September 11, 2007
United States Attorney's Office
Western District of Pennsylvania

"Iceman," Founder of Online Credit Card Theft Ring, Indicted on Wire Fraud and Identity Theft Charges

United States Attorney Mary Beth Buchanan announced today, September 11, 2007, that Max Ray Butler of San Francisco, California, was indicted by a federal grand jury in Pittsburgh on charges of wire fraud and identity theft related to an online scheme to steal credit card and other identity information. Butler was arrested in San Francisco on September 5, 2007 on a criminal complaint filed in Pittsburgh.

The five-count indictment named Butler, age 35, as the sole defendant.

According to Ms. Buchanan, the indictment alleges that from in and around June 2005 to on or about the date of his arrest on September 5, 2007, Butler, known widely on the Internet as "Iceman," among other aliases, engaged in a scheme in which he hacked into secure computer systems connected to the Internet, including but not limited to computers located at financial institutions and credit card processing centers, in order to acquire credit card account information and other personal identification information that he could sell to others. The buyers would use the information either to make fraudulent purchases or to re-sell to others to use, causing losses to credit card issuers. The indictment alleges that Butler sold tens of thousands of credit card numbers belonging to other persons, including sales to an individual in the Western District of Pennsylvania on or about October 14, 2006 and December 6, 2006.

As part of the scheme, the Indictment alleges that Butler created a website known as "Cardersmarket" for the purpose of establishing a safe haven for those engaged in the theft, use and sale of credit cards, a process known as "carding," to communicate with one another and coordinate their illegal activities, and to attract others to assist in carding activity. According to the indictment, Cardersmarket presently has thousands of members worldwide.

The law provides for a maximum sentence on all counts of 70 years in prison, a fine of $1,500,000, or both. Under the Federal Sentencing Guidelines, the actual sentence imposed would be based upon the seriousness of the offense and the prior criminal history, if any, of the defendant.

The United States Secret Service led the investigation of Butler, with the assistance of the Federal Bureau of Investigation; the Vancouver Police Department, Vancouver, Canada; the Newport Beach Police Department, Newport Beach, California; the Orange County Sheriff's Department, Orange County, California; and the Pennsylvania Attorney General's Office. The United States Attorney's Office for the Northern District of California and the Computer Crime and Intellectual Property Section of the United States Department of Justice also assisted in the apprehension of Butler.

An indictment is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

###