

# ***NEWS RELEASE***



## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

***San Diego, California***

***United States Attorney  
Laura E. Duffy***

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***For Immediate Release***

### **14 CHARGED IN MILLION DOLLAR “GONE IN 60 SECONDS” BANK FRAUD – OPERATING IN CALIFORNIA AND NEVADA CASINOS**

#### **NEWS RELEASE SUMMARY** – October 26, 2012

Fourteen individuals were charged following a Federal Bureau of Investigation (FBI)-led investigation into the theft of over \$1 million from Citibank using cash advance kiosks at casinos located in Southern California and Nevada. According to an indictment unsealed earlier today, the defendants stole the money by exploiting a gap – which required multiple withdrawals all within 60 seconds – in Citibank’s electronic transaction security protocols. FBI agents assisted by the Glendale Police Department and the Los Angeles Police Department arrested 13 of the defendants in the Los Angeles area Wednesday and Thursday.

According to court documents, the alleged scheme worked as follows: defendant Ara Keshishyan recruited conspirators who were willing to open multiple Citibank checking accounts. He then supplied

his codefendants with “seed” money, which was deposited into the recently opened accounts. After the money was deposited into the checking accounts, Keshishyan and his conspirators would travel to nearly a dozen casinos, including the Morongo, Pechanga, San Manuel, Agua Caliente, Chukchansi, and Spa Resort casinos in California, the Tropicana, Wynn, Bicycle, and Whiskey Pete’s casinos in Las Vegas, and Harrah’s in Laughlin. When inside the casino, the conspirators, including Keshishyan, used cash advance kiosks at casinos in California and Nevada to withdraw (all within 60 seconds) several times the amount of money deposited into the accounts, by exploiting the Citibank security gap they discovered.

The indictment alleges that, after the cash was collected from the casino “cages,” Keshishyan would typically give conspirators their “cut” – and keep the remainder of the stolen funds – which were often used to gamble. The casinos frequently “comped” the conspirators with free rooms due to their extensive gambling activity. As part of the alleged scheme, the defendants were also careful to keep both their deposits and withdrawals under \$10,000 in order to avoid federal transaction reporting requirements and conceal their fraud.

According to United States Attorney Duffy, the expansion of automated banking services carries risks along with the obvious rewards. She emphasized, however, that her Office would be vigilant to guard against cyber-criminals attempting to steal funds from unwary individuals or corporations.

FBI Special Agent in Charge Daphne Hearn commented, “While advancements in technology have created a world of accessibility to users and a convenience for consumers, they have also left room for criminals to exploit even the smallest of loopholes. For over 100 years the FBI has kept pace with technological and communication changes in the business world where these types of electronic transactions are the standard and we will continue to do so in order to help protect commercial enterprise and our nation's economy.”

All of the defendants are charged with conspiracy to commit bank fraud and conspiracy to illegally structure financial transactions to avoid reporting requirements, which is punishable by up to five years in prison, and a \$250,000 fine. In addition, defendant Keshishyan is charged with 14 counts of bank fraud,

each of which is punishable by up to 30 years in prison, and a \$1,000,000 fine. The indictment also alleges forfeiture in connection with the crimes charged.

Several of the defendants were arraigned in Los Angeles yesterday, where they agreed to make their initial appearances in San Diego on October 29, 2012, before Magistrate Judge Ruben B. Brooks. The remaining defendants are expected to be arraigned in San Diego over the next several days. A motions hearing is scheduled in the case for November 30, 2012 at 1:30 p.m. in San Diego before United States District Court Judge Janice L. Sammartino.

**DEFENDANTS**      **Case Number: 12CR4352-JLS**

Ara Keshishyan  
Ara Harutyunyan  
Artur Harutyunyan  
Vahe Asatrian  
Sarkis Mooshidian  
Levon Karamyan  
Migran Yamalyan  
Seryozha Harutyunyan  
Lianna Avetisyan  
Ashot Oganisyan  
Ovsep Sarfyan  
Daniel J. Thomas  
Hilda Hakverdyan  
Asatur Asatryan

**FUGITIVE**

**SUMMARY OF CHARGES**

Count 1: Conspiracy to commit bank fraud in violation of Title 18, United States Code, Section 1344, and conspiracy to structure financial transactions in violation of Title 31, United States Code, Section 5324(a)(3) (all defendants)

Counts 2-15: Bank fraud in violation of Title 18, United States Code, Section 1344 (Keshishyan)

**INVESTIGATING AGENCY**

Federal Bureau of Investigation

**An indictment itself is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.**