

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
) Violations: Title 18, United States
) Code, Sections 1030(a)(4),
) 1030(c)(3)(A), and 1030(b)
v.)
TRENT RATLIFF and)
FREDERICK LEE) **UNDER SEAL**

COUNT ONE

The SPECIAL SEPTEMBER 2014 GRAND JURY charges:

1. At times material to this indictment:

a. Company A was headquartered in Montana and was in the business of providing ATM and credit card processing services to customers located throughout the United States. Company A owned an ATM that was located at 405 N. Wabash Avenue in Chicago.

b. Company B was headquartered in Colorado and was in the business of providing cash automation equipment to customers located throughout the United States. Company B owned an ATM that was located at 55 E. Grand Avenue in Chicago.

c. Company C was headquartered in Maryland and was in the business of providing ATM equipment for hotels to customers located throughout the United States. Company C owned ATMs that were located within various hotels in Chicago, including Hotel A, Hotel B, Hotel C, and Hotel D.

d. The ATMs owned by Company A, Company B, and Company C were protected computers used in and affecting interstate and foreign commerce.

2. From in or about September 2010, through in or about January 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

TRENT RATLIFF and
FREDERICK LEE,

defendants herein, knowingly conspired with each other and others known and unknown to the Grand Jury, to knowingly and with intent to defraud access a protected computer, which was used in and affecting interstate commerce, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, in violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

Overview of the Conspiracy

3. It was part of the conspiracy that defendants TRENT RATLIFF and FREDERICK LEE, and others, agreed to participate in the fraudulent withdrawal of money from various ATMs in and around Chicago by altering the settings of the ATMs so that the actual amounts disbursed far exceeded the withdrawal requests as well as the balance of the accounts from which the withdrawal requests were made.

4. It was further part of the conspiracy that defendants TRENT RATLIFF and FREDERICK LEE obtained debit cards that were registered in their own names from various banks and deposited nominal sums of money on these debit cards.

5. It was further part of the conspiracy that defendant TRENT RATLIFF paid money to certain individuals (including Individual MW, Individual AL, and

Individual AW) in exchange for these individuals to obtain pre-paid debit cards that were registered in these individuals' names. Thereafter, TRENT RATLIFF or, at RATLIFF's direction, Individual MW, Individual AL or Individual AW deposited nominal sums of money on these debit cards.

6. It was further part of the conspiracy that on various occasions between in or about September 2010 and in or about January 2011, defendants TRENT RATLIFF and FREDERICK LEE accessed ATMs owned by Company A, Company B, and Company C with the intent to defraud these companies.

7. It was further part of the conspiracy that each time defendants TRENT RATLIFF and FREDERICK LEE accessed these ATMs, they initially accessed the management function of the ATMs without authorization and changed the settings so that the ATMs would falsely record, incorrectly report, and transmit debit amounts that exceeded the balance of the accounts held by TRENT RATLIFF, FREDERICK LEE, Individual MW, Individual AL or Individual AW. Specifically, defendants TRENT RATLIFF and FREDERICK LEE altered the ATM settings so that account debits were recorded and reported as one-twentieth of the actual funds disbursed. In at least one case, TRENT RATLIFF altered the setting of an ATM so that account debits were recorded and reported as one-eightieth of the actual funds disbursed.

8. It was further part of the conspiracy that, after altering the ATM settings, defendants TRENT RATLIFF and FREDERICK LEE used the debit cards in their names, or the debit cards in the names of individuals such as Individual

MW, Individual AL, and Individual AW, to withdraw sums of money from the ATMs owned by Company A, Company B, and Company C.

9. It was further part of the conspiracy that, following the withdrawal of money from these ATMs, defendants TRENT RATLIFF and FREDERICK LEE again accessed the management function of the ATMs without authorization and changed the settings so that the ATMs accurately recorded, correctly reported, and properly transmitted debit amounts attributable to the accounts of any subsequent ATM users. Specifically, defendants altered the ATM settings so that subsequent account debits were recorded and reported as being equal to the actual funds disbursed.

Fraudulent Withdrawals from Various ATMs in Chicago

10. It was further part of the conspiracy that, on or about October 1, 2010, defendant FREDERICK LEE, without Company A's authorization, and after altering the settings of the ATM located at 405 N. Wabash, used a debit card registered to FREDERICK LEE to fraudulently withdraw \$1,900. The ATM records incorrectly registered that only \$100 had been withdrawn.

11. It was further part of the conspiracy that, on or about October 3, 2010, defendant TRENT RATLIFF, without Company A's authorization, and after altering the settings of the ATM located at 405 N. Wabash, used a debit card registered to TRENT RATLIFF to fraudulently withdraw \$3,950. The ATM records incorrectly registered that only \$50 had been withdrawn.

12. It was further part of the conspiracy that, on or about October 30, 2010, defendant FREDERICK LEE, without Company B's authorization, and after altering the settings of the ATM located at 55 E. Grand Avenue, used debits card registered to FREDERICK LEE to fraudulently withdraw \$2,280. The ATM records incorrectly registered that only \$120 had been withdrawn.

13. It was further part of the conspiracy that, on or about November 3, 2010, defendant TRENT RATLIFF and FREDERICK LEE, without Company B's authorization, and after altering the settings of the ATM located at 55 E. Grand Avenue, used debit cards registered to FREDERICK LEE to fraudulently withdraw \$1,520. The ATM records incorrectly registered that only \$80 had been withdrawn.

14. It was further part of the conspiracy that, on or about November 7, 2010, defendant TRENT RATLIFF, without Company B's authorization, and after altering the settings of the ATM located at 55 E. Grand Avenue, used a debit card registered to TRENT RATLIFF to fraudulently withdraw \$2,356. The ATM records incorrectly registered that only \$120 had been withdrawn.

15. It was further part of the conspiracy that, on or about January 11, 2011, defendant TRENT RATLIFF, without Company C's authorization, and after altering the settings of the ATM located in Hotel A, used a debit card registered to Individual MW to fraudulently withdraw \$1,710. The ATM records incorrectly registered that only \$90 had been withdrawn.

16. It was further part of the conspiracy that, on or about January 16, 2011, defendant TRENT RATLIFF, without Company C's authorization, and after

altering the settings of the ATM located in Hotel B, used a debit card registered to Individual AW to fraudulently withdraw \$950. The ATM records incorrectly registered that only \$50 had been withdrawn.

17. It was further part of the conspiracy that, on or about January 17, 2011, defendant TRENT RATLIFF, without Company C's authorization, and after altering the settings of the ATM located in Hotel C, used a debit card registered to Individual AL to fraudulently withdraw \$1,710. The ATM records incorrectly registered that only \$90 had been withdrawn.

18. It was further part of the conspiracy that, on or about January 19, 2011, defendant FREDERICK LEE, without Company C's authorization, and after altering the settings of the ATM located in Hotel D, used a debit card registered to Individual AL to fraudulently withdraw \$1,235. The ATM records incorrectly registered that only \$65 had been withdrawn.

19. It was further part of the conspiracy that defendants TRENT RATLIFF and FREDERICK LEE concealed, misrepresented, and hid and caused to be concealed, misrepresented, and hidden, the purpose of and acts done in furtherance of the conspiracy.

20. As a result of the conspiracy, defendants TRENT RATLIFF and FREDERICK LEE fraudulently obtained at least \$185,000 in funds to which they were not entitled.

All in violation of Title 18, United States Code, Section 1030(b).

COUNT TWO

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about October 1, 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

FREDERICK LEE,

defendant herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company A, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$1,900;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

COUNT THREE

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.

2. On or about October 3, 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

TRENT RATLIFF,

defendant herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company A, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$3,950;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

COUNT FOUR

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about October 30, 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

FREDERICK LEE,

defendant herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company B, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$2,280;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

COUNT FIVE

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about November 3, 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

TRENT RATLIFF and FREDERICK LEE,

defendants herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company B, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$1,520;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

COUNT SIX

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about November 7, 2010, at Chicago, in the Northern District of

Illinois, Eastern Division, and elsewhere,

TRENT RATLIFF,

defendant herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company B, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$2,356;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

COUNT SEVEN

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about January 11, 2011, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

TRENT RATLIFF,

defendant herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company C, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$1,710;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

COUNT EIGHT

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about January 16, 2011, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

TRENT RATLIFF,

defendant herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company C, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$950;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

COUNT NINE

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about January 17, 2011, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

TRENT RATLIFF,

defendant herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company C, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$1,710;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

COUNT TEN

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. Paragraph 1 of Count One is incorporated here.
2. On or about January 19, 2011, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

FREDERICK LEE,

defendant herein, knowingly and with intent to defraud accessed a protected computer, which was used in and affecting interstate commerce, namely, an ATM owned by Company C, without authorization and exceeding authorized access, and by means of such conduct furthered the intended fraud and obtained something of value, namely, approximately \$1,235;

In violation of Title 18, United States Code, Sections 1030(a)(4) and 1030(c)(3)(A).

FORFEITURE ALLEGATION

The SPECIAL SEPTEMBER 2014 GRAND JURY further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Sections 1030(b), 1030(a)(4) and 1030(c)(3)(A), as set forth in this Indictment, defendants shall forfeit to the United States of America:

a. any property constituting and derived from proceeds obtained directly and indirectly as a result of the offense, as provided in Title 18, United States Code, Sections 982(a)(2)(B) and 1030(i)(1)(B); and

b. any personal property used and intended to be used to commit and to facilitate the commission of the offense, as provided in Title 18, United States Code, Section 1030(i)(1)(A).

3. The property to be forfeited includes, but is not limited to a personal money judgment in the amount of approximately \$185,000;

3. If any of the property described above, as a result of any act or omission by a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, as provided by Title 21, United States Code Section 853(p).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY