

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY Eastern District of Kentucky
CENTRAL DIVISION FILED
LEXINGTON SEP 21 2023

UNITED STATES OF AMERICA

AT LEXINGTON
Robert R. Carr
CLERK U.S. DISTRICT COURT

V.

INDICTMENT NO. 5:23cr00106-GFVT-MAS

LIVIU MIHAI DUMITRU and
MIHAI DANIEL DAN

* * * * *

THE GRAND JURY CHARGES:

INTRODUCTION

1. At all times relevant to this Indictment, co-conspirators, including Ionut Razvan Sandu, perpetrated a wide-scale online auction fraud scheme, including by, posting false advertisements for goods to legitimate auction and sales websites, and then, often using stolen identities and trademarks from these legitimate online auction and sales companies, defrauding United States-based victims out of money and laundering the money through various channels.

2. At all times relevant to this Indictment, co-conspirators also perpetrated a wide-scale vacation rental fraud scheme, including by, posting false advertisements to vacation rental websites, and then, often using stolen identities and trademarks from these legitimate online auction and sales companies, defrauding victims from multiple countries out of money and laundering the money through various channels.

3. **LIVIU MIHAI DUMITRU** was a Romanian national, who, at all times relevant to the Indictment, developed and operated a software platform (the “Platform”) that provided his clients, who are users of the platform (the “Users”), services to facilitate their online auction fraud and vacation rental fraud schemes, including, among others, advertisement production, invoice production and management, and payment management.

4. **MIHAI DANIEL DAN** was a Romanian national who was a User of the Platform.

COUNT 1
18 U.S.C. § 1349

5. Paragraphs 1 through 4 above are re-alleged and incorporated herein by reference.

6. From at least January 22, 2016, and continuing through the date of this Indictment, in Jessamine County, in the Eastern District of Kentucky, and elsewhere,

**LIVIU MIHAI DUMITRU,
MIHAI DANIEL DAN,**

Ionut Razvan Sandu, and others known and unknown, willfully and knowingly conspired with each other and others to commit wire fraud, that is, having devised and intended to devise a scheme and artifice to defraud and obtain money and property by means of false and fraudulent pretenses, representations, and promises, knowingly transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of 18 U.S.C. § 1343.

Purpose of the Conspiracy

7. It was the purpose of the conspiracy to entice victims to send money to purchase items or rent vacation homes on the internet that did not exist.

8. It was also the purpose of the conspiracy to obtain personal identifying information of real individuals.

Manner and Means

9. The manner and means used to accomplish the objectives of the conspiracy included, among others, the following:

10. Dozens of Users, including Razvan Sandu and **MIHAI DANIEL DAN**, used the internet to post advertisements for goods to online auction websites, including eBay and Craigslist, and to post advertisements for vacation rentals to online vacation rental websites, including AirBNB.

11. The Users paid a fee for access to the Platform that **DUMITRU** designed.

12. **DUMITRU** designed the Platform to assist with the creation of fake rental advertisement postings. The Users, including **DAN**, would provide storage space and some information to the Platform, which would then assist in generating the fake rental advertisements webpages.

13. **DUMITRU** designed the Platform to assist with producing spoofed websites to host the fake advertisements. The victims would view the advertisement on a legitimate website, and the Users would redirect the victims into viewing the spoofed website, which was integrated with the Platform.

14. **DUMITRU** designed the Platform to assist with invoicing the victims.

Once the Users, including **DAN**, persuaded victims that the advertisements were legitimate through various means, the Platform sent the victims convincing invoices for their purchases. These invoices often provided a link for payment.

15. **DUMITRU** designed the Platform to handle some forms of payment from victims. The victims would send payment as directed, and, if the payment was directed to the Platform in the form of cryptocurrency, the Platform would notify the Users by email that a customer or “guest” had sent payment. If the victims were directed to send payment through credit card, **DUMITRU** created a fake credit card system within the Platform, which would fail when a victim entered their credit card information. The Platform would capture the credit card information and direct the victim to a different payment form.

16. **DUMITRU** designed the Platform to assist with obtaining victim personal identification information. The Users would ask victims to send driver’s license or images of their passports to verify identity. This information was passed from the Users to **DUMITRU** through email. The Users and **DUMITRU** then used the information to open or verify existing accounts, and the stolen credit card information to fund these accounts.

17. **DUMITRU** administered the Platform and updated it to account for problems or new techniques.

18. Individuals located in the Eastern District of Kentucky located and responded to advertisements posted by the Users of the Platform, including DAN.

All in violation of 18 U.S.C. § 1349.

COUNT 2
18 U.S.C. § 1956(h)

19. Paragraphs 1 through 18 above are re-alleged and incorporated herein by reference.

20. Beginning on or about at least January 22, 2016, and continuing through the date of this Indictment, in Jessamine County, in the Eastern District of Kentucky, and elsewhere,

**LIVIU MIHAI DUMITRU,
MIHAI DANIEL DAN,**

and others known and unknown, knowingly combined, conspired, confederated, and agreed together and with each other to commit offenses against the United States in violation of 18 U.S.C. §§ 1956(a)(1) and 1956(a)(2), to wit:

- (a) knowingly conducting and attempting to conduct financial transactions affecting interstate and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, violations of 18 U.S.C. §§ 2, 1343, and 1349, with the intent to promote the carrying on of such specified unlawful activity and, that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(A)(i);
- (b) knowingly conducting and attempting to conduct financial transactions affecting

interstate and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, violations of 18 U.S.C. §§ 2, 1343, and 1349, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity in violation of 18 U.S.C. § 1956(a)(1)(B)(i);

(c) knowingly transporting, transmitting, and transferring, or attempting to transport, transmit, and transfer monetary instruments and funds from a place in the United States to or through a place outside the United States, with the intent to promote the carrying on of a specified unlawful activity, that is 18 U.S.C. §§ 2, 1343, and 1349, in violation of 18 U.S.C. § 1956(a)(2)(A); and

(d) knowingly transporting, transmitting, and transferring, or attempting to transport, transmit, and transfer monetary instruments and funds from a place in the United States to or through a place outside the United States, knowing that the instruments and funds represent the proceeds of some form of unlawful activity and that the transportation was designed in whole or part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of specified unlawfully activity, that is, 18 U.S.C. §§ 2, 1343, and 1349, in violation of 18 U.C. § 1956(a)(2)(B)(i).

Manner and Means

21. The manner and means used to accomplish the objectives of the conspiracy included, among others, the following:

22. The Users would often entice victims to send payment for the nonexistent

advertised item in the form of cryptocurrency. **DUMITRU** provided a service that would set up a cryptocurrency address for the victim and the assigned User, which **DUMITRU** controlled at popular cryptocurrency exchange, Coinbase. The Coinbase accounts **DUMITRU** used to receive victim proceeds were registered under false names.

23. Once the victims sent payment to the User-designated cryptocurrency address at Coinbase, **DUMITRU** transferred the majority of the cryptocurrency to the User at a separate cryptocurrency address either the Platform set up for the User or to an address the User provided to **DUMITRU**, retaining some portion for himself.

24. Once the User received payment to his designated cryptocurrency address, the Platform would send the User a notification that a “guest” payment had been received.

25. After Coinbase shut down the Platform cryptocurrency accounts, **DUMITRU** began using BlockchainAPI to process victim payments to the Users. The Users provided the Platform with cryptocurrency addresses under their control, and the victims were directed to send payment to these cryptocurrency addresses. Once a payment was made, BlockchainAPI would process the payment, which triggered sending an email notification to the User, diversion of 1% to BlockchainAPI for its services, and recording of the payment on the Platform.

26. Some Users would send a portion of the cryptocurrency they obtained from victims to cryptocurrency addresses **DUMITRU** controlled to pay for ongoing use of the Platform. At times, **DUMITRU** transferred this cryptocurrency to cryptocurrency exchangers that did not follow proper anti-money laundering protocols.

27. **DUMITRU** would use the cryptocurrency sent to him to pay for accounts and services like virtual private networks, domain registrations, server space, and other services, which supported his ongoing operation.

All in violation of 18 U.S.C. § 1956(h).

FORFEITURE ALLEGATIONS

18 U.S.C. § 981(a)(1)(C)

18 U.S.C. § 982(a)(1)

28 U.S.C. § 2461

1. By virtue of the offense alleged in Count One of this Indictment, **LIVIU MIHAI DUMITRU and MIHAI DANIEL DAN** shall forfeit the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to the violation 18 U.S.C. § 1349. Any and all interest that **LIVIU MIHAI DUMITRU and MIHAI DANIEL DAN** have in this property is vested in and forfeited to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461.

2. By virtue of the offense alleged in Count Two of this Indictment, **LIVIU MIHAI DUMITRU and MIHAI DANIEL DAN** shall forfeit the United States of America any and all property, real or personal, involved in the violation of 18 U.S.C. § 1956(h) and any property traceable to such property. Any and all interest that **LIVIU MIHAI DUMITRU and MIHAI DANIEL DAN** have in this property is vested in and forfeited to the United States pursuant to 18 U.S.C. § 982(a)(1).

3. The property to be forfeited includes, but is not limited to, the following:

CRYPTOCURRENCY ACCOUNTS:

a) Coinbase Account affiliated with User ID: 5a37bde17fb52c0187fb3395 in the name of “Pierre Bisson”; and

b) Coinbase Account affiliated with User ID: 5864d274c2d10530e88a2e1d in the name of "Marc Borlec."

MONEY JUDGMENT:

A forfeiture money judgment in an amount representing the gross proceeds obtained by the Defendants as a result of the fraud and money-laundering offenses and/or the amount involved in the money-laundering offense.

4. If any of the property listed above, as a result of any act or omission of the Defendant(s), (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, the United States shall be entitled to forfeit substitute property pursuant to 21 U.S.C. § 853(p).

A TRUE BILL



FOREPERSON



**CARLTON S. SHIER IV
UNITED STATES ATTORNEY**

PENALTIES

COUNT 1: Not more than 20 years imprisonment, \$250,000 fine or twice the gross gain or loss, and 3 years supervised release.

COUNT 2: Not more than 20 years imprisonment, \$500,000 fine or twice value of the property involved in the transactions, and 3 years supervised release.

PLUS: Mandatory special assessment of \$100 per count.

PLUS: Forfeiture of listed items.

PLUS: Restitution, if applicable.