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FORMER ANTELOPE MAN CHARGED WITH THEFT OF MICROSOFT SOFTWARE

Defendant Cracked Code Needed to Activate Software Causing More than \$500,000 in Losses

SACRAMENTO - United States Attorney McGregor W. Scott and Sacramento County Sheriff Lou Blanas announced today that DARREN McWAINE, aka Darren Macwangwala, David Marsh, Dave Watts, and Darren McWayne, 34, formerly of Antelope, California was arrested this morning without incident. McWAINE was indicted by a federal grand jury on September 29, 2005 and charged with multiple counts of computer fraud, mail fraud, and access device fraud in connection with a scheme in which he allegedly stole more than \$500,000 worth of Microsoft ("MS") software.

This case is the product of an extensive/joint investigation by the Sacramento Valley High Tech Crimes Task Force, which is comprised of more than thirty federal, state, and local law enforcement agencies, and the United States Postal Inspection Service. Microsoft also assisted with the investigation.

According to Assistant United States Attorneys Robin R. Taylor and Christine Watson, who are prosecuting the case, the criminal complaint alleges that from approximately July 2003, and continuing through approximately January 2004, McWAINE fraudulently created Product Identification Numbers (PID numbers) to unlawfully activate more than 179 subscriptions of Microsoft Developer Network Software, Universal Edition (MSDN), which was used by developers to create computer products compatible with MS software. McWAINE used the fraudulently created PID numbers to activate subscriptions for himself and others.

McWAINE carried out the fraud by cracking the algorithm used to keep the PID numbers secure. By creating numbers consistent with the algorithm, McWAINE was able to activate software using PIDs that had been issued by MS to retail locations. As a result, subsequent purchasers were unable to activate the software. McWAINE also was able to activate PID numbers which had never been issued by MS. McWAINE stored the fraudulently created PIDs

on his computer and "tested" them to establish their validity. To conceal his identity from MS, McWAINÉ used more than 15 aliases and multiple false addresses.

If convicted, the defendant faces a maximum penalty under federal law of 20 years in prison and a fine of not more than twice the gain or loss, or both, and restitution.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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