U.S. Department of Justice

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Northern District of Texas

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NINETEEN INDICTED IN MASSIVE CYBERCRIME CONSPIRACY

Defendants Allegedly Defrauded Telecommunication Companies and Others of More Than $15 Million

DALLAS — A federal grand jury in Dallas returned a superseding indictment this week charging 19 defendants in a massive cybercrime conspiracy, announced U.S. Attorney James T. Jacks of the Northern District of Texas. This indictment supersedes a September 2, 2009, indictment that charged nine of the defendants in the conspiracy.

The following 19 defendants are each charged with one count of conspiracy to commit wire and mail fraud. Defendants (3) through (7), who were charged in the original indictment, have made their initial appearances in federal court and, with the exception of defendant (6), are on pretrial release. Defendant (6) remains in custody. Defendants (10) through (15) and (18) and (19) were either arrested or have surrendered to federal authorities this week. Defendants (16) and (17) are outside of the United States.

Defendants (1), (2), (8) and (9) are believed to have fled the United States to avoid prosecution. One anonymous internet report suggested that Michael Faulkner was killed attempting to reenter the U.S. from Mexico. This report has not been confirmed.

(1) *Chastity Lynn Faulkner, 34, of Southlake, Texas (fugitive)
(2) *Michael Blaine Faulkner, 36, of Southlake, Texas (fugitive)
(3) *Brian Patrick Haney, 36 of Plano, Texas
(4) Eric Byron Littlejohn, II, 19, of Desoto, Texas
(5) Nathan Todd Shafer, 31 of Irving, Texas
(6) *Matthew Norman Simpson, 25, of Red Oak, Texas
(7) *Alicia Nicole Cargill Smallwood, 28, of Midlothian, Texas
(8) *Jason Carter Watts, 32, of Plano, Texas (fugitive)
(9) *William Michael Watts, 38, of Plano, Texas (fugitive)
(10) *Logan L. Vig, 22, of Dallas, Texas
(11) *Arya Neal Behgooy, 33, of Plano, Texas
(12) *Christopher Wayne Sigler, 27, of Roanoke, Texas
(13) *Marcus William Wentrcek, 29, of Frisco, Texas
(14) *Valerian James Stock, 42, of New Orleans, Louisiana
(15) *Ricky J. Keele, 55, of Coppell, Texas
(16) *Dmitri Siiatski, 22, of Canada

(17) *Milos Vujanic, 29, of Eastern Europe
(18) Jennifer Jo Gilliland, 29, of Phoenix, Arizona
(19) Casimir A. Wojciechowski, a/k/a Casey, 56, of Illinois

The eight-count indictment also charges 15 of the defendants (*) with fraud and related activity in connection with electronic mail and aiding and abetting. Michael Blaine Faulkner is also charged with one count of obstruction - threatening a witness or informant; one count of obstruction - hiding assets; one count of obstruction - destruction of evidence; and one count of false registration of a domain name. Matthew Norman Simpson is also charged with one count of obstruction - destruction of evidence and one count of false registration of a domain name. Logan L. Vig and Milos Vujanic area also each charged with one count of obstruction - destruction of evidence. The indictment also includes a forfeiture allegation which would require that the defendants, upon conviction, forfeit any proceeds obtained, directly or indirectly, as a result of the offense.

The indictment alleges that from March 2003 through July 2009, the defendants conspired to defraud various telecommunications companies, including AT&T; Verizon; XO Communications; SMARTnet VOIP; Waymark Communications; the lessors of properties at 2020 Live Oak, 2323 Bryan Street and 1950 Stemmons Freeway, in Dallas; various financial institutions; leasing companies and creditors, including Wells Fargo, AT&T Capital Services, and the credit reporting agencies; and various other service providers, such as power companies, insurance companies, air-conditioning companies, web site developers, and others for goods and services amounting to more than $15 million.

The indictment further alleges, that as part of the conspiracy, the conspirators made false representations to obtain goods, such as computer and telecommunications equipment and infrastructure, to include racks to hold computer equipment, generators to provide power for the equipment, and office space to install the equipment, as well as services related to the operation and use of computers and telecommunications. The conspirators created, purchased and used shell companies to hide the true identity of the owners or operators of the companies, or the relationships between the companies. They also established P.O. Boxes, commercial remailer services, shell offices, apartments, or other physical locations to hide owners' or operators' identity or the relationships between the companies. They assumed multiple fake identities to hide true ownership of the shell companies and made materially false representations to their victims, by mail, fax, telephone, email, or other communications, to obtain goods and services from them.

A series of search warrants were conducted by FBI agents in March and April 2009 at Chastity and Michael Faulkner's residence in Southlake, and at a Faulkner business, Crydon, located at 1950 Stemmons Freeway in Dallas. Searches were also conducted at Core IP, located at 2323 Bryant Street in Dallas, and at other related businesses.

An indictment is an accusation by a federal grand jury and a defendant is entitled to the presumption of innocence unless proven guilty. However, if convicted, the conspiracy charge carries a maximum statutory sentence of 30 years in prison and a $1 million fine. Each of the obstruction charges carries a maximum statutory sentence of 20 years in prison and a $250,00 fine. If a defendant is convicted on a felony and also on false registration of a domain name, the penalty for that felony conviction is doubled, or increased by seven years, whichever is less. Restitution could be ordered.

U.S. Attorney Jacks praised the investigative efforts of the FBI, as well as the assistance provided by the Texas Workforce Commission, the Texas Secretary of State, the Dallas Police Department, the Southlake Police Department, Dallas Sheriff's Office, Ellis County Sheriff's Office, the Duncanville Police Department, the Longview Police Department, the New Orleans Police Department, and the American Registry for Internet Numbers (ARIN).

Assistant U.S. Attorney C.S. Heath is in charge of the prosecution. The investigation is ongoing.

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