

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
V.)	CRIMINAL NO. 04-149-A
)	
MYRON TERESHCHUK,)	
)	
Defendant.)	

STATEMENT OF FACTS

The United States and the defendant, Myron Tereshchuk, agree that were this case to go to trial, the United States would prove beyond a reasonable doubt, by competent and admissible evidence, the following:

1. MicroPatent, LLC is a subsidiary of Information Holdings, Inc. and an intellectual property firm that produces and distributes patent and trademark information. MicroPatent is headquartered in Connecticut with offices in Alexandria, Virginia. The company maintains a large commercial collection of web-based, searchable, full-text patent data. MicroPatent has clients in Virginia, other states, and abroad. One aspect of MicroPatent's business is that it provides services relating to patent file histories, also referred to as file wrappers. A patent file history is the complete set of documents issued by the patent examiner, the applicant, and the applicant's attorney from the time of patent application until the time the patent is issued. These papers are a record of all communications and actions that were required to get the patent issued.

2. During the period February 2003 through March 10, 2004, the defendant, Myron Tereshchuk, lived in Maryland and had a small file wrapper business called Potomac Filewrapper

Service.

3. In February 2003, the defendant sent six groups of email to many of MicroPatent's customers. The defendant "spoofed" the email to make them appear to have come from MicroPatent employees. The email contained subject lines and/or messages derogatory of MicroPatent. The defendant also attached to most of the email copies of documents related to an application for a sexually explicit patent maintained by MicroPatent in one of its databases. The defendant sent these email using accounts that were not traceable back to him. On at least one occasion, the defendant used specialized equipment to access without authorization the wireless network of an individual who lived in Crystal City, Virginia. With the equipment that the defendant had, he was able to park near the residence and use his laptop computer to access the resident's home computer network. The defendant sent email from this wireless network without the knowledge of the owner.

4. As a result of these email, MicroPatent suffered embarrassment with its clients, and one client temporarily stopped using MicroPatent's services.

5. Between October 9 and November 18, 2003, the defendant sent several email messages to an attorney who was responsible for file wrapper orders for MicroPatent. The defendant sent the messages using the name "Bryan Ryan" and from the account informationholdings@yahoo.com. In the email the defendant stated that there was corruption at the United States Patent and Trademark Office (USPTO) and that MicroPatent was involved in the corruption. In an email dated October 27, 2004, the defendant listed 35 file wrapper orders that the law firm had placed with MicroPatent and its subsidiaries. Such information is ordinarily treated as confidential by firms because the clients do not want others to know what patents they

are working on before applications are filed. In his email to the attorney, the defendant stated that his possession of the information regarding the 35 orders showed that there was no confidentiality at MicroPatent.

6. On November 22, 2003, the defendant gained unauthorized access to an Arlington, Virginia resident's wireless computer network using equipment similar to what he had used before in February. He was then able to access the website of a MicroPatent subsidiary and download a document for a sexually explicit patent application. On November 30, 2003 and December 1, 2003, the defendant sent another set of email messages to MicroPatent customers that had been forged to appear to be from 'e-mailorders@micropat.com' with the subject line of "PatentWeb Order 10701311 [is this yours?]." The messages had an attachment containing the sexually explicit patent application. The defendant sent these messages by gaining unauthorized access to another wireless computer network at another residence in Arlington, Virginia.

7. In December 2003, the defendant sent email to many of MicroPatent's customers using AOL accounts that did not reveal his true identity and for which he had obtained the usernames and passwords without the authorization of the subscribers. The subject lines or messages of the email were derogatory to MicroPatent. One email included as an attachment a customer list from one of MicroPatent's subsidiaries, which although outdated, was not intended to be public. A second email included a list of passwords used by employees of the same subsidiary of MicroPatent on the firm's internal computer network.

8. On January 28, 2004, the defendant sent 13 email messages to Daniel Videtto, President of MicroPatent, from "Bryan Ryan" using the same Yahoo email account. The messages had files attached that showed photographs and images of documents in MicroPatent's

trash bins, documents and email from MicroPatent, and photographs of MicroPatent's offices in Alexandria, Virginia.

9. On February 3, 2004, the defendant sent two email messages to Videtto from "Bryan Ryan" using the email account informationholdings@yahoo.com. The defendant accessed the Yahoo account from two America Online accounts, which meant that the email were transmitted through AOL's computers in the Eastern District of Virginia and Yahoo's computers in California. The owners of the AOL accounts had not authorized the defendant to use them. In the email, the defendant wrote in the first person, but did not disclose his true identity.

10. In the first email, the defendant stated that he had been obtaining MicroPatent's information by looking for documents in the dumpsters that MicroPatent placed outside its premises in Alexandria, Virginia for another company to pick up to shred the discarded documents. The defendant said that he had thousands of documents and critical ones. The defendant contended that he had been treated unfairly by the USPTO and that MicroPatent had benefitted from his unfair treatment. The defendant said that each time in the future that he received poor treatment at the USPTO, he would send out email. He implied that the email would contain confidential information taken from MicroPatent's dumpsters.

11. In the second email the defendant sent on February 3, 2004, he stated, "This is your notice that you are being given two weeks time to give \$17,000,000 cash to the individual who was publicly accused by USPTO employee, Deborah Day, on June 5, 1998 of blowing up the USPTO." The defendant meant that the money should go to him, as he was the person who had been reported by Day as saying that if he had a bomb, he would blow up the USPTO. The defendant went on in his email to say, "Now give him 17 mil or I will NOT deactivate all those

servers that have been programmed to deliver DDOS attacks to IP attorneys world-wide, salvo after salvo, with compromised proprietary information." The defendant said that MicroPatent proprietary information would "end up in e-mail boxes world-wide."

12. Between February 3 and March 10, 2004, the defendant engaged in an exchange of email messages with Videtto. The defendant always used the same email account as before and the name "Bryan Ryan." The defendant usually accessed the Yahoo email account by either (1) gaining access to wireless computer networks through wireless access points as previously described and then using AOL accounts without the authorization of the subscribers, or (2) using computers at the University of Maryland that had Internet access and signing on using students' usernames and passwords that he had obtained without their knowledge.

13. Throughout these email, the defendant complained that there was corruption at the USPTO and that as a result MicroPatent was receiving advantages that its competitors did not receive. The defendant also described how he had been able to obtain confidential customer information, customer lists, passwords, email addresses and other documents from Micro Patent's office location in Alexandria, Virginia.

14. In the defendant's February 17, 2004 email, he concluded by stating, "You have 3 days to either murder the bomber or give him 17 million dollars. If you don't got the cash, ... the war will expand to include the formerly confidential information of all customers of MP's affiliates."

15. On February 28, 2004, after the defendant had become aware that MicroPatent knew that he had been the accused bomber, the defendant sent Videtto an email and reported that he, in the role of Bryan Ryan, "spoke with Myron." The defendant instructed Videtto, "Mail him

three checks and a note instructing him to transfer his intellectual property domain names to MP should he cash the checks. After the checks clear, everything gets deactivated, sanitized, and life will go on for everybody....The amount of money he will receive is enough for him to retire on and he will never go to the USPTO again for any reason.... Finally all the documents in all the boxes that were ever collected will fuel a campfire in the woods and all computer records will be wiped,...Absolutely no trade secrets will get leaked."

16. In a March 3, 2004 email, the defendant said that "Myron" would not agree to Videtto's request to meet in person to accept the checks for \$17 million. The defendant stated that three checks should be made out to "Myron" and sent one at a time by FedEx or UPS.

17. In a March 8, 2004 email, the defendant told Videtto, "Stop stalling and mail Myron the checks NOW."

18. In his final email before his arrest on March 10, 2004, the defendant instructed, "Make the check payable to Myron Tereshchuk and deliver it to" his parents' address in Maryland. The defendant concluded by stating, "I am overwhelmed with the amount of information that can be used for embarrassment. When Myron gets compensated, things start to get deactivated and eventually I get paid....[I]t would be proper and even symbolic for the check to come from MicroPatent."

19. Throughout the time period described above, officials at MicroPatent believed that continued disclosure of MicroPatent's proprietary and confidential information by the defendant would cause the company economic harm.

20. The defendant sent the February 3, 2004 email knowingly, and not because of accident or other innocent reason, and thereby attempted to delay or affect commerce by

extortion, that is by attempting to obtain property from another, with his consent, induced by the wrongful use of fear of economic harm.

Respectfully submitted,

Paul J. McNulty
United States Attorney

By.

Jack Hanly
Assistant United States Attorney

Michael Stawasz
Trial Attorney
Computer Crime and Intellectual
Property Section
United States Department of Justice

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States could have proved the same beyond a reasonable doubt.

Myron Tereshchuk
Defendant

I am Myron Tereshchuk's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

Michael Nachmanoff
Counsel for Defendant