

United States Attorney Southern District of New York

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CONTACT: U.S. ATTORNEY'S OFFICE

YUSILL SCRIBNER
REBEKAH CARMICHAEL

JANICE OH

PUBLIC INFORMATION OFFICE

(212) 637-2600

FBI

JIM MARGOLIN, MONICA MCLEAN PUBLIC INFORMATION OFFICE (212) 384-2720, 2715

FORMER EMPLOYEES OF FASHION INDUSTRY COMPANY CHARGED WITH COMPUTER HACKING AND TRADE SECRET THEFT CHARGES

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, Assistant Director-in-Charge of the New York Field Division of the Federal Bureau of Investigation ("FBI"), announced today that JEFFREY WHITE and MORGAN GANTT face charges arising out of an alleged scheme to hack into a computer network belonging to ENK International LLC ("ENK") and to steal confidential business information from ENK. According to the criminal Complaint unsealed earlier today in Manhattan Federal Court:

JEFFREY WHITE and MORGAN GANTT are former employees of ENK, a trade show organization based in Manhattan that serves the fashion industry. ENK terminated WHITE's employment on July 2008. GANTT was terminated on August 21, 2008, after ENK management learned through investigation that she was operating, during her ENK work hours, a temporary employment agency targeting exhibitors at fashion shows, including shows sponsored by ENK, and that GANTT was using ENK resources to operate her outside business. As GANTT was preparing to leave ENK's offices on the day she was fired, ENK management saw her remove a portable USB computer storage drive from her ENK computer. GANTT refused to turn over or show the contents of the USB drive to ENK management, and left ENK's offices.

A forensic analysis was conducted of the contents of the ENK Blackberry device and the ENK computer GANTT used during the course of her employment at ENK. GANTT surrendered the ENK Blackberry device back to ENK the day her employment was terminated. The forensic analysis of the ENK Blackberry device revealed a series of text messages between GANTT and WHITE on August 13, 2008, in which WHITE instructed GANTT to access and send certain ENK electronic documents to WHITE's personal e-mail address. The forensic analysis of the ENK computer that had been used by GANTT confirmed that GANTT sent those documents to WHITE on August 13, 2008.

The documents that GANTT sent to WHITE contain information relating to more than 440 retail buyers that had been scheduled to attend ENK's trade shows in July 2008, and the names and other information relating to 500 persons who attended ENK's shows. Access to these documents could give competitors of ENK a considerable advantage with respect to fashion industry clients.

The forensic analysis revealed another series of text messages between GANTT and WHITE on or about August 15, 2008, in which WHITE instructed GANTT to download confidential ENK files to a USB storage device. An analysis of the ENK computer used by GANTT revealed that GANTT downloaded those files, which contain sensitive information relating to ENK's trade show business.

WHITE and GANTT are charged with one count of conspiracy to commit unauthorized computer access, and one count of conspiracy to commit theft of trade secrets. If convicted, the defendants each face a maximum sentence of eleven years' imprisonment.

WHITE, 27, of Brooklyn, New York surrendered this morning to federal authorities. GANTT, 24, of Jersey City, New Jersey, is expected to surrender tomorrow.

WHITE was presented in Manhattan federal court today before U.S. Magistrate Judge MICHAEL H. DOLINGER.

Mr. GARCIA praised the investigative work of the FBI's Computer Crimes Squad. Mr. GARCIA added that the investigation is continuing.

This investigation is being handled by the Computer Hacking and Intellectual Property Group of the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorney DANIEL CHUNG is in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendants are presumed innocent unless and until proven guilty.

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