

Jewish, Israeli bank hackers bragged of plans, exploits

Three men, 2 of them Israeli, charged in massive theft of millions, talked of playing with stock prices, building a 'large empire'

By **AP** and **AFP**

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Gery Shalon, second left, and Ziv Orenstein, second right, suspected of being involved in several fraud schemes tied to the NYSE, seen in the Jerusalem Magistrates' Court, July 22, 2015. (Yonatan Sindel/Flash90)

As they carried out what federal prosecutors call a “sprawling criminal enterprise” stretching around the globe, with schemes nestled within schemes, the accused masterminds plotted and bragged to each other in emails.

Some of the communications by Gery Shalon, Ziv Orenstein, Joshua Samuel Aaron and an unnamed co-conspirator, as translated into English and unveiled by US prosecutors in Manhattan on Tuesday:

— Shalon bragged about the size and scope of his schemes to manipulate stock prices, describing how he used stolen data. His profit-reaping sale of shares in one company was “a small step towards a large empire. ... We buy them very cheap, perform machinations, then play with them.”

— What about getting caught by law enforcement authorities? Asked, “In Israel, you guys probably don’t have to be afraid of the USA ... meaning that even if there is some case, they won’t be able to do anything?” Shalon’s response: “There is nothing to be afraid of in Israel.”

— Shalon acknowledged that he was getting a passport in another name.

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— Are Americans good prospects to buy the stocks that were being manipulated? Asked whether buying stocks was popular in the US, Shalon said: “It’s like drinking freaking vodka in Russia.”

— “Yes, this is a very cool idea. ... We need to think how we can do it,” Shalon said. He was responding to the suggestion that top managers in one of the big companies hacked could have “secrets” in their email.



Gery Shalon, suspected of being involved in several fraud schemes tied to the NYSE and a massive data breach at JPMorgan Chase & Co. seen at the Jerusalem Magistrates’ Court, July 22, 2015. (Yonatan Sindel/Flash90)

— Shalon told Aaron that the hack of one of the companies had succeeded, saying they had gotten “probably 9 million unique” customer records. He told Aaron, “We got what you wanted, so now show me how WE make out of it 100mil (\$100 million) a year.”

— Prosecutors said Shalon, Orenstein and others made hundreds of millions of dollars from “unlawful internet casinos” they operated in the US and elsewhere through hundreds of employees in multiple countries. At least 12 were in the US, offering casino gambling with real money, a violation of federal law and the laws of several states. Orenstein told Shalon in a December 2013 email that revenue from their casino operations for October was \$78.9 million, which he said was “almost no change” from July 2012, when it was \$75.2 million.



Ziv Orenstein, right, suspected of being involved with several fraud schemes tied to the NYSE and a massive data breach at JPMorgan Chase & Co. seen at the Jerusalem Magistrates' Court, July 22, 2015. (Yonatan Sindel/Flash90)

In July, Shalon and Orenstein were arrested in Israel, and around the same time US officials detained Anthony Murgio, who was charged with operating an illegal money transfer service using the bitcoin virtual currency that helped launder the profits from the scheme.

Murgio was accused in a separate indictment of operating the Coin.mx service that was used to conceal the gains of the hackers.

Aaron, who is known to have ties to Russia, remains at large, according to officials. Shalon and Orenstein remain in custody in Israel pending an extradition proceeding.

The indictments include some 30 criminal charges carrying penalties of between five and 20 years each.

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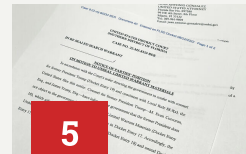
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