

ZA/CMP:WDS/BDM
F.#2013R00444

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- against -

JAEL MEJIA COLLADO,
JOSE FAMILIA REYES,
CHUNG YU-HOLGUIN,
 also known as "Chino el Abusador,"
ANTHONY DIAZ,
FRANKLYN FERREIRA,
 also known as "Franklin \$,"
SAUL FRANJUL,
 also known as "Conejo,"
SAUL GENAO,
 also known as "Cocolito" and
 "Ely Genao,"
JAINDHI POLANCO,
JOSE ANGELEY VALERIO,
 also known as "Zikkytakki,"

Defendants.

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THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Superseding Indictment, unless otherwise
indicated:

1. In or about and between October 2012 and April 2013, in the Eastern
District of New York and elsewhere, the defendants JAEL MEJIA COLLADO, JOSE

SUPERSEDING
INDICTMENT

Cr. No. 13-259 (S-2)(KAM)
(T. 18, U.S.C. §§ 982(a)(1),
982(a)(2)(B), 1029(a)(5), 1029(b)(2),
1029(c)(1)(A)(ii), 1029(c)(1)(C),
2 and 3551 et seq.; T. 21, U.S.C.,
§ 853(p); T. 31, U.S.C., §§ 5317(c)(1)
and 5324(a)(3))

FAMILIA REYES, CHUNG YU-HOLGUIN, also known as "Chino el Abusador," ANTHONY DIAZ, FRANKLYN FERREIRA, also known as "Franklin \$," SAUL FRANJUL, also known as "Conejo," SAUL GENAO, also known as "Cocolito" and "Ely Genao," JAINDHI POLANCO and JOSE ANGELEY VALERIO, also known as "Zikkytakki," together with others, participated in an international conspiracy to use sophisticated cybercrime techniques to steal confidential financial account information that was then used to withdraw currency from automated teller machines ("ATMs") located at banks in the United States and elsewhere in a scheme known variously as a "cashout," "PIN cashing" or "carding" scheme.

2. This scheme commenced with intrusions by hackers into the computer systems of financial service providers and other businesses in the United States and abroad for the purpose of stealing confidential financial account information, including account numbers and personal identification numbers ("PINs") for prepaid debit cards, among other things. The hackers targeted specific victim financial service providers, planned the intrusions and executed the attacks. In order to carry out the scheme, the hackers relied upon a trusted group of associates to disseminate the stolen financial information globally via the Internet and other means to leaders of "cashing crews" around the world. The cashing crews consisted of individuals known as "cashers" or "cashiers." The leaders of these crews were responsible for planning, organizing and executing the cashouts in which the cashers conducted hundreds, and in one case thousands, of fraudulent transactions over a matter of

hours via ATM withdrawals and fraudulent purchases using plastic cards encoded with stolen account information.

3. The defendants Jael Mejia Collado, Jose Familia Reyes, Chung Yu-Holguin, also known as "Chino el Abusador," Anthony Diaz, Franklyn Ferreira, also known as "Franklin \$," Saul Franjul, also known as "Conejo," Saul Genao, also known as "Cocolito" and "Ely Genao," JaiNDHI Polanco and Jose Angeley Valerio, also known as "Zikkytakki," were members of a New York-based cashing crew.

A. The RAKBANK Unlimited Operation

4. In or about December 2012, an Indian credit card processor that handled Visa and MasterCard prepaid debit cards, whose identity is known to the Grand Jury, was the victim of a network intrusion. Those responsible for this intrusion increased the withdrawal limits on prepaid MasterCard debit card accounts issued by the National Bank of Ras Al-Khaimah PSC, also known as "RAKBANK," located in the United Arab Emirates. This type of scheme was known as an "unlimited operation." In such operations, hackers manipulated account balances, and in some cases security protocols, and effectively eliminated any withdrawal limits on individual accounts. As a result, even a few compromised bank account numbers could result in tremendous financial losses to the victim financial institution.

5. Between approximately December 21, 2012 and December 22, 2012, five account numbers for the compromised RAKBANK accounts with increased balances

were distributed to individuals located in approximately 20 countries around the world, including the United States. The individuals receiving these card numbers encoded the data onto magnetic stripe cards and used those cards to withdraw funds from ATMs in their respective locations. In total, more than 4,500 ATM transactions were conducted using the compromised RAKBANK account data, resulting in a total loss of approximately \$5 million.

6. The defendants Jael Mejia Collado, Jose Familia Reyes, Chung Yu-Holguin, also known as "Chino el Abusador," Anthony Diaz, Franklyn Ferreira, also known as "Franklin \$," Saul Franjul, also known as "Conejo," Saul Genao, also known as "Cocolito" and "Ely Genao," JaiNDHI Polanco and Jose Angeley Valerio, also known as "Zikkytakki," and their co-conspirators used one specific compromised RAKBANK account number ("the compromised RAKBANK account number") to conduct approximately 705 fraudulent ATM withdrawals totaling approximately \$382,597 in and around New York City. Globally, the compromised RAKBANK account number was used to conduct approximately 1,083 fraudulent transactions for a total loss of approximately \$628,985.

B. The Bank Muscat Unlimited Operation

7. In or about February 2013, a credit card processor based in the United States that handled Visa and MasterCard prepaid debit cards, whose identity is known to the Grand Jury, was the victim of a network intrusion that resulted in another unlimited operation. In this scheme, the withdrawal limits were increased for MasterCard prepaid debit card accounts issued by Bank Muscat, located in Oman.

8. Between approximately February 19, 2013 and February 20, 2013, 12 account numbers for the compromised Bank Muscat accounts with increased balances were distributed to individuals located in approximately 24 countries around the world, including the United States. The Bank Muscat unlimited operation resulted in approximately \$40 million in losses over the course of less than 24 hours.

9. The defendants JAEL MEJIA COLLADO, JOSE FAMILIA REYES, CHUNG YU-HOLGUIN, also known as "Chino el Abusador," ANTHONY DIAZ, FRANKLYN FERREIRA, also known as "Franklin \$," SAUL FRANJUL, also known as "Conejo," SAUL GENAO, also known as "Cocolito" and "Ely Genao," JAINDHI POLANCO and JOSE ANGELEY VALERIO, also known as "Zikkytakki," and their co-conspirators used one specific compromised Bank Muscat account number ("the compromised Bank Muscat account number") to conduct approximately 2,904 fraudulent ATM withdrawals in and around New York City totaling approximately \$2.4 million. Globally, the compromised Bank Muscat account number was used to conduct approximately 11,777 fraudulent transactions for a total loss of approximately \$8.9 million.

COUNT ONE
(Conspiracy to Commit Access Device Fraud)

10. In or about and between October 2012 and April 2013, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendants JAEL MEJIA COLLADO, JOSE FAMILIA REYES, CHUNG YU-HOLGUIN, also known as "Chino el Abusador," ANTHONY DIAZ, FRANKLYN FERREIRA, also known as "Franklin \$," SAUL FRANJUL, also known as "Conejo," SAUL GENAO, also

known as "Cocolito" and "Ely Genao," JAINDHI POLANCO and JOSE ANGELEY VALERIO, also known as "Zikkytakki," together with others, did knowingly and with intent to defraud conspire to effect transactions with one or more access devices issued to another person or persons, to wit: debit cards used to withdraw funds from ATMs, to receive payment and any other thing of value during a one-year period, the aggregate value of which was equal to or greater than \$1,000, in a manner affecting interstate commerce, contrary to Title 18, United States Code, Section 1029(a)(5).

11. In furtherance of the conspiracy and to effect its objects, within the Eastern District of New York and elsewhere, the defendants JAEL MEJIA COLLADO, JOSE FAMILIA REYES, CHUNG YU-HOLGUIN, also known as "Chino el Abusador," ANTHONY DIAZ, FRANKLYN FERREIRA, also known as "Franklin \$," SAUL FRANJUL, also known as "Conejo," SAUL GENAO, also known as "Cocolito" and "Ely Genao," JAINDHI POLANCO and JOSE ANGELEY VALERIO, also known as "Zikkytakki," together with others, committed and caused to be committed, among others, the following:

OVERT ACTS

(a) On or about December 22, 2012, the defendant JOSE FAMILIA REYES conducted approximately six withdrawals totaling approximately \$4,818 using the compromised RAKBANK account number from an ATM located in Manhattan, New York.

(b) On or about February 19, 2013, the defendant JAEL MEJIA COLLADO conducted approximately six withdrawals totaling approximately \$4,812 using

the compromised Bank Muscat account number from an ATM located in Manhattan, New York.

(c) On or about February 19, 2013, the defendant CHUNG YU-HOLGUIN conducted approximately five withdrawals totaling approximately \$4,010 using the compromised Bank Muscat account number from an ATM located in Manhattan, New York.

(d) On or about February 19, 2013, the defendant ANTHONY DIAZ conducted approximately nine withdrawals totaling approximately \$7,227 using the compromised Bank Muscat account number from an ATM located in Manhattan, New York.

(e) On or about February 19, 2013, the defendant FRANKLYN FERREIRA conducted approximately 12 withdrawals totaling approximately \$9,624 using the compromised Bank Muscat account number from an ATM located in Manhattan, New York.

(f) On or about February 19, 2013, the defendant SAUL GENAO conducted approximately six withdrawals totaling approximately \$4,818 using the compromised Bank Muscat account number from an ATM located in Manhattan, New York.

(g) On or about February 19, 2013, the defendant JAINDHI POLANCO conducted approximately four withdrawals totaling approximately \$3,212 using the compromised Bank Muscat account number from an ATM located in Manhattan, New York.

(h) On or about February 19, 2013, the defendant JOSE ANGELEY VALERIO conducted approximately two withdrawals totaling approximately \$1,606 using the compromised Bank Muscat account number from an ATM located in Manhattan, New York.

(i) On or about March 2, 2013, the defendant SAUL FRANJUL assisted in packing approximately \$800,000 in cash into luggage for transport to a co-conspirator.

(Title 18, United States Code, Sections 1029(b)(2), 1029(c)(1)(A)(ii) and 3551 et seq.)

INTRODUCTION TO COUNT TWO

At all times relevant to Count Two of this Superseding Indictment, the currency reporting requirements provided as follows:

Structuring and Currency Reporting Requirements

12. Transactions in currency were defined as transactions involving the physical transfer of money, as defined in Title 31, Code of Federal Regulations, Section 1010.100(bbb).

13. Domestic financial institutions were required to file a Currency Transaction Report (FinCEN Form 104, hereinafter referred to as a "CTR") with the United States Department of the Treasury for each transaction in currency, such as a deposit, withdrawal, exchange of currency or other payment or transfer by, through or to such

financial institution, in excess of \$10,000, as required by Title 31, United States Code, Section 5313 and Title 31, Code of Federal Regulations, Section 1010.311.

14. CTRs were filed on forms that required, among other things, the identity of the individual who conducted the transaction (Part One of the CTR) and the individual or organization for whom the transaction was completed (Part Two of the CTR).

15. CTRs were required to be filed to assist the United States in criminal, tax and regulatory investigations and proceedings, as stated in Title 31, United States Code, Section 5311.

16. "Structuring" a financial transaction was defined in Title 31, Code of Federal Regulations, Section 1010.100(xx), as conducting, or attempting to conduct, one or more transactions in currency, in any amount, at one or more financial institutions, on one or more days, in any manner, for the purpose of evading the currency reporting requirements, including, without limitation, by breaking down a sum of currency exceeding \$10,000 into smaller sums, including sums at or below \$10,000, and conducting a currency transaction or a series of currency transactions at or below \$10,000.

COUNT TWO
(Structuring)

17. On or about December 28, 2012, within the Southern District of New York, the defendant JAEL COLLADO, together with others, for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a), and the regulations prescribed thereunder, did knowingly and intentionally structure and assist in structuring one

or more transactions with one or more domestic financial institutions, to wit: Western Union, by breaking amounts of currency in excess of \$10,000 into amounts of less than \$10,000.

(Title 31, United States Code, Sections 5324(a)(3); Title 18, United States Code, Sections 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNT ONE

18. The United States hereby gives notice to the defendants that, upon their conviction of the offense charged in Count One, the government will seek forfeiture in accordance with (a) Title 18, United States Code, Section 982(a)(2)(B), which requires any person convicted of such offense to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offense, and (b) Title 18, United States Code, Section 1029(c)(1)(C), which requires any person convicted of such offense to forfeit any personal property used or intended to be used to commit the offense.

19. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Sections 982(b)(1) and 1029(c)(2), to seek forfeiture of any other property of the defendants up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a)(2)(B) and 1029(c)(1)(C); Title 21, United States Code, Section 853(p))

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNT TWO

20. The United States hereby gives notice to the defendant JAEL COLLADO that, upon his conviction of the offense charged in Count Two, the government will seek forfeiture in accordance with Title 31, United States Code, Section 5317(c)(1), which requires any person convicted of such offense to forfeit any property, real or personal, involved in such offense, and any property traceable to such property.

21. If any of the above-described forfeitable property, as a result of any act or omission of the defendant JAEL COLLADO:


- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant JAEL COLLADO up to the value of the forfeitable property described in this forfeiture allegation.

(Title 31, United States Code, Section 5317(c)(1); Title 21, United States Code, Section 853(p))

A TRUE BILL

FOREPERSON



LORETTA E. LYNCH
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

