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Sewell Man Sentenced to 37 Months in Prison for Defrauding eBay Bidders and Cashing Checks from Stolen Mail

CAMDEN → An unemployed Sewell man was sentenced to 37 months in federal prison today for defrauding eBay bidders of $42,000 through online auctions of music and sporting event tickets and for cashing $53,000 worth of personal checks contained in stolen mail, U.S. Attorney Christopher J. Christie announced. U.S. District Judge Robert B. Kugler also ordered Ryan McCarty, 23, to serve three years of supervised release upon the completion of his prison sentence and to pay $70,473 restitution. Additionally, Judge Kugler ordered that the defendant be barred from accessing the Internet during the period of his incarceration and supervised release. McCarty pleaded guilty to a two-count Information on Nov. 18, 2003 charging one count of mail fraud and one count of theft of mail. At his plea hearing, McCarty admitted that in Oct. 2000 he created the eBay account "freeatlance." McCarty also admitted that through the account, from March 2001 through April 2001, he posted approximately 50 separate auction listings for tickets to music concerts that included: U2, The Dave Matthews Band, Ozzy Osbourne, The Eagles, N'Sync, Bon Jovi, Eric Clapton and The Backstreet Boys. Furthermore, McCarty admitted that in Sept. 2002, using the eBay accounts "ticketinsider", "besttickets2002", and "tickets12000", he posted approximately 24 separate auction listings on eBay in which he offered tickets for sale to concerts that included; Phish, Bruce Springsteen, The Rolling Stones, Paul McCartney, Elton John, and Billy Joel, and tickets to sporting events including the Superbowl and other professional football games as well as season tickets to the Sacramento Kings, the Los Angeles Lakers, and the Maryland Terrapins. McCarty admitted that when posting these auction listings, he concealed from potential bidders the fact that he did not possess and did not intend to deliver the tickets that he was offering for sale. McCarty also admitted he directed the winning bidders to remit payment in advance of ticket shipment. Furthermore, he admitted to directing most of the winning bidders to mail checks and money orders made payable to him to his home in Sewell and that approximately 53 winning bidders followed his directions. McCarty admitted that when he failed to deliver the tickets to winning bidders who had made payment, the winning bidders began to contact him via e-mail to complain. In response, McCarty admitted he falsely and fraudulently claimed that he had mailed the tickets and that they must have been lost or stolen in transit. McCarty admitted that by the above means, he defrauded winning bidders on the ticket

auctions of a total of approximately $41,804. McCarty further admitted that on October 7, 2002, he used $18,162 in proceeds he obtained from the scheme to purchase a 1999 Dodge Durango. The government has seized that vehicle and is seeking its forfeiture so that it may be sold in order to provide partial restitution to McCarty's victims, noted Assistant U.S. Attorney Scott S. Christie. In a separate scheme, McCarty admitted that from Nov. 2002 through May 2003 he periodically stole letters containing personal checks from residential mailboxes in Cherry Hill, Franklinville, Paulsboro, Mays Landing, West Deptford, and Williamstown that had been left by the homeowners for collection by a postal carrier. For example, McCarty admitted that on May 3 he stole a letter from a residential mailbox in Cherry Hill that contained a personal check, which he then caused to make payable to himself in the amount of $6,500. Furthermore, McCarty admitted that during this time period he fraudulently endorsed the stolen checks, deposited them into personal bank accounts, and withdrew the money from these accounts to pay personal expenses. Under U.S. Sentencing Guidelines, Judge Kugler determined the actual sentence based upon a formula that takes into account the severity and characteristics of the offense and the defendant's criminal history, if any. Parole has been abolished in the federal system. Under Sentencing Guidelines, defendants who are given custodial terms must serve nearly all of that time. U.S. Attorney Christie credited Postal Inspectors of the U.S. Postal Inspection Service, Newark Division, under the direction of Postal Inspector in Charge Martin Phanco, with developing the case against McCarty.

The government is represented by Assistant U.S. Attorney Scott S. Christie of the U.S. Attorney's Office Computer Hacking and Intellectual Property Section in Newark.

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'Cyberscammer' Sentenced to 30 Months for Using Deceptive Internet Names to Mislead Minors to X-Rated Sites

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that JOHN ZUCCARINI, 53, was sentenced today to 30 months in prison in Manhattan federal court on charges that he created and used misleading domain names on the Internet to deceive minors into logging on to pornographic Web sites.

According to a previously-filed 50-count Information and criminal Complaint, ZUCCARINI, operating from a hotel in Hollywood, Florida, registered and used misleading domain names on the Internet in order to earn money by directing Internet users to Web sites which advertise for, among other things, pornography. According to the Complaint, the activity allegedly netted ZUCCARINI as much as $1 million a year.

According to the Information and Complaint, ZUCCARINI used various Internet registries to register domain names which consist of close misspellings of popular legitimate domain names. For example, ZUCCARINI registered the Internet domain name "WWW.DINSEYLAND.COM," which is a misspelling of "WWW.DISNEYLAND.COM," the legitimate domain name for an amusement park owned and operated by the Walt Disney Corporation. According to the Information and Complaint, ZUCCARINI registered at least 3,000 such misleading domain names.

In addition, according to the Complaint, in many cases, ZUCCARINI registered multiple misspellings of the same legitimate domain name. For example, ZUCCARINI registered 16 misspellings and variations of the legitimate Website "BRITNEYSPEARS.COM," a Website owned and operated by Britney Spears, a popular female singer. According to the Complaint, ZUCCARINI did this in order to ensure that every possible misspelling of that legitimate domain would cause Internet users to access advertising Web sites that pay ZUCCARINI for bringing viewers to their sites.

The Information and Complaint charged that many of the domain names ZUCCARINI registered are misspellings or variations of Web sites associated with entertainers, celebrities and cartoon characters that are popular with young children. For example, ZUCCARINI registered the domain name "WWW.BOBTHEBIULDER.COM" and "WWW.TELTUBBIES.COM" which are, respectively, misspellings of the Web sites for "Bob The Builder" and "Teletubbies," both of which are cartoon characters popular with young children.

According to the Complaint, investigation by the United States Postal Inspection Service revealed that if a person were to inadvertently access either "WWW.BOBTHEBIULDER.COM" or "WWW.TELTUBBIES.COM," the person would be presented with advertisements for free access to pornography including numerous images of hard-core pornography, such as explicit photographs of young people engaging in sexual intercourse.

Specifically, as described in the Complaint, on May 19 and May 20, 2003, investigators with the United States Postal Inspection Service in New York accessed the ZUCCARINI-controlled variations of the "Bob The Builder," "Britney Spears," "Disneyland," and "Teletubbies" Web sites discussed above. Upon accessing these ZUCCARINI-controlled sites, the investigators computer was automatically directed to a Web page which, according to the domain name which appeared in the computer's browser, was known as "amaturevideos.nl."

Almost immediately thereafter, the investigator's computer was automatically redirected to another Web site; this Web site had the domain name "HANKY-PANKY-COLLEGE.com" (the "Hanky-Panky Site"). Further access of the Hanky-Panky Site by the investigator led to a Web page entitled "Dorm Sex Party." This Web page contained pictures of partially nude young people engaging in sexual activity. The investigator's attempts to close this page by clicking on the "close" button of his computer screen did not close the page. Rather, it opened additional pages on the Hanky-Panky Site, including a Web page containing a collage comprised of several graphic pornographic pictures. Virtually all of the pornographic images observed by the investigator were advertisements for, among other things, free access to pornography.

On December 10, 2003, ZUCCARINI pled guilty before Chief United States District Court Judge MICHAEL B. MUKASEY to 49 counts of violating the Truth in Domain Names Act. In addition, ZUCCARINI pled guilty to one count of possessing child pornography. The prosecution, guilty plea, and sentencing is the first of its kind to be brought under the Truth in Domain Names Act, which was enacted on April 30, 2003, as part of the "Amber Alert" legislation.

As described in the Complaint, ZUCCARINI's activities in directing Internet users to Web Sites depicting pornography were the subject of numerous consumer complaints, lawsuits by legitimate domain name holders, and an enforcement action by the Federal Trade Commission for unfair and deceptive practices.

In civil lawsuits brought against ZUCCARINI by private citizens whose domain names he has used misleading versions of, ZUCCARINI admitted that one reason why he registered domain names of Web sites popular with children was because children are more likely than adults to make spelling errors and to mistype Web site addresses.

In addition, in those civil lawsuits, ZUCCARINI admitted that he earned between $.10 and $.25 for every viewer who he brought to the Web sites which advertised for pornography, and admitted earning a total of as much as $800,000 to $1 million per year from his use of misleading domain names.

Attorney General JOHN ASHCROFT stated: "Individuals who use trickery and deceit to lure children to X-rated websites must know that they will pay a price for their criminal conduct. The Truth in Domain Names Act was designed to create a safer, cleaner online environment for children. As today's sentence demonstrates, those who violate that law and expose innocent children to pornography for their own financial gain will be prosecuted, and they will serve time in jail."

Mr. KELLEY praised the investigative efforts of the United States Postal Inspection Service, the Federal Trade Commission's Bureau of Consumer Protection, Division of Marketing Practices, and the Department of Justice Child Exploitation and Obscenity Section.

Assistant United States Attorney JOSEPH V. De MARCO is in charge of the prosecution.

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