

3 indicted in \$100 million Internet 'scareware' scheme

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A crest of the Federal Bureau of Investigation is seen inside the J. Edgar Hoover FBI Building in Washington, DC. Three men have been indicted in connection with a Ukraine-based fraud scheme which tricked Internet users into believing their computers were infected and collected some 100 million dollars, officials said Thursday.

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Internet users in more than 60 countries purchased more than one million bogus software products from the three defendants, two Americans and a Swede, the Justice Department said in a statement.

Bjorn Daniel Sundin, 31, a Swedish citizen believed to be in Sweden,

and Shaileshkumar Jain, 40, a US citizen believed to be living in Ukraine, were each charged with 24 counts of wire fraud and one count each of conspiracy to commit computer fraud and computer fraud.

James Reno, 26, of Amelia, Ohio, was charged with 12 counts of wire fraud and one count each of conspiracy to commit computer fraud and [computer fraud](#) and is expected to appear before a US District Court in Chicago.

"These defendants allegedly preyed on innocent computer users, exploiting their fraudulently induced fears for personal gain," said [FBI](#) special agent Robert Grant.

Sundin and Jain were the owners and operators of a company called Innovative Marketing located in Kiev that purported to sell anti-virus and computer repair software. Jain was IM's chief executive while Sundin served as chief technology officer.

They are accused of placing fake advertisements on legitimate company websites which led Internet users to falsely believe that their computers had been infected with a virus or had critical errors.

The Internet users were then induced to buy software products with names such as "ErrorSafe" and "DriveCleaner" to fix the purported problems, paying online by credit card to bank accounts in Europe controlled by the defendants.

The scheme employing what is commonly known as "scareware" is considered one of the fastest-growing and most prevalent types of fraud on the Web.

Each count of wire [fraud](#) carries a maximum penalty of 20 years in prison.

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