Fired Microsoft Software Engineer Sentenced to 9 Years in Prison



He stole $10 million of digital currency from Microsoft and tried to blame it on colleagues.

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A former employee of Microsoft has been sentenced to nine years in prison for 18 federal felonies following the discovery he stole over $10 million in digital currency from his employer.

The man in question is Volodymyr Kvashuk, a software engineer who first worked as a contractor at Microsoft before becoming an employee. He was tasked with testing Microsoft's online

retail sales platform, but decided to take advantage of it instead. He proceeded to steal “currency stored value” (CSV) from the platform in the form of digital gift cards. The currency was then resold by Kvashuk on the internet and a bitcoin “mixing” service utilized in an attempt to hide where the cash entering his bank had originated from. Kvashuk even went so far as to use test email accounts of other Microsoft employees to help hide his fraudulent activity.

This was no small fraud, with the amounts being stolen eventually totaling over $10 million in digital value. Over a seven month period he transferred $2.8 million in bitcoin to his bank account and purchased a $1.6 million lakefront home and $160,000 Tesla electric vehicle. A fake tax return was also filed claiming the bitcoin was a gift from a relative.

Kvashuk was employed by Microsoft from August 2016 to June 2018 when he was fired. According to GeekWire, Microsoft investigated what was happening and confronted Kvashuk in May 2018. In February this year the Department of Justice reports he was “convicted by a jury of five counts of wire fraud, six counts of money laundering, two counts of aggravated identity theft, two counts of filing false tax returns, and one count each of mail fraud, access device fraud, and access to a protected computer in furtherance of fraud.”

“Stealing from your employer is bad enough, but stealing and making it appear that your colleagues are to blame widens the damage beyond dollars and cents,” said U.S. Attorney Moran. “This case required sophisticated, technological skills to investigate and prosecute, and I am pleased that our law enforcement partners and the U.S. Attorney’s Office have the skill sets needed to bring such offenders to justice.”

In the sentencing memo to the Court, prosecutors said, “Kvashuk used the proceeds to live the life of a millionaire, driving a $160,000 car and living in a $1.6 million waterfront

home. Kvashuk’s scheme involved lies and deception at every step. He put his colleagues in the line of fire by using their test accounts to steal CSV. Rather than taking responsibility, he testified and told a series of outrageous lies. There is no sign that Kvashuk feels any remorse or regret for his crimes.”

Kvashuk is a Ukranian citizen who resides in Renton, Washington. As well as the nine year prison term he was ordered to pay $8,344,586 in restitution. There’s also a good chance he will be deported once released from prison.

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