

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. Secret Service

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UNITED STATES SECRET SERVICE AND ROMANIAN POLICE WORK TOGETHER TO SOLVE MAJOR COMPUTER FRAUD INVESTIGATION

WASHINGTON, D.C – In what has been described as one of the most significant arrests related to the Internet fraud known as “phishing,” the Romanian General Directorate for Combating Organized Crime (DGCCOA), in cooperation with the United States Secret Service, arrested an individual responsible for nearly \$500,000 in internet-fraud. Dan Marius Stefan was arrested September 1, 2003 in Alba Julia, Romania for using an elaborate network of bogus Internet sites and escrow accounts to collect money from his victims.

The arrest of Stefan is the most recent in a year-long series of investigations involving the Secret Service, Romanian police and eBay, an online marketplace. To date, seven major cases have been solved and 107 people have been arrested for Internet fraud committed using real or “spoofed” eBay sites that resemble the company’s actual website.

"The rapid growth of the Internet has eliminated the traditional borders of financial crimes and provided new opportunities for those who engage in computer-based fraud," U.S. Secret Service Director Ralph Basham said. "Sharing information and resources through partnerships is the best way to combat these types of crimes."

"The success of these investigations is a direct result of the excellent partnership that exists between eBay, the DGCCOA, and the Secret Service," said Robert Gombar, Special Agent in Charge of Secret Service’s Rome Field Office, which oversees the agency’s Bucharest Resident Office. "On behalf of the Secret Service, I would like to commend the DGCCOA and eBay for their hard work and collaboration in bringing these investigations to a successful conclusion."

"This is an important breakthrough in the fight against fraudulent emails and the criminal activity associated with them," said Joseph Sullivan, eBay's Senior Counsel for Trust and Safety. "The Secret Service has effectively brought together the resources of private industry and foreign governments to identify and arrest those attempting to victimize Internet consumers."

The investigations initiated by Secret Service’s Bucharest office have had a positive impact in protecting American citizens against this kind of fraud. According to eBay, this arrest represents the most significant arrest ever in the context of “phishing,” as this individual victimized Americans out of approximately \$500,000.

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“Phishing” is a high-tech scam that uses e-mail based communications to deceive consumers into disclosing their credit card numbers, bank account information, Social Security numbers, passwords and other sensitive information.

In Stefan’s case, the defendant would forward spoofed emails resembling an actual eBay page to the attention of bidders who were not successful in an online auction. On this spoofed page, Stefan would advise victims of the availability of a similar item for a better price. Upon visiting the “sale” page, victims were asked for personal information including their name, bank account numbers and passwords. The victims were then advised that they “won” the spoofed auction and agreed to send money to Stefan through a spoofed escrow site created by the defendant.

Six other cases this year have focused on a number of Internet fraud and identity crime schemes, including counterfeit access device fraud, telemarketing fraud, fraudulent use of bank card account numbers and electronic funds transfer fraud. In some of these cases, the Secret Service was able to assist eBay in identifying spoofed sites, which were subsequently shut down and closed, preventing additional fraud.

The Secret Service continues to work closely in assisting the DGCCOA and eBay in ongoing Internet fraud investigations and serves as a liaison between Romanian authorities and victims in the United States. Secret Service agents assigned to the Bucharest office have appeared in Romanian courts on behalf of victimized Americans, assuring the rights and interests of the victims are protected.

The Secret Service was originally established within the Department of the Treasury in 1865 to combat the counterfeiting of U.S. currency. Since that time, the agency has been tasked with the investigation of financial crimes, as well as the protection of the nation’s leaders, visiting foreign dignitaries and events of national significance.

With the passage of new federal laws in 1982 and 1984, the Secret Service was provided primary authority for the investigation of access device fraud, including credit and debit card fraud, and parallel authority with other law enforcement agencies in identity crime cases. The explosive growth of these crimes has resulted in the evolution of the Secret Service into an agency that is recognized worldwide for its expertise in the investigation of all types of financial crimes. On March 1st, 2003 the Secret Service became part of the Department of Homeland Security, where the agency’s efforts to detect, investigate and prevent financial crimes are aggressive, innovative and comprehensive.

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EDITOR’S NOTE: For questions concerning this release, please contact the United States Secret Service Office of Government and Public Affairs at 202-406-5708.