February 13, 2003

FBI
Los Angeles Field Office
11000 Wilshire Blvd.
Los Angeles, Ca 900024
(310) 996-3341, 3342, 3343
Fax:(310) 996-3345

Southern California Man Charged in Complex Internet Facilitated Wire Fraud Scheme

A Vista, California man was indicted today by a federal grand jury with six counts of wire fraud in connection with a meticulously constructed scheme to steal nearly $600,000 of computer equipment from businesses in Wenham, Massachusetts and Santa Barbara, California. The indictment was announced today by Debra Yang, United States Attorney for the Central District of California and Ronald L. Iden, Assistant Director in Charge of the FBI in Los Angeles.

According to the indictment, Brian Tinney, 33, set up a fictitious corporation named Data Systems International, ostensibly located in Las Vegas, Nevada, complete with a fully featured web site. In addition, Tinney set up a sham escrow company identified as American Escrow Corporation, also equipped with an elaborate web site which he claimed was located in San Francisco, California.

The fraudulent escrow company representative would report to the intended victims that the required funds had been deposited into escrow for payment of the computer equipment Tinney had negotiated to buy from victim companies. These victim companies would ship computer equipment to Data Systems at an address in Las Vegas with the expectation that once the computer equipment was received by Data Systems, the funds held in escrow for payment would be released. Tinney, using an alias and false identification, planned to receive the computer equipment at Data Systems' Las Vegas address (nothing more than a mail drop) and planned to sell the equipment on the black market without ever paying the victims for their property, according to the indictment.

FBI Los Angeles' cyber crime investigators were contacted by a victim company in Massachusetts who had grown suspicious of a business arrangement with Tinney. Investigators determined that the both the computer and escrow companies were nothing more than shells and that the web sites of both companies had been repeatedly accessed from the Vista, California area. Subsequent investigation revealed that another victim company in Santa Barbara, California, was preparing to ship an additional $100,000 in computer equipment to the same mail drop.

In January 2003, undercover FBI Agents from Los Angeles and Las Vegas staffed the mail drop location and arrested Tinney as he attempted to take possession of the computer equipment. At the time of his arrest, Tinney was in possession of various forms of false identification and mobile telephones used to perpetrate the fraud scheme. Tinney was afforded an initial

appearance before a federal magistrate and was denied bail. He is currently in federal custody at the Metropolitan Detention Center in downtown Los Angeles.

This investigation is a reflection of the growing migration of traditional crime problems to the Internet. Where once it would have been a labor intensive and costly task to create the perception of viable businesses in other states or countries, today's technology allows for such activity to be conducted from a computer anywhere in the country or the world. Contact: Assistant United States Attorney James Spertus: 213 894-5872

###