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U.S. SECRET SERVICE'S OPERATION FIREWALL NETS 28 ARRESTS International Undercover Investigation Prevents Millions in Financial Loss

(Washington, D.C.) – An information age undercover investigation led by the U.S. Secret Service, a component of the Department of Homeland Security, in collaboration with domestic and foreign law enforcement, the U.S. Department of Justice as well as investigators from the financial services industry, has led to the arrests of 28 individuals. The suspects, located across eight states and six foreign countries, were involved in a global cyber organized crime network. Charges against the suspects include identity theft, computer fraud, credit card fraud and conspiracy.

“Led by the Secret Service Newark Field Office, investigators from nearly thirty domestic and foreign Secret Service offices and their global law enforcement counterparts have prevented potentially hundreds of millions of dollars in loss to the financial and hi-tech communities” said Secret Service Director W. Ralph Basham. “Information is the world’s new currency,” he continued. “These suspects targeted the personal and financial information of ordinary citizens as well as the confidential and proprietary information of companies engaged in e-commerce.”

"Identity theft carries a heavy price, both in the damage to individuals whose identities are stolen and the enormous cost to America's businesses," said Attorney General Ashcroft. "This indictment strikes at the heart of an organization that is alleged to have served as a one-stop marketplace for identity theft."

The Operation Firewall investigation has resulted in the significant disruption of cyber criminal activity targeting the financial infrastructure of the United States. With the suspects collectively having trafficked in at least 1.7 million stolen credit card numbers, financial institutions have approximated their actual losses associated with the suspects in the investigation to be more than \$4.3 million. However, authorities calculate estimates of prevented loss to the industry amount to potentially hundreds of millions of dollars had this criminal enterprise not been disrupted.

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Working in cooperation with the U.S. Attorney's Office for the District of New Jersey, the Computer Crime and Intellectual Property Section of the Criminal Division of the Department of Justice, and other U.S. Attorneys' offices and law enforcement agencies, the indictment is a result of a year-long investigation.

Operation Firewall began in July 2003 as an investigation into access device fraud. The case evolved into a highly technical, transnational investigation involving global credit card fraud and identity theft over the internet.

During the course of the investigation, computer underground criminal groups were identified as Shadowcrew, Carderplanet and Darkprofits. The criminal organizations operated websites used to traffic counterfeit credit cards and false identification information and documents. These websites not only shared information on how to commit fraud, but also provided a forum by which to purchase such information and tools.

These groups are highly organized international criminal enterprises that use websites to promote and facilitate a wide variety of criminal activities including electronic theft of personal identifying information, credit card and debit card fraud, and the production and sale of false identification documents. After initial contact via the internet, the suspects exchanged stolen information and counterfeit documents such as credit cards, driver's licenses, domestic and foreign passports and birth certificates.

Beginning in early 2004, data obtained through court authorized intercepts revealed internal communications, transactions and practices of the previously identified groups and other criminal organizations. The amount of information gathered during the investigation is approximately two terabytes – the equivalent of an entire university's academic library.

The assistance of international law enforcement – particularly the United Kingdom's National Hi-Tech Crimes Unit, the Vancouver (British Columbia, Canada) Police Department's Financial Crimes Section, the Royal Canadian Mounted Police and Europol – has been and will continue to be critical to the success of Operation Firewall. In addition, specific support was provided by Secretary General Boiko Borisov of Bulgaria as well as police agencies in Belarus, Poland, Sweden, the Netherlands and Ukraine and the U.S. Department of State.

The Secret Service has taken a lead role in the emerging area of cyber crime and, through a nationwide network of 15 electronic crimes task forces, has established working partnerships in both the law enforcement and business communities to address such issues as protection of critical infrastructure, internet intrusions and associated fraud.

*EDITOR'S NOTE: For questions concerning this release, please contact the United States Secret Service Office of Government and Public Affairs at 202-406-5708. **Additional information on Operation Firewall is available through the United States District Court, District of New Jersey.***

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