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U.S. COURTS

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STEPHEN W. KEAYON
CLERK, DISTRICT OF IDAHO

ORIGINAL

UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF IDAHO

UNITED STATES OF AMERICA,

Plaintiff,

vs.

PAVEL BABICHENKO,
GENNADY BABITCHENKO,
PIOTR BABICHENKO,
TIMOFEY BABICHENKO,
KRISTINA BABICHENKO,
NATALYA BABICHENKO,
DAVID BIBIKOV,
ANNA IYERUSALIMETS,
MIKHAIL IYERUSALIMETS,
ARTUR PUPKO,

Defendants.

Case No. **CR 18-0258-SEJL**

INDICTMENT

18 U.S.C. § 2
18 U.S.C. § 981(a)(1)(C)
18 U.S.C. § 982(a)(1)
18 U.S.C. § 984
18 U.S.C. § 1341
18 U.S.C. § 1343
18 U.S.C. § 1349
18 U.S.C. § 1956(a)(1)(B)(i)
18 U.S.C. § 1956(a)(2)(B)(i)
18 U.S.C. § 1956(h)
18 U.S.C. § 2320(a)(1)
18 U.S.C. § 2320(a)(2)
18 U.S.C. § 2320(b)
18 U.S.C. § 2320(f)(1)
18 U.S.C. § 2323
21 U.S.C. § 853
28 U.S.C. § 2461(c)

The Grand Jury charges that:

Introductory Allegations

At all times relevant to this Indictment:

The Defendants and Their Entities

1. PAVEL BABICHENKO was a United States citizen and brother of PIOTR BABICHENKO, TIMOFEY BABICHENKO, GENNADY BABITCHENKO, and ANNA IYERUSALIMETS. He resided in Eagle, Idaho. During the counterfeit trafficking conspiracy, PAVEL BABICHENKO owned and controlled the following entities, among others:
Babichenko LLC, Midstar Distributor LLC, Midstar LLC, Midway Distributors Inc., Midway Distributor LLC, Midway Cellular LLC, Pacific Cellular Distributor LLC, Power Moxie LLC, and Sahara Case LLC.
 2. PIOTR BABICHENKO was a United States citizen and brother of PAVEL BABICHENKO, TIMOFEY BABICHENKO, GENNADY BABITCHENKO, and ANNA IYERUSALIMETS. He resided in Meridian, Idaho. During the counterfeit trafficking conspiracy, PIOTR BABICHENKO owned and controlled the following entities, among others:
Blue Ocean Distribution LLC, Midway Distributor LLC, Mobi LLC, Mobi Recycle LLC, Mobile Recycle LLC, Mobi Recycling, Power Moxie LLC, and Sahara Case LLC.
 3. TIMOFEY BABICHENKO was a United States citizen and brother of PAVEL BABICHENKO, PIOTR BABICHENKO, GENNADY BABITCHENKO, and ANNA IYERUSALIMETS. He resided in Boise, Idaho. During the counterfeit trafficking conspiracy, TIMOFEY BABICHENKO owned and controlled the following entities, among others:
Ariginall LLC, Global Distributing LLC, Global Distributors LLC, Sahara Case LLC, Wholesale Gadgets LLC, and Wholesale Cell Phones LLC.
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4. GENNADY BABITCHENKO was a United States citizen and brother of PAVEL BABICHENKO, PIOTR BABICHENKO, TIMOFEY BABICHENKO, and ANNA IYERUSALIMETS. He resided in Boise, Idaho. During the counterfeit trafficking conspiracy, GENNADY BABITCHENKO owned and controlled the following entities, among others: Babichenko LLC, Babichenko Dental Lab Inc., Babichenko & Sons LLC, European Denture Center, Morning Star Christian Church Inc., Russian Christian Church, and Morning Star Mission Inc.

5. KRISTINA BABICHENKO was a United States citizen and married to TIMOFEY BABICHENKO. She resided in Boise, Idaho. During the counterfeit trafficking conspiracy, KRISTINA BABICHENKO owned and controlled the following entities, among others: Cell Phone Geeks LLC, Global Distributors LLC, and Wireless Closeouts LLC.

6. NATALYA BABICHENKO was a United States citizen and married to PAVEL BABICHENKO. She resided in Boise, Idaho. During the counterfeit trafficking conspiracy, NATALYA BABICHENKO owned and controlled the following entities, among others: Midstar Distributor LLC, Midstar LLC, and Midway Distributor LLC.

7. ANNA IYERUSALIMETS (née Babitchenko) was a United States citizen and sister of PAVEL BABICHENKO, PIOTR BABICHENKO, GENNADY BABITCHENKO, and TIMOFEY BABICHENKO. She was married to MIKHAIL IYERUSALIMETS and lived in Meridian, Idaho. During the counterfeit trafficking conspiracy, ANNA IYERUSALIMETS owned and controlled the following entities, among others: Droid Masterz LLC, Mountain Wireless Distributing LLC, Peg-A-Phone LLC, and Western Trade LLC.

8. MIKHAIL IYERUSALIMETS was a United States citizen and married to ANNA IYERUSALIMETS. He lived in Meridian, Idaho. During the counterfeit trafficking conspiracy, Indictment—3

MIKHAIL IYERUSALIMETS owned and controlled the following entities, among others: Cell Zone LLC, Droid Masterz LLC, Electro Metro LLC, Mobile Rack LLC, Mountain Wireless Distributing LLC, Peg-A-Phone LLC, Western Trade LLC, Simplified Selling LLC, and Vast Trace LLC.

9. ARTUR PUPKO was a United States citizen who lives in Meridian, Idaho. During the counterfeit trafficking conspiracy, ARTUR PUPKO owned and controlled the following entities, among others: AlphaCell LLC, AnchorCell LLC, Cell2U4Less LLC, CellLife LLC, Cellularity LLC, and Purecell LLC.

10. DAVID BIBIKOV was a United States citizen who lives in Meridian, Idaho. During the counterfeit trafficking conspiracy, DAVID BIBIKOV owned and controlled the following entities, among others: Bibs Electronics LLC, Case & More LLC, CellTalk LLC, Cell Function LLC, Speedy Wireless LLC, and Tech4RLess LLC.

The Trademark Holder—Victims

11. Apple Incorporated (“Apple”) was a multinational corporation headquartered in Cupertino, California, that designed, developed, and sold consumer electronic devices, computer software, online services, and personal computers, including a tablet computer known as the Apple iPad (“iPad”), a mobile telephone known as the Apple iPhone (“iPhone”), and a portable digital music player known as the Apple iPod (“iPod”). Apple registered and owned trademarks for the iPad, iPhone, iPod, iPhone chargers, iPhone batteries, among other items, on the principal register in the United States Patent and Trademark Office (“USPTO”), including the following Registration Numbers: 2,715,578; 3,229,791; 3,679,056; 3,669,402; 3,928,818; 4,726,737; and 4,726,738.

12. Samsung Electronics Co., Ltd., was a multinational electronics company headquartered in Suwon, South Korea, that designed, developed, and sold consumer electronic devices, computer software, online services, and personal computers, including a mobile telephone known as the Samsung Galaxy S. Samsung registered trademarks for the Galaxy S, among other items, on the principal register in the USPTO, including the following Registration Numbers: 1,164,353; 2,214,833; 2,882,774; 2,929,519; 2,929,523; 3,673,234; 3,905,843; 4,020,438; 4,168,468; 4,188,122; 4,287,291; 4,582,755; 4,792,754; and 4,792,755.

COUNT ONE
Conspiracy to Commit Wire Fraud
18 U.S.C. §§ 1349, 1343

13. Paragraphs One through Twelve are incorporated herein.

The Conspiracy

14. Beginning in or about January 2008, and continuing through on or about August 14, 2018, the defendants PAVEL BABICHENKO, PIOTR BABICHENKO, TIMOFEY BABICHENKO, GENNADY BABITCHENKO, NATALIE BABICHENKO, KRISTINA BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, MIKHAIL IYERUSALIMETS, and ANNA IYERUSALIMETS (collectively “Defendants”), along with others known and unknown to the Grand Jury, engaged in a scheme to defraud consumers by selling, on online platforms such as Amazon.com and eBay, as well as their own websites, counterfeit electronic devices, including counterfeit Apple and Samsung cell phones, that the defendants represented to be new and genuine.

The Scheme to Defraud

15. Beginning on an unknown date, but by at least January 2008, and continuing through the 14th day of August, 2018, both dates being approximate and inclusive, the defendants PAVEL

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BABICHENKO, PIOTR BABICHENKO, TIMOFEY BABICHENKO, GENNADY BABITCHENKO, NATALYA BABICHENKO, KRISTINA BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, MIKHAIL IYERUSALIMETS, and ANNA IYERUSALIMETS, along with others known and unknown to the Grand Jury, devised and intended to devise a scheme and artifice for obtaining money by means of material false and fraudulent pretenses, representations, and promises, to wit: to defraud consumers by purchasing counterfeit electronic devices, including Apple and Samsung cell phones, to then resell as genuine and new on online platforms such as Amazon and eBay, as well as their own websites.

16. The goal of the scheme was to enrich PAVEL BABICHENKO, PIOTR BABICHENKO, TIMOFEY BABICHENKO, GENNADY BABITCHENKO, NATALYA BABICHENKO, KRISTINA BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, MIKHAIL IYERUSALIMETS, and ANNA IYERUSALIMETS, by selling devices bearing counterfeit marks misrepresented as genuine and new.

Manner and Means

17. As part of the scheme and artifice to defraud, TIMOFEY BABICHENKO, KRISTINA BABICHENKO, PIOTR BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, MIKHAIL IYERUSALIMETS, and ANNA IYERUSALIMETS misrepresented the quality and type of electronic items for sale as genuine and new on online platforms, including Amazon and eBay.

18. The means by which Defendants and others achieved and attempted to achieve the goal of this scheme included, among others:

- (a) Smuggling counterfeit products in bulk from Hong Kong and China.
- (b) Repackaging counterfeit devices to appear as new and genuine devices for shipment to individual consumers.

- (c) Misrepresenting the genuineness, quality, and condition of the electronic devices offered for sale on their online selling platforms.

19. Beginning on an unknown date, but by at least the 22nd day of January, 2008, and continuing through the 14th day of August, 2018, both dates being approximate and inclusive, within the District of Idaho and elsewhere, the defendants, PAVEL BABICHENKO, TIMOFEY BABICHENKO, KRISTINA BABICHENKO, PIOTR BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, MIKHAIL IYERUSALIMETS, and ANNA IYERUSALIMETS, knowingly and willfully conspired with others, for the purpose of executing the aforesaid scheme and artifice to obtain money or property by means of materially false and fraudulent pretenses, representation and promises, and attempting to do so, to knowingly transmit and cause to be transmitted in interstate commerce, by means of a wire communication, certain writings, signs, signals, and pictures, to wit: photographs and descriptions of electronic devices bearing counterfeit marks; communications with customers purchasing those devices; and payments for those devices.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH TEN
Wire Fraud
18 U.S.C. § 1343

Executions of the Scheme to Defraud

20. Paragraphs One through Nineteen are incorporated herein.

21. That on or about the dates set forth below, for the purpose of executing, and attempting to execute, part of the scheme and artifice, the defendants, TIMOFEY BABICHENKO, KRISTINA BABICHENKO, PIOTR BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, MIKHAIL IYERUSALIMETS, and ANNA IYERUSALIMETS, caused to be transmitted in interstate

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commerce, by means of a wire communication, certain writings, signs, signals, and pictures, which caused the misrepresented item to be purchased.

Count	Defendant(s)	Approximate Date of Wire	Use of Interstate Wire Communications
2	Mikhail Iyerusalimets	3/7/2016	Advertised, sold, and caused purchase of counterfeit Samsung charger listed as “authentic” on Amazon.com
3	Anna Iyerusalimets Mikhail Iyerusalimets	3/14/2016	Advertised, sold, and caused purchase of counterfeit Apple iPhone and Samsung charger listed as “new” on eBay.com
4	Kristina Babichenko Timofey Babichenko	3/17/2016	Advertised, sold, and caused purchase of counterfeit Samsung phone and battery listed as “new” on eBay.com
5	Artur Pupko	10/24/2017	Advertised, sold, and caused purchase of counterfeit Samsung phone and battery listed as “new” on Amazon.com
6	Timofey Babichenko	10/24/2017	Advertised, sold, and caused purchase of counterfeit Apple iPhones listed as “new” on Amazon.com
7	Artur Pupko	12/4/2017	Advertised, sold, and caused purchase of counterfeit Apple iPhone listed as “new” on Amazon.com
8	Artur Pupko	12/12/2017	Advertised, sold, and caused purchase of counterfeit Samsung smartwatch listed as “new” on Amazon.com
9	David Bibikov	12/12/2017	Advertised, sold, and caused purchase of counterfeit Apple iPhone listed as “new” on Amazon.com
10	Piotr Babichenko	12/12/2017	Advertised, sold, and caused purchase of counterfeit Samsung phone listed as “new” on Amazon.com

All in violation of Title 18, United States Code, Section 1343.

COUNTS ELEVEN THROUGH NINETEEN**Mail Fraud
18 U.S.C. § 1341**

22. Paragraphs One through Nineteen are incorporated herein.

23. Beginning on an unknown date, but by at least the 22nd day of January, 2008, and continuing through the 14th day of August, 2018, both dates being approximate and inclusive, within the District of Idaho and elsewhere, the defendants, TIMOFEY BABICHENKO, KRISTINA BABICHENKO, PIOTR BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, MIKHAIL IYERUSALIMETS, and ANNA IYERUSALIMETS, did knowingly devise and intend to devise a scheme and artifice for obtaining money by means of material false and fraudulent pretenses, representations, and promises.

24. That on or about the dates set forth below, for the purpose of executing, and attempting to execute, part of the scheme and artifice, the defendants knowingly caused to be sent and delivered by the United States Postal Service and interstate commercial carrier the following matters and things.

Count	Defendant	Approximate Date of Shipment	Sender	Mailed Matter
11	Mikhail Iyerusalimets	March 7, 2016	Mobile Rack Co.	counterfeit Samsung charger
12	Anna Iyerusalimets Mikhail Iyerusalimets	March 14, 2016	Tradewestern 2016	counterfeit Apple iPhone and Samsung charger
13	Kristina Babichenko Timofey Babichenko	March 17, 2016	KayPop	counterfeit Samsung phone and battery
14	Artur Pupko	October 24, 2017	Purecell	counterfeit Samsung phone and battery
15	Timofey Babichenko	October 24, 2017	Ariginall	counterfeit Apple iPhone
16	Artur Pupko	December 4, 2017	Cellularity	counterfeit Apple

				iPhone
17	Artur Pupko	December 12, 2017	Cell2U4Less	counterfeit Samsung smartwatch
18	David Bibikov	December 12, 2017	Bibby's Electronics	counterfeit Apple iPhone
19	Piotr Babichenko	December 12, 2017	Remobile	counterfeit Samsung phone

All in violation of Title 18, United States Code, Section 1341.

COUNT TWENTY
Conspiracy to Traffic in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1), (f)(1)

25. Paragraphs One through Nineteen are incorporated herein.

26. Beginning on an unknown date, but by at least January 2008, and continuing through the 14th day of August, 2018, both dates being approximate and inclusive, within the District of Idaho and elsewhere, the defendants, PAVEL BABICHENKO, PIOTR BABICHENKO, TIMOFEY BABICHENKO, GENNADY BABITCHENKO, NATALYA BABICHENKO, KRISTINA BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, MIKHAIL IYERUSALIMETS, and ANNA IYERUSALIMETS, and others known and unknown to the grand jury, did intentionally conspire and agree with one another and other persons known and unknown to the Grand Jury to traffic in counterfeit goods, to wit: by importing and offering for sale counterfeit Apple iPhone, Apple iPhone chargers, Apple iPhone earbuds, Samsung S4 phones, Samsung S5 phones, Samsung S3 batteries, Samsung Note 4 batteries, Samsung S4 batteries, Samsung S5 batteries, Samsung chargers, labels, and packaging for the same, and thereby knowingly using counterfeit marks, to wit: U.S. Trademark Registration 2,715,578; U.S. Trademark Registration 3,229,791; U.S. Trademark Registration 3,679,056; U.S. Trademark Registration 3,669,402; U.S. Trademark Registration 3,928,818; U.S. Trademark Registration

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4,726,737; U.S. Trademark Registration 4,726,738; U.S. Trademark Registration 3,669,402; U.S. Trademark Registration 1,164,353; U.S. Trademark Registration 2,214,833; U.S. Trademark Registration 2,882,774; U.S. Trademark Registration 2,929,519; U.S. Trademark Registration 2,929,523; U.S. Trademark Registration 3,673,234; U.S. Trademark Registration 3,905,843; U.S. Trademark Registration 4,020,438; U.S. Trademark Registration 4,168,468; U.S. Trademark Registration 4,188,122; U.S. Trademark Registration 4,287,291; U.S. Trademark Registration 4,582,755; U.S. Trademark Registration 4,792,754; and U.S. Trademark Registration 4,792,755, on and in connection with such goods, each counterfeit mark being identical with and substantially indistinguishable from a mark registered for those devices on the principal register in the United States Patent and Trademark office, and the use thereof was likely to deceive and to cause confusion and mistake, all in violation of Title 18, United States Code, Section 2320(a), (b), (f)(1).

COUNT TWENTY-ONE
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

27. On or about the 26th day of October, 2016, in the District of Idaho, the defendant, PAVEL BABICHENKO, did intentionally traffic in goods, specifically Apple iPhone 4S and Apple iPhone 6S, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,715,578, U.S. Trademark Registration 3,229,791, U.S. Trademark Registration 3,679,056, U.S. Trademark Registration 3,669,402, and U.S. Trademark Registration 3,928,818, on and in connection with such goods, all in violation of 18 U.S.C. § 2320(a), (b).

COUNT TWENTY-TWO
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

28. On or about the 26th day of October, 2016, in the District of Idaho, the defendant, PAVEL BABICHENKO, did intentionally traffic in goods, specifically Samsung S3 batteries; Samsung Note 4 batteries; Samsung S4 batteries; Samsung S5 batteries; and Samsung phone chargers, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,882,774, U.S. Trademark Registration 2,929,519, U.S. Trademark Registration 2,929,523, U.S. Trademark Registration 3,905,843, and U.S. Trademark Registration 4,792,754, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT TWENTY-THREE
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

29. On or about the 5th day of January, 2017, in the District of Idaho, the defendant, PAVEL BABICHENKO, did intentionally traffic in goods, specifically Apple iPhone 5S, knowingly using a counterfeit mark, U.S. Trademark Registration 2,715,578, U.S. Trademark Registration 3,229,791, U.S. Trademark Registration 3,679,056, U.S. Trademark Registration 3,669,402, and U.S. Trademark Registration 3,928,818, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT TWENTY-FOUR
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

30. On or about the 24th day of October, 2017, in the District of Idaho, the defendant, TIMOFEY BABICHENKO, did intentionally traffic in goods, specifically Apple iPhone 5S, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,715,578, U.S. Trademark Registration 3,229,791, U.S. Trademark Registration 3,669,402, U.S. Trademark
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Registration 3,679,056, and U.S. Trademark Registration 3,928,818, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT TWENTY-FIVE
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)
18 U.S.C. § 2

31. On or about the 14th day of March, 2016, in the District of Idaho, the defendants, ANNA IYERUSALIMETS and MIKHAIL IYERUSALIMETS, did intentionally traffic in goods, specifically Apple iPhone 4S and Apple iPhone 6S, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,715,578, U.S. Trademark Registration 3,229,791, U.S. Trademark Registration 3,679,056, U.S. Trademark Registration 3,669,402, and U.S. Trademark Registration 3,928,818, on and in connection with such goods, and aided and abetted the same, all in violation of 18 U.S.C. § 2320(a), (b), and § 2.

COUNT TWENTY-SIX
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

32. On or about the 7th day of March, 2016, in the District of Idaho, the defendant, MIKHAIL IYERUSALIMETS, did intentionally traffic in goods, specifically a Samsung charger, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,882,774, U.S. Trademark Registration 2,929,519, U.S. Trademark Registration 2,929,523, U.S. Trademark Registration 4,792,754, and U.S. Trademark Registration 3,905,843, on and in connection with such goods, all in violation of 18 U.S.C. §§ 2320(a), (b).

COUNT TWENTY-SEVEN
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

33. On or about the 12th day of December, 2017, in the District of Idaho, the defendant, PIOTR BABICHENKO, did intentionally traffic in goods, specifically Samsung Galaxy S4 Phone, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,882,774, U.S. Trademark Registration 2,929,523, U.S. Trademark Registration 2,929,519, U.S. Trademark Registration 4,792,754, and U.S. Trademark Registration 3,905,843, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT TWENTY-EIGHT
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

34. On or about the 2nd day of December, 2016, in the District of Idaho, the defendant, DAVID BIBIKOV, did intentionally traffic in goods, specifically Apple iPhone 5S and Apple cellular telephone chargers, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,715,578, U.S. Trademark Registration 3,229,791, U.S. Trademark Registration 3,679,056, U.S. Trademark Registration 3,669,402, and U.S. Trademark Registration 3,928,818, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT TWENTY-NINE
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

35. On or about the 12th day of December, 2017, in the District of Idaho, the defendant, DAVID BIBIKOV, did intentionally traffic in goods, specifically Apple iPhone 5, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,715,578, U.S. Trademark Registration 3,229,791, U.S. Trademark Registration 3,679,056, U.S. Trademark Registration

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3,669,402, and U.S. Trademark Registration 3,928,818, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT THIRTY
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

36. On or about the 17th day of March, 2016, in the District of Idaho, the defendant, TIMOFEY BABICHENKO and KRISTINA BABICHENKO, did intentionally traffic in goods, specifically Samsung battery and Samsung Galaxy S4 cellular phone, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,882,774, U.S. Trademark Registration 2,929,519, U.S. Trademark Registration 4,792,754, U.S. Trademark Registration 3,905,843, and U.S. Trademark Registration 2,929,523, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT THIRTY-ONE
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

37. On or about the 4th day of December, 2017, in the District of Idaho, the defendant, ARTUR PUPKO, did intentionally traffic in goods, specifically Apple iPhone 5S, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,715,578, U.S. Trademark Registration 3,229,791, U.S. Trademark Registration 3,679,056, U.S. Trademark Registration 3,669,402, and U.S. Trademark Registration 3,928,818, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT THIRTY-TWO
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

38. On or about the 12th day of December, 2017, in the District of Idaho, the defendant, ARTUR PUPKO, did intentionally traffic in goods, specifically Samsung Gear 2 Smartwatch, knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,214,833, U.S. Trademark Registration 2,882,774, U.S. Trademark Registration 2,919,519, and U.S. Trademark Registration 4,792,754, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT THIRTY-THREE
Trafficking in Counterfeit Goods
18 U.S.C. § 2320(a), (b)(1)

39. On or about the 24th day of October, 2017, in the District of Idaho, the defendant, ARTUR PUPKO, did intentionally traffic in goods, specifically Samsung Galaxy S5 Phone and Samsung battery knowingly using a counterfeit mark, namely U.S. Trademark Registration 2,882,774, U.S. Trademark Registration 2,929,523, and U.S. Trademark Registration 3,905,843, on and in connection with such goods, all in violation of Title 18, United States Code, Section 2320(a), (b).

COUNT THIRTY-FOUR
Conspiracy to Launder Money
18 U.S.C. § 1956(h)

40. Paragraphs One through Nineteen are incorporated herein.

41. Beginning on an unknown date, but by at least by January, 2010, and continuing through the 14th day of August, 2018, both dates being approximate and inclusive, within the District of Idaho and elsewhere, the defendants, PAVEL BABICHENKO, PIOTR BABICHENKO,

TIMOFEY BABICHENKO, GENNADY BABITCHENKO, NATALYA BABICHENKO, KRISTINA BABICHENKO, ARTUR PUPKO, DAVID BIBIKOV, ANNA IYERUSALIMETS, and MIKHAIL IYERUSALIMETS, together with others known and unknown to the grand jury, did knowingly combine, conspire, confederate and agree to commit certain offenses against the United States, in violation of Title 18, United States Code, Section 1956(h) as follows:

(a) to conduct and attempt to conduct and aid and abet others to conduct financial transactions, affecting interstate and foreign commerce, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and the transactions in fact involved the proceeds of violations of Title 18, United States Code, Sections 2320, 1341, 1343, and 1349, knowing that such financial transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

(b) to transport, transmit, and transfer, and attempt to transport, transmit, and transfer, monetary instruments and funds from places outside the United States to and through places in the United States and from places in the United States to and through places outside the United States, knowing that the monetary instruments and funds involved represent the proceeds of violations of Title 18, United States Code, Sections 2320, 1341, 1343, and 1349, and knowing that such transportation, transmission or transfer is designed in whole or in part to conceal or disguise the nature and source of the proceeds of the unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i).

All in violation of Title 18, United States Code, Section 1956(h).

CRIMINAL FORFEITURE ALLEGATIONS

**Trafficking in Counterfeit Goods
18 U.S.C. § 2323; 21 U.S.C. § 853; 28 U.S.C. § 2461(c)**

Upon conviction of the offenses alleged in Counts Twenty through Thirty-Three of this Indictment, the defendants, PAVEL BABICHENKO, GENNADY BABITCHENKO, PIOTR BABICHENKO, TIMOFEY BABICHENKO, KRISTINA BABICHENKO, NATALYA BABICHENKO, DAVID BIBIKOV, ANNA IYERUSALIMETS, MIKHAIL IYERUSALIMETS, and ARTUR PUPKO, shall forfeit to the United States, pursuant to 18 U.S.C. § 2323, 21 U.S.C. § 853, and 28 U.S.C. § 2461(c), any prohibited article, any property, real and personal, tangible and intangible, used or intended to be used, in any manner or part, to commit, or to facilitate the commission of, the foregoing offenses, or which constitutes or is derived from proceeds obtained directly or indirectly as a result of the offense. The property to be forfeited includes, but is not limited to, the following:

1. Personal Property.
 - a. All devices bearing counterfeit marks, including seized cell phones, wrappers, and packaging;
 - b. 2010 Land Rover VIN: SALMP1E40AA307980, registered to Anna Babitchenko and Mikhail Iyerusalimets;
 - c. 2012 Jeep Wrangler VIN: 1C4BJWFG9CL22184, registered to Pavel Babichenko;
 - d. 2012 Can-Am ATV VIN: 3JBLKPP1XC000446, registered to Mikhail Iyerusalimets and Anna Iyerusalimets;
 - e. 2013 Entegra Aspire VIN: 4VZBU1D91DC076857, registered to Gennady Babichenko;

- f. 2014 Cadillac ATS VIN: 1G6AA5RA9E0185413, registered to Natalia Babichenko;
- g. 2015 Ford F150 VIN: 1FTFW1EF0FFB06787, registered to Timofey Babichenko;
- h. 2016 Lexus VIN: JTJHY7AX2G4189699, registered to Natalya Babichenko;
- i. 2016 Harley Davidson VIN: 1HD1LF312GC443986, registered to Timofey Babichenko; and
- j. 2018 Ford F150 VIN: 1FTFW1EG6JFA62554, registered to AlphaCell LLC.

2. Unrecovered Cash Proceeds and/or Facilitating Property. The defendants named above obtained and controlled unrecovered proceeds of the offense of conviction, or property derived from or traceable to such proceeds, and property the defendants used to facilitate the offense, but based upon actions of the defendants, the property was transferred, diminished, comingled, or is otherwise unavailable. The defendants obtained and controlled at least \$10,000,000.00 in unrecovered forfeitable property.

3. Real Property and Proceeds Thereof.

- a. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements located at 9799 W. Preece, Boise, Ada County, Idaho, APN: R5199110330 (record owner: Stanislav Babichenko (now deceased), Elizaveta Babichenko, and Pavel Babichenko), and more particularly described as follows:

Lot 33, Block 1, Legacy Park Subdivision, according to the plat thereof, filed in Book 62 of Plats at page(s) 6140-6141, records of Ada County, Idaho.

b. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements located at 2935 NW 8th Ave., Meridian, Ada County, Idaho, APN: R1619240470 (record owner: Artur S. Pupko) and more particularly described as follows:

Lot 11, Block 12, Crossfield Subdivision No. 2, according to the plat thereof, filed in Book 98 of Plats at page(s) 12407-12408, records of Ada County, Idaho.

c. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements located at 3080 N. Wildwood St., Boise, Ada County, Idaho, APN: R8904000635 (record owner: Morning Star Christian Church, Inc.), and more particularly described as follows:

Lot 2, Block 6, Ustick Townsite Subdivision, SEC/TWN/RNG/MER: S03T03NR01E B.M., Map: MB3 PG124, records of Ada County, Idaho.

d. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements located at 909 N. Cole Rd., Boise, Ada County, Idaho, APN: R4207000305 (record owner: Babichenko LLC), and more particularly described as follows:

LOT NUMBER: 3; SUBDIVISION: IMPERIAL ACRES SUB 01;
BLOCK: 4; SEC/TWN/RNG/MER: SEC 12 RWN 03N RNG 01E;
TRAC: 0023022012.

e. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements located at W. Chinden Blvd., Meridian, Ada County, Idaho, APN: S0419336220 (record owner: Babichenko LLC) and more particularly described as follows:

SEC/TWN/RNG/MER: SEC 19 TWN 04N RNG 01W; TRACT: 010332

f. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements located at 2051 W. Three Lakes Ct., Meridian, Ada County, Idaho, APN: R8081750200 (record owner: Timofey Babichenko), and more particularly described as follows:

LOT NUMBER: 13; SUBDIVISION: SPURWING CHALLENGE SUB;
BLOCK 2; SEC/TWN/RNG/MER: SEC 23 TWN 04N RNG 01W;
TRACT: 0103321.

4. Foreign Real Property. All lots and parcels of land, together with buildings, appurtenances, improvements, fixtures, attachments and easements to include but not be limited to, residential apartment buildings, five of which are related to companies associated with the defendants and located in Brazil, in locations generally described as follows. PARATIBE (buildings named 171, II, III, IV through V) and two in MANGABEIRA (buildings named VI and VII), Brazil, and generally described as follows:

- a. BABICHENKO 171—Rua JULIETA CORDEIRO DE MEDEIROS, S/N Paratibe, Joao Pessoa/PB;
- b. BABICHENKO II—Rua JULIETA CORDEIRO DE MEDEIROS, S/N Paratibe, Joao Pessoa/PB;
- c. BABICHENKO III—Rua JULIETA CORDEIRO DE MEDEIROS, S/N Paratibe, Joao Pessoa/PB;
- d. BABICHENKO IV—Rua JULIETA CORDEIRO DE MEDEIROS, S/N Paratibe, Joao Pessoa/PB;
- e. BABICHENKO V—containing 9 apartments, more or less, at the intersection of OSCAR LOPES and MANOEL VIEIRA GOMES streets in the PARATIBE district;

- f. BABICHENKO VI—facing RUA JANETE BELO DO SILVA in the neighborhood of Mangabeira; and
- g. BABICHENKO VII—facing RUA JOAO ROBERT DE LIMA in the neighborhood of Mangabeira.

5. Bank Accounts. All funds received on behalf of or credited to accounts, including bank accounts, investment accounts, management accounts, wherever held, in which any of the defendants had or has an interest, including the following:

- a. MidStar Distributor Mountain West Bank Account
Mountain West Bank Account No. XXXXXXXXX6620
Account holder(s): Pavel and Natalya Babichenko
- b. Pavel and Natalia Babichenko
Mountain West Bank Account XXXXXXXXX9959
Account holder(s): Pavel and Natalya Babichenko
- c. Pavel and Natalia Babichenko
Mountain West Bank Account XXXXXXXXX7819
Account holder(s):
- d. Babichenko LLC
Mountain West Bank Account XXXXXXXXX3168
Account holder(s): Pavel and Gennady Babichenko,
- e. Power Moxie LLC
Mountain West Bank Account XXXXXXXXX8410
Account holder(s): Timofey and Pavel Babichenko,
- f. Sahara Case LLC
Mountain West Bank Account XXXXXXXXX8429
Account holder(s): Timofey, Natalya, and Pavel Babichenko
- g. USA Wireless LLC
Mountain West Bank Account XXXXXXXXX0040
Account holder(s): Timofey Babichenko
- h. Ibuy Wholesale LLC
Mountain West Bank Account XXXXXXXXX0059
Account holder(s): Timofey Babichenko
- i. Wholesale Gadgets LLC
Mountain West Bank Account XXXXXXXXX0067
Account holder(s): Timofey Babichenko

- j. Sky Enterprises LLC
Mountain West Bank Account XXXXXXXXX0547
Account holder(s): Timofey Babichenko
- k. Sell Tell LLC
Mountain West Bank Account XXXXXXXXX0652
Account holder(s): Piotr Babichenko
- l. TrustTell LLC
Mountain West Bank Account XXXXXXXXX0660
Account holder(s): Piotr Babichenko
- m. Go Cell LLC
Mountain West Bank Account XXXXXXXXX0679
Account holder(s): Piotr Babichenko
- n. Mobile Recycle LLC
Mountain West Bank Account XXXXXXXXX3597
Account holder(s): Piotr Babichenko and Timofey Babichenko
- o. Rubiks Cube LLC
Mountain West Bank Account XXXXXXXXX3600
Account holder(s): Piotr Babichenko and Mikhail Iyerusalimets
- p. Stock Technologies LLC
Mountain West Bank Account XXXXXXXXX3619
Account holder(s): Piotr Babichenko
- q. Foonin LLC
Mountain West Bank Account XXXXXXXXX4011
Account holder(s): Piotr Babichenko
- r. Ampleing LLC
Mountain West Bank Account XXXXXXXXX4038
Account holder(s): Piotr Babichenko
- s. Blue Ocean Distributing LLC
Mountain West Bank Account XXXXXXXXX4046
Account holder(s): Piotr Babichenko
- t. Boss Electronics LLC
Mountain West Bank Account XXXXXXXXX7081
Account holder(s): Timofey Babichenko
- u. Smart Purchase LLC
Mountain West Bank Account XXXXXXXXX8347
Account holder(s): Timofey Babichenko
- v. Advantage Wireless LLC
Mountain West Bank Account XXXXXXXXX2418
Account holder(s): Mikhail Iyerusalimets
- w. Mountain Wireless Distributing LLC
Mountain West Bank Account XXXXXXXXX7872
Account holder(s): Anna Iyerusalimets and Mikhail Iyerusalimets
- x. Cell Zone LLC

- Mountain West Bank Account XXXXXXXXX5144
Account holder(s): Mikhail Iyerusalimets
- y. Cellaris LLC
Mountain West Bank Account XXXXXXXXX5928
Account holder(s): Mikhail Iyerusalimets
- z. Metropolitan Brothers LLC
Mountain West Bank Account XXXXXXXXX2636
Account holder(s): Vasiliy Iyerusalimets and Mikhail Iyerusalimets
- aa. Mobile Rack LLC
Mountain West Bank Account XXXXXXXXX0407
Account holder(s): Mikhail Iyerusalimets
- bb. Simplified Selling LLC
Mountain West Bank Account XXXXXXXXX6274
Account holder(s): Mikhail Iyerusalimets
- cc. Zovna LLC
Mountain West Bank Account XXXXXXXX2627
Account holder(s): Zoya Babichenko
- dd. Mobi LLC
Zions Bank Account XXXXX7203
Account holder(s): Piotr Babichenko
- ee. Wholesale Cell Phones LLC
Zions Bank Account XXXXX7233
Account holder(s): Timofey Babichenko and Silverback Cellular
- ff. Wholesale Cell Phones LLC
Zions Bank Account XXXXX6698
Account holder(s): Timofey Babichenko and Silverback Cellular
- gg. Midstar LLC
Zions Bank Account XXXXX7407
Account holder(s): Natalya and Pavel Babichenko
- hh. Paul and Natalya Babichenko (Household)
Zions Bank Account XXXXX129
Account holder(s): Pavel and Natalya Babichenko
- ii. Paul and NATALYA Babichenko (Cabin)
Zions Bank Account XXXXX9137
Account holder(s): Pavel and Natalya Babichenko
- jj. Morning Star Church
Zions Bank Account XXXXX7197
Account holder(s): Vasiliy Rudyi, Boris Goretoy, and Timofey Babichenko
- kk. Morning Star Church
Zions Bank Account XXXXX7189
Account holder(s): Vasiliy Rudyi, Boris Goretoy, Stanislav Babichenko, and Natalya Babichenko

- ll. Gennady and Yaraslava Babichenko
Zions Bank Account XXXXX7644
Account holder(s): Gennady and Yaraslava Babichenko
- mm. Natalya and Pavel Babichenko
Zions Bank Account XXXXX1644
Account holder(s): Natalya Babichenko
- nn. Natalya Babichenko
Zions Bank Account XXXXX9111
Account holder(s): Natalya Babichenko
- oo. Pacific Cellular Distributors
Chase Bank Account XXXXX0250
Pavel Babichenko and David Bibikov
- pp. Global Distributors
Chase Bank Account XXXXX1299
Account holder(s): Kristina and Timofey Babichenko
- qq. Mobi Recycle
Chase Bank Account XXXXX1525
Account holder(s): Piotr Babichenko
- rr. Wireless Closeouts
Chase Bank Account XXXXX0239
Account holder(s): Kristina Babichenko
- ss. Kristina Popudnik (Babichenko)
Chase Bank Account XXXXXX7071
Account holder(s): Kristina Babichenko
- tt. Global Distributing
Chase Bank Account XXXXX1617
Account holder(s): Timofey Babichenko
- uu. Pavel Babichenko
Chase Bank Account XXXXX2661
Account holder(s): Pavel Babichenko
- vv. Wi Talk
Chase Bank Account XXXXX2706
Account holder(s): Piotr Babichenko
- ww. Try Again
Chase Bank Account XXXXX3086
Account holder(s): Piotr Babichenko
- xx. Electronix, LLC
Chase Bank Account XXXXX3095
Account holder(s): Timofey Babichenko
- yy. Global Distributing
Chase Bank Account XXXXX3706
Account holder(s): Anna and Timofey Babichenko
- zz. Power Star, LLC

- Chase Bank Account XXXXX5577
Account holder(s): Piotr Babichenko
- aaa. Mobi, LLC
Chase Bank Account XXXXX6588
Account holder(s): Piotr Babichenko,
- bbb. Cases & More LLC
Chase Bank Account XXXXX5310.
Account holder(s): Piotr and Zoya Babichenko.

6. Amazon Accounts: Funds currently on deposit with, or otherwise related to, Amazon.com seller accounts associated with any defendant or related entity.

7. Business Property and Proceeds Thereof:

- a. Babichenko Construction, Inc., aka Babichenko Construcoes, Inc.;
- b. Midstar Construcoes, Inc.; and
- c. Alphacell LLC;
- d. Babichenko LLC;
- e. Midstar Distributor LLC;
- f. Midstar LLC;
- g. Midway Distributors Inc.;
- h. Midway Distributor LLC;
- i. Midway Cellular LLC;
- j. Pacific Cellular Distributor LLC;
- k. Power Moxie LLC;
- l. Sahara Case LLC.

Money Laundering Forfeiture
18 U.S.C. §§ 981(a)(1)(C) and 982(a)(1) and 28 U.S.C. § 2461(c)

Upon conviction of the offenses alleged in Count Thirty-Four of this Indictment, the defendants, PAVEL BABICHENKO, GENNADY BABICHENKO, PIOTR BABICHENKO, TIMOFEY BABICHENKO, KRISTINA BABICHENKO, NATALYA BABICHENKO, DAVID BIBIKOV, ANNA IYERUSALIMETS, MIKHAIL IYERUSALIMETS and ARTUR PUPKO, shall forfeit to the United States, pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 982(a)(1) and 28 U.S.C. § 2461(c), any property, real and

personal, which constitutes or is derived from proceeds traceable to said violations, and any and all property, real and personal, tangible and intangible, used or intended to be used, in any manner or part, to commit, or to facilitate the commission of, the foregoing offenses, including the real and personal property items set out in the above criminal forfeiture allegation for Trafficking of Counterfeit Devices or Services, which property is realleged and incorporated herein.

**Mail Fraud, Wire Fraud, Fraud Conspiracy Forfeiture
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)**

Upon conviction of the offenses alleged in Counts One through Nineteen of this Indictment, the defendants, PAVEL BABICHENKO, PIOTR BABICHENKO, TIMOFEY BABICHENKO, GENNADY BABITCHENKO, KRISTINA BABICHENKO, NATALYA BABICHENKO, DAVID BIBIKOV, ANNA IYERUSALIMETS, MIKHAIL IYERUSALIMETS and ARTUR PUPKO, shall forfeit to the United States any and all property, real and personal, tangible and intangible, consisting or derived from any proceeds the said defendants obtained directly or indirectly as a result of the scheme to defraud of which the defendants are convicted, including the real and personal property items set out in the above criminal forfeiture allegation for Trafficking of Counterfeit Devices or Services, which property is realleged and incorporated herein.

Fungible Property as to All Forfeiture Allegations

Pursuant to 18 U.S.C. § 984, the government will seek forfeiture of fungible property.

Substitute Assets as to All Forfeiture Allegations

Pursuant to 21 U.S.C. § 853(p) and other applicable statutes, the government will seek forfeiture of substitute assets, “or any other property of the defendant” up to the value of the defendant’s assets subject to forfeiture. The government will do so when the property subject to forfeiture cannot be forfeited for one or more of the following reasons:

- a. Cannot be located upon the exercise of due diligence;
- b. Has been transferred or sold to, or deposited with, a third person;
- c. Has been placed beyond the jurisdiction of the court;
- d. Has been substantially diminished in value; or
- e. Has been commingled with other property which cannot be subdivided without difficulty.

Dated this 14th day of August, 2018.

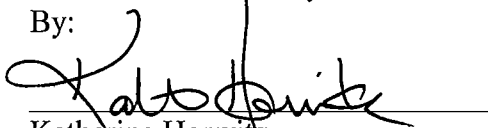
A TRUE BILL

/s/ [signature on reverse]

Foreperson

BART M. DAVIS
United States Attorney

By:



Katherine Horwitz
Assistant United States Attorney