

Case Studies to be Educational Example at High-Tech Conference

RICHMOND, VA - April 23, 2002 - An Eastern European organized crime ring was involved in the theft of thousands of credit card numbers and subsequent fraud totaling approximately \$10 million. The U.S. Secret Service investigated this crime and gave prosecutors a slam-dunk case. "These criminals were smart—as many white collar criminals are—which makes the jobs of financial investigators all the more challenging," said Patrick Morrissey, assistant to the special agent in charge within the Financial Crimes Division of the Electronic Crimes Branch of the U.S. Secret Service. "The first step to solving the case was to think like them." Morrissey will discuss how the Secret Service cracked this case and several others during his session at the 2002 Economic Crime Summit in Washington, D.C., May 5-8, 2002.

"Case studies are the best way to educate because the methods are proven," said Jason Thomas, assistance director of the Internet Fraud Complaint Center (IFCC), and panel leader of "Operation Cyber Loss—from Investigation to Prosecution." In that case, criminal charges were brought against approximately 90 individuals and companies as part of a nationwide series of investigations into Internet fraud, code named "Operation Cyber Loss," initiated by the IFCC. Subjects faced a variety of Federal and state criminal charges which included fraud by wire, mail fraud, bank fraud, money laundering, and intellectual property right violations. The fraud schemes exposed as part of this operation represented over 56,000 victims who suffered cumulative losses in excess of \$117 million.

"Providing details on this specific case is an effective tool in teaching high-tech and economic crime investigators about circumstances they are bound to run across more and more as this new-age crime is on the rise," Thomas said.

Thomas will focus on the cooperative efforts of state, local, and federal law enforcement agencies as they relate to the prevention, investigation, and prosecution of Internet fraud through "Operation Cyber Loss."

Randal Lee, senior deputy prosecuting attorney for the City and County of Honolulu, Hawaii, will also provide a case study in his session entitled "Corruption in Government." The lecture will be based on an actual case entitled State of Hawaii v. Michael Kahapea. In this case, defendant Michael Kahapea was a city official in charge of handling commercial relocations in the Ewa Villages Project. As a result of Kahapea's manipulation of the finance procedures, he was able to defraud the city of \$5.8 million dollars, which was eventually used in hostess bars and gambling in Las Vegas.

These case studies, and more, will be featured at the sixth annual Economic Crime Summit, co-hosted by the National White Collar Crime Center and the Coalition for the Prevention of Economic Crime (www.ncpec.org).

Program co-sponsors include the U.S. Department of Justice, Bureau of Justice Assistance, U.S. Department of Justice Office for Victims of Crime, the Middle Atlantic - Great Lakes Organized Crime Law Enforcement Network (MAGLOCLLEN), National Center for Victims of Crime, VISA U.S.A., Lexis-Nexis, PaineWebber, Inc., Merrill-Lynch & Co., ChoicePoint, Data Systems Analysts, e-Funds, Dell Computers, Western Union, Interactive Digital Software Association, White-Collar Crime Fighter, and Money Laundering Alert.

The Economic Crime Summit will join private sector professionals with law enforcement specialists in the economic and high-tech crime prevention arena.

For more information on the Economic Crime Summit, visit www.summit.nw3c.org