

AO 91 (Rev. 01/09) Criminal Complaint

UNITED STATES DISTRICT COURT

for the
District of Rhode Island

United States of America
v.

RANDY LUTZ

Defendant

Case No. 17-MJ-352PAS

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date of _____ in the county of Providence in the _____ District of
Rhode Island, the defendant violated 18 U. S. C. § 1951&1952, an offense described as follows:

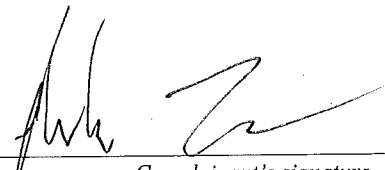
That, from at least in or about May 2017 to in or about July 21, 2017, within the District of Rhode Island, the defendant, RANDY LUTZ, did obstruct, delay, and affect and attempt to obstruct, delay, and affect commerce by extortion, as those terms are defined in Title 18, United States Code, section 1951; and

That, from at least in or about May 2017 to in or about July 21, 2017, within the District of Rhode Island, the defendant, RANDY LUTZ, used a facility in interstate or foreign commerce, with intent to promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity, namely, extortion under the laws of Rhode Island and the United States, and thereafter performed or attempted to perform such an act, in violation of 18 U.S.C. sec. 1952(a)(3).

This criminal complaint is based on these facts:

See attached Affidavit of FBI Special Agent Michael W. Tunick.

Continued on the attached sheet.



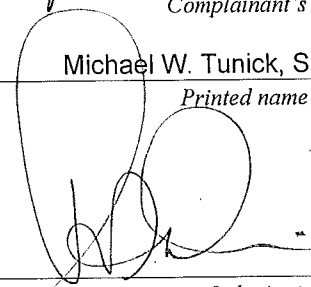
Complainant's signature

Michael W. Tunick, Special Agent, FBI

Printed name and title

Sworn to before me and signed in my presence.

Date: 07/21/2017



Judge's signature

City and state: Providence, RI

PATRICIA A. SULLIVAN, U.S. MAG. JUDGE

Printed name and title

AFFIDAVIT

I, Michael W. Tunick, being first duly sworn, hereby depose and state as follows:

INTRODUCTION

1. I make this affidavit, pursuant to Rule 41 of the Federal Rules of Criminal Procedure, in support of an Application for a criminal complaint charging RANDY LUTZ, of 100 Carolina Avenue, Providence, Rhode Island, with violating 18 U.S.C § 1951 (interference with commerce by extortion); and 18 U.S.C § 1952(a)(3) (use of interstate facility to carry out extortion).

2. I am a Special Agent with the Federal Bureau of Investigation, currently assigned to the Boston, Massachusetts, FBI Cybercrimes squad. I investigate computer-related criminal violations, including violations of 18 U.S.C § 1030 (computer fraud) and other offenses. I have been an FBI Special Agent since September 2012. I have received FBI training concerning computer-facilitated crime and other criminal activity. Through my training and experience, obtained both prior to and while being employed with the FBI, I am knowledgeable about computer systems, computer networks, networking hardware and software, network security, telecommunication systems, and the means by which individuals use computers, software applications and information networks to commit cyber offenses. During my tenure

as a Special Agent, I have participated in the execution of numerous search warrants involving computer equipment, documents, and electronically stored information. Before joining the FBI, I worked in the area of information technology, and computer and network security. I am responsible for enforcing federal criminal statutes and am authorized to execute arrest and search warrants under the authority of the United States. I have participated in numerous federal and state search warrants related to computer intrusion investigations, and I have assisted in the writing of affidavits to this effect.

3. The facts set forth in this affidavit are based upon my personal observations, my review of documents and computer records, my training and experience, and information obtained from other agents and witnesses. This affidavit is intended to show only that there is sufficient probable cause for the requested warrant and does not set forth all of my knowledge about this matter.

4. As set forth below, I submit that there is probable cause to believe that RANDY LUTZ, of 100 Carolina Avenue, Providence, Rhode Island, has violated 18 U.S.C § 1951 (interference with commerce by extortion), and 18 U.S.C § 1952(a)(3) (use of interstate facility to carry out extortion).

STATUTORY PROVISIONS

5. Title 18, United States Code, Section 1951 provides that "[w]hoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce, by ... extortion or attempts or conspires so to do, or commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of this section shall be" punished according to law.

"Extortion" is further defined as "the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right." "Fear" includes fear of economic harm.

6. Title 18, United States Code, Section 1952(a)(3) provides that any person who "...uses the mail or any facility in interstate or foreign commerce, with intent to otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity," and "thereafter performs" such an act shall be fined and/or imprisoned not more than 5 years. "Unlawful activity" includes "extortion ... in violation of the laws of the State in which committed or of the United States." Extortion is criminalized under Rhode Island law at RIGL § 11-42-2, which provides, "[w]hoever, ... by a verbal or written communication maliciously threatens any injury to the person,

reputation, property, or financial condition of another, or threatens to engage in other criminal conduct with intent to extort money or any unlawful pecuniary advantage, or with intent to compel any person to do any act against his or her will, or to prohibit any person from carrying out a duty imposed by law, shall be punished by imprisonment in the adult correctional institutions for not more than fifteen (15) years or by a fine of not more than twenty-five thousand dollars (\$25,000), or both."

PROBABLE CAUSE

7. On July 18, 2017, I sought and obtained a warrant to search LUTZ's residence at 100 Carolina Avenue, Providence, RI. The warrant also authorized a search of LUTZ's person. That warrant (including the supporting affidavit) are attached as Exhibit 1, and are incorporated by reference as if fully set forth herein. That search warrant is presently under seal, and I request that it remain under seal pending further order of this Court.

8. As described in Exhibit 1, this investigation involves extortionate demands made by LUTZ to an incorporated group of Rhode Island physicians (hereinafter "Victim").

9. On July 20, 2017, I, along with other law enforcement officers, executed the search warrant.

10. During the search, LUTZ told myself and other agents that he would show agents where the three thumb drives were; he subsequently turned over to us three thumb drives that I believe are the drives referred to in the search warrant affidavit in Exhibit 1. During the search, agents also seized a laptop and a cell phone among other things.

11. While agents were conducting the search, LUTZ stated words to the effect that someone would pay for this. When asked for clarification on who would pay, Lutz stated that it would be the people who caused the FBI to search his home. When asked for clarification on what he would do, Lutz said "we'll see" and said that he was going to the media.

12. During the course of the search, several knives, swords, hatchets and other weapons, to include handcuffs and a baton, were observed in LUTZ's home in multiple locations throughout the house. These weapons were easily accessible and not in any locked containers.

13. At first LUTZ indicated that he only had three thumb drives with Victim data. However, when questioned by agents about additional drives, he admitted that he had hidden a thumb drive in one of his apartment's smoke detectors. Agents recovered this thumb drive from the empty battery compartment of a smoke detector. LUTZ admitted that he had hidden this drive in

the smoke detector in order to conceal it from "people like the FBI."

14. At the conclusion of the search, agents strongly advised LUTZ not to have any contact with Victim or any of its personnel.

15. Despite this, during the afternoon of July 20, 2017, after the search warrant execution had concluded, LUTZ called an officer of Victim. During that call, LUTZ told him/her that he was going to "do things publicly" and it would "hit me [i.e., the Victim officer] the hardest". LUTZ further told the Victim officer that the "goon squad" that showed up this morning [referring to the FBI search team] accomplished nothing more than scaring his kids.

16. Further on July 20, 2017, at approximately 6:29pm, LUTZ followed through on his threat to "do things publicly": he sent an email to a high-ranking officer of the Rhode Island hospital group Lifespan.

a. That email stated:

Good Evening,

I'm writing to you regarding serious outstanding, massive, and ongoing information security concerns at [Victim] that are probably very important for you to know given Lifespan's close connection to [Victim].

I was their controller up until about ten weeks ago. During my time there, information security was not really a priority, and neither was training regarding

how to handle medical data. As a result, thousands of patient files are currently at risk and potentially available to basically anybody. Due to a hostile work environment that had developed at [Victim] over the past several months, I resigned. I've continually tried to get into contact with [Victim officer] since to address this matter, but have been unable to find someone interested in addressing those issues.

I remember a newspaper article about a misplaced or stolen laptop at one point in time, and thought that it would be in Lifespan's interest to address this issue, as it no doubt puts your company at risk also- one you're probably not even aware exists.

I'm guessing if a HIPPA violation were reported, the reverberations would be felt throughout Lifespan and the community, and I have no interest in making those kind of waves. But I'm having a hard time with the fact that thousands of patients' information is potentially at risk, and they're not even aware, as they'd entrusted it's security to [Victim] and Lifespan.

Thank for your time.

Randy Lutz

17. Preliminary forensic review of the evidence seized from the LUTZ's home confirms the presence of Victim data, to include patient, employee and financial data, in numerous locations to include multiple thumb drives and a laptop. Review of the USB drive hidden in a smoke detector reveals that it contains the files downloaded by LUTZ the day before his termination which include patient data.

18. Preliminary forensic review of the laptop seized from the home reveals two screen shots of two current Victim

employees; the screen shots appear to be profiles of employee information taken from what appears to be a Victim system on 06/22/2017. These screenshots contain Name, DOB and full address information of the employees. One of these employees is the Victim officer LUTZ contacted via telephone on 07/20/2017 and informed him/her them that what LUTZ was going to do would "hit [him/her] the hardest".

19. On today's date, July 21, 2017, at approximately 8:57am, LUTZ again emailed the Victim officer, and wrote:

Just so we're clear, I was never about "extortion" as your goons asserted yesterday. This was always about a proper severance package as ANYONE would get leaving. I gave up any information I could for free via email and would have been happy to trade the flashdrives to you for nothing, that was never the point. There was NEVER a cost associated with them, or a price tag on the drives themselves. The cost was always about a proper severance and ending of relationship with confidentiality and so forth. I couldn't have been more clear.

Instead, you folks have gone out of your way, trying to steal my last paycheck even, part of my pension being held back, etc. The fact that you've steadily disrespected a former member of management whom YOU KNEW worked from home a great deal, who had NO confidentiality agreement, no NDA, no agreement whatsoever signed with you, is never going to be negated by you sending teams of goons to scare my children. I hope you feel great about that though. It highlights the fact that you REALLY don't understand things. YOU hired a guy with a criminal background with absolutely no screening whatsoever,

no agreement in place whatsoever, and no oversight. YOU hired me specifically because I was inexperienced in the medical field, and brought fresh eyes. YOU then insisted I have full administrative access to all your systems, giving me unfettered access to every bit of information the foundation is responsible for protecting with again, absolutely zero training, oversight, or agreements.

Throughout my time at [Victim], you knew I was working from home, which would lead most to know I was bringing work home at times in some form or fashion. And yet never at any point did you ask me to be trained in HIPPA policies, sign a confidentiality agreement of any kind, sign any kind of agreement whatsoever with [Victim], never did you even ask if I was bringing sensitive information home, or indicate that would be an issue.

Now while of course I'd never divulge patient information-some of us have to be responsible-I will be forced to self report a massive HIPPA violation, complete with email trails between you, myself, and [Victim employee] showing your knowledge of my working from home on multiple occasions, and also showing your insistence that I be given access to programs like eCW at an administrator's level. You may have never cared much about facts, but I assure you HIPPA investigators, etc will. And I will be all too happy to give them. Your goons may have come by and stolen a few things, but if you think I wasn't well prepared for this, keeping required evidence elsewhere well you're in for some disappointment.

You may see my family and I as little more than pests you try to use connections to trample on, but we're people. I'm a person who quit a job to take a job with you. Who made huge changes like getting rid of my car based on that job. Who watched multiple

employees leave, be compensated beyond their time, with insurance extended in some cases, etc. I've watched the foundation spend thousands outfitting people's homes, giving obscene raises to doctors losing money hand over fist, etc. All I wanted, was the same respect you give the other people around you. Instead, I got a bait and switch job that changed almost immediately after I accepted it, and eventually developed into a very hostile work environment, forcing me to quit.

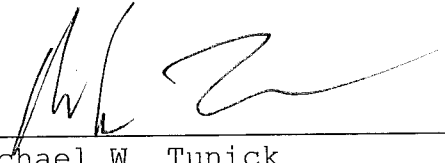
There's a reason most companies with competent leadership ensure they have some kind of amenable breakup with management. So management doesn't then drag every little secret, every little interaction, every little issue out for all eyes to see. It seems to me you'd like to learn that lesson the hard way. Or are you perhaps prepared to reconsider and do what any decent person and competent manager would do, with a proper severance package?

I've prepared various emails already, that will go out to staff, and anyone whose emails I still have- Lifespan higher ups, Brown/BP people, and of course [Victim] employees. Information they should all know. Nothing illegal of course. But things don't have to be illegal for the inadequacies of management at the foundation to be highlighted and the PROPER people to lose their jobs this time.

This whole thing can be settled in a way that everyone walks away happy. OR it can be settled in a manner in which nobody walks away happy. That's really your choice. But you'll never force my quietness, my happiness, my cooperation, by sending teams of goons here to scare my children.

Randy

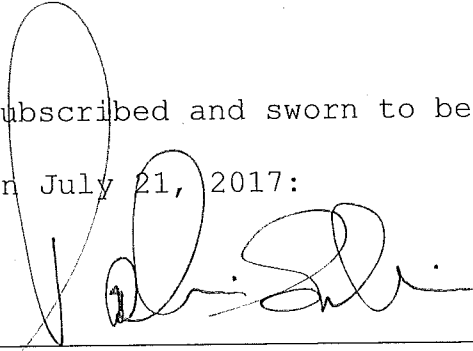
Respectfully submitted,



Michael W. Tunick
Special Agent
Federal Bureau of Investigation

Subscribed and sworn to before me

on July 21, 2017:



PATRICIA A. SULLIVAN
UNITED STATES MAGISTRATE JUDGE

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: INFORMATION INDICTMENT COMPLAINT

CASE NO. _____

Matter Sealed: Juvenile Other than Juvenile

USA vs.

Pre-Indictment Plea Superseding Defendant Added
 Indictment Charges/Counts Added
 Information

Defendant: Randy Lutz

Name of District Court, and/or Judge/Magistrate Location (City)

Address: _____

UNITED STATES DISTRICT COURT RHODE ISLAND
 DISTRICT OF RHODE ISLAND Divisional Office

Name and Office of Person Furnishing Information on THIS FORM
STEPHEN G. DAMBRUCH
 U.S. Atty Other U.S. Agency
 Phone No. (401) 709-5000

Interpreter Required Dialect: _____

Name of Asst. U.S. Attorney (if assigned)
TERRENCE P. DONNELLY

Birth Date _____ Male Alien
 Female (if applicable)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
FEDERAL BUREAU OF INVESTIGATIONS (FBI)

Social Security Number _____

person is awaiting trial in another Federal or State Court (give name of court)

DEFENDANT

Issue: Warrant Summons

this person/proceeding transferred from another district per (circle one) FRCrP 20, 21 or 40. Show District

Location Status:

Arrest Date _____ or Date Transferred to Federal Custody _____

this is a reprosecution of charges previously dismissed which were dismissed on motion of:

U.S. Atty Defense

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant. (Notice of Related Case must still be filed with the Clerk.)

MAG. JUDGE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate Judge regarding this defendant were recorded under

Currently in Federal Custody
 Currently in State Custody
 Writ Required
 Currently on bond
 Fugitive

Defense Counsel (if any): _____

FPD CJA RET'D

Appointed on Target Letter

Place of offense RHODE ISLAND County

This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 2

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
1	18 U.S.C. §§ 1951	Hobbs Act Extortion	<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
2	18 U.S.C. §§ 1952(a)(3)	Use of a Facility in Commerce to Extort	<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor