April 26, 2002

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U.S CHARGES ENGINEER WITH COMPUTER INTRUSION,

DESTRUCTION OF DATABASE AT MANHATTAN APPAREL COMPANY

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that RICHARD EITELBERG was arrested and charged yesterday in Manhattan federal court with the unauthorized intrusion of the computer network of his former employer, MP Limited LLC ("MP"), an apparel manufacturer and designer based in Manhattan.

According to the Complaint, EITELBERG was hired as the controller at MP on September 1, 2001. In connection with his work at MP, EITELBERG was given the password to permit him to remotely access the MP computer system from his home. On its computer network, MP manages different databases relating to its business, including its customers' orders.

As stated in the Complaint, on February 1, 2002, EITELBERG stopped working at MP. On April 11, 2002, an MP employee accessed the MP database containing customer orders, and found that the records of all of MP's orders had disappeared. The computer records at MP allegedly indicated that an individual accessed the MP computer system using a password from at or about 9:21 P.M. until at or about 9:46 P.M. on April 10, 2002, and that orders in the database were deleted during this computer session.

According to the Complaint, AT&T phone records indicated that between February 27, 2002, more than three weeks after EITELBERG stopped work at MP, and April 10, 2002, the phone line registered to the wife of EITELBERG, and located at the EITELBERG residence was used to call MP's modem connection approximately 13 times, including the call made at or about 9:24 P.M. on April 10, 2002.

EITELBERG, a resident of Queens, New York, was presented before United States Magistrate Judge HENRY PITMAN yesterday and released on a $10,000 personal bond.

If convicted of unauthorized computer intrusion, EITELBERG faces a maximum possible sentence of five years in prison and a fine of $250,000 or twice the gross gain or loss resulting from the crime.

Mr. COMEY thanked the Federal Bureau of Investigation for its outstanding investigation of this case.

Assistant United States Attorney ROBERT R. STRANG is in charge of the prosecution.

The charge in the Complaint is merely an accusation, and the defendant is presumed innocent unless and until proven guilty.

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