The United States Attorney's Office

Southern District of Texas

May 2, 2008

MILITARY COMPUTER CONTRACTOR PLEADS TO UNAUTHORIZED ACCESS TO MILITARY DATABASE AND ID THEFT

(HOUSTON, Texas) - A former U.S. Navy contractor has been convicted of exceeding authorized access to a computer and aggravated identity theft, United States Attorney Don DeGabrielle and FBI-Houston Special Agent in Charge Andrew R. Bland III, announced today.

At a hearing before U.S. District Judge Sim Lake late this morning, Randall Craig, 41, of Houston, entered pleas of guilty to both counts of an indictment returned by a Houston grand jury on April 16, 2008, admitting he had sold information, including the names and social security numbers of military personnel contained on a military database to a person he believe to be a representative of a foreign government, but who was actually an undercover FBI agent.

“Our personal identification information is readily available to those who have a legitimate use for it as well as those who do not, such as Mr. Craig,” said DeGabrielle. “Because he sought to profit from this identity theft, we moved swiftly and justly “ as we will in all such cases “ to protect our military heroes and to protect everyone in the conduct of their personal affairs.”

Craig, who in September 2007 worked as a private computer contractor at the Marine Corps Reserve Center in San Antonio, Texas, had access to and obtained the names and social security numbers of United States Marines from a Marine Forces Reserve database, not accessible to or by the public. On Feb. 6, 2008, Craig met with someone he believed to be a representative of a foreign government at the Bush Intercontinental Airport in Houston to discuss the sale of a “thumb drive” containing the information Craig had obtained from the military data base. The foreign government representative was actually an undercover FBI Special Agent. Craig sold a “thumb drive” to the FBI undercover Agent for $500. The FBI undercover agent told Craig the data would be analyzed and he would contact Craig again soon.

A forensic examination conducted by the Naval Criminal Investigative Service (NCIS) determined the data, unclassified but designated for "Official Use Only," contained on the thumb drive indicated the files were extracted from a U.S. government Information System located on a computer at the Marine Corps Reserve Center where Craig worked as a subcontractor. The database contained names and social security numbers of about 17,000 military personnel assigned to a Battalion of the United States Marine Corp (USMC) in San Antonio. Significantly, the investigation established that none of the information unlawfully obtained by Craig was either sold to others or otherwise compromised.

At a subsequent meeting with the FBI undercover agent at the Galleria Mall in Houston on Feb. 22, 2008, Craig admitted he had made efforts to contact other foreign countries in an attempt to offer his services. The FBI undercover agent and Craig discussed future contact, using cell phones and e-mail. Following his arrest on April 18, 2008, Craig confessed to selling the information from the database for $500 to the FBI undercover agent, a person he believed was a representative of a foreign government.

"The superb work of our agents, in collaboration with the NCIS, has resulted in today's successful resolution of this matter," said Bland. "Fortunately, the FBI had the ability to get control of this situation in its early stages, and because of that, no one's personal data was ever compromised. It is always very satisfying to see that our investigative efforts are resulting in increased security and safety for our citizens and our communities, and in this case it is particularly gratifying that our brave and dedicated activity duty military members were protected from potential harm.

The conviction for exceeding authorized access to a computer for financial gain carries a maximum sentence of five years imprisonment. Aggravated identity theft carries a mandatory two year-sentence that must be served consecutive to any sentence imposed for the exceeding authorized access count. Both counts also carry terms of supervised release to be served following release from prison and maximum fines of $250,000. A sentencing hearing has been set for July 28, 2008, at 3:00 p.m. Craig is being held in federal custody without bond and will remain in custody pending his sentencing hearing.

The investigation was conducted by the FBI and the U.S. Attorney's Office, who acknowledge the invaluable assistance of the NCIS in this investigation. The case is being prosecuted by Assistant U.S. Attorney James McAlister.

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