

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	CRIMINAL NO. 1:11CR122
	)	
TONY PEREZ, III,	)	
	)	
Defendant.	)	

STATEMENT OF FACTS

The parties stipulate that the allegations in Counts One and Two of the Information and the following facts are true and correct and that had the matter gone to trial the United States would have proven them beyond a reasonable doubt.

1. The United States Secret Service, as part of an on-going investigation to locate and to prosecute individuals selling stolen financial information over the Internet, identified the defendant as the individual behind several on-line identities who were offering for sale counterfeit credit cards (known as "plastics") encoded with stolen credit card account information (referred to as "dumps"). A federal search warrant executed on the defendant's residence on June 10, 2010 and other investigation located, among other things, information for **20,987** stolen credit card accounts on the defendant's computers, in his e-mails, in another on-line account, and encoded on counterfeit credit cards the defendant was in the process of manufacturing when law enforcement agents entered the residence. Credit card companies have informed the government that they have received reports of tens of thousands of fraudulent charges made on these accounts totaling **\$3,138,678.05**.

2. The defendant had numerous on-line personas that he used on the Internet, including in criminal carding forums, i.e., on-line discussion groups set up to facilitate buying and selling stolen financial account information and other goods and services to promote credit card fraud. In these forums and in other electronic communications over the Internet, the defendant regularly purchased or received stolen credit card account information.

3. The defendant used this stolen account information in a variety of ways. For example, the defendant manufactured counterfeit credit cards and encoded the stolen account information onto those counterfeit cards. On June 10, 2010, the defendant possessed several different types of equipment that allowed him to make counterfeit credit cards that resemble legitimate ones. Among other equipment, the defendant possessed and used an embosser/printer to print cards, a heat stamp press to add false security features, and a magnetic stripe encoder to place stolen credit card account information onto the counterfeit cards. The defendant was able to manufacture credit cards in nearly one hundred different designs. The counterfeit credit cards the defendant manufactured included security features such as heat-pressed holograms, signature pads, and ultraviolet printing. The account information on the face of the counterfeit cards was embossed and tipped in silver like authentic credit cards. The defendant printed counterfeit credit cards with many false names he or his customers chose.

4. The defendant repeatedly sold counterfeit credit cards that could be used to commit further fraud. For instance, in or about May of 2010, the defendant sold 20 counterfeit credit cards encoded with stolen credit card account information to an undercover agent of the United States Secret Service. The transaction was arranged in part through on-line interstate communications that were sent from, to, and through the Eastern District of Virginia.

5. The defendant was a "Reviewed Vendor" for stolen credit card account information at least two criminal carding forums. To become a Reviewed Vendor, the defendant submitted samples of the stolen financial information he intended to sell so that a reviewer assigned by the carding forum Administrator could evaluate the quality of the information for sale.

6. On June 10, 2010, the defendant possessed information concerning 20,987 individual credit card accounts. The defendant stored such information on his computers, in his e-mail account, and in another on-line account. In addition, the defendant was in the process of making counterfeit credit cards, hundreds of which he had already at least partially completed, when his residence was searched by the United States Secret Service on June 10, 2010.

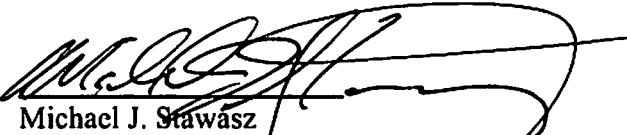
7. After the defendant's residence was searched by the United States Secret Service, the defendant contacted over the Internet a person to whom he had sold counterfeit credit cards and attempted to warn that person about an individual that he suspected was working with law enforcement. The defendant also discussed getting enough money to replace the items seized by the government in order to restart his illegal counterfeit credit card business.

8. The credit card information that the defendant sold to others was used to commit far more fraud than the amounts the defendant personally received from his actions. Credit card companies have informed the government that they have received tens of thousands of reports of fraudulent charges throughout the country and around the world on the 20,987 accounts that the defendant had bought and/or sold. Together, the fraudulent charges on these accounts reported by credit card companies total \$3,138,678.05.

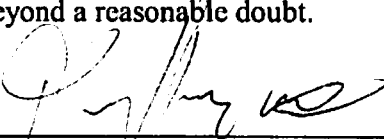
The defendant acknowledges that the foregoing statement of facts does not describe all of the defendant's conduct relating to the offense(s) charged in this case nor does it identify all of the persons with whom the defendant may have engaged in illegal activities. The defendant further acknowledges that he is obligated under his plea agreement to provide additional information about this case beyond that which is described in this statement of facts.

Respectfully submitted,

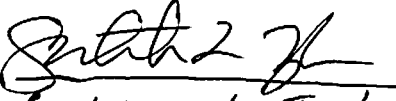
Neil H. MacBride  
United States Attorney

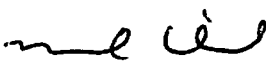
By:   
Michael J. Stawasz  
Special Assistant United States Attorney

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, Tony Perez, III and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

  
\_\_\_\_\_  
Tony Perez, III

I am Tony Perez, III's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

  
Gretchen L. Taylor  
Local Counsel for  
Tony Perez, III

  
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Michael Chomiak  
Attorney for Tony Perez, III