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Former Cisco Systems, Inc. Accountants Sentenced for Unauthorized Access to Computer Systems to

Illegally Issue Almost $8 Million in Cisco Stock to Themselves

The United States Attorney's Office for the Northern District of California announced today that former Cisco Systems, Inc., accountants Geoffrey Osowski and Wilson Tang were each sentenced today to 34 months in prison for exceeding their authorized access to the computer systems of Cisco Systems in order to illegally issue almost $8 million in Cisco stock to themselves. The sentence was handed down by U.S. District Court Judge Ronald M. Whyte following a guilty plea by each on August 20, 2001, to one count of computer fraud in violation of Title 18, United States Code, Section 1030(a)(4). Mr. Osowski, age 30, a resident of Mountain View at the time the charges were brought, and Mr. Tang, age 35, a resident of Palo Alto at the time the charges were brought, were indicted by a federal Grand Jury on April 4, 2001. The two were charged with one count of conspiracy to commit computer and wire fraud in violation of Title 18, United States Code, Section 371, one count of computer fraud in violation of Title 18, United States Code, Section 1030(a)(4), and three counts of wire fraud in violation of Title 18, United States Code, Section 1343. Pursuant to plea agreements with the government, Mr. Osowski and Mr. Tang each pled guilty to one count of computer fraud in violation of Title 18, United States Code, Section 1030(a)(4), agreed to the forfeiture of assets that the government had seized from the defendants (including stock already liquidated for $5,049,057, jewelry and an automobile), and agreed to pay restitution in the amount of the difference between $7,868,637 and the amount that the government will recover from the sale

of the seized items. In pleading guilty, Mr. Osowski and Mr. Tang admitted that between October 2000 and March 27, 2001, they participated together in a scheme to defraud Cisco Systems in order to obtain Cisco stock that they were not authorized to obtain. As part of the scheme, they exceeded their authorized access to computer systems at Cisco in order to access a computer system used by the company to manage stock option disbursals, used that access to identify control numbers to track authorized stock option disbursals, created forged forms purporting to authorize disbursals of stock, faxed the forged requests to the company responsible for controlling and issuing shares of Cisco Systems stock, and directed that stock be placed in

their personal brokerage accounts. The two defendants admitted that the first time that they did this, in December 2000, they caused 97,750 shares of Cisco stock to be placed in two separate Merrill Lynch accounts, with 58,250 of the shares deposited in an account set up by Mr. Osowski and 39,500 shares deposited in an account set up by Mr. Tang. In February 2001, they

caused two additional transfers of stock, in amounts of 67,500 shares and 65,300 shares, to be transferred to brokerage accounts in their names. The total value of the Cisco stock that they took on these three occasions (at the time that they transferred the stock) was approximately $7,868,637.

Judge Whyte sentenced the defendants each to 34 months in federal prison, restitution of $7,868,637, and a three year period of supervised release. The defendants will begin serving their sentences on January 8, 2002. The prosecution is the result of an investigation by agents of the Federal Bureau of Investigation. Joseph E. Sullivan of the Computer Hacking and Intellectual Property Unit is the Assistant U.S. Attorney who prosecuted the case with the assistance of Lauri Gomez. A copy of this press release and related court documents may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

All press inquiries to the U.S. Attorney's Office should be directed to Assistant U.S. Attorney Matthew J. Jacobs at (415)436-7181 or to Assistant U.S. Attorney Elizabeth de la Vega at (408) 535-5032.

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