

Canadian judge denies bail to alleged Yahoo hacker (Update)

April 11 2017, by Rob Gillies



Amedeo DiCarlo, left, the lawyer for Karim Baratov, arrives at the courthouse, Tuesday, April 11, 2017, in Hamilton, Ontario. The bail hearing for Baratov, who is accused in a massive hack of Yahoo emails, is continuing. In March, U.S. authorities indicted Baratov and three others for computer hacking, economic espionage and other crimes. (Mark Blinch/The Canadian Press via AP)

A judge denied bail Tuesday to a Canadian man accused in a massive hack of Yahoo emails, arguing that he would likely flee if released from

jail.

Karim Baratov, 22, has alleged ties to Russian agents and access to significant amounts of cash, making him a serious flight risk if freed on bail, a prosecutor said Tuesday.

Baratov was arrested last month and faces extradition to the U.S. He was indicted in the United States for computer hacking along with three other people, including two alleged Russian intelligence agents.

American officials have said Baratov has the money to leave Canada and the ability to destroy evidence while on the run.

Justice Alan Whitten denied bail in a written decision, saying Baratov appeared to be highly skilled at hacking and calling the U.S. case far from weak.

"Baratov is a flight risk. He could instantaneously access the funds," the judge wrote. "He can ply his trade from anywhere in the world."

Baratov looked at his parents and shrugged when he exited the courtroom.

Prosecutor Heather Graham noted earlier that Baratov owned a number of luxury cars and flaunted his lifestyle on social media. She also said he has webmail and PayPal accounts with "large unknown sums of money" accessible anywhere. Graham said police seized about \$22,000 (\$30,000 Canadian) cash from his home and another \$670 (\$900 Canadian) from his wallet when he was arrested.

She also said there is evidence Baratov may have been trafficking in identity information. And there are allegations he continued hacking while on vacation in Jamaica.

Graham also noted Baratov faces up to 20 years in a U.S. prison.

"The evidence of Mr. Baratov's connections to Russian officials exponentially elevate the flight risk in this case,' Prosecutor Heather Graham said.

U.S. law enforcement officials call Baratov a "hacker-for-hire" paid by Russian Federal Security Service members. He has Kazakh origins, arriving in Canada in 2007 and becoming a citizen in 2011.

"It would appear that Baratov's activities were quite the cash cow: a million by age 15 and the array of extremely expensive sports cars," the judge said in his ruling. "There is the potential for further income ... Baratov would appear to be a valuable operative for the FSB."

Baratov's parents had offered act as their son's sureties. The young man's attorney Deepak Paradkar argued Baratov would have never been alone because his father Akhmet Tokbergenov works at home. The father had agreed to turn off the internet in the family home if the court requests.

The breach at Yahoo affected at least a half billion user accounts, but Paradkar said Baratov is only accused of hacking 80 accounts. He said the charges against his client have been "inflated" and said he financed many of his luxury cars.

Paradkar maintains an Instagram account under the name 'Cocaine Lawyer" and has often used the hashtag #bestcocainelawyer.

Baratov's other lawyer, Amedeo DiCarlo, arrived to the courthouse again Tuesday in a chauffeured Rolls-Royce.

In a scheme that prosecutors say blended intelligence gathering with old-fashioned financial greed, the four men targeted the email accounts of

Russian and U.S. government officials, Russian journalists and employees of financial services and other private businesses, American officials said.

In some cases using a technique known as "spear-phishing" to dupe Yahoo users into thinking they were receiving legitimate emails, the hackers broke into at least 500 million accounts in search of personal information and financial data such as gift card and credit card numbers, prosecutors said.

The case, announced amid continued U.S. intelligence agents' skepticism of their Russian counterparts, comes as American authorities investigate Russian interference through hacking in the 2016 presidential election. Officials said those investigations are separate.

Alexsey Belan, one of the others accused, is on the list of the FBI's most wanted cybercriminals and has been indicted multiple times in the United States. It's not clear whether he or the other two defendants, Dmitry Dokuchaev and Igor Sushchin, will ever step foot in an American courtroom because there's no extradition treaty with Russia.

The indictment identifies Dokuchaev and Sushchin as officers of the Russian Federal Security Service, or FSB. Belan and Baratov were paid hackers directed by the FSB to break into the accounts, prosecutors said.

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Citation: Canadian judge denies bail to alleged Yahoo hacker (Update) (2017, April 11) retrieved 9 May 2024 from <https://phys.org/news/2017-04-canadian-yahoo-hack-case-decision.html>

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