



Department of Justice

Acting United States Attorney Sally Quillian Yates
Northern District of Georgia

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CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

SECOND DEFENDANT SENTENCED IN MAJOR ATM SKIMMING SCHEME

Defendants Stole Account Information for Over 200 Bank Customers

Atlanta, GA - NIKOLAY NIKOLOV, 24, 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, "The sentencing of this second defendant puts an end to a major ATM skimming operation that resulted in over 200 unsuspecting individuals having their bank card numbers and passwords stolen and emailed overseas. At the time of arrest by Cobb County law enforcement officers at a Marietta ATM, the defendants 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. These federal sentences recognize that identity theft is destructive to victims financially and emotionally, warranting the mandatory sentences Congress has legislated for its perpetrators."

NIKOLOV was sentenced to 4 years, 6 months in prison to be followed by three years of supervised release, and ordered to pay restitution in the amount of \$64,876. NIKOLOV was convicted of these charges on July 30, 2009 after pleading guilty to conspiracy, access device fraud, and aggravated identity theft. NIKOLOV's co-defendant, YORDAN KAVAKLOV, 29, of Bulgaria, also pleaded guilty and was sentenced by Judge Hunt on September 10, 2009 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. Both defendants will be handed over to immigration authorities for removal from the United States after they are released from federal prison.

According to Acting United States Attorney Yates, the charges and other information presented in court: During the fall of 2008, NIKOLOV and KAVAKLOV 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.

NIKOLOV and KAVAKLOV 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.