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Man Sentenced 144 Months for Internet Auction Fraud

Norfolk, Virginia → Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today that Thomas Houser, age 25, of Fairfax, Virginia, was sentenced by U.S. District Judge Rebecca Beach Smith to 144 months of imprisonment and directed to pay $94,527.21 in restitution to his victims.

Houser was convicted for possessing ten false identifications and for committing mail and wire fraud in perpetrating two separate schemes to defraud 261 persons seeking to buy merchandise on Internet auction sites. As part of his scheme, Houser placed items for auction on Internet auction sites that he had no intention of supplying to the buyers. After the auctions closed, Houser directed winners to send checks and money orders to private mail boxes he rented in various states, including Virginia. After receiving and cashing such payments, Houser would move from state to state in an effort to evade law enforcement.

Houser first executed this scheme during a twelve month period concluding in May 2001, when he was arrested in Virginia Beach, Virginia. After pleading guilty to defrauding 100 victims of approximately $21,886, Houser was released on bond pending sentencing. Soon after his release, Houser re-instituted his scheme and attempted to defraud another 161 victims of approximately $76,862. After receiving and cashing the payments from his victims, Houser fled Virginia in late January 2002. Several days later, however, local police in Dade County, Georgia, arrested Houser on assorted driving offenses and found over $46,000 cash, assorted electronic goods, and false identifications inside his automobile.

Mr. McNulty said, → This case involves an emerging threat to consumers, and it may be the toughest sentence for this type of cybercrime ever handed down.→

The investigation was conducted by the Federal Bureau of Investigation and the Fairfax City Police Department, working as a member of the United States Secret Service Electronic Crimes Task Force. Assistant United States Attorneys Jack I. Hanly and Robert J. Krask prosecuted the case.