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# MAJOR INTERNATIONAL NETWORK OF PAYMENT CARD FRAUDSTERS DISMANTLED

12 Jul 2011

[Press Release](#)

The Hague

The key figures behind an organised crime group, suspected of defrauding thousands of EU citizens and copying more than 15 000 payment cards in a sophisticated scam, have been arrested in a major police operation coordinated by Europol.

It is estimated that the group have clocked up over 50 million euros in damages for EU citizens by 'skimming' their cards and emptying their bank accounts. 'Skimming' occurs when a card is put through an illegal device, normally attached to an ATM or point-of-sale terminal at a retail outlet, for the purposes of copying data from the card's magnetic strip in order to make a clone of the card.

Following an extensive investigation over many months, supported by Europol's analysis and other operational services, a major police operation began on 6 July to round up the members of one of the largest criminal gangs known to have been active in this field in the last five years. Codenamed Operation Night Clone, simultaneous arrest operations were mounted in Bulgaria, Italy, Spain, Poland and the USA involving over 200 police officers. The focus of the operation was Bulgaria, where 150 police officers participated in operations to arrest 47 suspects. Nine more were arrested in Italy, as well as two in the USA, two in Spain and one in Poland. In the days following these arrests new leads have been identified and are currently the subject of follow-up police work in three more countries. This is likely to lead to further arrests in the future.

Europol has supported and coordinated Operation Night Clone since November 2010, following work led by the Italian Polizia Postale. On the day of action, 6 July, Europol's Operational Centre, at its new headquarters in The Hague, was manned by representatives from Bulgaria, Italy and the US Secret Service, in addition to Europol specialists. From there they were in direct contact with those leading the operation in Bulgaria, where two Europol officers were also present with the Europol mobile office, so that intelligence could be quickly exchanged via a secure line.

The suspected leading figures of the group, based in Bulgaria, are among those arrested. They are linked to criminal cells in Kenya, South Africa and the USA. The group's methods included recruiting and training petty criminals to make illegal cash withdrawals.

Organised crime groups are always looking for new criminal opportunities and for some time they

have been targeting the vulnerability of payment cards with magnetic strips. Within the EU, criminals' work has been made more difficult with the full implementation of EMV technology (chip and PIN), but criminals have since exploited a loophole in these security arrangements by making illegal transactions with EU issued cards in non-EMV compliant regions, including Africa and the USA. Payment cards in the EU are targeted for cloning, and the fraud committed in other regions which still accept payment by magnetic strip. This was the major feature of the criminal methodology used by the organised crime group in this case and is an increasingly common problem.

It is also an extremely lucrative business, as reported by Europol in its 2011 Organised Crime Threat Assessment (OCTA). The EU is the world's largest market for payment card transactions and, in 2009, **organised crime groups derived more than 1.5 billion euros from payment card fraud** in the EU.

"This investigation has given us a unique insight into the 'skimming phenomenon'. It highlights the fact that illegal credit card transactions outside the EU are a major part of the problem, and that as long as cards have magnetic strips they will be vulnerable to skimming. This operation shows, however, that Europol and its law enforcement partners are determined to crack down on the problem. One of the most significant criminal groups active in this field has been taken out of business in a fantastic example of international police cooperation," says Rob Wainwright, Director of Europol.

EU Commissioner for Home Affairs, Cecilia Malmström, also expressed her satisfaction with the success of the operation and called for greater operational and policy focus in this areas. "I wish to congratulate Europol for the excellent work they have done. This major new criminal phenomenon exposed in this case, with criminals transferring data stolen within the EU to accomplices in countries and regions elsewhere in the world, is of great concern. The financial losses involved harm millions of citizens and the economic interests of many of our banks and businesses. Law enforcement authorities should increase their collaboration with Europol in this area. The European Commission, meanwhile, is committed to exploring all possible opportunities to reverse the effects of this new problem".

This operation was led by Italy and the key partners involved in Operation Night Clone were: the Prosecutor's Office of Trani, the Italian Polizia Postale, the Bulgarian Supreme Cassation Prosecutor's Office, the Bulgarian General Directorate Combating Organized Crime, the United States Secret Service, the Spanish General Commissariat of Judicial Police of the Spanish National Police, the Polish Police and Europol. Besides hosting meetings and running the Operational Centre, Europol's role has primarily been to provide analytical, technical and logistical support.

For further questions, please contact Europol Corporate Communications: Media line: +31 70 353 1702.

For those journalists who are interested, Europol experts will be available at Europol headquarters

this afternoon and tomorrow, 13 July, to give advice on how to protect cards from fraud. Credit card skimming devices and more will also be on display and available for filming.

With the holiday season upon us, Europol is launching a public campaign aimed at advising EU citizens on how to prevent becoming a victim of payment card fraud. **Tips and advice can be found in its latest public information leaflet: Be Smart with your Card.** See attached PDF.



EN [Be Smart with your Card](#) [133.39 KB]

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