



## U.S. Department of Justice

*United States Attorney  
District of Idaho*

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BART M. DAVIS, United States Attorney  
RAFAEL M. GONZALEZ, JR., First Assistant United States Attorney  
AARON N. LUCOFF, Criminal Chief  
NICHOLAS J. WOYCHICK, Civil Chief

*Washington Group Plaza IV  
800 E. Park Blvd., Ste. 600  
Boise, ID 83712-9903  
(208) 334-1211*

### NEWS RELEASE

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**CONTACT: CASSIE FULGHUM**  
**Public Information Officer**  
**CHRISTIAN S. NAFZGER**  
**KATHERINE L. HORWITZ**  
**Assistant United States Attorneys**  
**(208) 334-1121**

## **Sixteen Treasure Valley Residents Indicted in Federal Court**

***OCDETF Investigation Results in Six Drug Distribution Indictments and  
Ten Others Separately Charged in Multi-Million Dollar Counterfeit Cellphone Scheme***

BOISE – A multi-faceted, large-scale Organized Crime and Drug Enforcement Task Force (OCDETF) investigation has resulted in the federal indictment of sixteen defendants on drug trafficking, fraud, money laundering and counterfeit goods trafficking charges, U.S. Attorney Bart M. Davis announced. The indictments were issued last week by a federal grand jury sitting in Boise.

The grand jury returned a thirty-four count indictment charging Pavel Babichenko, Gennady Babitchenko, Piotr Babichenko, Timofey Babichenko, Kristina Babichenko, Natalya Babichenko, David Bibikov, Anna Iyerusalimets, Mikhail Iyerusalimets and Artur Pupko with conspiracy to commit wire fraud, mail fraud, conspiracy to traffic in counterfeit trademarked goods and money laundering conspiracy, all in connection with the online sale of counterfeit cellphones and accessories.

According to the indictment, the ten defendants operated a multi-million dollar scheme wherein they sold counterfeit cellphones and cellphone accessories on Amazon.com and eBay.com that the defendants misrepresented as new and genuine Apple and Samsung products. The indictment alleges that these counterfeit cellphones and cellphone accessories were obtained in bulk from manufacturers in Hong Kong, repackaged in the Treasure Valley, and then individually resold to consumers online as genuine and new. The indictment also alleges the defendants laundered millions of dollars in proceeds from the fraudulent scheme.

If convicted, the defendants face up to 20 years' imprisonment and a \$250,000 fine on the money laundering, wire fraud, and mail fraud counts. They face up to 10 years' imprisonment and a \$5,000,000 fine on the counterfeit trademark goods trafficking counts. Reference is made to the indictment and court record for further information. Additionally, anyone who believes they may be a victim may visit the Department of Justice's large case website for more information: [www.justice.gov/largecases](http://www.justice.gov/largecases).

In a separate series of cases stemming from the same OCDETF investigation, the grand jury returned six indictments charging six persons with violations of the Controlled Substances Act:

- Tetyana Vasilevna Andriychuk, distributing heroin;
- Jeffrey Scott Davis, distributing methamphetamine;
- Pavel Matlashevsky, two counts of distributing heroin;
- Alexandr Stricharskiy, three counts of distributing methamphetamine;
- Sergey Zagorodny, distributing cocaine and sale of a firearm to a prohibited person; and,
- Vadim N. Dmitruk, possession with intent to distribute heroin.

Drug distribution charges carry mandatory minimum prison sentences depending on the amount and type of drugs distributed. Maximum prison sentences range from up to 20 years all the way to life. The OCDETF investigation also included several other persons who were charged earlier with violations of the Controlled Substances Act:

- James Peirsol pleaded guilty to distributing methamphetamine and was sentenced to 200 months in prison on October 19, 2017;
- Blake Anthony Vanhoff pleaded guilty to distributing methamphetamine and was sentenced to 66 months in prison on November 14, 2017;
- David Lon Rose pleaded guilty to distributing methamphetamine and was sentenced to 24 months in prison December 7, 2017; and,
- David Duane Gudgel pleaded guilty to distributing methamphetamine and possession of a firearm in furtherance of a drug trafficking crime and was sentenced to 210 months in prison on May 2, 2018.

"Combatting transnational organized crime is one of the FBI's top priorities, and these cases demonstrate that the FBI remains committed to holding accountable all those who attempt to defraud U.S. citizens and U.S. companies, distribute illegal drugs, or conduct illegal activity simply to enrich themselves," said FBI Special Agent in Charge Eric Barnhart. "From the arrests, to the millions of dollars in assets forfeited, the law enforcement agencies who

participated in this investigation were able to deliver a decisive blow to these criminal enterprises because of the excellent, collaborative, working relationships that exist here in Idaho, and our strong international partnerships with law enforcement around the world. Thank you to everyone who worked tirelessly over the last four years to secure these indictments and arrests."

"Counterfeit products pose serious safety risks as they are often unregulated during manufacturing," said Brad Bench, Special Agent in Charge of Homeland Security Investigations (HSI) Seattle. "This investigation represents HSI's commitment to protecting the public from criminals who are profiting to the detriment of their consumers."

"The priority of the United States Postal Inspection Service is to investigate any crimes in which the U.S. Mail is utilized even if the scheme originally started over the phone or through the internet," said United States Postal Inspection Service, Inspector in Charge Tony Galetti. "Our mission is to protect customers, business partners, and the Postal Service from illicit use of the mail. We will continue efforts to ensure the integrity and security of the United States Postal System and to hold accountable those who unlawfully take advantage of the Postal System. We would like to thank the United States Attorney's Office for the District of Idaho for their incredible prosecutorial support throughout the course of this investigation. We also want to thank our federal law enforcement partners as well as our state and local partners for their dedication and collaborative efforts. The federal government is dedicated to dismantling sophisticated mail fraud schemes and the importation of counterfeit goods."

"The United States Attorney's Office is committed to the comprehensive investigation and prosecution of criminal activity that is harmful to our country, communities, and members of our society, all of whom we are sworn to protect," said U.S. Attorney Bart Davis. "The dedicated women and men of my office have always, and will always, seek to hold accountable those who engage in fraud and illegal drug trafficking. These prosecutions demonstrate our commitment to prosecuting those who seek to profit at the expense of others, be it by fraudulent conduct or selling harmful, illegal drugs to others. In addition, the type of fraud involved here hurts not only the thousands of unsuspecting consumers who purchased counterfeit goods, but also the company – the trademark holders. Counterfeited products degrade the goodwill of the trademark holders, deceive consumers, and pose a serious safety risk to the community."

These indictments are the result of a joint investigation by the Organized Crime and Drug Enforcement Task Force comprised of the Federal Bureau of Investigation, Drug Enforcement Administration, Bureau of Alcohol, Tobacco, Firearms and Explosives, Immigration and Customs Enforcement Homeland Security Investigations, Internal Revenue Service and United States Marshals Service. These federal agencies were joined in the investigation by the United States Postal Inspection Service, National Insurance Crime Bureau, U.S. Customs and Border Protection, Hong Kong Police Force, Boise Police Department, Meridian Police Department, Nampa Police Department and the Idaho State Police.

An indictment is merely an allegation and the defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

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