

# Russian accused in theft of 160 million credit cards pleads not guilty

August 13 2013, by Rebecca D. O'brien

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A Russian man charged in the largest hacking and data theft scheme ever prosecuted in the United States pleaded not guilty Monday to 11 counts of conspiracy, wire fraud and unauthorized access to a computer.

Dmitriy Smilianets, 29, was among five men indicted last month for allegedly stealing at least 160 million credit and debit card numbers and causing hundreds of millions of dollars in losses. Smilianets has been held in an undisclosed location since his extradition to the United States from the Netherlands last September.

Smilianets, a broad-shouldered man with a buzz cut and a slight beard, appeared in an orange jumpsuit, his wrists and ankles in shackles, before Chief Judge Jerome Simandle in federal court in Newark. A Russian translator was at his side, but defense attorney Bruce Provda told the court that Smilianets, who is from Moscow, "speaks English quite well."

Asked if he understood his rights, Smilianets nodded and said, "Yes."

Between August 2005 and July 2013, Smilianets and his co-conspirators, working alongside others in the United States and abroad, breached the networks of more than a dozen major companies, including Nasdaq, whose servers are based, in part, in Middlesex County, N.J.; JetBlue, and Heartland Payment Systems Inc. of Princeton, N.J., one of the world's largest credit and debit card payment processing companies, authorities said.

The conspirators then sold the information - user names, passwords, personal identification information, and credit and [debit card numbers](#) - to resellers around the world; the information was eventually encoded in magnetic strips on false cards, which were used to make unauthorized withdrawals from ATMs and to make purchases, authorities said.

U.S. Attorney Paul Fishman said in July that the losses to just three of the companies totaled \$300 million.

Smilianets is accused of brokering the sales of the information, known as "dumps" - he set the price and "was also the person who was responsible for distributing and laundering the proceeds," Fishman said in July.

Smilianets and Vladimir Drinkman, 32, were arrested in June 2012, while traveling in the Netherlands. Smilianets was extradited to the United States in September; Drinkman, an alleged [hacker](#) whose role was to gain access to the companies' computer systems, is awaiting [extradition](#).

The other men named in the indictment - two from Russia, the other from Ukraine - remain at large. A New York attorney representing Mikhail Ritikov, the Ukrainian, also appeared in court Monday and sat in the audience. The attorney, Arkady Bukh, said Ritikov remained in the Ukraine and denies involvement in the scheme.

Provdá, a New York-based attorney who specializes in divorce and family law, said he became Smilianets' lawyer after he was contacted by Smilianets' family in Russia.

Court records show regular delays in the proceedings dating to September, indicating attempts to reach a plea agreement.

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