

Dozens charged in NY in global computer virus scam

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Writer

(AP) -- Hackers in eastern Europe who used computer viruses to steal usernames and passwords teamed up with foreign students who opened bank accounts in the U.S. to snatch at least \$3 million from American bank accounts, authorities said Thursday in announcing charges against more than 80 people.

Thirty-seven people were charged in court papers unsealed in U.S. District Court in Manhattan with conspiracy to commit bank fraud, money laundering, false identification use and passport fraud for their roles invasion of dozens of victims' accounts, U.S. Attorney Preet Bharara said. Fifty-five have been charged in state court in Manhattan.

"The mouse and the keyboard can be far more effective than the gun and the mask," Bharara said at a news conference, comparing evil-minded cyber sleuths to classic bank robbers.

He said the victims included five banks and dozens of individuals with accounts throughout the country.

Nine New York-area people and one person in the Pittsburgh area were arrested early Thursday, said FBI Assistant Director Janice K. Fedarcyk, head of the New York office. Others had already been arrested and at least 17 were fugitives, she added.

In a series of criminal complaints filed in the case, the FBI said the

scheme originated with information gleaned from computers through the use of a virus that could access the bank accounts of small and mid-sized businesses and municipal entities in the U.S.

The FBI said the program was known as an Internet banking Trojan, which can steal computer access data including usernames and passwords for bank accounts, e-mail accounts and social-networking websites. The program would gain access to the computer when a victim clicked on a link or opened a file attached to a seemingly legitimate e-mail message.

Once the program was engaged, computer hackers could secretly monitor the victim's computer activity, enabling them to obtain bank account numbers, passwords and authentication information as the victim typed them into the infected computer, the FBI said.

The scheme relied on individuals who were known as "money mules" in the United States to actually steal money, the FBI said. Bharara said those arrested consisted almost entirely of mules and four people who managed them.

New York District Attorney Cyrus Vance Jr., a state prosecutor, said people from the Russian Federation, Ukraine, Kazakhstan and Belarus who had obtained student visas to come to the United States were recruited through social networking sites and newspaper advertisements to open hundreds of U.S. bank accounts for fraudulent purposes.

He said the money stolen from the victims would be deposited into the bank accounts and then transferred in smaller amounts elsewhere. Authorities said those who set up the bank accounts would keep 8 to 10 percent for themselves before sending the rest to others involved in the scheme.

"This advanced cybercrime ring is a disturbing example of organized crime in the 21st Century - high tech and widespread," Vance said.

Gregory Antenson, commanding officer of the city police department's Financial Crimes Task Force, said the police department's detectives literally walked into the international probe that was already under way when they showed up at a Bronx bank in February to investigate a suspicious \$44,000 withdrawal.

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