

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

MOHAMED-AMIN ATCHA,
MOHAMED RILAZ WALEEDH, and
DAOOD HASSAN,

Defendants.

SEALED INDICTMENT

24 Cr.

24 CRIM 348

COUNT ONE
(Conspiracy to Commit Wire Fraud)

The Grand Jury charges:

OVERVIEW

1. In the fall of 2021, MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, and others known and unknown, executed a type of scam commonly known as a “rug pull,” where developers advertise a digital project, collect funds from purchasers, then abandon the project and keep the funds. ATCHA, WALEEDH and HASSAN, and others known and unknown, created and promoted a non-fungible token (“NFT”) project called “Evolved Apes” (the “Evolved Apes Project”), which involved the marketing of digital images of cartoon apes. The creators and promoters of the Evolved Apes Project publicly promised to use funds raised from selling the NFTs to develop a videogame based on the NFTs, which they claimed would increase the NFTs’ value. But after selling the NFTs and collecting large sums from purchasers, including in the Southern District of New York, they quickly shut down the Project’s website, keeping the funds without developing the promised videogame (the “Evolved Apes Rug Pull”). ATCHA, WALEEDH and HASSAN, and others

known and unknown, dispersed the misappropriated funds through multiple cryptocurrency transactions to their own personal accounts, to conceal the source of their ill-gotten gains.

Background to “NFTs”

2. An NFT is a type of digital asset stored on a blockchain, which is a digital, decentralized ledger that stores information, including information about transactions. Each NFT is typically associated with a digital object, such as a piece of digital artwork. The NFT provides proof of ownership of that digital object and a license to use that object for specific purposes. NFTs can be bought, sold and traded.

3. Many NFTs are part of the Ethereum blockchain, a large open-source blockchain. Ether (“ETH”) is the native cryptocurrency (i.e., digital currency) of the Ethereum blockchain. Like other cryptocurrencies, ETH is accessed using a digital key stored in a digital “wallet,” which is software that allows a user to interact with the Ethereum blockchain. ETH can be sent to a wallet by transferring it to a particular “address,” that is, a unique string of characters that is tied to a particular wallet.

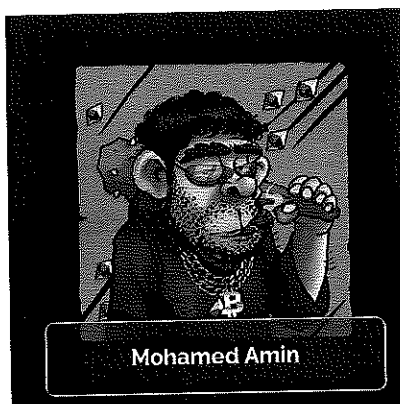
4. At minimum, an NFT data file may provide a purchaser with an electronic image and a certificate of ownership. But the purchase of an NFT may also entitle the purchaser to added benefits, such as reward programs, giveaways, and event access. The process of turning a digital file into a one-of-a-kind NFT on the Ethereum blockchain is known as “minting.” Minting requires the creation of a “smart contract,” which sets forth rules for the sale and transfer of NFTs after minting. NFT smart contracts are written in computer code, which is recorded on the Ethereum blockchain and publicly viewable. Once minted and stored on the Ethereum blockchain, the NFT typically cannot be edited, modified, or deleted.

5. NFT Marketplace-1 is a prominent website that allows for the advertising, buying and selling of NFTs. NFT Marketplace-1 offers users the ability to either mint NFTs directly on its platform, or to use a third-party platform for NFT minting. In the latter case, NFT Marketplace-1 is used by NFT Marketplace-1 accountholders to trade and/or sell NFTs on the secondary market.

Preparation for the Evolved Apes Rug Pull

6. Starting in at least in or about March 2021 through in or about September 2021, MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, began to prepare the Evolved Apes Rug Pull. HASSAN emailed cryptocurrency developers and sought assistance from freelance web developers for the Evolved Apes Project. HASSAN emailed WALEEDH a document containing marketing language (the “Web Content Document”) to be used to promote the Evolved Apes Project, including text content for the website promising that the Project would raise money to support development of an “NFT built action game utilizing your collectible as a playable character!”

7. Starting on or about September 10, 2021, the website <https://www.evolvedapes.com/> advertised the Evolved Apes Project (the “Website”). The Website listed the “Team” behind the Evolved Apes Project, which included “Mohamed Amin,” referring to MOHAMED-AMIN ATCHA, the defendant. “Mohamed Amin” was depicted on the Website with a graphic typical of the images that became Evolved Apes NFTs:



8. The Website included content that matched, almost word for word, language in the Web Content Document. The Website displayed a “Roadmap” with several “Phases” for the development of the NFTs. “Phase 5” stated that “EvolvedApes will be launching a fighting game” where each owner of an Evolved Apes project NFT will be able to compete. The Website advertised an “entry fee” of .08 ETH (then equivalent to approximately \$250), representing the sale price of each NFT, and “Maximum Contestants – 10,000.” The Website expressly tied gameplay to the value of the NFTs, promising the following:

Each NFT has stats which make them unique to one another. . . . Every day is a gamble so wagers can be done between fighters. Daily prize tournaments will be available for the members in our community. The more fights you win, the better your stats will become, eventually making your NFT more valuable.

9. In or about September 2021, MOHAMED-AMIN ATCHA and MOHAMED RILAZ WALEEDH, the defendants, took other steps to market the Evolved Apes Project, including paying a particular social media influencer (“Influencer-1”) to promote the Evolved Apes Project on social media platforms. ATCHA arranged for Influencer-1 to do the marketing, and when he received an invoice from Influencer-1, forwarded it to WALEEDH. WALEEDH then transferred cryptocurrency to Influencer-1. Influencer-1 promoted Evolved Apes, including hosting a public video chat with ATCHA.

10. Also in or about September 2021, a webpage for the Evolved Apes Project appeared on NFT Marketplace-1. The page offered the pre-sale of NFTs with images of various cartoon characters, each a variation on an ape. Starting on or about September 23, 2021, the NFTs were sold to the public on NFT Marketplace-1, with thousands of purchasers sending cryptocurrency to a particular cryptocurrency address that was identified in the Evolved Apes smart contract (the “Evolved Apes Address”). These purchasers received the NFTs, which they could trade on NFT

Marketplace-1. Multiple customers decided to purchase Evolved Apes NFTs from the Evolved Apes Project because of the promised videogame.

The Evolved Apes Rug Pull

11. On or about September 24, 2021, the day after the first sales of Evolved Apes NFTs, the Evolved Apes Address transferred out all the cryptocurrency it had received, then valued approximately at more than \$2 million. MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, passed funds from the Evolved Apes Address through intermediary cryptocurrency addresses, before ultimately transferring them into accounts including their personal accounts at a prominent cryptocurrency exchange (“Cryptocurrency Exchange-1”).

12. By on or about October 5, 2021, the Evolved Apes website had been taken down. No videogame was ever released.

Admissions by WALEEDH and HASSAN

13. In or about early October 2021, Cryptocurrency Exchange-1 blocked MOHAMED RILAZ WALEEDH, the defendant, from withdrawing cryptocurrency from his account. As described above, the cryptocurrency in WALEEDH’s account was the proceeds from the Evolved Apes Rug Pull. In chat messages with Cryptocurrency Exchange-1 customer service, WALEEDH identified himself as the “lead marketing manager” for Evolved Apes, and called the balance of ETH in his account his “cut.” When told he would have to wait for the customer service team to investigate the source of the funds in his account before they could be released to him, WALEEDH asked customer service to release them because he claimed, falsely, that he needed to pay for his “grandma[’]s cancer treatment.” WALEEDH further falsely claimed that the “issues” with Evolved Apes were the fault of an “admin,” and promised to launch a new NFT project to give

“free Apes” to the original investors. However, when Cryptocurrency Exchange-1 allowed WALEEDH to access the funds, WALEEDH simply transferred them to a cryptocurrency address controlled by DAOOD HASSAN, the defendant.

14. In or about December 2023, by court order, particular funds in a cryptocurrency address belonging to DAOOD HASSAN, the defendant, were frozen in connection with the Government’s investigation into the Evolved Apes rug pull. HASSAN emailed the Federal Bureau of Investigation, admitting that the address was his and demanding that it be unfrozen.

STATUTORY ALLEGATIONS

15. The allegations contained in Paragraphs 1 through 14 of this Indictment are hereby repeated, re-alleged, and incorporated by reference as if fully set forth herein.

16. From at least in or about September 2021 through at least in or about October 2021, in the Southern District of New York and elsewhere, MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

17. It was a part and an object of the conspiracy that MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, and others known and unknown, knowingly 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, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, ATCHA, WALEEDH and HASSAN agreed to make and caused

to be made false statements to the public in order to obtain funds in connection with the sale of the “Evolved Apes” collection of non-fungible tokens, and sent and received, and caused others to send and receive, electronic communications to and from the Southern District of New York and elsewhere, in furtherance of that scheme.

(Title 18, United States Code, Section 1349.)

COUNT TWO
(Conspiracy to Commit Money Laundering)

The Grand Jury further charges:

18. The allegations contained in Paragraphs 1 through 14 of this Indictment are hereby repeated, re-alleged, and incorporated by reference as if fully set forth herein.

19. From at least in or about September 2021 through at least in or about October 2021, in the Southern District of New York and elsewhere, MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit money laundering, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i).

20. It was a part and an object of the conspiracy that MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, and others known and unknown, 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 transaction affected interstate and foreign commerce and involved the use of a financial institution which was engaged in, and the activities of which affected, interstate and foreign commerce, and which in fact involved the proceeds of specified unlawful activity, to wit, wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction

was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

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

FORFEITURE ALLEGATIONS

21. As a result of committing the offense alleged in Count One of this Indictment, MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28 United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense, and the following specific property:

a. the USDT contained in virtual currency address 0x5194a3e82eb92896e63d50232d2292cbb716ed70.

22. As a result of committing the offense alleged in Count Two of this Indictment, MOHAMED-AMIN ATCHA, MOHAMED RILAZ WALEEDH, and DAOOD HASSAN, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any and all property, real and personal, involved in said offense, or any property traceable to such property, including but not limited to a sum of money in United States currency representing the amount of property involved in said offense, and the following specific property:

a. the USDT contained in virtual currency address 0x5194a3e82eb92896e63d50232d2292cbb716ed70.


Substitute Assets Provision

23. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- 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;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981 and 982;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)


FOREPERSON *5/30/2024*

Damian Williams / TDP
DAMIAN WILLIAMS
United States Attorney