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FILED

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CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
Plaintiff,

v.

MIHRAN MELKONYAN,
RUSLAN KIRILYUK, and
ALEKSANDR MASLOV,

Defendants.

CASE NO. 2:14-CR-00083 KJM

VIOLATIONS: 18 U.S.C. § 1343 – Wire Fraud (24
Counts); 18 U.S.C. § 1341 – Mail Fraud (2 Counts);
18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft;
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) –
Criminal Forfeiture

S U P E R S E D I N G I N D I C T M E N T

COUNTS ONE THROUGH TWENTY-FOUR: [18 U.S.C. § 1343 – Wire Fraud]

The Grand Jury charges:

MIHRAN MELKONYAN,
RUSLAN KIRILYUK, and
ALEKSANDR MASLOV,

defendants herein, as follows:

I. INTRODUCTION

At all times relevant to this Superseding Indictment:

1. Defendant Mihran Melkonyan was an individual with a primary residence in Sacramento
County, California.

2. Defendant Ruslan Kirilyuk was an individual with a primary residence in Los Angeles County, California.

3. Defendant Aleksandr Maslov was an individual with a primary residence in Sacramento County, California.

4. Person 1, Person 2, and Person 3 were female Russian citizens who traveled to the United States on J1 student visas in or about May 2012 and departed in or about October 2012.

5. PayPal, Inc., was a corporation that, among other businesses, provided credit card processing services for merchants.

6. American Express, Inc., was a corporation that, among other businesses, issued consumer credit cards and provided credit card processing services for merchants.

7. 24 Daily Mart, 24 Quick Stop, AFLGO, Ag Stop Mart, AH Union, Angel Jewelry, App Store, Baby Toy Market, Best Box, Candies Mart, Cell Shop, Center Plus, Chevrn, CMUD, Conn Mart, CVS Store, Daily G, Danmart, Depper, Dexby, Dp Way Store, Drobot Beauty, Drobot Drobot, Ecer, Entrix, Everything For Dog, Flowers for You, Fresh Mart, FT Casual, Global World Jewelry, GMV Market, Great Mart, Health Net, Jack BC, Joy Market, Joys Mart, Kemarket LLC, Krogers, Lenco, Madan Gaming World, Marshall Store, Mats Mart, Max Net, MCB Net, More 4 Less, More Accessories for You, Oasis, One Stop, Ortloff_Danmart, Quick Start, RD Wireless, RMT Mart, RP Art, Rugs and Carpets, Sepmart, Seven, Shell Power, Shumway Store, Singh Mart, Smartkitchenstuff, Star Points, Stop Shop Market, T And G Store, Tag Box, Ted Mart, Top Net, Vp Mart, Walt Mart, Whole Store, and World of Orthopedic were fictitious business entities created by the defendants and their co-schemers for the purpose of executing the scheme to defraud. In at least some cases, the fictitious business entities had internet domain names and email addresses associated with them that were used to create the appearance of a legitimate business. These fictitious business entities, however, were created for the purpose of billing stolen credit cards and did not provide actual goods or services.

II. SCHEME TO DEFRAUD

8. Between on or about October 5, 2011, and continuing through on or about March 5, 2014, in the State and Eastern District of California and elsewhere, the defendants, and others known and unknown to the Grand Jury, knowingly devised, participated in, and executed, a material scheme to

defraud and to obtain money by means of materially false and fraudulent pretenses, representations and promises, and the concealment of material facts.

9. The purpose of the scheme was to obtain money from credit card holders, credit card companies, and third-party credit card payment processors by charging individuals' credit cards without their permission or knowledge for goods and services that were not provided.

III. MANNER AND MEANS

In furtherance of the fraud, the defendants employed the following manner and means:

10. The defendants obtained stolen and misappropriated credit card information for individuals' credit card accounts.

11. The defendants created fictitious business entities, including 24 Daily Mart, 24 Quick Stop, AFLGO, Ag Stop Mart, AH Union, Angel Jewelry, App Store, Baby Toy Market, Best Box, Candies Mart, Cell Shop, Center Plus, Chevrn, CMUD, Conn Mart, CVS Store, Daily G, Danmart, Depper, Dexby, Dp Way Store, Drobot Beauty, Drobot Drobot, Ecer, Entrix, Everything For Dog, Flowers for You, Fresh Mart, FT Casual, Global World Jewelry, GMV Market, Great Mart, Health Net, Jack BC, Joy Market, Joys Mart, Kemarket LLC, Krogers, Lenco, Madan Gaming World, Marshall Store, Mats Mart, Max Net, MCB Net, More 4 Less, More Accessories for You, Oasis, One Stop, Orloff_Danmart, Quick Start, RD Wireless, RMT Mart, RP Art, Rugs and Carpets, Sepmart, Seven, Shell Power, Shumway Store, Singh Mart, Smartkitchenstuff, Star Points, Stop Shop Market, T And G Store, Tag Box, Ted Mart, Top Net, Vp Mart, Walt Mart, Whole Store, and World of Orthopedic. These fictitious business entities did not provide actual goods or services.

12. Some of these fictitious business entities were established in the names of unknowing victims. For example, the defendants obtained stolen or misappropriated copies of student transcripts from a Sacramento-area high school and used the students' identities to establish several of the business entities involved in the scheme, such as Candies Mart, RP Art, Drobot Beauty, Drobot Drobot, Ted Mart, Center Plus, GMV Market, CVS Store, Mats Mart, App Store, Cell Shop, Daily G, Top Net, One Stop, 24 Daily Mart, Quick Start, Shell Power, AH Union, Krogers, Conn Mart, Star Points, Tag Box, AG Stop Mart, Stop Shop Market, Great Mart, Marshall Store, Shumway Store, and others.

13. Using the fictitious business entity names, the defendants established merchant accounts

1 with credit card providers, such as American Express, Inc., and used the services of a third-party credit
2 card payment processor, such as PayPal, Inc. The defendants also registered internet domain names
3 associated with the fictitious business entities and, to facilitate communication with online service
4 providers, set up email accounts for the businesses with email providers such as Yahoo!, Inc. and
5 America Online.

6 14. The defendants charged the accounts of credit card holders using the merchant accounts
7 and third-party payment processors without the permission or the knowledge of the credit card account
8 holders. Generally, for each business entity controlled by the defendants, the defendants processed a
9 large number of small payments from different credit cards in a relatively short period of time. The
10 credit card providers and third-party credit card payment processors credited the business entities'
11 accounts based on the processed credit card transactions for purported sales.

12 15. It was further part of the scheme and artifice to defraud that the defendants opened and
13 caused to be opened multiple bank accounts in the names of J-1 visa holders and others, including
14 Person 1, Person 2, and Person 3. The defendants accessed and controlled these accounts. These
15 accounts were linked directly to the business entities' bank accounts, to credit card providers, and to
16 third-party credit card payment processors. The defendants transferred money from the business
17 entities' bank accounts to the linked bank accounts in the names of J-1 visa holders and others.

18 16. It was further part of the scheme and artifice to defraud that the defendants withdrew the
19 money from the linked bank accounts in the form of cash from ATMs and by using debit cards that were
20 linked to the accounts. Each of the bank transactions described below generated an intrabank interstate
21 communication.

22 IV. USE OF INTERSTATE WIRES

23 17. On or about the dates listed below, in the State and Eastern District of California, for the
24 purpose of executing the aforementioned scheme and artifice to defraud, and attempting to do so, the
25 defendants knowingly transmitted and caused to be transmitted by means of wire communication in
26 interstate commerce certain writings, signs, signals, pictures and sounds, as more specifically set forth
27 below:
28

Count	Date of Wire	Sender Account - Ending	Wire Description
1	October 2, 2012	U.S. Bank, N.A. – 0936	\$220 ATM Withdrawal
2	October 9, 2012	U.S. Bank, N.A. – 0944	\$540 Online Transfer
3	October 10, 2012	U.S. Bank, N.A. – 0944	\$503 ATM Withdrawal
4	October 10, 2012	Citibank N.A. – 9732	\$120 ATM Withdrawal
5	October 12, 2012	Citibank N.A. – 9732	\$800 ATM Withdrawal
6	October 15, 2012	Citibank N.A. – 9732	\$500 ATM Withdrawal
7	October 15, 2012	Citibank N.A. – 9732	\$300 ATM Withdrawal
8	October 16, 2012	Citibank N.A. – 9732	\$500 ATM Withdrawal
9	October 16, 2012	Citibank N.A. – 9732	\$200 ATM Withdrawal
10	October 17, 2012	Citibank N.A. – 9732	\$600 ATM Withdrawal
11	October 22, 2012	Wells Fargo Bank, N.A. – 2738	\$100 ATM Withdrawal
12	October 31, 2012	Wells Fargo Bank, N.A. – 2738	\$300 ATM Withdrawal
13	November 1, 2012	Wells Fargo Bank, N.A. – 5344	Balance Inquiry
14	May 8, 2013	Wells Fargo Bank, N.A. – 5344	\$202.25 ATM Withdrawal
15	May 9, 2013	Wells Fargo Bank, N.A. – 5344	\$202.25 ATM Withdrawal
16	May 13, 2013	Wells Fargo Bank, N.A. – 5344	\$302.95 ATM Withdrawal
17	May 13, 2013	Wells Fargo Bank, N.A. – 5344	\$202.25 ATM Withdrawal
18	May 14, 2013	Wells Fargo Bank, N.A. – 5344	\$202.25 ATM Withdrawal
19	May 14, 2013	Wells Fargo Bank, N.A. – 5344	Deposit of \$9,800 Check into Wells Fargo Bank, N.A. account ending 5116, in the name of Ruslan Kirilyuk
20	May 17, 2013	Wells Fargo Bank, N.A. – 5344	\$242.95 ATM Withdrawal
21	May 20, 2013	Wells Fargo Bank, N.A. – 5344	\$302.95 ATM Withdrawal
22	May 20, 2013	Wells Fargo Bank, N.A. – 5344	\$500 ATM Withdrawal
23	May 20, 2013	Wells Fargo Bank, N.A. – 5344	\$503 ATM Withdrawal

24	October 15, 2013	J.P. Morgan Chase Bank, N.A. – 0106	\$800 ATM Withdrawal
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In violation of Title 18, United States Code, Sections 2 and 1343.

COUNTS TWENTY-FIVE AND TWENTY-SIX: [18 U.S.C. § 1341 – Mail Fraud]

The Grand Jury further charges:

MIHRAN MELKONYAN,
RUSLAN KIRILYUK, and
ALEKSANDR MASLOV,

defendants herein, as follows:

I. INTRODUCTION

18. Paragraphs 1 through 16 of this Superseding Indictment are realleged and incorporated herein, as if fully set forth.

II. USE OF THE MAILS

19. On or about the dates listed below, in the State and Eastern District of California, for the purpose of executing the aforementioned scheme and artifice to defraud, and attempting to do so, the defendants knowingly did cause to be delivered by the Postal Service and by any private and commercial interstate carrier, according to the direction thereon, the items more specifically set forth below.

Count	Date	From	To	Item – Account Ending
25	April 15, 2013	Wells Fargo Bank, N.A.	Person 2	Letter – 2738
26	May 10, 2013	U.S. Bank, N.A.	Person 2	Account statement – 0936

In violation of Title 18, United States Code, Sections 2 and 1341.

COUNT TWENTY-SEVEN: [18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft]

The Grand Jury further charges:

RUSLAN KIRILYUK,

defendant herein, as follows:

20. Paragraphs 1 through 19 of this Superseding Indictment are re-alleged and incorporated

herein, as if set forth in full.

21. On or about October 15, 2013, in the State and Eastern District of California, defendant RUSLAN KIRILYUK did knowingly use, without lawful authority, a means of identification of another person, that is, the name and Social Security number of a real person, L.D., during an in relation to a felony violation, that is, a violation of 18 U.S.C. § 1343, as charged in Count Twenty-Four of this Superseding Indictment, knowing that the means of identification belonged to another actual person, all in violation of Title 18, United States Code, Section 1028A(a)(1).

FORFEITURE ALLEGATION: [18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) –
Criminal Forfeiture]

1. Upon conviction of one or more of the offenses alleged in Counts One through Twenty-Seven of this Superseding Indictment, defendants MIHRAN MELKONYAN, RUSLAN KIRILYUK, and ALEKSANDR MASLOV shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, which constitutes or is derived from proceeds traceable to such violations, including but not limited to the following:

a) A sum of money equal to the amount of proceeds traceable to such offenses, for which defendants are convicted.

2. If any property subject to forfeiture, as a result of the offenses alleged in Counts One through Twenty-Seven of this Superseding Indictment, for which defendants are convicted:

a) cannot be located upon the exercise of due diligence;

b) has been transferred or sold to, or deposited with, a third party;

c) has been placed beyond the jurisdiction of the court;

d) has been substantially diminished in value; or

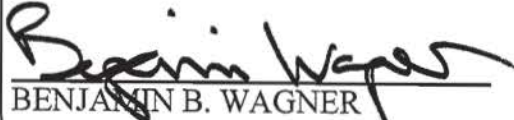
e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 28 U.S.C. § 2461(c), incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendants, up to the value of the property subject to forfeiture.

A TRUE BILL.

/s/ Signature on file w/AUSA

FOREPERSON



BENJAMIN B. WAGNER
United States Attorney

No. _____

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs. Mihran Melkonyan *no process necessary*
Ruslan Kirilyuk
Aleksandr Maslov } *no bail*

SUPERSEDING INDICTMENT

VIOLATION(S): 18 U.S.C. § 1343 – Wire Fraud; 18 U.S.C. § 1341 – Mail Fraud;
18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft;
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this 27 day

of August, A.D. 2015

Clerk

Bail, \$ Kirilyuk, Maslov
NO BAIL WARRANT

Caroline Delany

United States v. Mihran Melkonyan, Ruslan Kirilyuk, and Aleksandr Maslov
Penalties for Superseding Indictment

Defendants

MIHRAN MELKONYAN, RUSLAN KIRILYUK, and ALEKSANDR MASLOV

COUNTS 1–24: **ALL DEFENDANTS**

VIOLATION: 18 U.S.C. § 1343 – Wire Fraud

PENALTIES: Not more than \$250,000 fine, or
Not more than 20 years' imprisonment, or both;
Not more than 3 years supervised release.

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 25–26: **ALL DEFENDANTS**

VIOLATION: 18 U.S.C. § 1341 – Mail Fraud

PENALTIES: Not more than \$250,000 fine, or
Not more than 20 years' imprisonment, or both;
Not more than 3 years supervised release.

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 27: **RUSLAN KIRILYUK**

VIOLATION: 18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft

PENALTIES: 2 years in prison, consecutive to any other sentence except any additional
sentence imposed at the same time under § 1028A

FORFEITURE ALLEGATION: **ALL DEFENDANTS**

As stated in the charging document