April 29, 2004

CRM
(202) 514-2008
TDD (202) 514-1888

Department of Justice Announces Arrests of Detroit-Area Men on Violations of the "Can-Spam" Act

Assistant Attorney General Christopher A. Wray of the Criminal Division and U.S. Attorney Jeff Collins of the Eastern District of Michigan today announced the arrest of two Detroit-area men allegedly responsible for sending hundreds of thousands of commercial electronic mail messages advertising diet patches and other devices, while using false and fraudulent headers to hide their identities. In a related matter, the Federal Trade Commission worked in conjunction with the U.S. Attorney's Office and has filed a civil actions against the defendants.

The criminal charges in this case are the first under the Controlling the Assault of Non-Solicited Marketing and Pornography ("CAN-SPAM") Act, which was enacted in December 2003 and took effect on January 1, 2004. The Act criminalizes, among other things, sending multiple commercial electronic mail messages with materially false or fraudulent return addresses. "This prosecution, the first under the CAN-SPAM Act, clearly demonstrates the benefits of a concerted effort by the Department of Justice, the Federal Trade Commission and Internet service providers," said Assistant Attorney General Wray. "We will not allow marketers who barrage the public with unwanted commercial e-mail to prey on consumers, businesses and families." A criminal complaint, unsealed yesterday, charges Christopher Chung, Mark Sadek, James J. Lin and Daniel J. Lin, all of West Bloomfield, Michigan. Chung and Sadek were arrested in the Eastern District of Michigan, and released on bond after making a court appearance in Detroit. The Lins have not been arrested at this time. According to court documents, the four defendants named in the complaint are allegedly responsible for sending out hundreds of thousands of messages advertising medical and other products, which resulted in over 10,000 complaints to the Federal Trade Commission's unsolicited electronic mail database since Jan. 1, 2004. The complaint also alleges that the defendants were responsible for devising a scheme to defraud others by selling these medical devices via the U.S. Mail by means of false and fraudulent representations, in violation of the mail fraud statute. Felony violations of the CAN-SPAM Act carry a penalty of up to three or five years' imprisonment. Violations of the mail fraud statute carry a penalty of up to 20 years' imprisonment. The charges outlined in the complaint are only accusations and the defendants are considered innocent until proven guilty in a court of law. 04-281