

Steve Westly *California State Controller*



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State Controller Westly's Office and High Tech Crime Fighters End Ring of ID Theft

\$32 Million in Potential Fraud Prevented

Sacramento, January 8, 2003 – An investigation initiated by the State Controller's Office has resulted in a plea agreement that effectively ends a potential \$32 million fraud and ID theft ring. The case involved counterfeit money orders the suspects were trying to cash, using fake letters giving power of attorney.

"My investigators prevented the fraud from occurring against the Controller's Office, and the efforts of the Hi-Tech Task Force agents were instrumental in solving this crime. This case is an excellent example of what we can accomplish when departments work together," said Westly.

The State Controller's Office investigators discovered the crime and worked with agents from the Sacramento Valley Regional Hi-Tech Crimes/Identification Theft Task Force, as well as Secret Service agents in Southern California and New York and the Sacramento County District Attorney's Office to bring the case to justice.

"We take financial security very seriously at the Controller's Office," said Controller Westly. "It is our responsibility to manage state monies and pay the state's bills. We will not tolerate fraud involving any state funds, including unclaimed property," he said.

The case began when Djordje Bogosavljevic contacted the State Controller's Office in August 2002 about claiming unclaimed property consisting of Security Pacific Bank international money orders.

Bogosavljevic and his associate later traveled to Sacramento with fake documentation supporting 6 international money orders. Both Bogosavljevic and his associate were arrested by a State Controller's Office investigator as they left the Controller's Office on November 1, 2002.

Tuesday in court, Muntaz Musabegovic pled no contest to a felony count of passing 6 counterfeit checks. His partner, Djordje Bogosavljevic pled no contest to charges of being an accessory to the crime.

The investigation conducted by the Controller's Office along with the Sacramento Regional ID Theft Task Force and the Sacramento County District Attorney's Office determined that the pair of suspects had 16,000 fake letters and money orders they intended to negotiate, totaling \$32 million.

"This demonstrates the growing need for agencies to work together to fight these types of crimes. This case could not have been solved without the use of computer forensics to locate evidence of the fraud," said Sergeant Greg Fox of the Sacramento Valley Regional Hi-Tech Crimes/ID Theft Task Force.

"This investigation and arrest were the result of the cooperative efforts among state agencies and law enforcement working closely together to protect our citizens against the increasing problem of identity theft," stated Deputy District Attorney Ron Wells. "We hope this case will serve as a deterrent to others who might be tempted to engage in fraudulent practices."

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