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Man Indicted on Charges of Defrauding Buyers Using eBay Internet Auction Service, Remains Fugitive

Assistant Director in Charge of the FBI in Los Angeles, Ronald L. Iden, United States Attorney for the Central District of California, Deborah Yang, and Inspector in Charge Janice Somerset, U.S. Postal Inspection Service, Southern California Division announced today the December 6th federal arrest warrant obtained for Jerrod Lochmiller, based on a complaint filed in federal court charging him with one count of mail fraud. From August 2000 through January 2001, Lochmiller and a second individual, George Arthur Cruz, previously convicted in the same investigation, posted fraudulent listings on eBay in which they offered to sell various items. eBay is an Internet auction service used by individuals to buy and sell items including collectibles, antiques, sports memorabilia, jewelry, electronics and other miscellaneous items. In total, Lochmiller and his co-conspirator fraudulently obtained in excess of $38,000 from eighteen different victims using the scheme outlined as follows:

In September 1999, George Arthur Cruz, using the false name of Richard Cortez and many other names, defrauded eighteen victims and attempted to defraud another 23 potential victims by holding auctions on eBay for products such as laptop computers, desktop computers, high-end camera lenses, big screen TVs, and musical instruments, and then failing to deliver the products. Cruz was a “front man” for fugitive Jerrod Lochmiller.

Lochmiller established several user accounts at America On Line (AOL), all under the name Richard Cortez. Under each user account, Lochmiller established multiple email accounts (aliases), none of which were in his own true name. Lochmiller next established multiple eBay accounts under aliases, none of which were either the name Cruz, Lochmiller, or the name Cortez, that corresponded to the email accounts he established at AOL. Lochmiller posted auctions under each of the eBay accounts he established, giving the corresponding AOL email address as his point of contact. When he contacted the winner of the auction to give payment instructions, each victim was instructed by email to send payments to Richard Cortez, at 1315-I North Tustin Avenue, Suite 195, Orange, California 92867, the address of a commercial mail receiving agency where Lochmiller had Cruz rent a private mail box in the name Richard Cortez. Lochmiller also instructed Cruz to open a bank account at Bank of America. All of the proceeds of the fraud were deposited to this bank account. Lochmiller would collect the checks and not deliver on any of the products.

George Arthur Cruz was indicted on thirteen counts of mail fraud and one count of money laundering on December 20, 2000. Cruz pled guilty and was sentenced on January 14, 2002 to one year in jail, three years supervised release and restitution.

Jerrod Lochmiller is currently being sought by federal authorities in connection with this case and in a separate case, where he is alleged to have operated an illegal website selling counterfeit state identification to individuals via the Internet, many of whom were convicted felons. He is believed to be in the Southern California area, possibly traveling with a female companion. Lochmiller is a white male, 29 years old with brown hair and hazel eyes. He is 6'2" and weighs approximately 180 pounds. He was last seen driving a black 2003 Mercedes Benz. Anyone with information as to his whereabouts is urged to contact their local FBI office. In Los Angeles, the FBI can be reached 24 hours per day at 310 477-6565.

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