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VICE PRESIDENT OF SALES OF MINNESOTA COMPUTER EQUIPMENT COMPANY PLEADS GUILTY TO SCHEME TO DEFRAUD CISCO OF COMPUTER NETWORKING EQUIPMENT

Faris Fraudulently Conspired to Obtain over $400,000 in Equipment From Cisco under the SMARTnet Service Contract Program

SAN JOSE, Calif. – United States Attorney Joseph P. Russoniello announced today that Mark Burgoyne Faris pleaded guilty to conspiracy to commit mail fraud and wire fraud, and conspiracy to commit money laundering, by perpetrating a scheme to defraud Cisco Systems, Inc. of over $400,000 of computer networking equipment.

According to the plea agreement, Faris schemed with others to defraud Cisco Systems under the SMARTnet service contract program, wherein Cisco agreed to provide customers with technical support, including advance hardware replacement. Advance hardware replacement allowed customers to obtain replacement equipment from Cisco immediately, without having first to return the broken part.

Faris, a Minnesota resident, served as the Vice President of Sales for Interlink Communications Corporation, a company based in Edina, Minnesota, that bought and sold new and used Cisco networking equipment.

According to the plea agreement, from 2001 to August 2002, Faris and others at Interlink Communications, conspired to submit fraudulent SMARTnet service contract claims to Cisco to receive "replacement" computer networking parts to which they were not entitled. Faris and others then sold these "replacement" parts to customers and deposited the payments from those customers in Interlink's bank account. Faris and others disguised their fraudulent acquisition and sale of the "replacement" parts by altering their internal purchase, sale, and inventory accounting system to make it appear as if the "replacement" parts had been legitimately acquired.

Faris remains released on bond pending sentencing, scheduled for January 14, 2009, before the Honorable Jeremy Fogel in San Jose. The maximum statutory penalties for the mail fraud and wire fraud conspiracy are 5 years in prison and a $250,000 fine (or twice the gain or loss resulting from the fraud). The maximum penalties for the money laundering conspiracy are 20 years in prison and a $250,000 fine (or twice the amount of the criminally derived property involved in the transaction).

Richard C. Cheng is the Assistant United States Attorney who is prosecuting the case, with the assistance of paralegal Lauri Gomez. The prosecution is the result of an investigation by the United States Postal Inspection Service, Internal Revenue Service–Criminal Investigation, and the Internal Revenue Service, Criminal Investigation Division. Cisco also assisted the investigation.

Further Information:

Case #: CR 07-00108 JF

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at https://ecf.cand.uscourts.gov/cgi-bin/login.pl.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Joshua Eaton at (415) 436-6958 or by email at Josh.Eaton@usdoj.gov.

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