

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 vs.) Case No. 02 CR 112
)
 MICHAEL SEGAL,)
)
 Defendant.)

DECLARATION OF DAVID GROSSMAN

David Grossman, declaring under penalty of perjury, attests to the following:


1. I am the Managing Director of Pinkerton Consulting and Investigations, Inc., ("Pinkerton"). Pinkerton provides professional consulting and investigative services to a wide range of public and private companies, individuals, and government agencies.
2. Prior to my employment at Pinkerton, I served for 21 years with the Federal Bureau of Investigation. Among other positions at the FBI, I served as Supervisor of the Public Corruption Squad, and later, as Assistant Special Agent in Charge of the Chicago Field Office of the FBI.
3. On approximately April 18, 2002, Pinkerton was retained through counsel for Near North Insurance Brokerage ("NNIB") and Michael Segal to consult on an investigation of an extensive and complex hacking scheme into the computer network system at NNIB.
4. Between approximately May 8 and May 21, 2002, I had several telephonic conferences with FBI Supervisory Special Agent Robert Shields ("SSA Shields"), Supervisor of the Cybercrime Squad for the Chicago Field Office of the FBI, regarding the government's investigation of unauthorized hacking into NNIB's systems.

5. On May 21, 2002, I met face-to-face with SSA Shields to discuss the status of the government's investigation of the hacking of NNIB's systems. Over the course of my telephonic and face-to-face meetings with the FBI from May 8 through May 21, 2002, SSA Shields advised me that the government was aware of the unauthorized computer hacking activity at NNIB, and that by May 21, 2002, the government had "opened a file" with respect to the hacking scheme at NNIB. Among other issues we discussed, SSA Shields also advised me that the FBI would need to "run things by" AUSA James Conway, the attorney supervising the investigation, and that NNIB would need to establish that it suffered a minimum of \$5,000.00 in losses from the hacking intrusion to reach the federal jurisdictional threshold for purposes of the Computer Fraud and Abuse Act.

6. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

FURTHER AFFIANT SAYETH NOT.

Dated: July 25, 2003


David Grossman