January 29, 2004

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Man Pleads Guilty to Gaining Unauthorized Access and Recklessly Damaging Computers of Several High-Technology

Companies Including eBay and Qualcomm From His Graduate School Dorm Room

The United States Attorney's Offices for the Northern and Southern Districts of California announced that Jerome T. Heckenkamp, 24, of Los Angeles, pled guilty today in federal court in San Jose to gaining unauthorized access and recklessly damaging computer systems of several high-technology companies, including eBay in San Jose and Qualcomm in San Diego, as a graduate student in computer science at the University of Wisconsin in 1999.

Mr. Heckenkamp's guilty pleas result from felony charges filed against him in both the Northern and Southern Districts of California. On March 13, 2002, a Grand Jury in the Northern District of California returned a sixteen-count indictment charging him with computer intrusions, unlawful interception of electronic communications, and witness tampering. On September 5, 2002, a Grand Jury in the Southern District of California returned a ten-count indictment charging him with computer intrusions and unlawful interception of electronic communications. The cases were consolidated in the United States District Court for the Northern District of California in March 2003. Under the terms of a Plea Agreement joined by the United States Attorney's Offices for both districts, Mr. Heckenkamp pled guilty to one count from each of those indictments, each charging Unauthorized Access into a Computer Recklessly Causing Damage, in violation of 18 U.S.C. § 1030(a)(5)(B).

The maximum statutory penalty for each count of conviction is five years imprisonment, a fine of $250,000 or twice the gross loss, a three year term of supervised release, a mandatory special assessment of $100, and restitution. However, the actual sentence will be dictated by the Federal Sentencing Guidelines, which take into account a number of factors, and will be imposed in the discretion of the Court. Mr. Heckenkamp is scheduled to be sentenced on May 10, 2004 at 9:00 a.m. before United States District Judge James Ware in San Jose.

In pleading guilty, Mr. Heckenkamp admitted that he gained unauthorized access to eBay computers during February and March 1999. Using this unauthorized access, Mr. Heckenkamp admitted that he defaced an eBay Web page using the name "MagicFX," and that he installed "trojan" computer programs → or programs containing malicious code masked inside apparently

harmless programs → on the eBay computers that secretly captured usernames and passwords that Mr. Heckenkamp later used to gain unauthorized access into other eBay computers.

Mr. Heckenkamp also admitted that he gained unauthorized access to Qualcomm computers in San Diego in late 1999 using a computer from his dorm room at the University of Wisconsin-Madison. Once he gained this unauthorized access, Mr. Heckenkamp admitted that he installed multiple "trojans" programs which captured usernames and passwords he later used to gain unauthorized access into more Qualcomm computers. Mr. Heckenkamp also agreed that the Court could consider losses from other indicted counts in determining his sentence, including unauthorized access to computer systems of Exodus Communications, Juniper Networks, Lycos, and Cygnus Solutions.

Since their consolidation, the cases have been overseen by the Computer Hacking and Intellectual Property (CHIP) Unit of the United States Attorney's Office for the Northern District of California. The cases resulted from a multi-year investigation by special agents of the Federal Bureau of Investigation's Computer Intrusion Squads in the Northern and Southern Districts of California. Mark L. Krotoski is the Assistant U.S. Attorney who is prosecuting the case.

Each of the victim companies cooperated in the investigation.

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can. Related court documents and information may be found on the District Court website at www.cand.uscourts.gov or on http://pacer.cand.uscourts/gov.

All press inquiries to the U.S. Attorney's Office should be directed to Assistant U.S. Attorney Ross W. Nadel at (415) 436-6778, or Assistant U.S. Attorney Matthew J. Jacobs at (415) 436-7181.

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