Department of Justice

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Eastern District of California

FOR IMMEDIATE RELEASE
Wednesday, May 28, 2008
www.usdoj.gov/usao/cae
Docket #: 08-cr-236-MCE

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PLUMAS LAKE MAN CHARGED WITH COMPUTER FRAUD

Internet Scheme Used to Steal Micro-Deposits

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott, United States Secret Service Special Agent-in-Charge Jean Mitchell, and Federal Bureau of Investigation Special Agent-in-Charge Drew Parenti announced today that MICHAEL LARGENT, 22, of Plumas Lake, Calif. was arraigned today on an indictment charging him with multiple counts of computer fraud, wire fraud, and mail fraud.

This case is the product of an extensive joint investigation by the United States Secret Service and the Federal Bureau of Investigation. The United States Attorney's Office, San Jose Division, also assisted with this case.

According to Assistant United States Attorney Robin R. Taylor, who is prosecuting the case, from November 2007 through May 2008, LARGENT defrauded E*TRADE, Charles Schwab & Co., Inc., and other businesses by opening or attempting to open more than 58,000 brokerage accounts, without authorization. The defendant opened and attempted to open these accounts with the intent of stealing the "micro-deposits," which are funds used to verify account information.

LARGENT opened these fraudulent accounts using false names, addresses, driver's license numbers, and social security numbers, including the names of known cartoon and comic book characters. When the deposits occurred, LARGENT transferred or attempted to transfer the

funds into bank accounts controlled by him and onto pre-paid debit cards, without the authorization or knowledge of E*TRADE and Schwab, and used the funds for personal expenses. As a result, LARGENT fraudulently obtained or attempted to obtain more than $50,000.

The scheme perpetrated by LARGENT was detected by E*TRADE and Charles Schwab & Co., Inc., both of which independently notified law enforcement.

The mail fraud and wire fraud charges carry a maximum penalty under federal law of 20 years in prison. The computer fraud charges carries a maximum penalty of five years in prison. In addition, the defendant may be required to pay a fine and restitution. The actual sentence, however, will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors. The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

At the appearance before Magistrate Judge Hollows, the defendant was ordered released on conditions and the case was scheduled for a status conference before Judge Morrison C. England, Jr. on June 19, 2008.

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