



Department of Justice

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Western District of Pennsylvania

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Indictment in UPMC Stolen Identity Scheme

PITTSBURGH - On Wednesday, a federal grand jury in Pittsburgh returned a multi-count indictment against Yoandy Perez Llanes, a foreign national residing outside of the United States. Llanes was charged in a 21-count indictment with a scheme to defraud the Internal Revenue Service, United States Treasury, using the stolen identities of employees of UPMC (University of Pittsburgh Medical Center) to file false federal income tax returns in order to obtain unlawful tax refunds. Llanes and unnamed conspirators converted the unlawful tax refunds to Amazon.com gift cards, which were used to buy merchandise which was shipped internationally. All of these acts occurred generally between January and April, 2014. Llanes is charged with conspiracy to defraud the United States, wire fraud, money laundering and aggravated identity theft.

Early in 2014, thousands of employees of UPMC had their personal information compromised by hackers, who intruded into a UPMC computerized database stealing names, social security numbers, dates of birth and other personal identifying information. This data was then used to file false 2013 federal tax returns. Investigators learned that names and other identifiers were used by Llanes and other conspirators to file 935 false tax returns in which unlawful refunds were requested in the form of Amazon.com gift cards. Quick action by the IRS, UPMC, and Amazon.com was frustrated the efforts of the fraudsters to file additional false returns and obtain further fraudulent proceeds. While the perpetrators sought approximately \$2.2 million in fraudulent refunds, only \$1.4 million was actually disbursed as refunds. Stolen Identity Refund Fraud, such as that alleged to have been perpetrated by Llanes, costs United States taxpayers billions of dollars.

This criminal scheme was complex and crossed national borders. Llanes and the conspirators used anonymous and encrypted email to disguise their identities and proxy computers to file returns. Using the fraudulently obtained Amazon.com gift cards, Llanes purchased hundreds of thousands of dollars in electronic merchandise for shipment through reshipping services in Miami, Florida, with instructions for delivery to "drop" locations outside

the United States. Llanes and others then retrieved the merchandise and advertised it for sale on online auction websites overseas.

Though Llanes and the conspirators attempted to conceal their whereabouts and their identities through the use of encrypted email and proxy services, investigators were able to uncover the sophisticated plot and identify Llanes.

The law provides for a sentence of imprisonment, a fine of \$5,500,000 or both. Under the Federal Sentencing Guidelines, the actual sentence imposed would be based upon the seriousness of the offenses and the prior criminal history, if any, of the defendant.

Assistant United States Attorney Gregory C. Melucci is prosecuting this case on behalf of the government.

The Internal Revenue Service-Criminal Investigation, the United States Secret Service and the United States Postal Inspection Service, conducted the investigation leading to the indictment in this case.

An indictment is an accusation. A defendant is presumed innocent unless and until proven guilty.

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