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U.S. Department of Justice
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Defendant Pleads Guilty in Three Fraud Prosecutions for Online Auction, Telemarketing, and Computer-Generated Counterfeit Check Scams

United States Attorney Mary Beth Buchanan announced today, May 17, 2002, that David Allen Sussman, a resident of New Kensington, Pennsylvania, pleaded guilty in federal court to charges of wire fraud, mail fraud and bank fraud.

Sussman, age 38, pleaded guilty to two counts of wire fraud arising out of an internet auction scheme involving eBay, one count of mail fraud arising from a telemarketing scheme involving photo packages that were never delivered, and two counts of bank fraud arising from a scheme to create and pass fraudulent computer generated checks. Pleas to all of these charges were entered before United States District Judge Gary L. Lancaster.

In connection with the guilty pleas, Assistant United States Attorney Nelson P. Cohen advised the court that Sussman telemarketed photo packages to students, youth clubs, and various organizations through companies he owned named Artistic Composite, Inc., initially located at 1401 Grandview Avenue, Pittsburgh, Pennsylvania 15211 and then at 211 Shiloh Street, Pittsburgh, Pennsylvania 15211, and International Photographic Services, located at 413 Fourth Avenue, Suite 1B, Tarentum, Pennsylvania 15084. Although the telemarketers represented that these companies were photography studios that would produce photo packages, no photographic packages were delivered to the paying customers. In addition, Sussman pled guilty to bank fraud by creating and then passing computer generated checks to pay photographers for their services. In reality, the computer generated checks reflected bank account numbers of accounts that did not exist. Further, Sussman pled guilty to one count of a four count indictment brought against him by the United States Attorney's office in the District of South Carolina for bank fraud for using bogus computer generated checks. Lastly, Sussman pled guilty to two counts of a ten count Information brought against him by the Fraud Section of the Criminal Division of the Department of Justice charging him with defrauding participants in eBay auctions who were selling or purchasing expensive watches, high quality gem stones and jewelry. Sussman used bogus computer generated checks to pay for purchases he made during eBay auctions, and failed to deliver similar items which he auctioned on eBay.

Judge Lancaster scheduled sentencing for August 30, 2002.

In regard to wire fraud and mail fraud, the law provides for a total sentence of 5 years in prison, a fine of $250,000 or both, per count. In regard to bank fraud, the law provides for a total sentence of 30 years in prison, a fine of $1,000,000 or both, per count. Under the Federal Sentencing Guidelines, the actual sentence imposed is based upon the seriousness of the offenses and the criminal history, if any, of the defendant.

Pending sentencing, Sussman remains incarcerated in the Allegheny County Jail.

The United States Postal Inspection Service and the Federal Bureau of Investigation conducted the investigation that led to the prosecution of Sussman.

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