



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY PREET BHARARA

FOR IMMEDIATE RELEASE
Friday, January 6, 2012
<http://www.justice.gov/usao/nys>

CONTACT: U.S. ATTORNEY'S OFFICE
Ellen Davis, Carly Sullivan,
Jerika Richardson
(212) 637-2600

U.S. SECRET SERVICE
Pedro Escandon
(718) 840-1144

ROMANIAN CITIZEN ARRESTED FOR INSTALLING ATM
"SKIMMING" DEVICES USED TO STEAL AT LEAST \$1.5 MILLION
FROM BANK CUSTOMERS

Devices that Copied Account Information and Recorded PIN Numbers Were Placed on at Least 40 ATM Machines in the New York City Area

Preet Bharara, the United States Attorney for the Southern District of New York, and Brian G. Parr, the Special Agent-in-Charge of the New York Field Office of the U.S. Secret Service, announced that LAURENTIU IULIAN BULAT was arrested yesterday for allegedly participating in a fraud ring that stole HSBC customer bank account information by installing high-tech "skimming" devices on more than 40 ATMs in Manhattan, Long Island, and Westchester. The information was used to steal at least \$1.5 million from customer accounts. BULAT was presented yesterday in federal court before U.S. Magistrate Judge Henry B. Pitman and was ordered detained.

Manhattan U.S. Attorney Preet Bharara said: "ATM skimmers are high tech bank robbers. Instead of using a gun and a note, skimmers use fake card readers and hidden cameras to steal a customer's information to get to that customer's money and take it. Often it happens completely undetected. Yesterday, Laurentiu Bulat was detected and arrested bringing to an end his alleged role in an ATM skimming spree. Our investigations in this case specifically, and in ATM skimming cases generally, remain very much ongoing."

USSS Special Agent-in-Charge Brian G. Parr said: "ATM skimming continues to affect individuals and financial institutions in the New York metropolitan area and around the country. The Secret Service remains committed to investigating criminal enterprises involved in this type of fraud. We will continue to work closely with our law enforcement and private sector partners to thwart this criminal activity and bring these perpetrators to justice."

According to the Complaint that was filed yesterday in Manhattan federal court:

Customers commonly access their bank accounts through an automated teller machine (“ATM”), using a bank card and a Personal Identification Number (“PIN”). Bank cards typically bear a magnetic stripe on which account-related information has been electronically coded. Banks place ATMs in vestibules that can be accessed by customers when the branches are otherwise closed. To access the ATM, customers can swipe a bank card into a reader located at the entrance to the vestibule.

Since May 2011, the U.S. Secret Service, together with the U.S. Attorney’s Office, has been investigating an ATM skimming fraud ring that has targeted HSBC branches in the New York City Metropolitan area. Skimming is an illegal activity that involves the installation of an electronic device, usually undetectable by ATM users, that surreptitiously records the user’s bank account information and corresponding PIN, thereby enabling criminals to use that information to steal money from the bank customer’s accounts.

BULAT was identified through the review of bank surveillance video as being the ring’s “installer.” He allegedly installed skimming devices on at least 40 ATMs at HSBC branches in Manhattan, Westchester, and Long Island. The skimming technology used by BULAT and his co-conspirators included: (i) devices surreptitiously placed over the ATM card readers, which recorded the encoded information on the bank cards as they were swiped through the readers; and (ii) small pin-hole cameras installed on the ATMs that made a video recording of the customers’ PINs as the numbers were entered into the ATM machines.

After a period of time, members of the ring retrieved the skimming devices from the compromised ATMs, downloaded the information stored on the devices, and then matched the stolen account numbers retrieved from the card readers with the corresponding PINs recorded by the pin-hole cameras. The ring then encoded the stolen bank account information onto plastic cards, and used them, along with the corresponding PINs, to make unauthorized cash withdrawals directly out of the compromised bank accounts of the victim customers. The ring has stolen an estimated \$1.5 million from the compromised accounts through this fraud.

BULAT was arrested yesterday morning, after being observed on HSBC bank video surveillance installing skimming devices on two ATMs located at a Manhattan branch. U.S. Secret Service agents, upon notification by HSBC personnel, immediately went to the branch, confirmed that skimming devices had been placed on the two ATMs – including card readers and pin-hole cameras – and established surveillance. BULAT was observed returning to the ATM machines later in the morning, apparently to manipulate the skimming devices, and was placed under arrest. When BALUT was arrested, he was in possession of a flathead screwdriver, which agents say is typically used to place and remove the skimming devices.

* * *

BULAT is a citizen of Romania who is illegally in the United States on an overstayed visa. He is charged with one count of conspiracy to commit bank fraud and one count of bank fraud. If convicted, he faces a maximum sentence of 60 years in prison.

Mr. Bharara praised the U.S. Secret Service in New York for their outstanding work in investigating this case. Mr. Bharara also praised HSBC for its vigilance and excellent cooperation in the investigation and thanked the NYPD and U.S. Immigration and Customs Enforcement’s Homeland Security Investigations for their assistance in this investigation.

The case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorney Rosemary Nidiry is in charge of the prosecution.

The charges and allegations contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

12-2005

###

From Article at GetOutOfDebt.org