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### Hacker in U.S. identity theft case to plead guilty

By Ross Kerber  
and Svea Herbst-Bayliss

Posted 2009/08/28 at 5:04 pm EDT

BOSTON, Aug. 28, 2009 (Reuters) — The man accused of masterminding the largest identity theft in U.S. history agreed to plead guilty to federal charges in [Massachusetts](#), according to court papers filed on Friday.

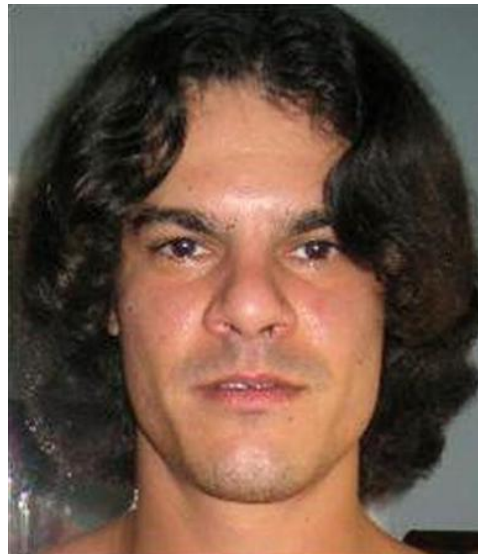
Albert Gonzalez is accused of leading a ring of hackers who stole millions of credit card and debit card numbers from major U. S. retail chains including [TJX Cos](#) and [Barnes & Noble Inc](#), leading to tens of millions of dollars in fraudulent transactions.

His alleged scheme stood out for its simplicity -- it started with accomplices driving around [Miami](#) with laptops looking for unsecured computer networks -- and its brazenness, as the former informant used details he learned from government officials to help fellow hackers avoid arrest.

Gonzalez, 28, has agreed to plead guilty to all charges in [U.S. District Court](#) in Boston by September 11. He faces a prison sentence of 15 to 25 years, and has consented to forfeit \$1.65 million, a Miami condominium, a previously seized \$1.1 million and other assets, according to court papers.

Separate charges filed in [New Jersey](#) stand.

"The scary thing is that Albert Gonzalez wasn't a super genius, he was just your ordinary bad guy and there are others out there who can do the same things," said [Charlie Miller](#),



Albert Gonzalez, 28, of Miami, Florida is seen in an undated U.S. law enforcement handout photo. REUTERS/U.S. Law Enforcement via [Wired.com/Handout](#)

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principal analyst at consulting firm Independent Security Evaluators. "Hopefully, this punishment will serve as a deterrent."

If accepted by a federal judge, the sentence would likely be the longest on record for a U.S. hacking case, said [Mark Rasch](#), a former [Justice Department](#) official.

#### LEGAL MYSTERY

Gonzalez was working as an informant in a separate [U.S. Secret Service](#) hacking investigation when authorities learned he was using information from their probe to help fellow hackers avoid arrest.

In Boston, Gonzalez and 10 others were indicted a year ago on charges including computer fraud and wire fraud, compromising more than 40 million payment numbers. Victims also included [BJ's Wholesale Club Inc](#), [OfficeMax Inc](#), and [DSW Inc](#). The plea would also resolve [New York](#) federal charges related to hacking a restaurant's network.

Separate charges facing Gonzalez in New Jersey -- which stand as the largest identity theft in U.S. history -- are not affected by the Boston plea, a spokesman at the U.S. District Court in New Jersey said.

On August 17, Gonzalez was indicted there for allegedly stealing more than 130 million card numbers from data processor [Heartland Payment Systems](#) and retailers [7-Eleven](#) Inc and [Hannaford Brothers Co](#).

A mystery is why Gonzalez would agree to settle the Boston and New York charges but not the potentially more serious charges in New Jersey, an attorney not involved in the case said. There, Gonzalez faces up to 25 years if convicted.

The attorney, [Stefan Jouret](#), who specializes in financial litigation, said it is possible the New Jersey prosecutors were not far enough along with their case to accept a plea deal, or disagreed about the evidence. Alternatively, Gonzalez's attorneys may have judged the evidence in the Boston and New York cases more damaging and wanted to settle them first.

Gonzalez's lawyer, [Rene Palomino](#), did not return calls seeking comment.

The settled case is U.S. v. Albert Gonzalez in U.S. District Court in Massachusetts, No. 08-10223.

(Reporting by Scott Malone, Ross Kerber, Svea Herbst-Bayliss and Toni Clarke in Boston, additional reporting by Edith Honan in New York, editing by Leslie Gevirtz and Matthew Lewis)



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NEW YORK, Aug. 18, 2009 (Reuters) — Three men were indicted on Monday for allegedly stealing more than 130 million credit and debit card numbers in what U.S. authorities said they believe is the largest hacking and identity theft case ever prosecuted.

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NEW YORK, Aug. 11, 2009 (Reuters) — Bernard Madoff's long-time deputy, Frank DiPascali, on Tuesday pleaded guilty to financial crimes including helping others carry out Wall Street's biggest investment fraud, but shed little more light in court on the decades-long swindle.

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NEW YORK, Aug. 11, 2009 (Reuters) — Bernard Madoff's long-time right-hand man, Frank DiPascali, should be released on \$2.5 million bond and his travel restricted following an expected guilty plea to criminal charges later on Tuesday, according to a proposal by U.S. prosecutors and his lawyer.

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