

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

v.

RICHARD PINEDO,

Defendant.

Criminal No.: *FB CR 24.*

Violation: 18 U.S.C. § 1028 (Identity Fraud)

FILED

FEB 12 2018

Clerk, U.S. District and
Bankruptcy Courts

STATEMENT OF THE OFFENSE

Pursuant to Federal Rule of Criminal Procedure 11, the United States of America and the defendant, RICHARD PINEDO, stipulate and agree that the following facts are true and accurate. These facts do not constitute all of the facts known to the parties concerning the charged offense; they are being submitted to demonstrate that sufficient facts exist that the defendant committed the offense to which he is pleading guilty.

1. From approximately 2014 through December 2017, the defendant, RICHARD PINEDO, operated an online service called "Auction Assistance." Through Auction Assistance, Pinedo offered a variety of services designed to circumvent the security features of large online digital payment companies, including a large digital payments company hereinafter referred to as Company 1.

2. PINEDO sold bank account numbers through interstate and foreign commerce, specifically over the internet. PINEDO obtained bank account numbers either by registering accounts in his own name or by purchasing accounts in the names of other people through the internet. Many of the bank accounts purchased by PINEDO over the internet were created using stolen identities of U.S. persons. Although PINEDO was not directly involved in the registration

of these accounts using stolen identities, he willfully and intentionally avoided learning about the use of stolen identities.

3. Company 1 required users to submit bank account numbers as a means of verifying a user's identity. To circumvent this requirement, certain users (hereinafter "Users") registered for Company 1's online services with bank account numbers in the names of other people. PINEDO sold Users bank account numbers over the internet to aid and abet, and in connection with, this scheme to defraud Company 1 by means of internet communications in interstate and foreign commerce.

4. After acquiring bank account numbers from PINEDO, Users linked the bank account numbers to their accounts with Company 1 as if they were the real owners of the bank accounts. Company 1 sought to verify the bank account numbers by making de minimus trial deposits into the accounts and asking Users to identify the amount of those trial deposits. PINEDO told Users the amounts of those trial deposits, thereby further aiding the Users in their scheme to circumvent verification processes by Company 1.

5. PINEDO frequently purchased bank account numbers from an individual he knew to be outside the United States. Similarly, based on IP addresses and other information, PINEDO knew that many of the persons to whom he sold bank account numbers were outside the United States.

6. In total, PINEDO knowingly transferred, possessed, and used, without lawful authority, hundreds of bank account numbers to aid and abet, and in connection with, the use of the wires in interstate and foreign commerce to defeat security measures employed by Company 1. PINEDO personally collected tens of thousands of dollars, and more than \$1,000 during a one-year period, through the sale of these bank account numbers.

DEFENDANT'S ACCEPTANCE

The preceding statement is a summary, made for the purpose of providing the Court with a factual basis for my guilty plea to the charge against me. It does not include all of the facts known to me regarding this offense. I make this statement knowingly and voluntarily and because I am, in fact, guilty of the crime charged. No threats have been made to me nor am I under the influence of anything that could impede my ability to understand this Statement of the Offense fully.

I have read every word of this Statement of the Offense, or have had it read to me. Pursuant to Federal Rule of Criminal Procedure 11, after consulting with my attorneys, I agree and stipulate to this Statement of the Offense, and declare under penalty of perjury that it is true and correct.

Date: 02/02/18

Ricky Pinedo
Richard Pinedo
Defendant

ATTORNEYS' ACKNOWLEDGMENT


I have read this Statement of the Offense, and have reviewed it with my client fully. I concur in my client's desire to adopt and stipulate to this Statement of the Offense as true and accurate.

Date: 2/2/18

Jeremy Ian Lessem
Jeremy Ian Lessem
Attorney for Defendant

ROBERT S. MUELLER, III
Special Counsel

By:


Jeannie S. Rhee
Senior Assistant Special Counsel

L. Rush Atkinson
Ryan K. Dickey
Assistant Special Counsels
The Special Counsel's Office