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NEWS RELEASE

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SENTENCE ANNOUNCED IN THE COUNTRY'S FIRST CRIMINAL SECURITIES FRAUD PROSECUTION INVOLVING THE INTERNET

QUIGLEY GETS 5-24 YEARS, \$100,000 FINE AND RESTITUTION ORDER

Boise - Duaine Quigley of Pocatello was sentenced today to 5 to 24 years in prison, fined \$100,000 and ordered to pay restitution of \$325,751 to his 24 victims. The sentencing recommendation, made by the Office of the Attorney General, Al Lance, was accepted and imposed by Sixth District Judge Randy Smith in Pocatello.

As part of his sentence, Quigley must cooperate with state and federal law enforcement so that charges can be brought against other individuals perpetrating similar scams.

Quigley pleaded guilty on December 9, 1996 to seven felony counts of securities fraud, some of which resulted from advertising on the internet. Quigley also entered guilty pleas to three felony counts of loan fee fraud resulting from advertising on the world wide web and one felony count of grand theft.

Quigley used the internet to defraud investors of at least \$50,000. Quigley admitted he used America On-line to induce two victims to each invest \$25,000 in his video gaming business. Quigley also admitted he promised each investor a return of \$125,000 within two months, but that he actually used their funds for the Nigerian loan fee scam. Quigley promised investors that, if they paid him an advance fee, he would return more money to them once he succeeded in getting the money from Nigerian banks.

In addition, Quigley admitted he used the internet to advertise a second loan fee scam, which cost victims in excess of \$35,000.

"The case is believed to be the first involving internet securities fraud to be criminally prosecuted in the United States," Department of Finance Director Gavin Gee said. Quigley was charged and arrested in Pocatello on November 8, 1996. Quigley was charged after an extensive investigation by the Department of Finance and the Office of the Attorney General in cooperation with the Pocatello Police Department.

In a civil suit, separate from the criminal prosecution, the Department of Finance and the Attorney General's Office obtained a permanent injunction barring Quigley from ever acting as a securities salesman in Idaho again.