May 17, 2002

U.S. Department of Justice
United States Attorney
Eastern District of California
Daniel R. Margolis
501 I Street
Suite 10-100
Sacramento, CA 95814
Ph: (916)554-2700
Fx: (916)554-2900

Twenty-Seven Month Sentence In Internet Fraud Scheme To Defraud Priceline.Com And Others Seventh Conviction Concerning Fraudulent Disclosure and Use

of Confidential Credit Union Account Information

SACRAMENTO → United States Attorney John K. Vincent announced that CURTIS LAWRENCE LUCKEY, 26, of Sacramento, was sentenced today by U.S. District Court Judge Garland E. Burrell, Jr. in Sacramento to a term of 27 months in prison in connection with an Internet fraud case to defraud Priceline.com and others with credit card information unlawfully obtained from a credit union employee. LUCKEY was also ordered to pay restitution in the amount of $116,869.30 and serve a three-year term of supervised release following his incarceration. On March 1, 2002, LUCKEY pled guilty to three felony counts, including wire fraud; conspiracy to obtain unauthorized computer access to customer account information from a financial institution; and credit card fraud. LUCKEY admitted to masterminding a scheme to defraud Priceline.com; Southwest Airlines; the Hotel Reservations Network, Inc.; a credit union; and the credit union's credit card holders by making fraudulent Internet credit card charges for hotel and airline reservations, totaling more than $116,000. LUCKEY obtained the confidential customer account and credit card information from credit union employee TIFANE ROBERTS, who was subsequently terminated and convicted. LUCKEY then used the credit card information to make hotel and airline reservations on the Internet and telephone. Most of the reservations were made with Priceline.com, Southwest Airlines, and the Hotel Reservations Network, Inc. After making the reservation with the credit card information, LUCKEY typically enlisted another person to check into the hotel room using the reservation and credit card information he supplied, and to return the hotel room keys to LUCKEY, who then obtained full use of the hotel rooms. According to court documents, these individuals included DANISE McCORMICK and LEESHAUN DEON ELLIOTT. According to Assistant U.S. Attorney Mark L. Krotoski, who prosecuted all of the cases involved in the scheme, no credit union customers lost any funds as a result of the fraud scheme. All customer funds were federally insured by the National Credit Union Association. LUCKEY is the seventh person convicted in recent felony prosecutions arising from the fraudulent use and disclosure of confidential credit union account information, including:

→ TIFANE ROBERTS, the former credit union employee who admitted releasing confidential personal customer information to LUCKEY. She pled guilty on January 11, 2002, to obtaining financial information contained in the credit union computer. Her sentencing is set for May 24, 2002.

→ DANISE McCORMICK, who pled guilty on February 1, 2002, to conspiring to commit credit card fraud with LUCKEY. She admitted checking into three Sacramento area hotels at LUCKEY's instruction, using reservation information he supplied to her, and giving LUCKEY the hotel room keys. Her sentencing is also scheduled for May 24, 2002.

→ LEESHAUN DEON ELLIOTT, who pled guilty on March 22, 2002, to one count of wire fraud, and aiding and abetting, and one count of conspiring with LUCKEY to commit credit card fraud. She admitted checking into several area hotels at LUCKEY's instruction, using reservation information he supplied to her, and giving LUCKEY the hotel room keys. Her sentencing is set for June 7, 2002.

U.S. Attorney Vincent stated that the prosecution of Internet fraud and other cybercrimes is a key focus of the U.S. Attorney's Office. In March, the U.S. Attorney's Office established a Computer Crimes Section to prosecute high-technology and intellectual property offenses, including computer intrusions, denial of service attacks, virus and worm proliferation, Internet fraud, and telecommunications fraud. The cases were investigated as part of a coordinated effort by the U.S. Postal Inspection Service, the Sacramento Police Department, and the Federal Bureau of Investigation, Sacramento Office. A copy of this press release may be found on the United States Attorney Office's website at: http://www.usdoj.gov/usao/cae/text_version/text_pressindex.htm .

###