The United States Attorney's Office

Southern District of Texas

News Release

April 9, 2008

HOUSTON MAN PLEADS GUILTY TO HACKING FORMER EMPLOYER'S COMPUTER SYSTEM

(HOUSTON, Texas) – The former Director of Network Operations for a webmail service company has been convicted following his guilty plea to intruding into his former employer's computer networking system, United States Attorney Don DeGabrielle and FBI Houston Special Agent in Charge Andrew R. Bland III, announced today.

On Monday, April 7, 2008, at a hearing before U.S. District Judge Vanessa Gilmore, Jacob Jeremiah Loyd, 35, admitted to hacking into his former employer's web administrative management system and intentionally removing a client's domain from the system, causing a loss of more than $5,000 in April 2007. Loyd was convicted of knowing and intentional damage to a computer as charged in an indictment returned in February 2008.

On Sept. 1, 2006, Loyd resigned as the Director of Network Operations for a webmail service company in Houston, Texas, and went to work for a competitor company. Several months later, in April 2007, Loyd logged on to his former company's webmail server and, without authorization, acquired the user ID and password to breach a significant client's administrative account. Using this information and gaining unauthorized access, Loyd logged on to the web administrative management system and executed commands to intentionally remove each and every e-mail alias (i.e., jjones@abelbaker.com) from the client's domain and then executed additional commands which intentionally removed the client's domain from the web administrative management system, effectively eliminating the client's access to their own e-mail accounts. As a result, Loyd caused a loss to his former employer in excess of $5,000.

Loyd is scheduled to be sentenced by Judge Gilmore July 7, 2008. He faces a maximum punishment of 10 years imprisonment and/or a fine of up to $250,000.

The investigation leading to the charges is the result of an investigation conducted by the Houston office of the FBI and is being prosecuted by Special Assistant U.S. Attorney Bret W. Davis.

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