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# COMPUTER HACKER SENTENCED TO 37 MONTHS IN PRISON IN MANHATTAN FEDERAL COURT FOR SCHEME TO STEAL AND LAUNDER MONEY FROM BROKERAGE ACCOUNTS

PREET BHARARA, the United States Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced that ALEKSEY VOLYNSKIY was sentenced yesterday to 37 months in prison for hacking into victims' brokerage accounts at Charles Schwab, laundering over $246,000, and sending a portion back to co-conspirators in Russia. VOLYNSKIY also sold approximately 180 stolen credit card numbers to a cooperating witness and directed that they be fabricated into credit cards. United States District Judge DENNY CHIN, who imposed the sentence in Manhattan federal court, also ordered VOLYNSKIY to pay restitution in the amount of $30,000 and imposed an order of forfeiture in the same amount.

According to the Indictment and other documents filed in the case, and statements made during the guilty plea and sentencing proceedings:

From approximately September 2006 through December 2007, VOLYNSKIY and co-defendant ALEXANDER BOBNEV participated in a scheme to steal funds from bank and brokerage accounts by hacking into those accounts through the internet, using personal financial information obtained through computer viruses, and then laundering the stolen proceeds.

To carry out this scheme, BOBNEV and co-conspirators in Russia used concealed computer codes known as "Trojan Horses" to hack into the personal computers of multiple victims in the United States. These Trojan Horses were designed to steal personal account information from individual victims as they

accessed their bank and brokerage accounts through the internet. After the Trojan Horses captured the victims' personal account information, BOBNEV and other co-conspirators used the information to access victims' bank and brokerage accounts, and thereafter made unauthorized sales of securities and unauthorized wire transfers out of these accounts.

VOLYNSKIY, along with co-conspirators residing in the United States, then set up various "drop" accounts to receive the funds stolen from their victims' bank and brokerage accounts. VOLYNSKIY and his co-conspirators then sent a portion of the stolen funds from the various "drop" accounts in the United States to co-conspirators in Russia, through money remitting services, keeping a portion of the fraud proceeds for themselves.

In addition to the scheme to hack into victims' brokerage accounts, from September 2006 through December 2007, VOLYNSKIY participated in a scheme to steal funds from bank accounts by withdrawing money from those accounts at ATMs, using stolen credit card numbers. On three separate occasions, VOLYNSKIY provided a total of 180 stolen credit card numbers to a cooperating witness, directing that they be fabricated into credit cards.

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VOLYNSKIY was arrested on December 4, 2008, and pleaded guilty on August 4, 2009, to five counts, including conspiracy to commit wire fraud and unlawfully access and damage a protected computer, money laundering, and access device fraud.

On November 9, 2009, United States District Judge PAUL G. GARDEPHE sentenced MINEEV, another individual residing in the United States who conspired with BOBNEV to hack into brokerage accounts and launder the proceeds, to 18 months in prison. BOBNEV remains at large.

Mr. BHARARA praised the investigative work of the FBI.

This case is being prosecuted by the Office's Complex Frauds Unit. Assistant United States Attorney SEETHA RAMACHANDRAN is in charge of this prosecution.

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