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JUSTICE DEPARTMENT ANNOUNCES 'OPERATION CYBER SWEEP' TARGETING ONLINE ECONOMIC FRAUD

Please Note the Original Press Release of November 20, 2003 Contained Erroneous Information; Edward Fedora Has Not Yet Pled

Corrected Version : November 21, 2003 Regarding Edward Fedora

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JUSTICE DEPARTMENT ANNOUNCES 'OPERATION CYBER SWEEP' TARGETING ONLINE ECONOMIC FRAUD

Attorney General John Ashcroft, Assistant Attorney General Christopher A. Wray of the Criminal Division, FBI Assistant Director Jana Monroe and Federal Trade Commission Chairman Tim Muris today announced the arrests or convictions of more than 125 individuals and the return of over 70 indictments in a coordinated nationwide enforcement operation designed to crack down on the leading types of online economic crime.

The ongoing operation, known as Operation Cyber Sweep, was coordinated by 34 U.S. Attorneys' offices nationwide, the FBI, the Postal Inspection Service, the FTC, the United States Secret Service, and the Bureau of Immigration and Customs Enforcement, together with a variety of state, local and foreign law enforcement agencies.

The operation targets a variety of online economic crimes that involved schemes including fraud, software piracy and the fencing of stolen goods. The investigation exposes the ways in which economic crimes are becoming increasingly global and

multi-jurisdictional in nature.

"Online criminals assume that they can conduct their schemes with impunity," said Attorney General John Ashcroft. "Operation Cyber Sweep is proving them wrong, by piercing the criminals' cloak of anonymity and prosecuting them to the fullest extent of the law."

The charges filed in the Western District of New York include:

- **Edward Fedora, age 67 of Mississauga, Ontario, Canada.**

A Criminal Complaint was charging Edward Fedora with the illegal sale of a Congressional Medal of Honor on July 9, 2003. Fedora was also charged with making a false statement upon his entry into the United States, namely his failure to declare the Medal of Honor upon entering the United States on July 8, 2003.

The Complaint alleged that the defendant ran a business over the internet which included the attempted sale of Congressional Medals of Honor which is prohibited under United States law. The Complaint charged that from his Mississauga business, Fedora advertised over the internet the sale of at least two Congressional Medals of Honor for $12,000 and $30,000, respectively. The Complaint further alleged that the FBI conducted an undercover investigation which resulted in the purchase and acquisition of one of the medals on May 28, 2003 and culminated in the seizure of the other medal July 8, 2003 during a meeting with Edward Fedora in Buffalo, New York. The Complaint also alleges that when Fedora entered the United States on July 8, 2003, he failed to declare the Medal of Honor, denying that he had anything of value when he entered through the Peace Bridge. Error: ~~The defendant pled guilty on November 20, 2003.~~ Correction: ***The defendant is scheduled to enter a plea of guilty on December 3, 2003.***

- **Christopher Paul Prior, Buffalo, New York**

The defendant pled guilty to devising a scheme to defraud through the internet by advertising the sale of bogus movie tickets for Regal Cinemas. The defendant claimed that the tickets -- being auctioned to the highest bidder -- were bona fide and authorized tickets, when in fact, they were fraudulent and forged replications of such tickets. The defendant sold more than $18,700 worth of tickets having a retail value of over $40,000.00. On September 23, 2003, the defendant was sentenced to 12 months incarceration, 3 years supervised release and ordered to make restitution of over $28,000.

- **United States V. Rollond M. Eddy, Canandaigua, New York**

Rollond M. Eddy, age 41, of, New York, was charged on April 29, 2003, with nine counts of wire fraud in violation of Title 18, United States Code, Section 1343 and one count of wire fraud in violation of Title 18, United States Code, Section 1341. The Indictment charges the defendant with knowingly devising a scheme to obtain money by means of false and fraudulent pretenses pertaining to the sale of limousines and, for the purpose of executing that scheme, causing certain wire communications, ie. the internet, to take place in interstate commerce. The defendant would make representations to customers regarding the availability of specific limousines and would send them faxes confirming the purchase of said limousines. Customers would send money either as the purchase price or as a deposit toward the purchase of the limousine. The defendant would not deliver the limousines and would not return the money obtained from the customers. Additionally the indictment alleges that the defendant would offer items, mainly scooters, for sale to customers on eBay. The defendant would have customers who purportedly won their bids send him money for the scooters. The defendant would then fail to deliver the scooters and would fail to refund the money sent in by the customers. The case is pending disposition and is scheduled for a resolution by plea of guilty on November 21, 2003.

United States Attorney Michael A. Battle stated that "Operation Cyber Sweep sends a strong message that law enforcement will aggressively track down and prosecute those individuals who use the Internet to commit criminal acts. It is a high priority of this office to ensure that today's technological tools are not manipulated for criminal wrongdoing."

Operation Cyber Sweep was launched in response to an increase in the reporting of Internet-related complaints to federal agencies. The Internet Fraud Complaint Center (IFCC) – a joint project of the FBI and the National White-Collar Crime Center – reported that in the first nine months of 2003, it referred 58,392 Internet-related fraud complaints to law enforcement. In contrast, in all of calendar year 2002, the IFCC referred about 48,000 Internet-related fraud complaints to law enforcement. The FTC reported that more than one-third of the 218,000 fraud complaints it received in 2002 were Internet-related fraud complaints.

Operation Cyber Sweep is a follow-up to Operation E-Con, which was announced by Attorney General Ashcroft in May 2003. E-Con resulted in the execution of 70 search and seizure warrants and charges against more than 130 individuals.

Victims of online crime are encouraged to file a complaint online with the Internet Fraud Complaint Center, or IFCC. The IFCC is a joint venture of the FBI and the National White Collar Crime Center. The IFCC staff reviews complaints, looking for patterns or other indicators of significant criminal activity, and refers investigative packages of complaints to the appropriate law enforcement authorities in a particular city or region. Victims can find the online form at www.ifccfbi.gov. (The Federal Trade Commission also has an online form for complaints about consumer fraud and

deception, available through its website, www.ftc.gov.)

For more information on this initiative and other fraud related matters, please visit the Department's website at www.usdoj.gov.

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