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Multi-Million Dollar Home Equity Line of Credit, Identity Theft and Computer Intrusion Ring Busted

(More)

NEWARK, N.J. – Law enforcement personnel in three states arrested four men this morning who are charged with engaging in an international conspiracy to deplete millions of dollars from U.S. victims' home equity lines of credit using personal information obtained through identity theft and unauthorized computer access, U.S. Attorney Christopher J. Christie announced.

Today's arrests bring to eight the number of individuals charged to date in New Jersey with participation in the scheme, in which the defendants conspired to deplete available funds from home equity lines of credit ("HELOCs") belonging to identity theft victims, either by engineering fraudulent wire transfers or by gaining unauthorized access to the victims' on-line bank accounts.

The four men arrested earlier today are Derrick Polk, 45, of Los Angeles, Calif.; Oludola Akinmola, 37, and Oladeji Craig, 39, of Brooklyn, New York; and Oluwajide Ogunbiyi, 32, of Springfield, Ill., who were expected to make initial appearances in federal courts in Newark, Buffalo, Los Angeles, and Springfield.

The defendants are part of a multi-national identity theft ring that operates in the United States, the United Kingdom, Canada, China, Japan, Vietnam, and South Korea, among other places. The defendants and their co-conspirators have acquired identity information of thousands of victims and used that information to conduct numerous fraudulent schemes, including depleting their victims' home equity line of credit (HELOC) accounts.

The Complaints charge that co-conspirators have withdrawn more than $2.5 million from HELOC accounts belonging to innocent customers of banks and credit unions, and have attempted to withdraw at least approximately $4 million more in ultimately unsuccessful transfers from HELOC accounts.

The Complaints charge that the defendants and their co-conspirators initiated the HELOC fraud by gaining access to confidential customer and account information used by customers of banks, credit unions, and credit card issuers to conduct financial transactions in the United States. This information included account holder names, addresses, dates of birth, account numbers, Social Security numbers, and account balances. Other account information frequently obtained by the co-conspirators during the course of the fraud included mothers' maiden names, security question answers, on-line user names, passwords, and other data used by banks and lending institutions to service and secure customer accounts.

According to the Complaints, the defendants and their co-conspirators compromised confidential customer account information relating to several large and small banks, credit unions, and credit issuers throughout the United States. The larger institutional victims identified in the Complaint included Citibank, JPMorganChase, Wachovia, Washington Mutual, and Bank of America, among others. Dozens of smaller banks and

credit unions have also been victimized, including the Navy Federal Credit Union, Pentagon Federal Credit Union, U.S. Senate Federal Credit Union, the State Department Federal Credit Union, and at least approximately eleven New Jersey-based financial institutions.

Each of the defendants is charged in a three-count complaint with conspiring to possess personal identification information with the intent to commit wire fraud (Count 1); conspiring to commit wire fraud (Count 2); and conspiring to gain unauthorized access to computers (Count 3). If convicted of charges in the complaint, each defendant would face a maximum of 50 years' imprisonment and up to $1.5 million in fines.

The investigation to date has resulted in separate complaints brought between August and October 2008 against Hakeem Olokodana, 41, and Yomi Jagunna, 44, both of Queens, N.Y.; Abayomi Lawal, 45, of Brooklyn; and Daniel Yummi, 40, of New York. These four men were also charged with conspiring to identify HELOCs with large balances and to acquire all of the confidential customer information necessary to transfer money out of victim accounts.

To further the fraud and to avoid detection, co-conspirators routinely traded confidential customer information such as Social Security numbers, mother's maiden names, and on-line banking passwords over e-mail; impersonated bank customers through a process known as "social engineering"; used technology to disguise caller identification information; and changed customer address information in bank files. Proceeds from the scheme, which currently exceed at least approximately $2.5 million, made their way to conspirators in Japan, Nigeria, Canada, South Korea, among other countries.

In connection with this morning's arrests, agents of the Federal Bureau of Investigation also executed three search warrants in Illinois and New York. Additional search warrants have been executed in New York and California in furtherance of the investigation.

"Home equity lines of credit are an expanding front in the battle against mortgage fraud," Christie said. "Home owners should carefully review their statements to make sure their hard-earned equity is not disappearing from under their noses."

"Mortgage fraud affects the soundness of our credit markets," Christie said. "We must be vigilant against those who would threaten the American dream of home ownership."

A criminal Complaint is merely an accusation, and all defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

Christie credited the Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, for their work in the investigation. Christie also thanked Special Agents of the U.S. Secret Service and the IRS Criminal Investigations Division, and

Postal Inspectors with the U.S. Postal Inspection Service for their assistance.

The case is being prosecuted by Assistant U.S. Attorneys Erez Liebermann and Seth Kosto of the U.S. Attorney's Office Computer Hacking and Intellectual Property Section, part of the Commercial Crimes Unit in Newark.

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other representations to be determined