November 18, 2003

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Sewell Man Admits to Defrauding eBay Bidders and Cashing Checks From Stolen Mail

CAMDEN → An unemployed Sewell man pleaded guilty today to defrauding eBay bidders of $42,000 through online auctions of music and sporting event tickets and to cashing $53,000 worth of personal checks contained in stolen mail, U.S. Attorney Christopher J. Christie announced. Ryan McCarty, 23, pleaded guilty before U.S. District Judge Robert B. Kugler to a two-count Information charging one count of mail fraud and one count of theft of mail, according to Assistant U.S. Attorney Scott S. Christie. Sentencing is scheduled for Feb. 27, 2004, at 9:30a.m. At his plea hearing, McCarty admitted that in Oct. 2000 he created the eBay account "freeatlance". McCarty also admitted that through the account, from March 2001 through April 2001, he posted approximately 50 separate auction listings for tickets to music concerts that included: U2, The Dave Matthews Band, Ozzy Osbourne, The Eagles, N'Sync, Bon Jovi, Eric Clapton and The Backstreet Boys. Furthermore, McCarty admitted that in Sept. 2002, using the eBay accounts "ticketinsider", "besttickets2002", and "tickets12000", he posted approximately 24 separate auction listings on eBay in which he offered tickets for sale to concerts that included; Phish, Bruce Springsteen, The Rolling Stones, Paul McCartney, Elton John, and Billy Joel, and tickets to sporting events including the Superbowl and other professional football games as well as season tickets to the Sacramento Kings, the Los Angeles Lakers, and the Maryland Terrapins. McCarty admitted that when posting these auction listings, he concealed from potential bidders the fact that he did not possess and did not intend to deliver the tickets that he was offering for sale. McCarty also admitted he directed the winning bidders to remit payment in advance of ticket shipment. Furthermore, he admitted to directing most of the winning bidders to mail checks and money orders made payable to him to his home in Sewell and that approximately 53 winning bidders followed his directions. McCarty admitted that when he failed to deliver the tickets to winning bidders who had made payment, the winning bidders began to contact him via e-mail to complain. In response, McCarty admitted he falsely and fraudulently claimed that he had mailed the tickets and that they must have been lost or stolen in transit. McCarty admitted that by the above means, he defrauded winning bidders on the ticket auctions of a total of approximately $41,804. McCarty further admitted that on October 7, 2002, he used $18,162 in proceeds he obtained from the scheme to purchase a 1999 Dodge Durango.

The government has seized that vehicle and is seeking its forfeiture so that it may be sold in order to provide partial restitution to McCarty's victims, noted Assistant U.S. Attorney Christie. In a separate scheme, McCarty admitted that from Nov. 2002 through May 2003 he periodically stole letters containing personal checks from residential mailboxes in Cherry Hill, Franklinville, Paulsboro, Mays Landing, West Deptford, and Williamstown that had been left by the homeowners for collection by a postal carrier. For example, McCarty admitted that on May 3 he stole a letter from a residential mailbox in Cherry Hill that contained a personal check, which he then caused to make payable to himself in the amount of $6,500. Furthermore, McCarty admitted that during this time period he fraudulently endorsed the stolen checks, deposited them into personal bank accounts, and withdrew the money from these accounts to pay personal expenses. McCarty faces a maximum sentence of five years in prison and a $250,000 fine on each charge. He also could be ordered to pay restitution and the costs of prosecution. Under U.S. Sentencing Guidelines, Judge Kugler, will determine the actual sentence based upon a formula that takes into account the severity and characteristics of the offense and the defendant's criminal history, if any. Parole has been abolished in the federal system. Under the Sentencing Guidelines, defendants who are given federal custodial terms must serve nearly all that time. In the filing of a felony Information, a defendant waives the right to have his or her case presented to a federal grand jury and, instead, pleads guilty to charges presented by the Government. U.S. Attorney Christie credited Postal Inspectors of the U.S. Postal Inspection Service, Newark Division, under the direction of Postal Inspector in Charge Martin Phanco, with developing the case against McCarty.

The government is represented by Assistant U.S. Attorney Scott S. Christie of the U.S. Attorney's Office Computer Hacking and Intellectual Property Section in Newark.

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