

2011.10.07

Biggest identity theft bust of its type in U.S. history

Police said on Friday they eavesdropped on thieves speaking Russian, Mandarin and Arabic to make the biggest identity theft bust of its kind in U.S. history against a \$13 million crime ring specializing mainly in selling Apple electronics overseas.

Authorities said "Operation Swiper" indicted 111 people from five criminal enterprises in Queens, New York, the nation's most ethnically diverse county, where 138 languages are spoken and more than half the population is foreign born.

"The schemes and the imagination of these thieves is mind boggling," said New York City Police Commissioner Raymond Kelly at a press conference.

"These crimes are getting more sophisticated and thieves have amazing knowledge of how to use technology," Kelly said.

A two-year investigation revealed the enterprises had ties to larger syndicates in Africa, Europe, the Middle East and eastern Asia, Kelly said. The crime rings ran nationwide shopping sprees in which "crew leaders" oversaw "shoppers" and thieves conducted their business from five-star hotels, renting luxury cars and private jets.

Police said they seized \$650,000 in cash, Apple computer products worth tens of thousands of dollars, \$850,000 worth of computer equipment stolen from the Citigroup Building in Queens, seven handguns and a truck full of electronics, computers, designer shoes, watches and identity theft equipment.

Using court-approved wiretaps on dozens of phones, police intercepted thousands of conversations and translated many of them to English from Russian, Mandarin and Arabic to gather information for the bust.

The indictments secured by the Queens District Attorney's Office laid out the mechanics of the operation.

Bosses of each crime ring received blank credit cards from suppliers in Russia, Libya, Lebanon and [China](#).

The bosses then hired "skimmers" who posed for jobs such as waiters and retail shop workers so they could use electronic devices to steal information from customer credit cards. That information was then sent to a "manufacturer" who programmed the information into the magnetic strips of blank credit cards.

The crime rings also used card printing machines to forge credit cards and state drivers licenses to match them.

"They can actually make a license from any state in the union, print credit cards of any color and even put the holograms on there," said NYPD deputy inspector Gregory Antonsen.

Police then said "shoppers" in the crime rings would use the forged credit cards and IDs to go on weekly shopping sprees around the U.S. at retailers such as Nordstrom's, Macy's, Gucci and Best Buy and sell those items mostly to people overseas.

But by far, Antonsen said, thieves spent the most time buying computer products from Apple.

"This is primarily an Apple case," Antonsen said. "Apple is a big ticket item and a very easy sell."

Antonsen added forged credit cards were easy for criminals to make here because U.S. credit cards are less sophisticated than those in Europe, where fraud of this magnitude would have been much more difficult.

"In Europe, credit cards have computer chips," he said. "When you run it through a European credit card machine, the magnetic strip on the back will tell the machine to look for the chip. If it doesn't have the chip it won't let the credit card to go through and that would have eliminated a lot of this (fraud), absolutely."

Antonsen said authorities have lobbied U.S. credit card companies to start using chips in their cards too.

The indicted individuals are charged with crimes ranging from identity theft and forging credit cards to robbery. Police said 86 of the 111 people indicted for the crimes are currently in police custody and the remaining 25 were being sought.

<http://www.reuters.com/article/2011/10/07/us-crime-idtheft-idUSTRE7965TS20111007>