



Department of Justice

Acting United States Attorney Sally Quillian Yates
Northern District of Georgia

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09/10/09

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CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

KAVAKLOV SENTENCED FOR MAJOR ATM SKIMMING OPERATION

Defendant Stole Account Information for Over 200 Bank Customers

Atlanta, GA - YORDAN KAVAKLOV, 29, of Bulgaria, was sentenced today by Senior United States District Judge Willis B. Hunt, Jr. to serve over 4 years in federal prison on multiple felony charges for conspiring to steal the bank debit card numbers and passwords of over 200 individuals through the use of a skimming device the defendant connected to ATM's in the metro Atlanta area.

Acting United States Attorney Sally Quillian Yates said, "This defendant used an ATM skimming device in the metro Atlanta area to steal the bank card numbers and passwords from over 200 unsuspecting individuals. At the time of arrest, he and his co-defendant had 80 gift cards in their possession that had been altered to include customer account information and were using them as fake ATM cards to drain the customers' accounts. The sentence handed down today provides a measure of justice to the victims whose savings and peace of mind were affected by the defendants' illegal scheme."

Jeffrey Gilbert, Special Agent in Charge of the United States Secret Service in Atlanta said, "The Secret Service has established a long history of protecting the American consumer and private industry from both national and transnational financial fraud. This investigation illustrates not just the significance of an aggressive and innovative investigative approach to investigations, but also illustrates the importance of task force partnerships with state and local law enforcement agencies in combating threats to our financial payment systems."

KAVAKLOV was sentenced to 4 years, 6 months in prison to be followed by 3 years of supervised release, and ordered to pay restitution in the amount of \$64,876. KAVAKLOV was convicted of these charges on July 2, 2009 after pleading guilty to conspiracy, access device fraud, and aggravated identity theft. KAVAKLOV's co-defendant, NIKOLAY NIKOLOV, 23, of Bulgaria, also pleaded guilty and is scheduled to be sentenced by Judge Hunt on September 30, 2009.

According to Acting United States Attorney Yates, the charges and other

information presented in court: During the fall of 2008, KAVAKLOV and NIKOLOV used an illegal skimming device to steal tens of thousands of dollars from bank customers by connecting the device to Bank of America automated teller machines (ATM's) in the metro Atlanta area and elsewhere. When a customer used the ATM with the skimming device installed, the device would electronically record the customer's debit card number and a small camera in the device would video record the ATM keyboard as the customer entered his or her password.

KAVAKLOV and NIKOLOV then downloaded the information from the device to a computer and sent it by email to foreign email accounts located in Russia and Bulgaria. The defendants received an email in return attaching a list of bank debit card numbers and passwords. The defendants received account information back for individuals who lived in states, such as Texas and New Mexico, where the defendants had not used the skimming device. The defendants uploaded the account information they received by email onto the magnetic stripes of inactivated gift cards they had stolen from Bass Pro Shops, Cabela's, and Sears. They then used the altered cards at metro Atlanta ATM's to withdraw money from the accounts of customers whose debit card numbers and passwords had been obtained from the fraudulent skimming operation.

On November 6, 2008, Cobb County police officers arrested the defendants at a Bank of America ATM on Windy Hill Road in Marietta after two citizens reported suspicious behavior, including that the defendants were using multiple cards to withdraw money from both the walk-up and drive-in ATM's. At the time of their arrest, the defendants were in possession of 80 stolen gift cards with altered magnetic stripes and passwords written on the face of the cards. An initial search of the defendants, their car, and hotel room uncovered the cards and over \$30,000 in cash, the vast majority in \$20 bills. A later search uncovered another \$27,000 in cash, all in \$20 bills, located in a plastic bag stored inside the door panel of the defendants' Jaguar. Cobb County law enforcement investigators also seized the skimming device, a magnetic stripe card reader/writer, computers, and other equipment used in the conspiracy following the defendants' arrest. A forensic analysis of the seized items revealed that the defendants had the account information for over 200 customers in the computers and gift cards.

This case was investigated by Special Agents of the United States Secret Service, investigators of the Cobb County Sheriff's Office, and officers with the Cobb County Police Department.

Assistant United States Attorney Stephen H. McClain prosecuted the case.

For further information please contact Sally Q. Yates, Acting United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.