

Sentencing of hacker in \$55M scam is a rare win for feds (Update)

February 10 2017, by Tom Hays And Jake Pearson

A prolific Russian-speaking hacker behind cyberattacks that netted an estimated \$55 million is facing sentencing by a U.S. judge on a conviction considered an unusual win for law enforcement officials who have identified, but failed to arrest, hundreds of others like him.

Ercan Findikoglu, a Turkish national who also speaks English, pleaded guilty last year conspiracy charges that could land him in prison for up to 14 years. He was due in Brooklyn federal court for sentencing on Friday.

Before his capture by the U.S. Secret Service, Findikoglu had gone to great lengths to obscure his cyber fingerprints and stay out of the reach of American law, according to court papers. He advised one co-conspirator at one point to not "go to usa. U will get arrested," the papers said.

It wasn't until Findikoglu made an ill-advised trip to Germany in December 2013 that he was arrested at the request of U.S. authorities. After losing a court challenge, he was eventually extradited.

Foreign hackers "know their safe havens and some are more challenging to get to," said Robert Sica, who retired last year as the special agent in charge of the Secret Service's New York field office. "Inevitably they make a mistake."

In court papers, a lawyer for Findikoglu describes his 34-year-old client as an intelligent, self-educated man who as a youngster found refuge

from an abusive father and sickly mother in cyber cafes, honed his skills for the Turkish military and then used his computer savvy for illicit personal gain.

"Mr. Findikoglu's offense conduct is completely intertwined with his computer skills: he is a hacker," wrote lawyer Christopher Madiou, noting his Russian wife, Alena Kovalenko, and their 5-year-old son have twice been denied visas by U.S. immigration officials.

But according to prosecutors, Findikoglu masterminded three complex financial crimes by hacking into different credit card processors, eliminating the limits on prepaid cards and then sending PIN information and access codes to crews of so-called "cashers" who within hours withdrew thousands of dollars from ATMs. Managers of the crews either hand-delivered the cash or wired funds to Findikoglu and others in Turkey, prosecutors said.

In one December 2012 hack, they say, 5,000 cashers in 20 countries withdrew a total of \$5 million—including \$400,000 in 700 transactions from 140 New York ATMs—in less than three hours, according to court papers.

A percentage of the stolen cash was then kicked back to Findikoglu via wire transfers and deliveries to co-conspirators in Turkey, Romania and Ukraine, prosecutors charge.

The Secret Service investigates financial crimes committed by international hackers. The FBI goes after state-sponsored hackers in counter-intelligence cases and has faced similar difficulties putting foreigners behind bars.

In 2014, U.S. authorities indicted five members of the Chinese military on hacking charges, though experts say it's unlikely they'll ever be

extradited to the U.S.

Russian hacker Evgeniy Mikhailovich Bogachev is on the FBI's most-wanted list, has a \$3 million bounty on his head and is believed to be living freely in Russia.

"You work with other partner countries in the European Union so that should they travel there are arrest notices," said Sica, the ex-Secret Service agent. "We have a footprint around the world."

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