

# US payroll, financial firms hacked; eight charged (Update)

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U.S. prosecutors announced fraud and other charges Wednesday against eight alleged members of an international cybercrime ring that the government said hacked into the computers of more than a dozen leading financial institutions and the U.S. military's payroll service.

Prosecutors said the scheme to steal millions from customer accounts was led by Oleksiy Sharapka, 33, of Kiev, Ukraine, who remained at large along with a second Ukrainian national. The conspiracy is alleged to have begun about the same time Sharapka was deported from the U.S. in 2012 after serving time in federal prison in Massachusetts.

Four of the defendants had been arrested by Wednesday morning, including key associates in New York, Massachusetts and Georgia accused of using stolen identities to try to cash out the hacked accounts, U.S. Attorney Paul Fishman said.

The government said financial institutions whose computer networks were hacked included Aon Hewitt, Automated Data Processing Inc., Citibank, E-Trade, Electronic Payments Inc., Fundtech Holdings LLC, iPayment Inc., JPMorgan Chase Bank, Nordstrom Bank, PayPal, TD Ameritrade, TIAA-CREF, USAA, Veracity Payment Solutions Inc. and the payroll arm of the U.S. Department of Defense.

"Cybercriminals penetrated some of our most trusted financial institutions as part of a global scheme that stole money and identities from people in the United States," Fishman said.

The ring targeted electronic payment systems of the various institutions in a bid to steal at least \$15 million from U.S. customers, prosecutors said.

The criminal complaint notes that some of the efforts to steal funds from customer accounts were blocked.

It does not make clear the number of hacked firms from which the defendants were able to successfully transfer money, or how the defendants were able to hack into the computer networks of so many major financial institutions.

Once inside the computer networks, the defendants and their conspirators sought to divert money from customer accounts to prepaid debit cards that they controlled, prosecutors said. As part of the scheme, cards were obtained in the names of people whose identities had been stolen.

Stolen identities were also used to file fraudulent tax returns with the IRS seeking refunds.

Crews of individuals known as "cashers" were employed in New York, Massachusetts, Georgia, Illinois and elsewhere to withdraw the stolen funds. The government said the majority of the proceeds were distributed to managers, including to leaders of the conspiracy overseas.

The defendants were charged with conspiracy to commit wire fraud, conspiracy to commit money laundering and conspiracy to commit identity theft.

Those under arrest by Wednesday morning were Oleg Pidtergerya, 49, of New York City's Brooklyn borough; Robert Dubuc, 40, of Malden, Massachusetts; and Andrey Yarmolitskiy, 41, of Atlanta. They were

identified as crew managers. Also arrested was Ilya Ostapyuk, 31, of Brooklyn, who is accused of helping move the proceeds of the fraud.

Three were scheduled for court appearances Wednesday in Newark and Boston.

Lamar Taylor, 37, of Salem, Massachusetts, and Richard Gunderson, 46, of Brooklyn, were being sought.

The second Ukrainian national being sought was identified as Leonid Yanovitsky, 38, also of Kiev, who prosecutors said helped Sharapka direct the scheme.

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