



Press Release

Members of Transnational Cybercrime Network have been Sentenced to Imprisonment as a Result of Cooperation between Georgian and U.S. Law Enforcement Agencies

Georgian citizens A.K. (aka none_1) and M.K. (aka phant0m), who were the members of a transnational organized cybercrime network, have been sentenced to 7 and 5 years of imprisonment on the basis of the evidence presented by the Office of the Prosecutor General of Georgia.

It took the Office of the Prosecutor General of Georgia and the Ministry of Internal Affairs of Georgia more than two years to expose Georgian citizens, who were the members of a complex transnational organized cybercrime network, by cooperation with the law enforcement agencies of the United States and five European countries.

In 2017, a Georgian law enforcement official received a notification from U.S. law enforcement agencies about possible involvement of Georgian citizens in a criminal network that used GozNym malware, causing victims from different countries of the world a damage of hundreds of millions of dollars.

Even though Georgia was not a victim country, it immediately expressed readiness to participate in every aspect of a profound investigation, to present its abilities and to be a proper partner to the United States and other countries.

Two Mutual Legal Assistance Requests were sent from Georgia to the United States. The U.S. Department of Justice's Office of International Affairs, U.S. Attorney's Office for the Western District of Pennsylvania and FBI's Pittsburgh Field Office made a huge effort for fulfilling these Requests. The investigation material provided by these agencies was crucial for the success achieved by the Georgian side.

Video and audio conferences were frequently used for addressing the issues raised during the processing of the Requests. The U.S. Embassy in Tbilisi greatly assisted the Georgian side with this process.

Nevertheless, bilateral relations between the countries turned out to be insufficient for accelerating the investigation. The criminal network members lived in Russia, Georgia, Ukraine, Moldova and Bulgaria. Therefore, Eurojust and Europol stepped in to ensure that the participating countries coordinated. Multiple meetings were planned and held in The Hague under the aegis of these international organizations.



PROSECUTOR'S OFFICE OF GEORGIA

As a result of the cooperation between the United States, Georgia, other participating countries, Eurojust and Europol, unprecedented efforts were made in order to share evidence and initiate criminal prosecutions against the members of the criminal network in various countries.

On May 8, 2019, based on a court warrant, the officers of the Ministry of Internal Affairs of Georgia arrested two Georgian citizens, namely: one of the leaders of GozNym criminal network – A.K. (aka none_1) and his main technical assistant – M.K. (aka phant0m).

On the same day, the Office of the Prosecutor General of Georgia charged both persons with crimes committed against U.S. companies, in particular: unauthorized access into a computer system, committed in a group's conspiracy; unauthorized storage of computer data; illegal usage of computer data and computer system, committed in a group's conspiracy; theft, committed by an organized group, which caused damage of large value.

U.S. Attorney's Office for the Western District of Pennsylvania conducted criminal prosecution against the Bulgarian member of GozNym network, who was extradited to the United States.

In a related announcement, U.S. Attorney's Office for the Western District of Pennsylvania stated that the Bulgarian member of GozNym network was convicted after lengthy criminal prosecution initiated in Pittsburgh.

On December 11, 2019, court hearing of the case was completed in Georgia as well.

Tbilisi City Court fully endorsed the evidence submitted by the Office of the Prosecutor General of Georgia and found A.K. (aka none_1) and M.K. (aka phant0m) guilty as charged.

A.K. (aka none_1) was sentenced to imprisonment for a term of 7 years. Considering the large extent of his cooperation with the investigation, M.K. (aka phant0m) was sentenced to imprisonment for a term of 5 years. He will serve 1 year in prison and after this, he will be on conditional release for 4 years.

The case at hand was invaluable experience, as well as a significant challenge. It also proved that there is no alternative to international legal cooperation for fighting against transnational crime.

The Office of the Prosecutor General of Georgia extends its gratitude for cooperation to the U.S. Attorney's Office for the Western District of Pennsylvania, FBI's Pittsburgh Field Office, U.S. Department of Justice's Office of International Affairs, U.S. Embassy in Tbilisi, Eurojust, Europol and every country that participated in the international operation, since it would have been impossible to achieve success without them.

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