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T.J. Maxx Fraud Ring Leader Gets Five Years In Prison

The 18-year-old who pleaded guilty in March was also ordered to pay nearly \$600,000 in restitution.

By Sharon Gaudin, [InformationWeek](#)

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The ring leader of an identity theft gang linked to the T.J. Maxx credit card fraud case was sentenced to five years in prison.

Irving Escobar, 18, also was ordered to pay nearly \$600,000 in restitution for leading a criminal operation that used personally identifiable information stolen from T.J. Maxx parent company TJX to make counterfeit credit cards. Escobar pleaded guilty in March to charges of participating in an organized scheme to defraud.

Four co-defendants also had pleaded guilty to similar charges involving organized fraud and grand theft in relation to the same operation. Dianelly Hernandez, Julio Alberti, Reinier Alvarez and Zenia Llorente all were sentenced to probation in August. Escobar's mother, Nair Alvarez, pleaded guilty in March and was deported to Venezuela.

"Having personally witnessed the devastation identity theft can cause on so many levels, I have pledged the full strength of my office to prosecute these criminal operations and shut them down so we can protect our citizens from this terrible form of victimization," said Attorney General Bill McCollum, in a [written statement](#).

The culprits who actually stole the 45.7 million customer records from TJX remain at large and unknown. Law enforcement officials have [arrested at least 10 people](#) since the beginning of the year for their roles in using that stolen information to commit fraud.

In late August, a [Ukrainian man, was arrested](#) and charged with selling credit card information stolen during the security breach at TJX. Doug Bem, an inspector with the U.S. Postal Inspection Service, had told *InformationWeek* that Maksym Yastremskiy, who is believed to be in his mid-20s, has been taken into custody in Turkey. And "discussions" are under way about extraditing him to the United States.

The theft at TJX, which is also the parent company of retailers like T.J. Maxx, Marshalls and HomeGoods, was reportedly the largest customer data breach on record. Earlier this year, the company announced the loss of more than 45 million credit and debit card numbers that were stolen from its IT systems over an 18-month period. In August, TJX reported in its second-quarter earnings that the company had to absorb a \$118 million charge related to the massive security breach. For the second quarter, which ended July 28, the breach cost 25 cents per share -- 10 times more than the 2 cents to 3 cents company executives estimated just three months ago.

With the Escobar case, the Gainesville Police Department and the Florida Department of Law Enforcement worked jointly on the investigation. The Florida Attorney General's Office reported that Escobar led the operation, coordinating the use of counterfeit cards to buy gift cards at Wal-Mart and Sam's Club. The defendants then redeemed the gift cards to buy jewelry and electronic equipment. Attorney General Bill McCollum called it a "modern-day version of money laundering."

Authorities estimated a total loss of \$3 million could be attributed to Escobar and his co-defendants on a nationwide scale.