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3 Presented to the Court by the foreman of the
4 Grand Jury in open Court, in the presence of
5 the Grand Jury and FILED in The U.S.
6 DISTRICT COURT at Seattle, Washington.

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SEPTEMBER 5 2007
BRUCE BIRKIN, Clerk
By  Deputy

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 GREGORY THOMAS KOPILOFF,
15 Defendant.

CASE NO. CR07 0309 TZR

INDICTMENT



07-CR-00309-INDI

The Grand Jury charges that:

COUNT 1

(Mail Fraud)

A. Background

At all times material herein,

1. GREGORY THOMAS KOPILOFF was a resident of Seattle, in the Western District of Washington.

2. GREGORY THOMAS KOPILOFF devised and effected a mail fraud scheme, described below, which included the use of Limewire, Soulseek, and other "peer-to-peer" computer "file sharing" programs.

3. Peer-to-peer computer programs enable their users to create decentralized, peer-to-peer ("P2P") networks of computers. P2P networks provide a

1 ready-made infrastructure for electronic file sharing by which files stored electronically
2 on any computer that is part of the network can be “published” or “shared” with any
3 other computer that is a member of the network.

4 4. P2P networks and file sharing programs can be used legitimately for
5 authorized and legal file sharing. P2P networks are, however, also known for, and
6 commonly used to facilitate the unauthorized and illegal replication of copyright-
7 protected music and videos files, among network members.

8 5. For individuals who are using a P2P network and program to share and
9 replicate music and video files, it is beneficial to run the program constantly, and to
10 configure any computer security protection firewalls to treat the P2P program as a
11 “trusted” program. This configuration negates the protection normally afforded by
12 firewall and anti-virus programs.

13 6. Limewire is a P2P file sharing program that can be downloaded, for free,
14 from a website on the Internet at www.limewire.com. The Limewire program’s default
15 settings enable it to run constantly, and thereby to allow users constantly to share files.
16 The Limewire program also automatically configures firewall programs to view
17 Limewire as a trusted program, thereby negating the protection afforded by firewall
18 and anti-virus programs.

19 7. A number of P2P programs exist, and a number of different versions of
20 each program can exist. Some versions of some P2P programs have, by default, made
21 a user’s entire computer hard drive accessible to other members of the P2P network.
22 Other versions of P2P programs, including the most recent version of Limewire, allow
23 a user to create a folder on the user’s computer’s hard drive entitled, “shared,” in
24 which the user can place files he/she wishes to share. If the user is inexperienced or
25 not attentive, however, any file stored on the computer can be mistakenly included in
26 the “shared” folder. Computer “viruses” also exist which can effectively expand
27 access by a P2P network member to data beyond that stored in the designated “shared”
28 folder.

1 **A. The Offense**

2 8. Beginning at a date uncertain, but in or about March, 2005 and continuing
3 until on or about August 17, 2007, within the Western District of Washington and
4 elsewhere, GREGORY THOMAS KOPILOFF did knowingly and willfully devise and
5 intend to devise a scheme and artifice to defraud, and for obtaining money and property
6 by means of material false and fraudulent pretenses, representations, and promises; and
7 in executing and attempting to execute this scheme and artifice, did knowingly cause to
8 be sent and delivered matters and things by mail or by any private or commercial
9 interstate carrier, according to the directions thereon.

10 **B. Essence of the Scheme and Artifice to Defraud**

11 9. The essence of the scheme and artifice to defraud was that GREGORY
12 THOMAS KOPILOFF would use several methods, including use of the P2P file
13 sharing networks afforded by Limewire and Soulseek, to surreptitiously and illicitly
14 obtain identity, and also banking, financial, or credit information belonging to others;
15 that KOPILOFF would then use the identity and also banking, financial, or credit
16 information that belonged to others, without their knowledge or consent, to fraudulently
17 obtain credit accounts in the names of others; that KOPILOFF would then fraudulently
18 purchase merchandise "online," also in the names of others and using the credit
19 accounts he had fraudulently opened in their names; that KOPILOFF would instruct the
20 vendors of that merchandise to ship it to addresses designated by KOPILOFF where he,
21 or an accomplice would then receive it; and that KOPILOFF would then sell the
22 merchandise at a substantial discount to other buyers; after which KOPILOFF would
23 convert the proceeds from the sale of the fraudulently purchased merchandise to his
24 own personal use and benefit.

25 **C. The Scheme and Artifice to Defraud**

26 10. It was part of the scheme and artifice to defraud that GREGORY
27 THOMAS KOPILOFF installed P2P software onto computers in his possession in order
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1 to facilitate and further his fraud scheme, with the result that these computers would
2 become part of a P2P file sharing network that provided him with direct
3 peer-to-peer access, over the Internet, to other computers on which the program had
4 been installed.

5 11. It was further part of the scheme and artifice to defraud that GREGORY
6 THOMAS KOPILOFF intended, by thus becoming part of a P2P network, to
7 surreptitiously gain access to identity and also banking, financial, and credit
8 information of other, real people that had been stored electronically on their private
9 computers, without their knowledge, authorization, or consent.

10 12. It was further part of the scheme and artifice to defraud that GREGORY
11 THOMAS KOPILOFF did successfully gain access surreptitiously, and without
12 authority or consent, to data that had been stored electronically by other real people on
13 their private computers, through the use of P2P file sharing computer programs,
14 including Limewire and Souseek.

15 13. It was further part of the scheme and artifice to defraud that GREGORY
16 THOMAS KOPILOFF knew that, with the use of the Limewire or Souseek P2P
17 network, he could under some circumstances access a wide range of information,
18 documents and data stored electronically on other computers hosting the Limewire or
19 Souseek program, including, but not limited to: federal income tax returns, student
20 financial aid applications, and credit reports that had been stored electronically by other
21 real people on and in their own private computers.

22 14. It was further part of the scheme and artifice to defraud that GREGORY
23 THOMAS KOPILOFF did, through the use of the Limewire and Souseek programs,
24 specifically "search" the computers of others for federal income tax returns, student
25 financial aid applications, and credit reports that had been stored electronically by other
26 real people on and in their own private computers.

27 15. It was further part of the scheme and artifice to defraud that GREGORY
28 THOMAS KOPILOFF would and did in turn use the identity, and also banking,

1 financial, and credit information that he surreptitiously and illicitly obtained from the
2 electronically stored files on computers of other people to “screen” potential victims,
3 based on their income levels and credit histories, in order to identify victims who were
4 most “credit worthy” and under whose identities he could maximize fraudulent
5 merchant transactions.

6 16. It was further part of the scheme and artifice to defraud that GREGORY
7 THOMAS KOPILOFF also obtained identity, and also banking, financial, and credit
8 information of real people from other illicit sources besides P2P file sharing, including
9 from associates who obtained documents containing such information from “dumpster
10 diving” or stolen or discarded mail.

11 17. It was further part of the scheme and artifice to defraud that GREGORY
12 THOMAS KOPILOFF would use the identity, and also banking, financial, and credit
13 information he himself had surreptitiously obtained, or that he had obtained illicitly
14 from associates, to open credit accounts “online,” over the Internet, in the names of the
15 other real people whose identities he had stolen.

16 18. It was further part of the scheme and artifice to defraud that once
17 GREGORY THOMAS KOPILOFF had opened credit accounts online in the names of
18 other real people, he would make fraudulent online purchases of merchandise,
19 including computers and mobile telephones, under the names of those victims and with
20 the fraudulent credit lines he had opened under their names.

21 19. It was further part of the scheme and artifice to defraud that GREGORY
22 THOMAS KOPILOFF would instruct the vendors from which he made the fraudulent
23 purchases to ship the merchandise, via the Postal Service or a private or commercial
24 interstate carrier, to an address specified by KOPILOFF, which address most typically
25 was that of a private mail box location, or a hotel in the Puget Sound region.

26 20. It was further part of the scheme and artifice to defraud that GREGORY
27 THOMAS KOPILOFF deliberately selected delivery addresses for the merchandise that
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1 were other than KOPILOFF's own residence, in order to conceal his connection to the
2 fraudulent purchases and deliveries.

3 21. It was further part of the scheme and artifice to defraud that GREGORY
4 THOMAS KOPILOFF, or an associate at KOPILOFF's direction, would take delivery
5 of the fraudulently purchased merchandise at the specified location.

6 22. It was further part of the scheme and artifice to defraud that once
7 GREGORY THOMAS KOPILOFF or his associate had taken possession of the
8 fraudulently purchased merchandise, KOPILOFF would act quickly to resell the
9 merchandise to a third party, who typically would pay KOPILOFF at a rate of "50
10 cents on the dollar."

11 23. It was further part of the scheme and artifice to defraud that GREGORY
12 THOMAS KOPILOFF defrauded at least 83 individuals, under whose names and using
13 whose identities and financial information KOPILOFF fraudulently purchased at least
14 \$73,126.32 in merchandise during the period from March 4, 2005 to August 17, 2007,
15 which merchandise was then sent and delivered by mail or by a private or commercial
16 interstate carrier, according to directions as specified by GREGORY THOMAS
17 KOPILOFF.

18 **D. Execution of the Scheme and Artifice to Defraud**

19 24. On or about December 2, 2006, within the Western District of
20 Washington and elsewhere, for the purpose of executing and attempting to execute this
21 scheme and artifice to defraud, GREGORY THOMAS KOPILOFF knowingly caused
22 merchandise that he had fraudulently purchased, including an 80G Ipod, Shure
23 earphones, and a Lacie 2TB Hard Drive, to be sent or delivered by Federal Express, a
24 private and commercial interstate carrier, to a UPS Store located at 19689 7th Ave.
25 NE, Poulsbo, Washington.

26 All in violation of Title 18, United States Code, Section 1341.
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1 **COUNT 2**

2 **(Accessing a Protected Computer without Authorization to Further Fraud)**

3 1. The Grand Jury realleges and incorporates as if fully set forth herein
4 Paragraphs 1 through 23 of Count 1 of this Indictment.

5 2. On or about October 25, 2005, within the Western District of Washington
6 and elsewhere, GREGORY THOMAS KOPILOFF knowingly and with intent to
7 defraud, accessed protected computers without authorization and in excess of
8 authorization, and by means of such conduct furthered an intended fraud by obtaining
9 identity, banking, financial and credit information that belonged to A.M., which
10 information GREGORY THOMAS KOPILOFF then used fraudulently to open lines of
11 credit which KOPILOFF used, in turn, fraudulently to purchase merchandise exceeding
12 \$5,000 in value within a period of one year.

13 All in violation of Title 18, United States Code, Section 1030(a)(4) and
14 (b)(3)(A).

15
16 **COUNT 3**

17 **(Aggravated Identity Theft)**

18 1. The Grand Jury realleges and incorporates as if fully set forth herein
19 Paragraphs 1 through 23 of Count 1 of this Indictment.

20 2. On or about December 2, 2006, within the Western District of
21 Washington and elsewhere, GREGORY THOMAS KOPILOFF knowingly transferred,
22 possessed and used, without lawful authority, a means of identification of another
23 person, to wit, the name and other identifying and financial information of R.L.,
24 during and in relation to a felony listed in Title 18, United States Code, Section
25 1028A(c), to wit, Mail Fraud, in violation of Title 18, United States Code, Section
26 1341.

27 All in violation of Title 18, United States Code, Section 1028A(a)(1).
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COUNT 4

(Aggravated Identity Theft)

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3 1. The Grand Jury realleges and incorporates as if fully set forth herein
4 Paragraphs 1 through 23 of Count 1 of this Indictment.

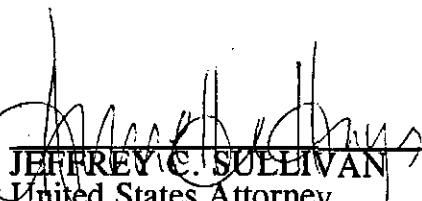
5 2. On or about October 25, 2005, within the Western District of Washington
6 and elsewhere, GREGORY THOMAS KOPILOFF knowingly transferred, possessed
7 and used, without lawful authority, a means of identification of another person, to wit,
8 the name and other identifying and financial information of A.M., during and in
9 relation to a felony listed in Title 18, United States Code, Section 1028A(c)(4), to wit,
10 Fraud and Related Activity in Connection with Computers, in violation of Title 18,
11 United States Code, Section 1030(a)(4).

12 All in violation of Title 18, United States Code, Section 1028A(a)(1).

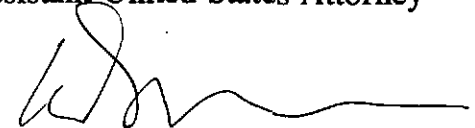
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15 A TRUE BILL:

16 DATED: 5 Sept. 2007

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18 Signature of the Foreperson redacted pursuant
19 to the policy of the Judicial Conference

20
21 
22 JEFFREY C. SULLIVAN
United States Attorney

23
24 
25 CARL BLACKSTONE
Assistant United States Attorney

26
27 
28 KATHRYN A. WARMA
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