Department of Justice

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Eastern District of California

FOR IMMEDIATE RELEASE
Thursday, Sept. 17, 2009
www.usdoj.gov/usao/cae
Docket: 2:08-CR-236-MCE
2:09-CR-001 MCE

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PLUMAS LAKE MAN SENTENCED TO ONE YEAR AND THREE MONTHS IN PRISON FOR COMPUTER FRAUD

Used the Internet to Steal Micro-Deposits

SACRAMENTO, Calif.—United States Attorney Lawrence G. Brown announced today that United States District Judge Morrison C. England Jr. Sentenced MICHAEL LARGENT, 22, of Plumas Lake, to 15 months in prison and restitution of $200,073.44 for fraud and related activity in connection with computers. After release from prison, LARGENT will also face three years of strict restrictions on his use of computers and the Internet.

This case was the product of a joint investigation by the United States Secret Service and the Federal Bureau of Investigation. The United States Attorney's Office for the Northern District of California, San Jose Division, also assisted with this case.

According to Assistant United States Attorney Matthew D. Segal, a prosecutor in the office's Computer Hacking and Intellectual Property (CHIP) unit, who prosecuted the case, from November 2007 through May 2008, LARGENT wrote a computer program that allowed him to defraud E-Trade, Charles Schwab & Co., and Google by opening or attempting to open more than 58,000 brokerage accounts. He did this to steal the "micro-deposits." A financial institution will make a micro-deposit when an account is opened to test the functionality of an account. The amounts deposited in this case ranged from $0.01 to $2.00.

LARGENT used false names, addresses, driver's license numbers, and social security numbers, including the names of known cartoon and comic book characters to open the accounts. When the deposits occurred, he would transfer the funds into his own bank accounts or onto prepaid debit cards, without the authorization or knowledge of his victims. As a result, LARGENT fraudulently obtained or attempted to obtain tens of thousands of dollars, which he used for personal expenses.

E*TRADE and Charles Schwab & Co. Inc. detected the fraud and notified law enforcement independently of each other. Assistant United States Attorney Robin R. Taylor, also of the CHIP unit, brought the criminal complaint and the indictment in this case in May 2008 and Segal took over in January 2009.

In sentencing, Judge England observed that LARGENT's scheme took some sophistication, and wondered why he had not used his skills and talents in a lawful way.

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