSKIY asked the CS for information on sending BOBNEV a Western Union transfer.

g. On or about July 30, 2007, VOLYNSKIY sent approximately \$1000 to BOBNEV, in Russia, by Western Union.

(Title 18, United States Code, Section 1956(h).)

COUNT THREE

(Access Device Fraud (Trafficking))

The Grand Jury further charges:

17. The statements in paragraphs 1-5, 10, 11, and 16 are repeated and realleged as if fully stated herein.

18. From at least in or about June 2007 through in or about July 2007, in the Southern District of New York and elsewhere, ALEKSEY VOLYNSKIY, the defendant, unlawfully, willfully, knowingly, and with intent to defraud, in an offense affecting interstate commerce, trafficked in and used, and aided and abetted the trafficking in and use of, one and more unauthorized access devices during a one-year period and by such conduct obtained, and aided and abetted the obtaining of, things

of value aggregating \$1,000 and more during that one-year period, to wit, VOLYNSKIY sold stolen credit card numbers to a confidential source, requested that they be fabricated into credit cards, and then used the credit cards to withdraw cash from ATMs.

(Title 18, United States Code, Sections 1029(a)(2) and 2.)

COUNT FOUR

(Access Device Fraud (Possession))

The Grand Jury further charges:

19. The statements in paragraphs 1-5, 10, 11, and 16 are repeated and realleged as if fully stated herein.

20. From at least in or about June 2007 through in or about July 2007, in the Southern District of New York and elsewhere, ALEKSEY VOLYNSKIY, the defendant, unlawfully, willfully, knowingly, and with intent to defraud, in an offense affecting interstate commerce, possessed, and aided and abetted the possession of, fifteen and more devices which were unauthorized and counterfeit access devices, to wit, VOLYNSKIY possessed approximately 150 stolen credit card numbers and provided them to a confidential source, requesting that they be fabricated into credit cards.

(Title 18, United States Code, Sections 1029(a)(3) and 2.)

COUNT FIVE

(Access Device Fraud (Transactions))

The Grand Jury further charges:

21. The statements in paragraphs 1-5, 10, 11, and 16 are repeated and realleged as if fully stated herein.

22. From at least in or about June 2007 through in or about July 2007, in the Southern District of New York and elsewhere, ALEKSEY VOLYNSKIY, the defendant, unlawfully, willfully, knowingly, and with intent to defraud, in an offense affecting interstate commerce, effected, and aided and abetted the effecting of, transactions with one and more access devices issued to another person and persons, to receive payment and other things of value aggregating \$1,000 and more during a one-year period, to wit, VOLYNSKIY used credit cards that he believed were created with stolen credit card numbers that he provided to a confidential source, to withdraw approximately \$1,300 in cash from ATMs.

(Title 18, United States Code, Sections 1029(a)(5) and 2.)

FIRST FORFEITURE ALLEGATION

23. As a result of committing the offenses alleged in Counts One, Three, Four, and Five, of this Indictment, ALEXANDER BOBNEV and ALEKSEY VOLYNSKIY, the defendants, shall forfeit to the United States pursuant to 18 U.S.C. § 982, any property

constituting or derived from proceeds obtained directly or indirectly as a result of the wire fraud, fraud in connection with computers, and conspiracy offenses, including but not limited to the following:

a. A sum of United States currency, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the fraud offenses.

Substitute Asset Provision

24. If any of the above-described forfeitable property, as a result of any act or omission of the defendant(s):

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the Court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendant(s) up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982 and Title 18, United States Code, Sections 1343, 1029(c)(2), 1030(a)(5)(A)(i), and 1030(a)(2)(c)).

SECOND FORFEITURE ALLEGATION

25. As the result of committing one or more of the money laundering offenses in violation of 18 U.S.C. § 1956, alleged in Count Two of this Indictment, defendants ALEXANDER BOBNEV and ALEKSEY VOLYNSKIY, shall forfeit to the United States pursuant to 18 U.S.C. § 982, all property, real and personal, involved in the money laundering offense(s) and all property traceable to such property, including but not limited to:

a. A sum of United States currency, in that such sum in aggregate is property representing the amount of proceeds obtained as a result of the fraud offenses.

Substitute Asset Provision

26. If any of the above-described forfeitable property, as a result of any act or omission of the defendant(s):

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the Court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be subdivided without difficulty;

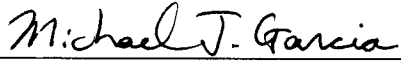
it is the intent of the United States, pursuant to 18 U.S.C.

§ 982(b), to seek forfeiture of any other property of said defendant(s) up to the value of the above forfeitable property.

(Title 18, United States Code, Section 982 and Title 18, United States Code, Sections 1956 and 1957)



FOREPERSON



MICHAEL J. GARCIA
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

ALEXANDER BOBNEV,
ALEKSEY VOLYNSKIY

Defendants.

INFORMATION

08 Cr. _____

(Title 18, United States Code,
Sections 371, 1956(h), 1029(a)(2), 1029(a)(3), 1029(a)(5) & 2)

MICHAEL J. GARCIA
United States Attorney.

Michael J. Garcia

11/25/58 MKG: 0 (PSS) 11/1/87 Indictment filed
and ordered. Assigned to Judge Chin.
- Beck, M.J.