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LANSING SPAMMER PLEADS GUILTY

A Lansing resident pleaded guilty today in federal court in Detroit for her role in a wide-ranging international fraud scheme involving the illegal use of bulk commercial e-mailing, or "spamming," announced Acting United States Attorney Terrence Berg.

Mr. Berg was joined in the announcement by Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation, Special Agent in Charge Maurice M. Aouate, Internal Revenue Service Criminal Investigation and Inspector in Charge Joseph Pirone, U.S. Postal Inspection Service.

Judy M. Devenow, 56, of Lansing, Michigan, pleaded guilty to Conspiracy, Fraud in Connection with Electronic Mail ("CAN SPAM), Mail and Wire Fraud, along with Aiding and Abetting Electronic Mail Fraud.

Acting U.S. Attorney Terrence Berg said, "Using the Internet to manipulate the stock market through spam e-mail campaigns is a serious crime. This defendant played a significant role in the Alan Ralsky spamming conspiracy, which is charged with sending e-mail through proxy computers, using false e-mail headers, and touting Chinese penny stocks."

Andrew G. Arena, Special Agent in Charge, Federal Bureau of Investigation said, "Cyber crime investigations are a top priority of the FBI and we will continue to aggressively investigate those individuals who use and hide behind computers to commit various crimes."

Maurice M. Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation said, "In today's competitive international business world, there will always

be a select few who illegally manipulate the system for their own profit," said Aouate. "IRS CI will continue to diligently follow the money and assist in the seizure and forfeiture of any ill-gotten gains from their illegal business practices."

According to court records, from January 2004 through September 2005, Devenow conspired and agreed with Alan Ralsky and other to send unsolicited bulk commercial electronic mail ("spam"), sent spam emails herself, and also managed other mailers who sent spam on behalf of the conspiracy. Devenow admitted transmitted or helping others transmit tens of millions of spam emails that used false headers and that were sent by proxy mailing. This was done to disguise the true origin of the spam email and prevent recipients and Internet service providers from detecting and blocking them.

Many of the spam emails promoted thinly traded stocks for Chinese companies and contained materially false and misleading information or omissions. Devenow was aware that interstate wire communications, the U.S. mail, and common carriers were used to further the fraudulent scheme, which resulted in Devenow and others receiving the proceeds from the sale of stocks whose prices were artificially inflated after being promoted by the spam emails.

Under the terms of the plea agreement, Devenow is facing up to 41 months in prison and a $7500 fine.

The charges arose after a three-year investigation, led by agents from the Federal Bureau of Investigation, with assistance from the U.S. Postal Inspection Service and the Internal Revenue Service, revealed a sophisticated and extensive spamming operation that, as alleged in the indictment, promoted a stock "pump and dump" scheme, in which the defendants sent spam touting thinly traded Chinese penny stocks, drove up their stock price, and reaped profits by selling the stock at artificially inflated prices. According to the indictment, the defendants used various illegal methods in order to maximize the amount of spam that evaded spam- blocking devices and tricked recipients into opening, and acting on, the advertisements in the spam. These included using falsified "headers" in the email messages, using proxy computers to relay the spam, using falsely registered domain names to send the spam, as well as making misrepresentations in the advertising content of some of the underlying email messages.

The case is being prosecuted by Acting United States Attorney Terrence Berg and Trial Attorneys Thomas Dukes and Mona Spivack of the Computer Crime and Intellectual Property Section of the Criminal Division of the Department of Justice in Washington, D.C.