News Release

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United States Attorney
Northern District of Ohio

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Gregory A. White, United States Attorney for the Northern District of Ohio, announced that on Friday, September 21, 2007, U.S. District Judge David D. Dowd, Jr., sentenced Matthew S. Kichinka, age 25, of Strongsville, Ohio, to 48 months in prison in connection with his recent conviction for Aggravated Identity Theft, Wire Fraud and Bankruptcy Fraud. Kichinka was ordered to serve 2 years on supervised release following his release from prison, and was ordered to pay restitution in the amount of $229,517.14 to TD Ameritrade and $111,572.40 to E*Trade, and a $500 special assessment to the Crime Victim's Fund.

On May 3, 2007, a federal grand jury in Cleveland, Ohio, returned an indictment charging Kichinka with wire fraud, aggravated identity theft, bankruptcy fraud, and transmitting interstate communications containing threats to kill or injure another person.

The indictment charged that between July 2004 and April 2007, Kichinka devised a scheme and artifice to defraud Ameritrade and E*Trade, and to obtain money, funds, credits, assets and other property by means of false and fraudulent pretenses, representations and promises, and in furtherance of said scheme, knowingly transmitted, caused to be transmitted and attempted to transmit approximately 50 interstate Electronic Funds Transfers from various banks to Ameritrade and E*Trade totaling approximately $3,348,000.00.

The indictment charged that between July 2004 and April 2007, Kichinka opened at least 35 brokerage accounts via the Internet at Ameritrade and E*Trade, using the names, Social Security account numbers, dates of birth and other personal identifying information of other individuals without their knowledge, using fraudulent Electronic Funds Transfers from various banks in the Cleveland area, and elsewhere. The indictment charged that after opening the on-line accounts, Kichinka placed stock purchase orders for hundreds of thousands of shares of stock before the EFTs were returned by the issuing bank as fraudulent, forcing Ameritrade and E*Trade to suffer losses of approximately $341,113.63 upon liquidation of stock held in the fraudulently opened accounts.

The indictment further charged Kichinka with aggravated identity theft for using the personal identifier information of others during and in relation to the Wire Fraud offenses, and with Bankruptcy Fraud in connection with false statements he made on court filings made in connection with his bankruptcy case filed in 2005 in the Northern District of Ohio, Eastern Division.

On June 20, 2007, Kichinka pleaded guilty to aggravated identity theft, wire fraud and bankruptcy fraud. While the charge relating to the threatening communications was dismissed at sentencing, evidence relating to the threatening communications was presented to, and considered by the Court at the sentencing hearing in determining an appropriate sentence.

This case was prosecuted by Assistant U.S. Attorney Robert W. Kern of the Cleveland U.S. Attorney's Office, following an investigation by the Cleveland Office of the Federal Bureau of Investigation.

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