

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

: Hon.

v.

: Criminal No.

VIKTOR KAFALOV

: 18 U.S.C. § 1349,
18 U.S.C. § 1028A &
18 U.S.C. § 2

I N F O R M A T I O N

The defendant, VIKTOR KAFALOV, having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges as follows:

COUNT 1

Conspiracy to Commit Bank Fraud

1. At all times relevant to this Information, defendant VIKTOR KAFALOV was a resident of Brooklyn, New York.
2. At all times relevant to this Information, Valley National Bank (the "Victim Bank"), was a federally insured financial institution as that term is defined by 18 U.S.C. § 20.

The Scheme to Defraud

3. From on or about September 12, 2008, to in or about October 2008, defendant

VIKTOR KAFALOV

did knowingly and intentionally conspire and agree with others to devise a scheme and artifice to defraud and to obtain money and property from the Victim Bank by means of materially false and

fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344.

OBJECT OF THE CONSPIRACY

4. It was the object of the conspiracy for defendant VIKTOR KAFALOV and others to enrich themselves by installing devices on ATM machines that acquired users' account information, and, thereafter, by using this account information to create new ATM cards to withdraw funds from these accounts.

Means and Methods of the Conspiracy

5. It was part of the conspiracy that identity information contained in the magnetic strip of an ATM card relating to the Victim Bank's customers and their accounts were read and recorded by an electronic device ("skimmer") inserted into the ATM, along with a pinhole camera that recorded the Victim Bank's customers' keystrokes when they entered their personal identification number ("PIN").

6. It was a further part of the conspiracy that the identity and PIN information were then transferred and loaded onto a blank debit/ATM card ("counterfeit ATM card").

7. It was a further part of the conspiracy that the newly created counterfeit ATM card, as described in the preceding paragraph, was then used to make unauthorized withdrawals from the skimmed accounts at the Victim Bank.

Specific Transactions

8. Between on or about September 12, 2008 and on or about

September 13, 2008, defendant **VIKTOR KAFALOV**, along with two additional conspirators, "C1" and "C2," who are not charged in this Information, installed a number of electronic devices on ATMs at the Victim Bank's branches in Nutley and Belleville, New Jersey, which were capable of recording bank customer information encoded on credit and debit cards (the "Card Skimmers"). In addition, defendant **VIKTOR KAFALOV** and C1 installed cameras on the Victim Bank's ATMs that were capable of recording the keystrokes of Victim Bank customers as the customers entered Personal Identification Numbers ("PINs") during ATM transactions.

9. Between on or about September 13, 2008 and on or about September 28, 2008, defendant **VIKTOR KAFALOV**, along with C1 and C2, used the card skimmers to obtain account information for approximately 348 accounts belonging to Victim Bank customers who used the ATMs in Nutley and Belleville, New Jersey during this period (the "Stolen Account Information").

10. At various times that the skimming devices were in place, and in order to avoid detection of these devices, defendant **VIKTOR KAFALOV**, along with C1 and C2, intermittently removed the skimming devices and pinhole cameras.

11. Between on or about October 19, 2008 and on or about October 22, 2008, defendant **VIKTOR KAFALOV**, along with "C3" and "C4," coconspirators who are not charged in this Information, used counterfeit ATM cards containing the Stolen Account

Information to fraudulently obtain \$278,144 from ATMs located in Brooklyn, Queens, Manhattan, and Long Island City, New York, and Mississauga, Ontario, Canada.

12. In each of these fraudulent ATM transactions, defendant VIKTOR KAFALOV and his coconspirators withdrew funds from the accounts at the Victim Bank that were previously skimmed at the Victim Bank's branches based in Nutley and Belleville, New Jersey, including an account in the name of "J.P."

13. In addition to making these unauthorized withdrawals, on or about October 20, 2008, defendant VIKTOR KAFALOV and C3 used counterfeit ATM cards to access accounts of Victim Bank customers and then inserted empty deposit envelopes into the ATM in an attempt to fraudulently inflate the amount of the funds available in accounts and, thereby, increase the amount that they could withdraw from the accounts.

14. The Victim Bank ultimately reversed the unauthorized withdrawals from its customers' accounts, thereby assuming the loss of approximately \$278,144.

All in violation of Title 18, United States Code, Section 1349.

COUNT 2

Aggravated Identity Theft

1. On or about October 19, 2008, in Essex County, in the District of New Jersey, and elsewhere, defendant

VIKTOR KAFALOV

did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person, namely an ATM card containing the name and bank account number of an individual identified as "J.P.," during and in relation to a felony violation of a provision contained in chapter 63, United States Code, that is, conspiracy to commit bank fraud, in violation of Title 18, United States Code, Section 1349, charged in Count One of this Information.

All in violation of Title 18, United States Code, Section 1028A(a)(1) and Section 2.


PAUL J. FISHMAN
United States Attorney

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INFORMATION

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18 U.S.C. § 2

PAUL J. FISHMAN

U.S. ATTORNEY

NEWARK, NEW JERSEY

LORRAINE S. GERSON

ASSISTANT U.S. ATTORNEY

973-645-2789
