

Con artist who helped Google probe to be sentenced

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(AP) -- A massive federal investigation that resulted in Google Inc. forfeiting \$500 million this year to settle criminal claims over its advertising began with the 2008 arrest of a jet-setting career con artist, who took federal agents in Rhode Island into the underground world of peddling pills online.

David Whitaker, 36, finalized the decision to help federal agents investigate [Google](#) within six weeks of being arrested in California after being expelled from Mexico, where he told authorities he spent his time selling drugs online, according to his [plea agreement](#). He had already served three prison sentences and was staring down a maximum sentence of 65 years in Rhode Island for bilking \$8.7 to \$22.6 million from small businesses and a credit card company during the mid-2000s, court records show.

The plea deal he signed with federal prosecutors offered some salvation. If he agreed to help the government with an investigation, prosecutors would recommend a punishment "at the lowest point of sentences" when Whitaker learns his fate in the fraud case on Dec. 2 in U.S. District Court in Providence.

That was the start of his two-year stint using his experience to help federal agents expose how operators exploited Google's automated ad system known as AdWords to promote illegal Canadian pharmacies to [American consumers](#).

But Whitaker's role in the Google case is cold comfort to those who say they were ripped off by his Rhode Island electronics equipment provider, Mixitforme Inc. He pleaded guilty in 2008 to wire fraud, conspiracy and other charges.

"It's wrong for the feds to use him," said Matthew Grosso, 47, who says he lost his Stony Brook, N.Y., business and \$1.3 million after his dealings with Whitaker went sour in 2005.

"You're just perpetuating this guy's god mentality."

Whitaker's victims paint a picture of a high-flying executive who cheated them out of their small businesses.

Mixitforme began selling discount electronics in 2005 with Whitaker and a partner at the helm. The company claimed it had strong ties to overseas suppliers that made its prices about 30 percent lower than its competitors, officials said. The firm also claimed to be an authorized distributor for Apple and Motorola and said it had a special arrangement with Sony to sell its products. Federal prosecutors say those were all lies.

But Whitaker still found a way to lure clients. Grosso recalled visiting warehouses in New York and New England to look at Whitaker's stockpiles of consumer electronics, including iPods and gaming systems.

Trevor Sears, 36, of Salt Lake City, said he would only place orders with Whitaker after seeing photographs of the inventory he wanted to purchase.

Both Grosso and Sears said they placed small orders at first without problems.

But as customers poured more money into Mixitforme, Whitaker blew

through Mixitforme's earnings by buying four luxury automobiles, renting a Miami mansion for \$200,000 monthly, flying in a private airplane, staying in luxury hotels, renting a yacht and using a limousine driver and security team regularly, according to an affidavit signed by U.S. Secret Service Special Agent Craig Marech.

Grosso recalled Whitaker suggesting they meet at The Ritz-Carlton on Central Park in New York City, where Whitaker had a room. He said other people who did business with Whitaker described going to meet him on airport tarmacs where he'd fly in to on a private jet.

"He was living high on the hog," Grosso said.

At the same time, prosecutors say, deliveries slowed and excuses and cover-ups started piling up, such as faked tracking numbers for shipments or claims the goods were being held by customs agents. From July 2005 to March 2006, Mixitforme failed to deliver about \$13 million worth of electronic equipment, Marech wrote.

Finally, Sears said, he flew to Rhode Island to confront Whitaker in his downtown Providence office about a \$319,600 order that wasn't delivered.

"He wouldn't see me. He was locked in his office," said Sears, who is launching his first new business, 10bucksupplements.com, after spending years trying to get back on his feet.

"He literally ruined my life," said Sears. "For a few years, it was brutal."

Mixitforme was the latest scheme in a string of criminal accusations against Whitaker that date back more than a decade.

He was arrested in Hawaii in 1997 on charges of bank fraud and e-

racketeering and he was sentenced to a year in prison, according to court papers. The next year, he was arrested in New Orleans on a bank fraud charge and sentenced to a year and a day in prison. U.S. marshals also picked him up in 2000 for making forged securities and he was sentenced to 10 months in prison, the affidavit said.

Finally, after federal agents executed a search warrant at the Providence headquarters of Mixitforme, Marech says Whitaker took off for Albuquerque, N.M., where he went by the name Slade Austin and set up a company called Coyotego.com that also sold consumer electronics at below-market prices. That business, too, was shut down after a search in July 2007, but by that time Whitaker had already fled to Mexico, Marech wrote.

But what may save him from a long sentence is one last strategy: his work for the government.

Whitaker helped investigators construct phony websites that purported to sell the drugs, officials said. Then, an undercover investigator would tell Google employees who were creating the advertising for the products that they were manufactured overseas and did not require customers to have a valid prescription, officials said.

Federal officials said Google knew as early as 2003 that its ad system was allowing Canadian pharmacies to make illegal sales. Shipping prescription drugs into the U.S. from abroad violates drug and other laws, investigators said. If the case had gone to trial, [federal prosecutors](#) would have to prove an Internet search engine helped pharmacies violate federal law.

Google is no longer letting Canadian online pharmacies advertise to U.S. consumers. It also agreed in August to forfeit \$500 million to avoid criminal prosecution for accusations that it improperly profited from ads

promoting Canadian pharmacies that illegally imported drugs into the United States.

A Google spokeswoman declined to comment, as did spokesmen for Rhode Island U.S. Attorney Peter F. Neronha and federal Food and Drug Administration investigators, who led the probe. Whitaker's attorney, George J. West, also declined to comment.

Grosso and Sears said they had no idea Whitaker helped federal investigators on the Google case. They say they hope his help doesn't overshadow their suffering.

"He sure lived off the money he stole from people while they went down in flames," Sears said. "I certainly hope he doesn't get leniency."

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