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TWO PLEAD GUILTY TO DEFRAUDING TRUCKING COMPANIES IN MULTI-MILLION DOLLAR SCHEME THAT USED INTERNET SITE

Two Southern California men have pleaded guilty to federal fraud charges for fraudulently using a federal Internet site to defraud trucking companies out of at least $2.4 million.

Nicholas Lakes, also known as Dmitry Nadezhdin, 35, of Glendale, and Viacheslav Berkovich, 34, of the Los Feliz section of Los Angeles, both pleaded guilty yesterday to computer fraud and mail fraud charges before United States District Judge John F. Walter.

In plea agreements filed with the court, Lakes and Berkovich admitted that they entered into a scheme to defraud trucking brokers and trucking companies through use of the Internet. Using bogus corporate and individual identities, Lakes and Berkovich accessed the Safety and Fitness Electronic Records System (SAFER) Internet website, which is maintained by the Federal Motor Carrier Safety Administration of the United States Department of Transportation. The government provides the SAFER website to the trucking industry to register trucking companies and brokerages that move goods via trucks.

Lakes and Berkovich accessed the SAFER website with the intent to use a fictitious brokerage that they registered on SAFER to offer to transport trucking loads and collect payment from the original broker. Lakes and Berkovich fraudulently accessed the SAFER website to "double broker" the trucking jobs to legitimate trucking companies that they never paid for the actual trucking work that

was done. Lakes and Berkovich later used commercial “loadboards” to “double broker” loads.

As an example of later transactions in the fraudulent scheme, in January 2008, Lakes and Berkovich accessed the Internet Truckstop website and obtained information about a trucking load being brokered by the Dallas-based Stevens Transport. Using the name of Vega Trucking, one of the fictitious companies they had registered on the SAFER website, Lakes and Berkovich agreed with Stevens Transport to transport the load for $3,400. Lakes and Berkovich then illicitly used the name of Barkfelt Transport, a legitimate trucking brokerage, to arrange for RK Trucking to transport the load for $4,000. RK Trucking in fact transported the load, but never got paid for its work. In early February 2008, Lakes and Berkovich received a $3,390 check via the mail from Stevens Transport, which was deposited into an account for Vega Trucking. Berkovich was the account holder for this Bank of America account.

The government contends that defendants derived at least $2.4 million from the fraud scheme.

The two defendants are scheduled to be sentenced by Judge Walter on June 29. At sentencing, Lakes faces a maximum statutory sentence of 70 years in federal prison, and he has agreed to forfeit his interest in $1.14 million in an investment account. Berkovich faces a maximum sentence of 45 years in prison.

This case is the product of an investigation by the Department of Transportation, Office of the Inspector General.

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