

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA

*

CRIMINAL NO. 15-303

v.

*

SECTION: "G"

MIHAI ALEXANDRU DINU

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* * *

FACTUAL BASIS

Should this matter proceed to trial, the United States will prove the defendant **MIHAI ALEXANDRU DINU (DINU)** guilty beyond a reasonable doubt of knowingly executing and attempting to execute, a scheme and artifice to defraud the Navy Federal Credit Union and to obtain moneys, funds, assets, credits, assets and securities owned by, and under the custody and control of the Navy Federal Credit Union by means of false and fraudulent pretenses, representations and promises in violation of Title 18, United States Code, Sections 1344 and 2. The government would establish the following through credible testimony and the production of reliable evidence:

Starting in January 2015, the New Orleans Field Office of the Secret Service (Secret Service) and members of the Louisiana Financial Crimes Task Force (LFCTF) conducted an investigation involving the unauthorized collection of debit card numbers through the installation of "skimming devices" on various Automated Teller Machines (ATMs) in the Eastern District of Louisiana.

During the course of the investigation, the Secret Service learned that a network of individuals had visited the New Orleans area on at least two occasions between December 2014 and March 2015, using fraudulent passports from various European countries and other fraudulent identification to further an ATM skimming scheme. These individuals would use the fraudulent passports and other fake

identification cards in order to open bank accounts and subsequently rent vehicles and hotel rooms without having to provide their true identities. ATM video stills show the placement of skimming devices and the unauthorized withdrawal of funds from compromised cards. The photos also revealed that the individuals perpetrating these crimes would often times wear baseball caps and cover their faces when they approached the ATM.

From March 23, 2015, to March 24, 2015, Secret Service agents and LFCTF members conducted a surveillance of individuals suspected of involvement in the aforementioned ATM skimming operation. During the surveillance, agents and task force members were surveilling a Suzuki Grand Vitara, Nevada license plate 039ARK, that was observed leaving the parking lot of the Super 8 motel, 120 Holiday Dr., Covington, Louisiana the morning of March 24, 2015.¹ The vehicle was subsequently stopped after it began to drive erratically. Pursuant to the vehicle stop, the driver and passenger were identified as Marinica-Mirel Cotoi and **DINU**, respectively, based on their immigration bond paperwork and identification cards retained on their persons. The documents carried by Cotoi and **DINU** identified them as citizens of Romania. Both Cotoi and **DINU** stated that they were from Romania, but had illegally entered the United States through Mexico.²

LFCTF members determined that Cotoi and **DINU** had exited Super 8 motel room 128 earlier that morning. A review of the copy of the identification card used to rent the room revealed a fraudulent Polish European Union driver's license bearing the name "Albert Bartosz," and a photo of Cotoi. The agents and task force officers also determined that a Wells Fargo "Instant Issue Debit Card," account

¹ This Suzuki vehicle had been seen with another car (a Chevy Cruze) rented from Nifty Rental in New Orleans. The Cruze was positively identified as a car rented by person with European passports who used the vehicle to drive up to an ATM in Slidell and attached a parasitic skimming device. It should be noted that the two men in the Cruze were also under surveillance by law enforcement officers but they successfully fled the area.

² Cotoi and **DINU** were caught in Arizona after crossing the U.S. border, claimed asylum, and bonded out of detention pending a U.S. immigration hearing in California.

number XXXXXXXXXXXXX5946, was used to obtain the hotel room. Wells Fargo confirmed that the above account was associated with the name "Albert Bartosz."

Based upon all the information obtained during this investigation, St. Tammany detectives obtained a state warrant for room 128 at the Super 8 motel, 120 Holiday Blvd., Covington, Louisiana. During the execution of the search warrant, investigators discovered a fraudulent Polish passport bearing a photo of Cotoi, the fraudulent European Union Driver's license bearing a photo of Cotoi, the Wells Fargo card used to secure the room, two cellular phones, and \$3,100.00 in cash. A subsequent search of Cotoi's phone, pursuant to a state search warrant revealed that Cotoi was communicating with other suspects associated with this case.

After being stopped, Secret Service agents interviewed Cotoi after he signed a rights waiver form. During the interview, Cotoi admitted to obtaining the fraudulent Polish passport in the name "Albert Bartosz" for the purpose of working in the United States. Cotoi stated that the manufacturer of the passport was in Romania.

As a result of the investigation, LFCTF arrested Cotoi for illegal use of a fraudulent passport and detained. **DINU**, after questioning, was released due to a lack of evidence at the time.

On April 2, 2015, the Secret Service received transaction data and surveillance video stills associated with Xplore Federal Credit Union (XFCU), 1201 Veterans Memorial Blvd., Metairie, Louisiana, from XFCU investigator Bobbi Bush. According to Bush, the video stills corresponded with fraudulent ATM activity that occurred at the 1201 Veterans Memorial Blvd. location on March 21, 2015 and March 22, 2015. These ATMs are associated with the Navy Federal Credit Union (NFCU) and, according to other government law enforcement reports, are a favorite target of the suspects in this case. A review of the stills revealed Cotoi and **DINU** using the ATM on multiple occasions, day and night, from March 21, 2015 to March 22, 2015. Both individuals were wearing baseball caps, but **DINU** was

wearing the same shirt that he wore when the Secret Service first made contact with him on March 24, 2015. Further review of the XFCU transaction data and video stills revealed numerous debit card transactions from multiple financial institutions being conducted by Cotoi and **DINU**. Cotoi was thereafter charged with violating the Louisiana Anti-Skimming Act and bank fraud. ³

On April 6, 2015, the Secret Service received ATM video stills associated with ATM skimming activity in the Parris Island, South Carolina area in November 2014 from the Norfolk Resident Office of the Secret Service. Cotoi and **DINU** are clearly revealed as the perpetrators.

On April 9, 2015, NFCU investigator Ron Hamilton provided information to the Secret Service concerning the use of compromised NFCU debit cards at the XFCU ATM located at 1201 Veterans Memorial Blvd., Metairie, Louisiana. Hamilton advised that fraud was reported on multiple NFCU cards that were used at that location on March 21, 2015 and March 22, 2015. Hamilton forwarded a spreadsheet containing all currently reported fraudulent charges that occurred using NFCU debit card numbers at the XFCU and other financial institutions in the New Orleans area. A comparison of the NFCU spreadsheet with the XFCU transaction data and video stills revealed that the individual identified as **DINU** conducted over \$1,000.00 in unauthorized transactions using NFCU debit cards. The unauthorized transactions included:

Last four no. on card: 3989
Amount: \$603
Time/date: 08:28 am, March 21, 2015
Victim: J.S.
New Orleans, LA

Last four no. on card: 5885
Amount \$603
Time/date: 04:11 pm, March 21, 2015

³ The state case against Cotoi was adopted for federal prosecution in the Eastern District of Louisiana under case no. 15-103 "G." Cotoi has since pleaded guilty to bank fraud and on December 3, 2015, he was sentenced to time served (approximately 9 months of incarceration) in addition to being processed for deportation.

Victim: C.A.
New Orleans, LA

Last four no. on card: 1150
Amount: \$603
Time/date: 04:13 pm, March 21, 2015
Victim: F.C.
New Orleans, LA

The government will prove by documents and witnesses that the Navy Federal Credit Union (NFCU) was insured by the National Credit Union Share Insurance Fund as per Title 18, United States Code, Section 20, at the time of the losses.

For purposes of relevant conduct, the government would prove by documents and witnesses that NFCU also maintains several branches and ATM locations throughout the Eastern District of Virginia and elsewhere. NFCU ATM locations in these locations are equipped with surveillance equipment that captures and records video and photographic images of anyone using, attempting to use, and/or tampering with such ATMs.

Beginning in or about June 2014, and continuing through in or about at least September 2015, **DINU**, along with several others known and unknown, including A.E., C.T., R.B., P.B., and M.V. (“conspirators”) installed, maintained, and removed portable card reading devices (“skimming devices”) inside and over the mouth of ATMs card readers. **DINU** and conspirators also installed, maintained, and removed micro camera equipment above ATM keypads and within ATM light panels at NFCU ATM locations within the Eastern District of Virginia and elsewhere.

Skimming devices read and record the information encoded on the magnetic strip of all access devices used at the targeted ATMs by NFCU customers during the period in which the devices are affixed to those ATMs. Such information includes personal identification and financial information, including bank account, credit card account, and ATM and debit card information.

Micro camera equipment captures the corresponding customer Personal Identification Number (“PIN”) access codes as they are entered by NFCU customers in the course of ATM transactions and inquiries.

DINU and conspirators installed, maintained, and removed skimming devices and micro camera equipment at NFCU ATMs in the Eastern District of Virginia and elsewhere to record and to acquire, without lawful authorization, the personal identification and financial information of NFCU customers.

Conspirators stored and transferred by electronic means the personal identification and financial information fraudulently obtained. Then, conspirators transferred and used the information to gain unauthorized access to bank and credit accounts belonging to NFCU customers by, among other things, re-encoding account numbers onto the magnetic strips of other cards, including gift cards. The re-encoded cards, in combination with the corresponding PINs, were used to make unauthorized withdrawals and transfers from the compromised NFCU accounts, in the Eastern District of Virginia and elsewhere.

The conspirators’ use of personal identification and financial information obtained in the manner described above resulted in wire transmissions between computers or terminals in the Eastern District of Virginia and computers located outside the Commonwealth of Virginia.

DINU and conspirators traveled from, through, and to the Eastern District of Virginia from locations outside the Commonwealth of Virginia in furtherance of the conspiracy.

DINU participated in the placement, installation, and removal of skimming devices and micro camera equipment on at least three (3) NFCU ATM locations within the Eastern District of Virginia and elsewhere—including ATMs located in Stafford, Virginia; Virginia Beach, Virginia; and Beaufort, South Carolina—resulting in the compromise of approximately 850 accounts. Conspirators used the information obtained by **DINU** and others to withdraw a total of \$116,799.38 from compromised debit

and credit accounts at ATMs within the Eastern District of Virginia and elsewhere in furtherance of the conspiracy. The majority of such withdrawals were conducted at financial institutions located in and around New Orleans, Louisiana.

The parties agree and stipulate that, for sentencing purposes, the amount of loss reasonably foreseeable to **DINU** is \$116,799.38—the amount of actual and intended losses incurred on accounts compromised through his placement, maintenance, and removal of skimming devices and micro camera equipment at the three (3) NFCU locations. This amount is in addition to the losses of \$1,809.00 that occurred within the Eastern District of Louisiana.

DINU acknowledges that the facts described above constitute knowing violations of Title 18, United States Code, Sections 1344 and 2, and he agrees with the relevant conduct described above was knowing and voluntary.

READ AND APPROVED:



Edward J. Rivera
Assistant United States Attorney

6/2/16

DATE

Valerie Welz Jusselin
Counsel for Mihai Alexandru Dinu

DATE

Mihai Alexandru Dinu
Defendant

DATE