February 28, 2002

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New York Electronic Crimes Task Force Arrests Defendant for One of the

Largest Identity Theft Cases in U.S. History

ALAN VINEGRAD, United States Attorney for the Eastern District of New York, and STEVEN KAREY, Special Agent-in-Charge, United States Secret Service, announced today the arrest of DONALD MATTHEW MCNEESE, on identity theft, credit card fraud and money laundering charges stemming from his theft of a computer database containing personnel records for approximately 60,000 employees of the Prudential Insurance Company. The government also announced that, earlier this morning, federal agents executed a search warrant at MCNEESE's home in Jacksonville, Florida.

The defendant was arrested earlier today and will be arraigned this afternoon before a United States Magistrate Judge in the Middle District of Florida.

According to the criminal complaint, which was unsealed today, the defendant worked at Prudential until 2000 as the administrator of a database that contained personnel records for Prudential's employees throughout the United States. After stealing the database, MCNEESE solicited bids for the sale of that information over the Internet. Using an undercover identity, a detective assigned to the New York Electronic Crimes Task Force (→ NYECTF→) engaged in a series of communications with MCNEESE, who sent the detective approximately 20 of the employees' identities via the Internet as → samples.→ MCNEESE urged the detective to obtain fraudulent credit cards in the names of the employees and send a portion of the proceeds from the scam to him in Florida. MCNESSE professed his intention to sell the entire database to the highest bidder.

While MCNEESE was offering to sell Prudential employees' identities over the Internet, he was also engaged in a campaign to harass some of his former colleagues. MCNEESE posted a home telephone number for one of his former colleagues in an online Newsgroup devoted to communications about sex. He sent e-mails to the victims of credit card fraud, falsely incriminating his former boss as the perpetrator of the fraud. In addition, an online Newsgroup devoted to communications about credit card fraud, MCNEESE also posted personal information for, and credit card numbers belonging to, Prudential employees.

In announcing the filing of these charges and the defendant's arrest, MR. VINEGRAD praised the efforts of the Task Force members and stated: → This case involves a brazen scheme to sell the identities of innocent Prudential employees over the Internet. Had the defendant succeeded with his plan, he could have ruined the credit ratings of thousands of Prudential employees across the country. This prosecution is yet another example of the successful cooperation between law enforcement and private industry and is the bellwether of increased law enforcement efforts to protect victims of Internet schemes. We thank the Prudential Insurance Company for their assistance and full cooperation in the investigation.→ If convicted, MCNEESE faces a maximum sentence of 45 years in prison, a $750,000 fine, and restitution to his victims.1

The government's case is being prosecuted by Assistant U.S. Attorney Jim Walden. The Defendant:

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