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FEB 18 2016

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

AT 8:30 _____ M
WILLIAM T. WALSH, CLERK

UNITED STATES OF AMERICA

v.

NIKOLAY KRECHET and
JAMES OLLA

: Hon. *William H. Walls*
:
: Crim. No. 16- *64*
:
: 18 U.S.C. §§ 1343, 1349 & 2
:

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark,
charges:

**Count One
(Conspiracy to Commit Wire Fraud)**

Background

1. At all times relevant to this Indictment:
 - a. Defendant NIKOLAY KRECHET ("Defendant KRECHET") was a resident of New York, New York.
 - b. Defendant JAMES OLLA ("Defendant OLLA") was a resident of New York, New York.
 - c. Credit cards, issued by banks and other financial institutions (the "Card Issuers"), allowed consumers to obtain goods and services with the understanding that the consumers would repay the Card Issuers pursuant to contractual agreements between the consumers and the Card Issuers.
 - d. Certain Card Issuers, who suffered losses as part of the scheme and artifice to defraud described below, were "financial

institutions” as that term is defined in Title 18, United States Code, Section 20.

e. Gift cards, sold by retailers and financial institutions, were prepaid instruments denominated in various dollar amounts which allowed consumers to purchase goods and services from retailers, often the retailers who sold the gift cards.

f. Company 1 was headquartered in or around Minneapolis, Minnesota, and was engaged in the business of, among other things, the sale of gift cards to customers throughout the United States, including in New Jersey.

g. Company 2 was headquartered in or around Bentonville, Arkansas, and was engaged in the business of, among other things, the sale of gift cards to customers throughout the United States, including in New Jersey.

h. Cardholder Victim 1 resided in or around Gloucester County, New Jersey.

Overview of the Conspiracy

2. Defendants KRECHET and OLLA and others (collectively, the “Co-Conspirators”) procured stolen information related to credit cards belonging to individual victims, including Cardholder Victim 1, issued by various Card Issuers (the “Stolen Credit Card Information”). Next, using the Stolen Credit Card Information, the Co-Conspirators obtained gift cards from various retailers, including Company 1 and Company 2 (the “Fraudulent Gift Cards”). The

Co-Conspirators then either sold the Fraudulent Gift Cards, or used the Fraudulent Gift Cards to purchase goods, which they then sold.

The Conspiracy

3. From in or about January 2014 through in or about August 2015, in the District of New Jersey and elsewhere, defendants

**NIKOLAY KRECHET
and
JAMES OLLA**

did knowingly and intentionally conspire and agree with each other and others to devise a scheme and artifice to defraud Companies 1 and 2, the Card Issuers and the Cardholder Victims, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice to defraud, to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

Object of the Conspiracy

4. It was the object of the conspiracy for defendants KRECHET and OLLA and their Co-Conspirators to profit unlawfully by selling Fraudulent Gift Cards and/or merchandise purchased with Fraudulent Gift Cards.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that certain Co-Conspirators obtained the Stolen Credit Card Information of Cardholder Victims, including Cardholder Victim 1.

6. It was further part of the conspiracy that certain Co-Conspirators used the Stolen Credit Card Information, without the consent of Cardholder Victim 1 or other victims, to purchase Fraudulent Gift Cards.

7. It was further part of the conspiracy that certain Co-Conspirators, including defendants KRECHET and OLLA, purchased Fraudulent Gift Cards from other Co-Conspirators and then resold them for a profit or used them to purchase merchandise, which they then resold.

8. It was further part of the conspiracy that certain Co-Conspirators, including defendant OLLA, called Company 1 to check the balance on Fraudulent Gift Cards, including certain Fraudulent Gift Cards that had been purchased in New Jersey.

9. It was further part of the conspiracy that the Co-Conspirators used wire communications in interstate and foreign commerce to execute their scheme, in that their purchases of Fraudulent Gift Cards, redemptions of Fraudulent Gift Cards for merchandise or services, and balance checks on Fraudulent Gift Cards all involved wire communications in interstate and foreign commerce.

10. It was further part of the conspiracy that the Co-Conspirators caused losses to Companies 1 and 2, the Card Issuers, and the Cardholder Victims as a result of the fraudulent scheme discussed in this Indictment.

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

Counts Two through Five
(Wire Fraud)

1. The allegations in Paragraphs 1 through 10 of Count One above are hereby incorporated and realleged as if set forth fully herein.

2. From in or about January 2014 through in or about August 2015, in the District of New Jersey and elsewhere, defendants

NIKOLAY KRECHET
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and others knowingly and intentionally did devise and intend to devise a scheme and artifice to defraud Companies 1 and 2, the Card Issuers and the Cardholder Victims and to obtain money by means of materially false and fraudulent pretenses, representations, and promises.

3. The object of this scheme and artifice to defraud was for defendants KRECHET and OLLA and others to profit unlawfully by selling the Fraudulent Gift Cards and/or merchandise purchased with the Fraudulent Gift Cards.

4. On or about the dates set forth below, for the purpose of executing and attempting to execute this scheme and artifice to defraud, defendants

NIKOLAY KRECHET
and
JAMES OLLA

did knowingly and intentionally transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce the following writings, signs, signals, pictures and sounds, each constituting a separate count of this Indictment:

<u>Count</u>	<u>Approximate Date</u>	<u>Description</u>
Two	March 15, 2015	Redemption in or around Monmouth County, New Jersey, of approximately thirty-seven Fraudulent Gift Cards, which had been sold by defendant OLLA to Individual 1 on or about March 12, 2015 and which had been purchased by defendant KRECHET from Individual 1 on or about March 13, 2015
Three	March 17, 2015	Redemption in or around Ocean County, New Jersey, of approximately sixteen Fraudulent Gift Cards, which had been sold by defendant OLLA to Individual 1 on or about March 14, 2015 and which had been purchased by defendant KRECHET from Individual 1 on or about March 16, 2015
Four	March 24, 2015	Redemption in or around Hudson County, New Jersey, of approximately fifty Fraudulent Gift Cards, which had sold by defendant OLLA to Individual 1 on or about March 22, 2015 and which had been purchased by defendant KRECHET from Individual 1 on or about March 23, 2015
Five	March 25, 2015	Redemption in or around Monmouth County, New Jersey, of approximately thirty Fraudulent Gift Cards which had been sold by defendant OLLA to Individual 1 on or about March 23, 2015 and which had been purchased by defendant KRECHET from Individual 1 on or about March 24, 2015

In violation of Title 18, United States Code, Section 1343 and Section 2.

Forfeiture Allegations

1. The allegations contained in Counts One through Five of this Indictment are hereby realleged and incorporated by reference for the purpose of noticing forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. The United States hereby gives notice to the defendants that, upon conviction of any of the offenses charged in Counts One through Five, the government will seek forfeiture, in accordance with Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the violations of Title 18, United States Code, Sections 1343 and 1349, alleged in Counts One through Five of this Indictment.

Substitute Assets Provision

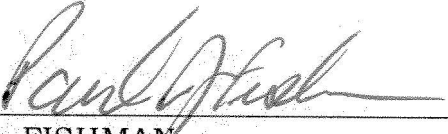
3. If by any act or omission of the defendants, any of the property subject to forfeiture described above:

- 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 subdivided
- without difficulty, the United States of America will be entitled to forfeiture of substitute property up to the value of the property described above, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United

States Code, Section 2461(c).

A TRUE BILL

FOREPERSON



PAUL J. FISHMAN
United States Attorney

CASE NUMBER: 16-64(WHW)

**United States District Court
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UNITED STATES OF AMERICA

v.

**NIKOLAY KRECHET
and
JAMES OLLA**

**INDICTMENT FOR
18 U.S.C. §§ 1343, 1349 & 2**

A True Bill,

Foreperson

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(Ed. 1/97)**