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**\$2 Million Los Angeles ATM Card Fraud Ring Busted--Ten Arrested.
Case Involves Four Crooked Bank Tellers,
POS Merchant Collusion,
Hidden Video Cameras Spying PINS
And Laptop Computers Intercepting POS Line Information**

A major FBI investigation of ATM card fraud has resulted in the arrest of at least ten people in the Los Angeles area. Several Los Angeles area law enforcement agencies, Great Western Bank investigators and Card Alert Services contributed to the investigation, which began in August 1996. Leaders of the scheme were Raffie Eskandarian, who had at least two prior arrests for card fraud-related activities, and Rene Simonian, who had at least one prior arrest for possession of fictitious ATM and credit cards. A third key member in the scheme was Patrick Khalafian, a computer programmer who was a part time employee at the prestigious Jet Propulsion Laboratory in Pasadena. Khalafian wrote computer software which was used to intercept POS line signals and record card next information. (Continued on next page.)

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Great Western Bank investigators identified four of their tellers who were involved in stealing customers' ATM account information and PIN numbers during legitimate transactions at Great Western banks. This stolen information was then passed on to others in the ring and was used to manufacture counterfeit ATM cards. The counterfeit cards were then used to make unauthorized withdrawals from the customers' accounts. The four tellers were responsible for at least 119 customers' ATM cards being compromised with the bank suffering losses of approximately \$100,000. One of the victimized customers told bank investigators that he went to the Studio City branch of Great Western Bank to make a \$20,000 deposit on January 24, 1997. The teller who processed the deposit asked the customer to run his ATM card through the card reader, and to type in his PIN. The customer stated he had banked at that branch for 19 years, and never before had been asked by a teller to use his ATM card for account verification.

Eskandarian and Simonian also recruited gas station owners or station workers to help them obtain legitimate card information for their fraud. Eskandarian and Simonian provided the following equipment to accomplices at the ARCO station on Clarendon Avenue in Woodland Hills, California: a small surveillance camera with an expensive lens on it, a VCR and a computer which was connected to the ATM and credit card swipe machine via wires below the cash register. A software program called Snip.dat written by Khalafian was used to download and copy the credit card and ATM numbers swiped through the POS terminal. The VCR was placed in the ceiling area and connected to the video camera which was placed in the ceiling above the PIN pad. A hole was drilled in the ceiling tile above the ATM PIN pad to allow the PIN numbers of customers to be videotaped while they input it on the PIN pad which was glued to the counter, so customers could not move it out of the view of the camera. This equipment was left in the ARCO station approximately two weeks. An accomplice night clerk was provided with blank videotapes and was told to change the videotape each night. After two weeks, the equipment was removed. The ARCO computer and video equipment collected approximately 600 ATM numbers. Blank white cards were used to create counterfeit ATM cards. The counterfeit cards were taken to ATMs after midnight often in convenience stores for daily dollar limit withdrawals. The estimated loss due to the ATM card counterfeiting at the Clarendon ARCO station was approximately \$159,000.

Another source of stolen card information was the Covina Auto Spa car wash where the owner's son was paid \$13,000 for his cooperation in installing the equipment for two weeks to steal customers' card information. At the cashier's station of the car wash, the same video and computer spying equipment is believed to have been used, including the ceiling-mounted hidden camera which spied customers' PIN numbers. At least 76 Bank of America cards were compromised at the Covina Auto Spa, resulting in a loss of \$66,020.

In addition Khalafian, the computer expert, was developing software for an "age verification program," which was designed to be used on the Internet to insure that only individuals over the age of 18 could have access to adult-only Internet web sites. The program requires anyone who wants to access an adult web site to enter their name, a credit card number and the expiration date. Khalafian and his associates also were attempting to set up an "on-line" Internet casino. In order to access this casino, players again would have to enter their name, credit card number and expiration date. The players would then purchase tokens which could be used to play blackjack. The key purpose of this "age verification program" and the "on-line casino" would be to serve as a source of good credit card numbers for later ATM and credit card fraud schemes.

Lessons Learned

Among the lessons learned from this sophisticated and successful card counterfeiting operation:

- 1) Prior ATM and credit card counterfeiters need to be watched closely. Penalties for this nonviolent crime are rarely severe, and (if convicted and sentenced) upon release they are likely to return to counterfeiting with more sophisticated and larger scams. For some prior offenders like Raffie Eskandarian and Rene Simonian, card fraud appears to have been their primary source of income, and their chosen lifestyle for many years. Identified prior card counterfeiters are a likely source of future increasingly sophisticated card counterfeiting scams.
- 2) The long feared and anticipated in line interception of POS card data has been documented. Other similar breaches of data security certainly will follow.
- 3) The ease and cost of POS merchant collusion in card fraud has been documented. Access to a POS terminal for theft of card information may be as easy as recruiting the late night clerk in a gas station (without the station owner's knowledge) or paying the merchant a fee (e.g. \$13,000) for two weeks' access to POS data.
- 4) Bank employee hiring procedures were unsuccessful in screening out four data thieves working at the same time. Although the four were identified and arrested, it was not before they were able to do significant damage.
- 5) Early fraud detection software used by ATM switches, processors and/or card issuers is vital to early detection of suspicious transactions (e.g. multiple daily dollar withdrawal transactions in a row at a convenience store or gas station ATM late at night). Card Alert Services played an important role in this investigation. Contingency plans for suspected fraud outbreaks should be developed to limit losses immediately after fraud outbreaks are documented. Law enforcement investigation and documentation of this scam lasted over 18 months.

Background

A Card Alert Services survey in 1995 found nearly \$100 million in ATM fraud losses nationally. The study also showed the western part of the United States accounted for 72% of these losses. The Card Alert Services study reported that between 1993 and 1994, ATM fraud claims rose 29% and ATM fraud losses rose 142%.

Further details of this Los Angeles scheme are available in a 40 page affidavit filed by the FBI on March 4, 1998 in this case. The affidavit is available from Newsletter editor Barry Schreiber (612) 856-4884 or from Assistant U.S. Attorney Stephen Larson in the Los Angeles office at (213) 894-2273.

THEFTS OF ENTIRE ATMs MULTIPLY NATIONWIDE



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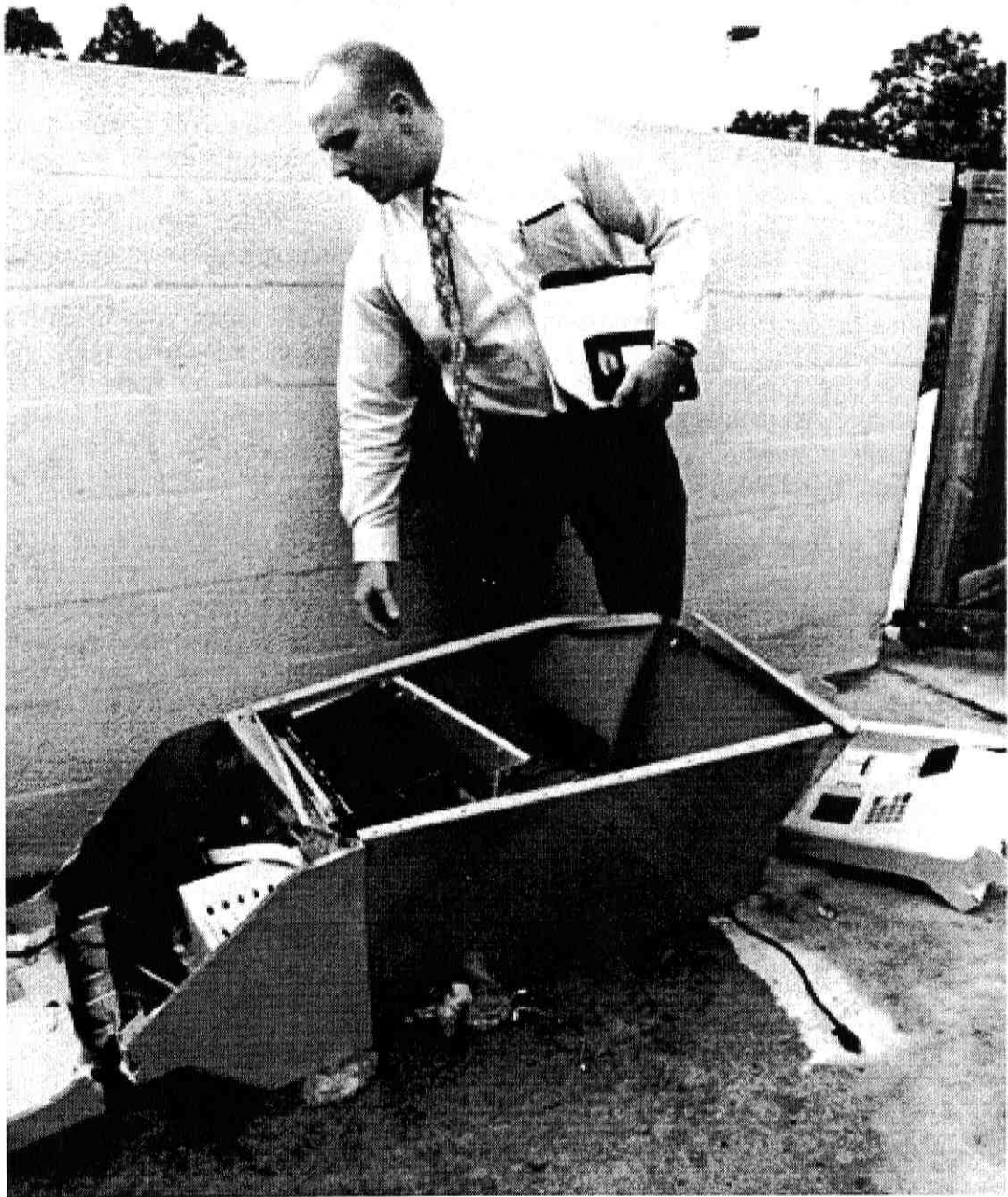
Several bands of ATM machine thieves appear to have sprung up across the nation. They typically continue stealing ATMs in a particular geographic area until their luck runs out and they are apprehended. Reasons for this increase in theft of entire ATMs may include:

- 1) The advent of ATM transaction surcharging has encouraged ATM placement in thousands of locations that were not previously profitable. An estimated 165,000 ATMs are deployed across America today. An increasing percentage of these are "dial up" ATMs, which are lighter, generally less secure, often have little or no alarming on them, and may be positioned without much consideration for security in business locations that are closed late at night, and may not themselves be alarmed.



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**Dialup ATM Extracted From Mobil Service Station In Port St. Lucie, Florida
December 29, 1997**



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- 2) The published details of ATM extractions, and the loss amounts which have been made public may serve as incentives to some potential burglars. Following are details of thefts of entire ATMs during the months of January and February 1998:
 - 1) **YACS Suspect And Orlando, Florida Police Officer Shot During Raids** -- Simultaneous pre-dawn police raids on two homes of YACS suspects near Orlando, Florida resulted in an Orlando police SWAT officer, Bobby Bond, 42, being shot in the neck, and the patriarch of the suspected YACS family, Pal Krasniqi, 71, being shot in

the chest. After a six month investigation into the thefts of safes and ATMs from banks and businesses across central Florida, police executed the raids on Friday, February 27 at two suspected YACS homes and two other locations. A total of nine Krasniqi clan members had been arrested by the end of the day, including a 12 year-old grandson.

Police said the Krasniqis had extensive knowledge of police practices and sophisticated alarm systems. A search of Pal Krasniqi's home located more than \$50,000 in cash. At another location, several heavy power tools, including a water-cooled drill capable of boring 4 1/4 inch diameter holes through thick metal was discovered. These tools were believed to have been used to open safes and ATMs.

Police officer Bond received a minor injury but Pal Krasniqi was in critical condition after being shot in the chest in his bedroom during the pre-dawn raid. Krasniqi had previously fought off a home invasion robbery last fall by firing five shots at an intruder. A second earlier Krasniqi home invasion netted robbers at least \$4,000 and a handgun, according to police. (*Orlando [Florida] Sentinel*, February 28 and *USA Today*, March 6).

- 2) **ATM Stolen From Florida McDonalds** -- Deputies responded to a 2:15 a.m. alarm at a McDonald's restaurant in Winter Springs, Florida on December 30, 1997 where an ATM had been stolen. Sheriff's spokesman Ed McDonough said the ATM weighed from 400 to 500 pounds and was later found unopened around four miles away. They think the thieves may have used a truck to steal the ATM. ([*Sanford [Florida] Herald*, December 31, 1997).
- 3) **Two Florida C-Store Clerks Ordered To Floor As Truck "Ram Raids" ATM Out Front Door** -- An ATM was stolen from the Handy Way convenience store west of Sanford in central Florida around 4:15 a.m. on January 2, 1998. Two masked men armed with guns entered the store and ordered the two clerks to get on the floor. A chain was put around the ATM and a truck driven by a third suspect was then backed in through the front of the store to drag the ATM away. (*Sanford [Florida] Herald*, January 2).



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- 4) **Front End Loader Wrecks Florida Kiosk And ATM** -- Early Thursday January 23, a stolen front end loader destroyed an ATM kiosk at the GTE Federal Credit Union in Pinellas Park, Florida. An undisclosed amount of cash was taken from the ATM. The front end loader was left behind. Police are investigating. (*Tampa Tribune*, January 23).

- 5) **Pensacola, Florida ATM Machine Thieves Also Abduct Two C-Store Clerks And Customer In Getaway** -- About 4 a.m. on Wednesday January 28, two ski-masked gunmen entered a Circle K store on East Burgess Road in Pensacola, Florida. One robber demanded cash from the clerk, but soon turned to the ATM machine. He forced one male and one female clerk on duty to help him lift the ATM into the van. A customer who was pumping gasoline at the time also was abducted with the two clerks. They were driven about an hour before being released. No injuries were reported. The store's surveillance camera captured the unusual robbery on tape, but because of the ski-masks, provided little clues to the robbers' identities. (*Pensacola [Florida] News Journal*, January 29; *Ft. Pierce [Florida] Tribune*, January 30).

- 6) **Wild Chase In Panama City, Florida Has Stolen ATM Thrown Out Of U-Haul Truck At Pursuing Police** -- About 3 a.m. on Sunday February 1, Bay County Florida sheriff's deputies received a call about a suspicious U-Haul truck backed up to a grocery store on U. S. Highway 231. Responding deputies found the U-Haul gone and discovered the front door of the store was broken. A chain apparently had been wrapped around the store's ATM which was jerked out by a stolen U-Haul truck. Deputies quickly spotted the stolen U-Haul on Highway 231 and attempted to intercept it. A second vehicle driven by an accomplice of the ATM burglars tried to cut

off the pursuing police, but was not successful. At one point, the stolen ATM was thrown out of the back of the U-Haul truck driving about 70 m.p.h. at the pursuing squad car. The first thing the officer in pursuit knew, there was a big flash of sparks in front of him as the ATM hit the pavement. It was dark and rainy and the pursuing officers were lucky to avoid the ATM in the roadway.

Police arrested Steven Robert Collins, 39, Wende Lorraine McCormick, 26, her brother Jerry Carl McCormick, 38, and Caroline T. Furness, 30. Police believe the four are involved in a string of ATM thefts across the eastern seaboard. ([Panama City, Florida] *News Herald*, February 3).

- 7) **Two "Repairmen" Remove ATM From Clearwater, Florida Bank During Daylight** -- About 2 p.m. on President's Day, February 16, two men whom witnesses saw working on the AmSouth Bank ATM in Clearwater, Florida, unplugged the 900 pound ATM from the building's lobby and carted it off. The bank was closed for President's Day, but the lobby was open for ATM transactions and access to other businesses in the building. The stolen ATM's phone and communication lines were cut before the ATM was rolled out of the bank. (*St. Petersburg [Florida] Times*, February 18).
- 8) **Georgia Hit By ATM Machine Thieves** -- On December 30 about 12:30 a.m. burglars smashed in the front door of the Helen, Georgia BP gas station on Main Street and dragged the station's ATM to a waiting vehicle. Police reported that the ATM had no cash in it. The same night, police believe the same suspects stole another ATM in Cornelia, Georgia. Police believe the same gang is responsible for several other ATM machine heists in the area. ([Cleveland, Georgia] *White County News Telegraph*, January 22).
- 9) **"Ram Raid" Near St. Paul Nets Entire ATM From Service Station** -- About 3 a.m. on Friday February 13, Maplewood, Minnesota police reported an alarm sounded at the HCO service station in town. When police arrived, they discovered the front door had been smashed in, apparently by ramming it with a truck. The store's ATM, which weighed about 150 pounds, was missing. About six hours later, a jogger reported what appeared to be an ATM lying in the snow. The machine had been hacked and peeled apart, and its cash was missing. A stolen pickup truck was used in a similar ram raid attempt in North St. Paul in early February. In that case police arrived in time to foil the heist. ([North St. Paul, Minnesota] *Oakdale-Lake Elmo Review*, February 18).
- 10) **Five North Dakota Men Sentenced For Theft Of Two Entire ATM Machines** -- Five North Dakota men received federal sentences for stealing a Commercial Bank of Mott ATM from a convenience store, hauling it to a storage building and pounding it open with hammers and chisels; and for stealing the First State Bank of LaMoure ATM and later cutting it open with a stolen cutting torch. David Walton Desautel, 24, received 18 months in prison and was ordered to pay \$10,446 restitution to the banks involved. John Christopher Gartner, 20, received probation plus \$5,196 restitution; Shannon Zueger received 15 months plus \$5,250 restitution; Ryan Zueger got halfway house time plus \$10,142 restitution; Christopher Lembke got a year in prison plus \$10,142 restitution. (*Bismarck [North Dakota] Tribune*, February 3 and 21).

- 11) **Nebraska Man Arrested For Theft Of ATM And \$4,580 In Cash** -- Early on Sunday morning March 1 the McCarter's McMart convenience store in Hay Springs, Nebraska was burglarized and an entire ATM was extracted from the store. The ATM, belonging to Stockmen's National Bank reportedly contained \$4,580 in \$20 bills. Less than two days later, police arrested Ben Janssen, 20, at his home. Police recovered \$4,560 in cash, and found metal and paint transfers matching the ATM in Janssen's pickup. Janssen is facing multiple charges. (*Chadron [Nebraska] Record*, March 10).
- 12) **Two Colorado Men Face Federal Charges For Stealing ATM And \$46,000** -- Early on the morning of February 5, 1998, burglars broke into The Grocery Store in Bayfield, Colorado, and used one of the store's dollies to cart off the 2,000 pound ATM after it was unbolted from the floor. A search of the basement apartment of Brian Kelly Belew in Durango revealed the ATM's vault and pieces of its mechanism, but none of the \$46,000 that was inside the ATM. Also found in Belew's apartment were "anarchists' cookbooks", with information on how to pick locks and commit other crimes. Also arrested was Mark James Browne, 25. Both men are awaiting trial. (*Durango [Colorado] Herald*, February 10).

On the other hand, not all attempts to remove ATMs are successful . . .

ATTEMPTED THEFTS OF ENTIRE ATMs

- 13) **Theft Of Idaho ATM Fails When Thieves Can't Lift It Into Pickup Truck** -- About 2:27 a.m. on Wednesday February 11, thieves entered the First Security Bank lobby in Coeur d'Alene, Idaho, cut the wires in the rear of the ATM and dragged the seven foot tall machine out front onto the sidewalk. The theft of the entire ATM failed when the thieves were unable to lift the machine into the back of their pickup truck. A newspaper carrier riding her bike near the area at the time reported hearing a man "grunting and groaning" at the front of the bank shortly before she saw a pickup truck speed away from the bank. No cash was lost. ([Spokane, Washington] *Spokesman-Review*, February 12).
- 14) **Jury Convicts Three Los Angeles-Area Men Who Failed In Theft Of Entire ATM** -- On February 5, a Torrance, California jury convicted three men for theft of an ATM outside the TRW Credit Union in El Segundo on October 30, 1997. The ATM had been stolen just nine minutes before security guards responding to an alarm followed the trail of cut wires and skid marks on the floor and found the three men trying to lift the ATM into a van. One of the men, Darryl Watts, 34, will likely receive 26 years to life because this is his "third strike" in California. Nathaniel Lewis, 27, and Joel Freeman, 28, face a maximum three-year prison sentence. ([Torrance, California] *Daily Breeze*, February 6).
- 15) **Thief Fails To Lug 800 Pound ATM From Monterey, California Shopping Center** -- About 9 p.m. on Sunday February 8, an employee of the Carmel Plaza Shopping Center heard a loud crash and discovered that an ATM which had been on the third

floor of the complex was lying on its side on the ground floor of the Plaza. The 800 pound cash dispenser had not been pried open and no cash was missing. ([Monterey, California] *Herald*, February 11).

- 16) **Ram Raid Of Florida Walgreens Fails** -- At 4 a.m. on December 29, 1997, the plans of a would-be Belleview, Florida ATM thief were thwarted. The burglar had backed a truck through the Walgreens plate glass storefront, wrapped a chain around the ATM, hooked it onto the vehicle and hit the gas. Although the bolts holding the ATM to the floor gave way, the burglar couldn't get the ATM into the truck and ended up leaving empty handed. Belleview Police Sgt. Terry Holland said, "The machine was loaded with money, but they didn't get any of it." The \$30,000 ATM was destroyed and the store had about \$10,000 in damages. ([Panama City, Florida] *News Herald*, December 30; [Tupelo, Mississippi] *Northeast Mississippi Daily Journal*, December 31).
- 17) **Florida Police Nab Pair Of ATM Burglars With Stolen Machine After High Speed Chase** -- After heisting an ATM from the Alachua, Florida Sunrise Food Mart around 4:10 a.m. on January 3, two men led Alachua police on a high-speed chase through three counties before being apprehended. The pair had broken out the front window of the convenience store and pried a portable ATM off the floor with crowbars. Their escape vehicle containing the ATM was a mini-van reported stolen from Lake City. After the chase they fled by foot into the woods where canine units found them within three hours. Both men were booked into Alachua County jail. (*Gainesville Florida Sun*, January 4).
- 18) **Stolen Pickup Truck Crashes Into Port St. Lucie, Florida Convenience Store, But Fails To Dislodge ATM** -- Early Friday morning February 27, a stolen white Toyota pickup truck smashed into a Speedway convenience store in a failed attempt to steal the entire ATM and cash register. The C store, which was closed, yielded only a few cartons of cigarettes. No cash was lost, and police are investigating. (*Ft. Pierce [Florida] Tribune*, February 28).
- 19) **St. Petersburg, Florida ATM Resists Attempt Of 13 Ton Truck To Extract It** -- About 2:50 a.m. on Monday February 9, a light-colored, heavy duty flatbed truck appeared near the GTE Federal Credit Union ATM in Crystal River, Florida. Surveillance videotape shows the truck pulling up outside the ATM and would-be burglars tying a cable from the truck around the ATM and then using the truck to try to rip the ATM out of the building. Deputies discovered the broken cable tied around the damaged ATM, with one frayed end lying on the ground. The attempted theft triggered the ATM's alarm, and caused \$20,000 damage to the machine. (*St. Petersburg [Florida] Times*, February 10).
- 20) **Pennsylvania ATM Machine Thieves Lose Their Trailer In Foiled Theft** -- About 4 a.m. on Monday March 2, ATM burglars tried to steal an entire ATM from the First National Bank of Palmerton near Blakeslee, Pennsylvania. The ATM had been jerked off its foundation and loaded onto a homemade 3 foot by 8 foot trailer. Police responding to a burglar alarm at the bank found the loaded ATM on the abandoned trailer and are investigating. ([Allentown, Pennsylvania] *Morning Call*, March 4).

BURGLARY OF ATMs

The attractiveness of ATMs as targets for on-site burglars has not diminished either . . .

- 21) **Seven Arrested As Los Angeles ATM Burglary Ring Is Busted** -- On Sunday February 1, seven people suspected of breaking into more than a dozen banks and stealing hundreds of thousands of dollars from ATMs were arrested after they tripped a silent alarm at a Union Bank branch in Culver City, California. Six men and a woman were arrested. The seven are believed to be responsible for 10 to 15 burglaries from ATM vaults in the Los Angeles area in the prior six months. ([Oceanside, California] *North County Times*, February 2).
- 22) **Brooklyn Burglars Smash Hole In Brick Wall To Steal \$45,930 From ATM** -- About 4 a.m. on Monday February 16, police responded to an alarm at a Marine Midland Bank on Kings Highway in Brooklyn, but saw nothing amiss. Two hours later Brooklyn police discovered that burglars had sledgehammered through a rear brick wall to get inside the bank, and had carefully avoided motion detectors to spend about an hour cracking open the ATM and emptying its cash canisters of \$45,930. Police said, "These are professionals who know what they were doing." ([New York] *Daily News*, February 17).
- 23) **Frustrated Brooklyn Burglar Pumps Eight Bullets Into ATM** -- Some time before 5 a.m. on Sunday February 8, Brooklyn police reported that the ATM at Dime Savings Bank on Ocean Avenue had its front shattered and pried open, but the vault was untouched. Then, apparently the frustrated ATM burglar fired eight bullets into the ATM. No cash was lost. (*Brooklyn* [New York] *Graphic*, February 23).
- 24) **New Jersey Bank Janitor Who Found ATM Keys Steals \$29,125** -- On August 13, 1997, bank janitor Charles Hill Gibson, 42, found the keys to the ATM inside the Trust Company Bank of New Jersey in Camden, where he worked. Gibson was convicted of stealing \$29,125 in cash from the ATM and was sentenced to 18 months in prison. (*New York Times*, February 21).
- 25) **Delaware Supermarket ATM Looted** -- In the early morning hours of Sunday February 1, burglars broke into the Thriftway Supermarket in Smyrna, Delaware and broke into the ATM to steal an unspecified amount of cash. The interior of the store also was vandalized. Police are investigating. (*Smyrna Clayton* [Delaware] *Sun-Times*, February 4).
- 26) **Pennsylvania Store ATM Burglarized** -- Between 10 p.m. Tuesday, January 6, and 6 a.m. the next morning, a burglar broke into a Cumberland Falls, Pennsylvania store and stole an undetermined amount of cash from an ATM. The burglar pried a door lock cylinder off the front door to get into the store, then proceeded to use a tool to pry open the ATM. Lt. Neil Harkins said, "From my understanding these machines are rather

difficult to get into. We don't know yet if we're dealing with professional thieves. The FBI has joined in the investigation." Harkins said this is the first ATM burglary he can recall in Cumberland Falls. ([Levittown, Pennsylvania] *Bucks County Courier Times*, January 8).

- 27) **Pennsylvania Bowling Alley ATM Burglarized** -- Early Saturday morning January 31, an undisclosed amount of cash was stolen from an ATM in the Earl Bowl Lanes in Franconia, Pennsylvania. Police said a side door to the bowling lanes had been forced open, and telephone lines on the side of the building were cut to disable the alarm system. Nothing else of value was taken from the building. ([Lansdale, Pennsylvania] *Reporter*, February 3).
- 28) **Theft Of Cash From Pennsylvania Bank ATM** -- Some time between 11 p.m. on Friday February 13 and 12:30 a.m. the next morning, someone removed an undisclosed amount of cash from the ATM at F & M Bank in Mont Alto, Pennsylvania. No further details on the cash loss were reported. ([Waynesboro, Pennsylvania] *Record-Herald*, March 4).
- 29) **Georgia Convenience Store ATM Looted** -- Some time during the night of Sunday February 15, burglars broke into the AM-PM Express in Griffin, Georgia, after the store was closed. Burglars pried open the store's safe and broke into the ATM in the business, looting its cash as well. Police are investigating. (*Griffin [Georgia] Daily News*, February 17).
- 30) **Florida Supermarket ATM Burglarized** -- Between 8:30 p.m. on Wednesday January 28 and 6 a.m. Thursday, burglars looted an ATM inside the Spires IGA in Lake Butler, Florida. Police said the burglars disarmed the alarm system and tried to remove the machine from the store, but when they couldn't get it out of the store, they broke into the ATM. Police are investigating. (*Gainesville [Florida] Sun*, January 31)

ROBBERY OF COMMERCIAL DEPOSITS AT ATMs

- 31) **New Jersey Kentucky Fried Chicken Employee Robbed Of Deposit** -- On Sunday February 8, an employee of Kentucky Fried Chicken was attempting to deposit money at an Interchange Bank ATM in Lodi, New Jersey when a man approached her, displayed a black automatic handgun and demanded her deposit. The woman handed over an envelope containing \$5581, and the robber fled on foot. ([Passic, New Jersey] *North Jersey Herald & News*, February 10).
- 32) **Payless Shoes Employee Robbed Of Deposit In Maryland Shopping Center During Daylight** -- A female employee of Payless Shoes in the Festival at Riva Shopping Center was attempting to make a deposit at a Chevy Chase Bank ATM in the shopping center at 10 a.m. on Monday, February 9 when a man approached, demanded the deposit bag and fled on foot after taking it. The victim did not see a weapon and was not injured. The amount of loss was not disclosed. ([Annapolis, Maryland] *Capital*, February 17).

THEFTS BY ATM INSIDERS

- 33) **New York Credit Union Employee Steals \$100,000 On Extra ATM Card** -- In late February, 1998 an East Rochester, New York woman, Joyce M. Fountain, 40, was convicted of stealing \$100,000 between September 1991 and December 1996 from a single misappropriated ATM card. Fountain had been employed at Wegmans Federal Credit Union where one of her jobs was to order ATM cards for customers. Fountain apparently ordered an extra card for the account of one credit union member and used it over a five year period to make withdrawals without the permission of the accountholder. The accountholder became suspicious when she tried to make a withdrawal one day and was denied because there had been one earlier on the same day. Credit union officials launched an investigation, and installed a video camera that captured Fountain making two unauthorized withdrawals in December 1996. Videotapes of the fraudulent transactions were played to jurors. Fountain apparently used the proceeds from the \$100,000 theft for living expenses, mortgage payments, a car and a swimming pool. She faces a sentence of between 5 and 15 years in prison. ([Rochester, New York] *Democrat & Chronicle*, February 26).
- 34) **Pennsylvania Bank Employee Gets Five Years Probation For \$7513 Theft From ATM** -- The former employee of the PNC Bank in South Williamsport, Pennsylvania was convicted of stealing \$7513 from an ATM as she refilled it between July 1996 and January 7, 1997. Crystal Soanes, 26, pleaded guilty, and received five years probation for the offense. ([Harrisburg, Pennsylvania] *Patriot-News*, February 25).

ABDUCTION OF ATM CARDHOLDERS

- 35) **New York "ATM Rapist" Is Convicted Of Abducting And Robbing Nine Women**-- A 24-year-old Brooklyn man, Derrick Bonner, dubbed the "ATM Rapist" by police, was convicted February 24 of abducting and robbing nine women, six of whom were raped and sexually abused between February 1994 and January 1995. In six incidents, Bonner forcibly abducted his victims at gunpoint as they entered or left their cars in Queens. Bonner often would make his victims drive to a nearby ATM location to withdraw cash and then would take them to motels near Kennedy airport, where he sexually brutalized the women in several cases. Bonner faces up to life in prison after he was found guilty of 71 criminal charges related to the abductions, robberies and sexual assaults. ([Flushing, New York] *Glen Oaks Ledger*, February 26).
- 36) **Four North Hollywood Women Abducted And Robbed In One Month** -- Between February 8 and March 6, at least four women ranging between 20 and 30 years old who were entering an apartment building in North Hollywood, California were abducted and taken to an ATM machine for forced withdrawals. In two cases the women were sexually assaulted. In some cases only one perpetrator was present, in other cases two robbers committed the crimes. In all cases, the women were surprised by the men, who were armed with at least one handgun. Police cautioned women in the neighborhood and pressed an aggressive investigation. ([Los Angeles, California] *Daily News*, March 7).

- 37) **Indianapolis Woman Abducted From Bagel Shop At 7 A.M. For Forced ATM Withdrawals And Rape** -- About 7 a.m. Sunday February 8, a 26-year-old Indianapolis woman leaving a Bruegger's Bagel Bakery was confronted by a gunman who forced her into her car and drove her to two separate ATMs in the neighborhood for forced withdrawals of "large sums of money". The abductor then drove the woman to a secluded area where he raped her. Police are investigating. (*Indianapolis [Indiana] News*, February 11).
- 38) **Federal Prosecutor Abducted By Seven Men In New York City For \$2500 ATM Withdrawals** -- About 11 p.m. on Wednesday January 21, Stanley Alpert, 38, apparently was picked at random as a robbery victim as he left a restaurant in Greenwich Village by a septet of Brooklyn youths. The youths, one of whom walked up to Alpert with a gun, forced him into a waiting car. The robbers held Alpert hostage for 24 hours as they forced him to turn over his ATM card and PIN. About \$2500 was taken from Alpert's account. However an ATM camera caught images of several of the suspects entering Alpert's PIN number at the machine. After 24 hours, Alpert was released after he told his abductors that he worked for the federal government as the chief of environmental litigation in the U.S. Attorney's office. Police later raided several of the suspects' homes, recovering \$800 along with jewelry, credit cards, cellular phones and two guns. The seven Brooklyn robbers ranged in age from 22 to 16 years old. ([Brooklyn, New York] *Park Slope Courier*, February 2).
- 39) **Three New York City Women Abduct Man To ATM For Forced \$500 Withdrawal** -- About 11:45 p.m. Saturday, January 3, three women confronted Mahendra Jaymohan, 30, in Queens as he was about to enter his car. The women ripped a gold chain from his neck and forced him at gunpoint into his car to drive them to a Citibank ATM nearby, where he was made to withdraw \$500. The three women were arrested hours later. Irene Singh, 23, Melinda Singh, 19, and Jennifer Pacheco, 18, were charged with multiple offenses. Police recovered a .38 caliber semi-automatic gun. (*New York Post*, January 5).
- 40) **59-Year-Old Woman Leaving Pennsylvania Bingo Hall Abducted And Taken For Forced ATM Withdrawal** -- About 7:45 p.m. Saturday January 30, a 59-year-old woman leaving a Pennsylvania bingo hall was forced by two young masked men into her car and then was taken to a secluded location where her purse, cash, credit card and ATM card were taken from her. The two robbers also extracted the victim's PIN number and emptied her bank account from an ATM as she lay in the trunk of her vehicle. The woman was released about an hour later with minor injuries to her hand and knee. Police are searching for the two robbers who are believed to be in their late teens or early 20s.. ([Trenton, New Jersey] *Trentonian*, February 2).
- 41) **ATM Photo Aids In Identification Of Abductors Of North Carolina Woman** -- On Sunday January 25, Kimberly Saunders, 32, was abducted by two men from a large shopping center in Fayetteville, North Carolina, where she was picking up items on lay-aways. A 17-year-old North Carolina juvenile and his alleged accomplice Glenn Carson Moore, 21, took Mrs. Saunders on a 2-state spending spree, forcing her to use her credit cards and ATM cards. Mrs. Saunders was found the next day in Parkersburg, West Virginia walking along a highway after being raped and assaulted by the two men. An ATM photo taken from a Cash Points ATM on the University of

North Carolina Pembroke campus showed a man believed to be Glenn Carson Moore. The juvenile has been detained in Baltimore, police are searching for Moore. (*Parkersburg [West Virginia] News*, February 14).



Police in Several States are looking for this man who is a suspect in the abduction and assault of a North Carolina woman on Jan. 25. A camera in a North Carolina automatic teller machine caught the suspect on film.

- 42) **Shotgun Toting Louisiana ATM Robber Takes \$120 And Forces Ride From Victim** -- A man was robbed about 3:05 a.m. on January 22 after withdrawing \$20 from a BankOne ATM in Houma, Louisiana. A robber with a short-barreled shotgun approached the victim from the back of the bank building, took the \$20 cash, demanded another \$100 withdrawal and then forced the victim to drive the robber across a bridge where he reportedly left the vehicle and disappeared. ([Houma, Louisiana] *Courier* January 22).
- 43) **Two Georgia Thugs Pistol Whip And Abduct Man And Force \$200 ATM Withdrawal** -- About 10:30 p.m. Saturday January 17, two men approached Christopher Wren on the street in downtown Augusta hit him across the face with a silver gun and forced him into his car. Wren drove his abductors to a nearby ATM, where he was forced to withdraw \$200. The robbers also stole Wren's cellular phone and his credit cards. The following Monday Richmond County Sheriff's deputies arrested Archie Tilghman, 18, and Baron Gissontonner, 29, in connection with the crimes. (*Augusta [Georgia] Chronicle* January 20).
- 44) **Cashless Oregon Pedestrian Taken To ATM For Forced Withdrawal By Three Robbers** -- Early Wednesday morning February 25 a Eugene man walking to work was approached from behind by two men, one of whom was armed with a baseball bat and demanded cash. The victim had no cash, but did have an ATM card. The two

robbers joined a third suspect in a vehicle and drove the victim to a Wells Fargo Bank ATM where he withdrew cash. The victim was then released. ([Eugene] *Oregon Daily Emerald*, February 26).

HOME INVASION-ATM ROBBERIES

- 45) **Baltimore Bank Manager And Wife Are Surprised By Home Invasion Robbers And Rapist** -- On December 11, 1997 a Baltimore, Maryland NationsBank branch manager and his wife were entering their home about 8 p.m. when they were confronted by two men who had broken into their house earlier in the evening. One robber was armed with a shotgun, the other with a semi-automatic pistol. The bank manager and his wife were forced to the floor and bound with duct tape. The robbers demanded the manager return to his downtown Baltimore NationsBank branch and open the safe, but the manager convinced the robbers he couldn't open it. About 9:15 p.m., one of the alleged robbers, Daniel L. Spence, 32, dragged the manager's wife upstairs and raped her. The robbers later took the couple's ATM cards and extracted their PIN numbers. About midnight, one of the robbers went to the basement and set fire to a pile of clothes and a tire soaked in gasoline. The two home invasion robbers fled the burning house in the victims' two cars, leaving the bound victims in the home. About 30 minutes later, the robbers used one of the stolen cards at a Baltimore ATM, where both men were captured on film. The next day, Baltimore police pulled over one of the stolen vehicles and arrested the driver, which led three days later to Spence's arrest along with his alleged accomplice Wayne Earl Jackson, 41. ([Fort Lauderdale, Florida] *Sun-Sentinel*, February 6).
- 46) **80-Year-Old New Jersey Man Threatened With Butcher Knife By Home Invasion ATM Card Robbers** -- About 9:30 a.m. Wednesday March 4, Gerald Watson, 80, was resting on his bed in his Somerville, New Jersey home when two men came in through an unlocked door, put a butcher knife to his throat and bound him with duct tape. They stole \$15, his bank card and PIN number. The home invasion robbers withdrew \$500 from an ATM minutes after they fled. An ATM camera at Investors Savings Bank in Plainfield, New Jersey captured an image of a man who made the withdrawal. Police are investigating. ([Bridgewater, New Jersey] *Courier-News*, March 6).
- 47) **Georgia Man And His 20-Year-Old Daughter Terrorized By Two Home Invasion Robbers** -- About 1:45 p.m. on Tuesday February 24, a 55-year-old Duluth, Georgia man answered a knock at his kitchen door and discovered a man trying to force his way into the house. The second intruder pointed a gun at the man and ordered him to lay on the kitchen floor. One of the robbers took \$13 cash and the man's 20-year-old daughter's ATM card and PIN number and brought her back to the kitchen, where they took \$60 cash from the man, his ATM card and PIN number, and two rings valued at about \$1900. Before fleeing the scene the robbers put the man and his daughter into the trunks of two separate cars in the garage. Shortly thereafter the two home invasion robbers took about \$600 from the victims' bank accounts at several ATMs around the county. ([Lawrenceville, Georgia] *Gwinnett Daily Post*, February 27).

SPOTLIGHT ON CANADA

- 48) **Unemployed Security Guard Leads Gang Of Four In \$1.1 Million In Thefts From Royal Bank ATMs In Ontario** -- In June 1993, David Hornett became unable to work as a security guard for Intercom Security (Canada) because his driver's license had been suspended. Hornett befriended Jeffrey Scott Biegus, 28, and told Biegus he knew a way to get into ATMs. Because of his job with Intercom, Hornett had keys to many Royal Banks. He also knew the combinations to ATM vaults were stored on site at each bank. He also knew there were burglar alarms on the ATM vaults, but not on bank doors.

Beginning in January 1994, Hornett led a ring of burglars to 11 Royal Banks throughout southwestern Ontario. During the first ATM burglary, in January 1994 at a Royal Bank branch in Toronto, Hornett spent three hours studying the manual of instructions for opening the ATM vault before he and Biegus grabbed \$30,000 and fled.

After that, Hornett and Biegus were able to get in and out of targeted banks in 10 minutes, and leave the branch looking undisturbed. On February 12, 1994 the pair of burglars were in and out of four Royal Bank branches, including Rexdale and Mississauga Royal Banks for a total haul of \$338,000. On July 1, 1994, the duo hit two more Royal Banks in Toronto and stole \$285,000.

Police caught the pair in Windsor, Ontario in August 1996 with \$237,000 cash in the trunk of their car. Hornett was sentenced in September 1997 to four years in prison. Biegus was sentenced to two years in prison on February 9. Biegus also will lose his home and was ordered to make restitution to the bank of more than \$600,000. Two other men also were sentenced in the burglaries. Royal Bank and its insurers are attempting to recover their losses from the four men. (*Guelph* [Ontario, Canada] *Mercury*, February 10).

- 49) **Heartless Insider Steals Another \$120,000 From ATM And Forces Vancouver Armored Car Firm To Bankruptcy** -- Pacific Armoured Car Limited (Canada), with companies in Calgary and Victoria was shut down on January 8, apparently bilked into bankruptcy by a dishonest insider. More than 100 people including 80 full time employees lost their jobs. The day before the shutdown, the company's owner pleaded with employees to return approximately \$180,000 cash that had apparently been stolen or else he would be forced to declare bankruptcy.

Instead of receiving any money back however, another \$120,000 was stolen on January 8 from an ATM in Delta served by the company just 45 minutes before that ATM's combination was to be changed. Pacific Armoured Car had serviced ATMs for Bank of Montreal, Royal Bank and the Canadian Imperial Bank of Commerce. Auditors investigating the assets and losses of the company discovered nearly \$600,000 in thefts and said the company kept "extraordinarily poor" records. (*Vancouver* [BC, Canada] *Sun*, February 11).

- 50) **Canadian Fraud Rate Drops To Lowest Level In 20 Years** -- Statistics Canada (Statscan) reported February 24 that using data reported to police departments, Canadian fraud cases were at a 20 year low. In 1991, a total of 136,893 fraud incidents were reported to police. In 1996, just 101,007 incidents were reported, a decrease of 26%. Cheque frauds showed dramatic decrease, from 74,659 reports in 1991 to 40,343 incidents in 1996, a decrease of almost 50%. However credit card fraud reports (17,405 in 1996) were up nearly 13% from the previous year and up nearly 30% from two years earlier. Police said empty envelope deposits at ATMs "is a practice that is really common now." ([Toronto, Ontario] *Globe & Mail*, February 25).

CAUTIONS ISSUED ON INTERNATIONAL ATM USE

- 51) In some countries, robbery of foreigners has become so commonplace that police have issued cautions to foreigners about using ATMs. For example, in the first week of February, a group of international teenagers sent to Brazil for a year of study, and who had just been in Rio de Janeiro for 24 hours, were hijacked on a funicular train coming back from the famous Christ statue overlooking the picturesque Rio bay. A gang of gunmen blocked the tracks with rocks, forcing the train to stop. The thugs methodically robbed all of the riders on the train, taking cash, credit cards and other valuables. Police in Rio warn that abductions by kidnappers who use their hostages' ATM cards have become so common that between 10 p.m. and 6 a.m. ATM patrons should limit their withdrawals to \$100 or less.

For travelers to Mexico, the U.S. State Department has cautioned that ATMs should only be used during the business day, preferably inside business establishments. This caution follows the abduction of several foreigners at ATMs. Users of ATM cards and machines in Mexico are frequently targeted by criminals, who in several cases have beaten victims to discover PIN numbers, and then have held victims until the next day to use the card again. (*Philadelphia Inquirer*, February 6; *Miami Herald*, February 22).

NEWS OF WEIRD ATM INCIDENTS

- 52) **Denver Man Driving Corpse To Airport Stops Twice For Two Postmortem ATM Withdrawals** -- On November 3, 1997 Becky Gerow, 18, died in a traffic accident in Colorado. Harry J. Taylor, 42, a private contractor was hired to drive Ms. Gerow's body from the mortuary to Denver International Airport, where an airplane would fly her home for burial in Idaho.

A few weeks later, her father was closing out his daughter's Colorado bank accounts and noticed two withdrawals of \$100 each two days after his daughter died. Mr. Gerow complained to the card issuer Union Colony Bank in Greeley, Colorado because Becky had never even used the card before she died. Bank investigation identified that en route to the airport with Ms. Gerow's body Taylor first tried to withdraw \$200 from a bank ATM, but the machine would not allow



Gerow

that large of a withdrawal. So Taylor allegedly took \$100 from the first ATM, and then stopped a second time on the way to the airport for \$100 at a convenience store ATM. His photo was taken by one of the ATMs when he used the deceased's card. (*Greeley [Colorado] Tribune*, February 6).

- 53) **Texas Bank States ATM Robbery Is "Authorized Transaction"** -- Apparently not aware of a Fed ruling about the issue, a Texas Federal Savings Bank letter to a robbed ATM customer stated, "Texas Federal has established a policy to consider a robbery of an ATM to be an authorized transaction." (*Akron [Ohio] Beacon Journal*, March 4).
- 54) **Texas Man Uses Cutting Torch To Retrieve His Captured ATM Card** -- On the evening of Sunday, December 28, 1997 a man pulled into a Bank One ATM in Sherman, Texas, where he put an ATM card into the ATM, only to have it sucked in and not given back. The man, using some type of cutting torch, cut the ATM apart, removed his card and fled the scene. The man didn't take any money, but caused \$2,000 damage to the bank's ATM. The bank's surveillance camera caught the man in the fiery process of retrieving his card. ([Sherman, Texas] *Herald Democrat*, January 7).
- 55) **ATM Cash Rains From The Sky In Utah** -- About 6 p.m. on Tuesday, March 17, thousands of dollars of ATM cash were fluttering through the sky of Cedar City, Utah. An ATM servicer for Respond Inc. was replenishing ATM cash at First Security Bank, and pulled out the cash cassette when the lid fell open. At that particular moment, a strong wind began to blow. Tiffany Young, a drive-up teller at a neighboring bank saw cash fluttering past her window. "It [money] was everywhere. There were all kinds of people running around grabbing the money." Police said most people who picked up the wind-driven ATM cash returned it, however Ms Young said she saw some people scoop up hands full of bills and drive off. Officials of the armored car service were unavailable for comment, but an employee said several hundred dollars was still missing. (*Salt Lake [City, Utah] Tribune*, March 19).