June 15, 2006
U.S. Department of Justice
Central District of Pennsylvania
United States Attorney
615 Chestnut Street
Suite 1250
Philadelphia, Pennsylvania 19106-4476
(215) 861-8200

North Carolina Man Charged with Illegally Accessing American College of Physicians Database

PHILADELPHIA -- United States Attorney Pat Meehan today announced the return of an indictment (1) charging William Bailey, Jr. of Charlotte, NC, with 11 counts of computer intrusion. Bailey is charged with getting unauthorized access to the membership database of the American College of Physicians in Philadelphia and downloading information regarding more than 80,000 members. Bailey runs a business in North Carolina that markets databases to people interested in marketing to physicians, dentists, lawyers and other professionals. The indictment charges that between January and May 2005, Bailey gained unauthorized access to the computer at American College of Physicians and downloaded the membership database.The ACP website contained the following restriction on its use. A viewer had to read this warning before getting access to the membership database:

"Member Connection" or any of its data or listings may not be downloaded, republished, resold or duplicated, in whole or in part, for commercial or any other purposes, or for purposes of compiling mailing lists or any other lists of physicians. The use of "Member Connection" to establish independent data files or compendiums of statistical information is prohibited.. . . Should the foregoing terms and conditions be acceptable to you, please indicate your agreement and acceptance by clicking below on the button labeled, "I accept."

"As the indictment alleges, the defendant was not an ACP member, knew he couldn't gain access to the database and download the information that he wanted, so he ignored the stop signs and the law," said Meehan.Meehan also noted that the American College of Physicians called the FBI immediatelyand cooperated during the investigation.

If convicted, Bailey faces a maximum possible sentence of 55 years imprisonment, $2,750,000 in fines and a special assessment of $1100.The case was investigated by the computer crimes squad of the Federal Bureau of Investigation. It has been assigned to Assistant United States Attorney Michael L. Levy.

(1) An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

INFORMATION REGARDING THE DEFENDANT

- NAME: WILLIAM A. BAILEY, JR.
- ADDRESS: Charlotte, NC
- AGE OR DATE OF BIRTH: Age: 46
- May 12, 2006
- U.S. Department of Justice
  CRM
  (202) 514-2008
  (202) 514-1888

- **Former Federal Computer Security Specialist Sentenced for Hacking Department of Education Computer**
- WASHINGTON -- Kenneth Kwak, 34, of Chantilly, Va., was sentenced today by U.S. District Judge Royce Lamberth to five months in prison followed by five months of home confinement, based upon Kwak's conviction for gaining unauthorized access to and obtaining information from a Department of Education computer system, the Department of Justice announced today.
- Kwak's sentence results from his March 2006 guilty plea to one count of intentionally gaining unauthorized access to a government computer and thereby obtaining information. In his plea, Kwak, who had been working in an office responsible for ensuring the security of Department of Education computer systems, admitted that he had placed software on a supervisor's computer which enabled him to access the computer's storage at will. He later used that access on numerous occasions to view his supervisor's intra-office and Internet email as well as his other Internet activity and communications; Kwak then shared this information with others in his office.
- As part of today's sentence, Judge Lamberth also ordered Kwak to pay restitution to the U.S. government in the amount of $40,000 and serve a three-year term of supervised release. The five months of home confinement with electronic monitoring was ordered as a special condition of this term of supervised release.
- The matter was investigated by the Computer Crime Investigations Division of the Department of Education Inspector General's Office. The case was prosecuted by Senior Counsel William Yurek, cross-designated as a Special Assistant U.S. Attorney in the U.S. Attorney's Office for the District of Columbia, with assistance by Trial Attorney Howard Cox, both of the Computer Crime and Intellectual Property Section of the Criminal Division. The prosecution was part of the "zero-tolerance policy" recently adopted by the U.S. Attorney's Office regarding intrusions into U.S. government computer systems.
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