

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

DANIAL JELOUDAR and  
SAEID SAFAEI,

Defendants.

)  
)  
)  
)  
)  
)  
)  
)  
)  
)  
)

4:21CR664 SRC/DDN

**INDICTMENT**

The Grand Jury charges that:

**COUNT I**  
**(CONSPIRACY TO COMMIT WIRE FRAUD)**

A. Introduction

1. T.T. is a technology company based in St. Charles, Missouri, within the Eastern District of Missouri.

2. At all relevant times, T.T. had a contractual agreement with Microsoft Corporation wherein T.T. was authorized to use Microsoft Azure, a cloud computing service for building, testing, deploying and managing applications and services through data centers. The terms of the agreement stated that T.T. would be billed by Microsoft Corporation based on the amount of computer resources consumed by T.T. by and through the Azure portal.

3. M.H. is and was the Hosting and Cloud Practice Manager for T.T. M.H. was responsible for managing and maintaining T.T.’s Azure account, and had a password-protected account login to the portal (the “M.H. Account”).

4. A Virtual Machine is an emulation of a computer system that is based on computer architectures and provides functionality of a physical computer. A Virtual Machine can be configured to allow remote access from any location.

5. Monero is an open-source, decentralized cryptocurrency that operates by and through an anonymized blockchain ledger that disguises the participants and details of transactions. The blockchain ledger is supported by a “mining” process wherein individuals or groups can dedicate their computer power to solving complicated algorithms in order to verify and record monero transactions on the blockchain. For this mining effort, successful miners are rewarded monero.

6. Claymore’s CryptoNote CPU Miner and MinerGate are cryptocurrency mining software programs that allows users to mine cryptocurrency, including monero, through mining pools.

7. The defendant, **DANIAL JELOUDAR**, is a citizen and resident of Iran.

8. The defendant, **SAEID SAFAEI**, is a citizen and resident of Iran.

B. The Conspiracy

9. Beginning in or around June 29, 2018, and continuing until on or about August 3, 2018, in the Eastern District of Missouri and elsewhere, **DANIAL JELOUDAR** and **SAEID SAFAEI**, did voluntarily and intentionally combine, conspire, confederate and agree with each other and others known and unknown to the Grand Jury, to commit Wire Fraud, that is, devising and intending to devise a scheme to obtain money and property by means of materially false and fraudulent pretenses and representations and for the purpose of executing such scheme, and attempting to do so, did knowingly cause and attempt to cause to be transmitted by means of wire

communication in interstate commerce, writings, signs, and signals, in violation of Title 18, United States Code, Section 1343.

C. Manner and Means

10. In furtherance of the conspiracy and to effect the illegal objects thereof, defendants **DANIAL JELOUDAR** and **SAEID SAFAEI**, and others known and unknown to the Grand Jury, used the following ways, manner and means, among others, to commit wire fraud.

11. The primary purpose of the conspiracy was for **DANIAL JELOUDAR** and **SAEID SAFAEI**, aided and abetted by others unknown to the Grand Jury, to fraudulently install virtual machines on T.T.'s Azure portal account in order to run and operate Monero mining software programs, by means of false and fraudulent representations, in that **DANIAL JELOUDAR**, **SAEID SAFAEI**, and others, misrepresented to T.T. and Microsoft Corporation that they were properly authorized to access T.T.'s Azure portal through the M.H. Account and to install virtual machines.

12. It was part of the conspiracy that defendants and other co-conspirators, known and unknown, fraudulently and without permission, accessed T.T.'s Azure portal through the M.H. Account on numerous occasions.

13. It was further part of the conspiracy that defendants and other co-conspirators, known and unknown, installed at least five unauthorized virtual machines onto T.T.'s Azure portal.

14. It was further part of the conspiracy that defendants and other co-conspirators, known and unknown, configured these virtual machines to run cryptocurrency mining programs, including Claymore's CryptoNote CPU Miner and MinerGate, that used computer processing power from the virtual machines to mine monero that, if and when successful, would be awarded to **DANIAL JELOUDAR** and **SAEID SAFAEI**.

15. It was further part of the conspiracy that defendants and other co-conspirators, known and unknown, remotely accessed the aforementioned virtual machines on numerous occasions.

16. It was further part of the conspiracy that defendants and other co-conspirators, known and unknown, caused T.T.'s Azure portal and Microsoft Corporation to expend computer processing power valued at more than \$760,000.

In violation of Title 18, United States Code, Section 1349.

### **FORFEITURE ALLEGATION**

The United States Attorney further alleges there is probable cause that:

1. Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, upon conviction of an offense in violation of Title 18, United States Code, Section 1349 as set forth in Count One, the defendants shall forfeit to the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to such violation.

2. Subject to forfeiture is a sum of money equal to the total value of any property, real or personal, constituting or derived from any proceeds traceable to such violation.

3. If any of the property described above, 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 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 divided  
without difficulty,

the United States of America will be entitled to the forfeiture of substitute property pursuant to  
Title 21, United States Code, Section 853(p).

A TRUE BILL.

---

FOREPERSON

SAYLER A. FLEMING  
United States Attorney

---

KYLE T. BATEMAN, #996646DC  
Assistant United States Attorney