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U.S. Department of Justice
Eastern District of Pennsylvania
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Cleveland, Ohio Man Sentenced to Prison for Bank Fraud and Conspiracy

Gregory A. White, United States Attorney for the Northern District of Ohio, announced today that U.S. District Judge Donald C. Nugent sentenced Kenneth J. Flury, age 41, of 4692 West 149th Street, Cleveland, Ohio, to 32 months in prison, to be followed by 3 years of supervised release, as a result of Flury's recent convictions for Bank Fraud and Conspiracy. Flury was also ordered to pay restitution to CitiBank in the amount of $300,748.64, and a $200 special assessment to the Crime Victim's Fund.

On October 18, 2005, a federal grand jury in Cleveland, Ohio, returned an indictment charging Flury with one count of bank fraud, arising from a Flury's scheme to defraud CitiBank which occurred between April 15, 2004, and May 4, 2004, and involved Flury obtaining stolen CitiBank debit card account numbers, PINs and personal identifier information of the true account holders which Flury fraudulently encoded onto blank ATM cards. After encoding blank cards with the stolen account information, Flury used the counterfeit ATM to obtain cash advances to withdraw cash and obtain cash advances totaling over $384,000 from ATM machines located in the Greater Cleveland area over a 3 week period. After Flury fraudulently obtained the funds, he transferred approximately $167,000 of the fraud proceeds via Western Union money transfers to the individuals supplying the stolen CitiBank account information located in Europe and Asia. Law enforcement officers seized approximately $157,080 in cash from Flurry on May 5, 2004, and also intercepted an additional $32,345 Flury had attempted to transfer via Western Union to Russia on or about May 4, 2004.

Kenneth Flury was also one of 19 defendants indicted by a federal grand jury in New Jersey in October 2004, as a result of the "Shadowcrew" investigation, an long term on-line undercover investigation conducted by the U.S. Secret Service targeting domestic and international subjects engaged in identity theft, credit card fraud and production of false identification documents. Flury consented to the transfer of his New Jersey case to the Northern District of Ohio in 2005, and pleaded guilty to one count of Conspiracy in connection with his activities as a moderator and administrator on the Shadowcrew website.

This case was prosecuted by Assistant U.S. Attorney Robert W. Kern (Cleveland), Assistant U.S. Attorney Kevin O'Dowd (Newark) and DOJ Senior Trial Attorney Kimberly Kiefer Peretti (D.C.), following an investigation by the Cleveland Office of the Bureau of Immigration and Customs Enforcement, the Cleveland and Newark Offices of the United States Secret Service, and the North Royalton Police Department.