May 12, 2003

U.S. Department of Justice
United States Attorney
Easter District of California
501 I Street, Suite 10-100
Sacramento, California 95814
Phone: (916) 554-2700
Fax: (916) 554-2900

Three Indicted in Conspiracy to Commit Bank Fraud and Identity Theft

Ten Others Have Been Convicted In Two-Year Continuing Effort Concerning Fraudulent Use of Customer Account Information

SACRAMENTO - As part of a continuing series of prosecutions involving financial institution insiders and others using bank computers to obtain and use customer account information for fraud transactions, United States Attorney McGregor W. Scott announced that DORIAN PATRICK THOMAS, 27, DARYEN CRAIG SIMMONS, 38, and DAVID RAPHEL KING, 24, all of Sacramento, were indicted Thursday, May 8, 2003 on conspiracy, bank fraud, and identity theft charges. The twenty-two count indictment alleges that the conspiracy began not later than June 2002 and has continued to the present. The investigation is ongoing. Former financial institution employee THOMAS is charged with one count of conspiring (1) to obtain unauthorized computer access to financial institution information, (2) commit computer fraud, (3) unlawfully use a means of identification of another person, and (4) commit bank fraud. According to the indictment, THOMAS obtained the confidential member profile information of account holders through financial institution computers and provided it to others, including KING. The confidential member profile information included the original account holder's name, address, date of birth, driver's license number, social security number, credit card account information, account balance information, and other personal information. The indictment states that THOMAS was compensated for providing the confidential member profile information by KING and others. The indictment charges SIMMONS with conspiring with THOMAS and KING, seven counts of bank fraud, one count of attempted bank fraud, and three counts of unlawful use of a means of identification of another person. KING is charged with the same conspiracy and ten counts of bank fraud. According to court documents, SIMMONS and KING made and obtained false identification documents in the names of the original account holders along with fictitious financial instruments bearing the names and/or account information of the original account holders.

According to Assistant U.S. Attorney Mark L. Krotoski, who is prosecuting the case, the defendants face a maximum sentence of up to thirty years, a five year term of supervised release, and a one million dollar fine on each bank fraud count; up to fifteen years, a three year term of supervised release, and $250,000 fine on each identity theft count; and up to five years, a three year term of supervised release, and a $250,000 fine on the conspiracy charge. He added that the federal computer statute (18 U.S.C. § 1030(a)(2)(A)), which is included in the conspiracy count, protects the privacy of financial institution information and records and prohibits the

unauthorized access to this information, including customer account information. The charges contained in the indictment are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

No financial institution customers lost any funds as a result of the identity theft and bank fraud schemes. All customer funds were federally insured. The case is being investigated as part of a coordinated effort by the Sacramento Police Department and the Sacramento Office of the Federal Bureau of Investigation.

The U.S. Attorney's Office has prosecuted approximately ten individuals during the past two years involving the use of financial institution computers to obtain customer information and commit fraud using the customer information. The recent prosecutions have included financial institution employees, and imposters who assumed the identity of account holders to commit bank fraud and fraud on the Internet. As part of each plea agreement, the financial institution employees agreed to be statutorily barred from employment at any federally insured financial institution for ten years following the date of conviction, pursuant to 12 U.S.C. § 1829(a). According to court documents, the recent convictions have included: CHARMAINE NORTHERN, 23, of Sacramento, pled guilty on March 10, 2003 to obtaining confidential customer account information from the computer at the financial institution where she was working and using it to open credit card accounts and incur unauthorized charges estimated to be approximately $50,000. Some of the credit card accounts were opened over the Internet. Her sentencing is presently set for July 7, 2003.

KIMBERLY MOLETTE SMART, 27, of Sacramento, was sentenced on December 5, 2002, to serve one year and one day in prison, and given a three-year term of supervised release, in connection with using her financial institution position to obtain customer account information from the financial institution computer, and provide it to others who caused an intended loss of approximately $121,146.63.

LYNN BOOKER, 34, of Sacramento, a former credit union employee, pled guilty to committing a check "kite" through unauthorized computer access to customer account information from a financial institution. On January 21, 2003, BOOKER was sentenced to a five-year term of probation and ordered to pay restitution in the amount of $25,510.97.

CURTIS LUCKEY, 26, of Sacramento, was convicted of conspiring to obtain unauthorized computer access to customer account information from a financial institution, wire fraud, and credit card fraud. LUCKEY admitted using the customer account information on the Internet to defraud Priceline.com; Southwest Airlines; the Hotel Reservations Network, Inc.; a credit union; and the credit union's credit card holders by making fraudulent credit card charges. On May 17, 2002, LUCKEY was sentenced to a term of 27 months in prison, and was ordered to pay $116,869.30 in restitution, and serve a three-year term of supervised release following his incarceration.

TIFANE ROBERTS, 28, of Sacramento, the former credit union employee who admitted releasing confidential personal customer information to LUCKEY, pled guilty to obtaining

financial information contained in the credit union computer and was sentenced on May 24, 2002 to a three-year term of probation.

DANISE McCORMICK, of Sacramento, pled guilty to conspiring to commit credit card fraud with LUCKEY, and was sentenced on May 24, 2002 to four years probation.

LEESHAUN DEON ELLIOTT, of Sacramento, pled guilty to committing wire fraud and conspiring with LUCKEY to commit credit card fraud. She was sentenced on July 12, 2002 to one month in prison and a five-year term of supervised release.

SUZANNE MARIE SCHELLER, 21, of Sacramento, was convicted of using the credit union computer where she worked to obtain customer account information which she provided to a friend. Imposters then used the customer account information to steal the identity of the customers and conduct transactions at the financial institution. SCHELLER was sentenced on November 30, 2001 to three years probation.

MACHELLE CHRISTINE GROVES, of Sacramento, one of the two imposters convicted for committing bank fraud, was sentenced on September 28, 2001 to eleven months in prison, and a five-year term of supervised release.

KATRINA CARNES, of Sacramento, the second imposter convicted for committing bank fraud, was sentenced on September 14, 2001 to thirteen months in prison and a five-year term of supervised release. A copy of this news release may be found on the U.S. Attorney Office's website at: http://www.usdoj.gov/usao/cae/text_version/text_pressindex.htm.

# # #