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InformationWeek

BUSINESS INNOVATION POWERED BY TECHNOLOGY

Government Busts Identity Theft Ring That Targeted Forbes 400 Richest

A 24-year-old Russian and four co-conspirators are accused of stealing \$1.5 million by obtaining victims' personal identifying information.

By Sharon Gaudin, [InformationWeek](#)

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Government authorities arrested and indicted five members of an alleged identity theft ring that was targeting billionaires from Forbes magazine's ranking of the 400 richest Americans.

Manhattan District Attorney Robert M. Morgenthau announced on Thursday that the defendants -- four of whom were arrested Thursday and are in custody in Michigan, Texas, Florida, and Kentucky -- [have been charged with stealing \\$1.5 million](#) and attempting to steal another \$10.7 million from their victims' financial accounts. Another defendant, Igor Klopov, was arrested in May and is in custody in New York.

Klopov, a 24-year-old Russian, was the alleged ring leader who mined the Internet to obtain victims' personal identifying information. The DA's office in Manhattan reported that he was arrested in May after he came to New York to claim \$7 million in gold that he thought had been purchased with money stolen from one of his victims.

[Forbes.com reported](#) that Texas billionaire Charles J. Wyly Jr. and other wealthy victims were the targets of the identity theft ring. Wyly, 73, and his brother, Sam, headed the world's largest arts and crafts chain, Michaels Stores, before it was sold last year for \$6 billion.

The year-long investigation into the criminal conspiracy broke open when an investigator with the Manhattan District Attorney's Identity Theft Unit went undercover, taking on the online identity of a Klopov accomplice and pursuing an on-line relationship with him.

The DA's office reported that the undercover investigation revealed that Klopov created dossiers of background research on his targeted victims and even hired private investigators to provide him with additional information on his targets. He used on-line job hunting sites, such as Monster.com and CareerBuilder.com, to recruit accomplices. The DA also noted that he provided his co-conspirators with fake identification and documents, background information on the identity theft victims, and even made all their travel arrangements, including reservations at five-star hotels and town car limo services.

Klopov paid for the recruits' travel expenses using stolen credit card numbers.

Investigators reported that it was difficult to nail down Klopov's actual identity for some time because he used a variety of cyberidentities, like "kirill," "trancer," "239855403," "rayescrowchk," "topfinancegroup," and "stayintheshadows." He also only communicated with his co-conspirators via e-mail or instant messaging.

The DA's office reported that in one instance, Klopov allegedly contacted Fidelity Investments on Dec. 15, 2005, and requested that approximately \$1 million worth of stock, which was held in the account of a Silicon Valley couple, be sold. On that same day, a co-conspirator showed up at the Fidelity Investments office in San Jose, Calif., with a counterfeit power of attorney, ostensibly signed by the couple. On Dec. 20, 2005, \$1,050,000 was wired from the couple's account to an account at Washington Mutual Bank in the name of one of Klopov's co-conspirators. Later that same day, at Klopov's alleged

direction, almost \$1 million was transferred by wire to bank accounts in Russia.

The group of five defendants faces a myriad of charges, including conspiracy in the fourth degree, grand larceny in the first degree, attempted grand larceny in the first degree, money laundering in the first degree, attempted money laundering in the first degree, and identity theft in the first degree. Money laundering in the first degree and grand larceny in the first degree are both punishable by up to 25 years in prison.

An advertisement banner for Gateway servers. On the left, there is a close-up photograph of a server rack with blue indicator lights. The main text in the center reads "Choose from a suite of energy-saving AMD® servers." To the right of the text is the Gateway logo (a stylized 'G' with a horse head) and a button that says "PROVE IT". Further right is the AMD 64 Opteron logo, which includes the AMD logo, the number "64" in a stylized font, and the word "Opteron" below it.

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