

Georgia man pleads guilty in \$30M computer hacking scheme (Update)

August 2 2016

A Georgia man pleaded guilty to a conspiracy charge Tuesday, admitting participating in a computer hacking scheme that used facts stolen from over 150,000 press releases to generate \$30 million in illegal profits.

Leonid Momotok, 48, of Suwanee, Georgia, entered the plea in Brooklyn federal court.

U.S. Attorney Robert Capers said in a release that Momotok and a group of traders stole secrets by hacking into three business newswires to snatch information from unpublished press releases.

Capers called it a "brazen scheme that was unprecedented in its scope, impact and sophistication."

Diego Rodriguez, head of New York City's FBI office, called it "one of the most sophisticated insider trading cases we've seen to-date."

Momotok could face up to 20 years in prison for the crime prosecutors say was carried out from February 2010 to August 2015. They said Ukraine-based computer hackers gained unauthorized access to computer networks for Marketwired L.P., PR Newswire Association LLC and Business Wire.

Prosecutors said Momotok and co-conspirators traded on earnings and other information gleaned from press releases from companies including Caterpillar Inc. and Hewlett Packard.

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