

Facebook fraud suspect on the lam; family, dog also missing

March 13 2015, byLarry Neumeister



This Wanted poster provided by the U.S. Marshals Service shows Paul Ceglia. He is accused of faking an ownership stake in Facebook to justify a multi-billiondollar lawsuit against its founder Mark Zuckerberg has vanished. Ceglia, who was under house arrest pending his May 4, 2015, trial, jumped bail by slicing off an electronic monitoring device and creating a crude contraption to make it seem like he was moving around inside his home, authorities said. (AP Photo/U.S. Marshalls Service)



A man accused of faking an ownership stake in Facebook to justify a multibillion-dollar lawsuit against its founder Mark Zuckerberg has vanished.

Paul Ceglia, who was under house arrest pending his May 4 trial, jumped bail by slicing off an electronic monitoring device and creating a crude contraption to make it seem as though he was moving around inside his home, authorities said.

And the search widened Thursday: Ceglia's wife and two young sons and his family's Jack Russell terrier, Buddy, also have disappeared.

U.S. marshals were looking for them.

"I'm confident in our team up here," U.S. Marshal Charles F. Salina said. "He's got to get lucky every day. We've got to get lucky once."

Ceglia's federal lawsuit said he gave Zuckerberg, a student at Harvard University at the time, \$1,000 in startup money in exchange for 50 percent of the future company.

But a judge dismissed his claims and prosecutors filed fraud charges after a forensic analysis of his computers and Harvard's email archive determined he had altered an unrelated contract and falsified emails to make it appear Zuckerberg had promised him a half-share.

Ceglia, who pleaded not guilty, now faces up to 40 years in prison if convicted of mail fraud and wire fraud.





In this combination of undated photos provided by Brianna Caster, her sister Iasia M. Ceglia, center, and two nephews Leenan, 10, left and Joseffinn, 11 are shown. Caster said that Iasia and the boys have not been seen since Caster's brother-in-law, Paul Ceglia, allegedly removed his electronic monitoring device and jumped bail sometime around March 7. Paul Ceglia was under house arrest and awaiting trial on charges he faked an ownership stake in Facebook. (AP Photo/Brianna Caster)

He went missing Saturday or Sunday, but it's difficult to say exactly because he hung his electronic ankle bracelet on a motor-driven device that stretched to the ceiling and moved around, prosecutors explained in papers filed Wednesday with the 2nd U.S. Circuit Court of Appeals in Manhattan.

Also Wednesday, a missing-persons report was filed on Ceglia's wife, Iasia Ceglia, and his two sons, 10-year-old Leenan and 11-year-old Joseffinn.

Ceglia's sister-in-law, Brianna Caster, used a Facebook page for her photography business in Newport Beach, California, to urge anyone who



sees the wife and kids to call local authorities. On Tuesday, she posted an image of her sister with the boys and urged anyone with information to call a task force at 800-336-0102.

"To be honest, we're not surprised at what he's done," she said by telephone. "What we're shocked about is that our sister would disappear. It's not like her to go missing."

Finding the family is a priority, but Salina said there's no information suggesting they are in danger, or even with Ceglia, and nothing to indicate he's armed.

Caster said her sister's extended family is trying to distribute the images widely to make their disappearance a priority.

"We're concerned they're not going to look as hard as they should," she said. "They've got bigger fish to fry if they have violent people out there."

No one was home Sunday when a deputy marshal and state troopers knocked on Ceglia's door. Armed with a search warrant, the U.S. Marshals Service Fugitive Task Force returned Sunday evening to the rural home in Wellsville, 70 miles southeast of Buffalo, and busted in after hearing a mechanical noise inside.

Marshals discovered a handmade contraption connected to the ceiling, from which Ceglia's GPS bracelet was dangling, prosecutors wrote. Its purpose seemed to be to keep the bracelet in motion, using a stick connected to a rotating motor. A timer was connected to the bracelet's charger, apparently to mimic the report that would have been sent if Ceglia had been present and had plugged the charger in.

Prosecutors said the motor was making noise and appeared to be



running, but part of the device was disconnected and was not in motion when <u>task force</u> officers spotted it.

Prosecutors filed their appeals court papers in a bid to nullify Ceglia's attempt to throw out his criminal charges.

Ceglia said they unjustly stemmed from the claims he made in his 2010 lawsuit, which he said were based on a software development contract he signed with Zuckerberg in 2003.

A search of Ceglia's hard drives uncovered the real April 28, 2003, contract, which Ceglia had emailed to an attorney in March 2004, years before his lawsuit against Facebook and Zuckerberg.

Zuckerberg, a likely witness at Ceglia's trial, said he didn't even come up with the idea for Facebook until months after he responded to Ceglia's online help-wanted ad and signed a contract agreeing to create some software for him.

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