



Markets

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Four Charged in Cisco Equipment Scheme

By JORDAN ROBERTSON AP Technology Writer
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SAN JOSE, Calif. — Four former employees of a Minnesota-based networking equipment reseller face charges of defrauding Cisco Systems Inc. out of more than \$1 million by cheating a program for obtaining replacements for broken or defective gear.

The employees of Interlink Communications Corp., based in Edina, Minn., are accused of submitting more than 100 fraudulent claims to Cisco in 2001 and 2002 for replacement parts they were not entitled to, and illegally pocketing the money from the sale of those items, according to the U.S. Attorney's Office in San Francisco.

Prosecutors said the suspects tried to hide the true origin of the parts by altering the company's internal accounting system to make it appear as if they had been legitimately acquired.

Some of the replacement parts carried retail values ranging from \$4,995 to \$34,995.

It was the third time in the past three weeks that federal prosecutors have unsealed indictments against resellers accused of bilking San Jose-based Cisco's SMARTnet service contract program. The program allows Cisco customers to immediately obtain replacement parts without sending in the defective equipment first.

Those named in the indictment are Stephen D. Chicoine, 56, of Eden Prairie, Minn., the company's president; Mark B. Faris, 49, of Minnetonka, Minn., the company's vice president; Amy M. Ihrke, 39, of Jordan, Minn., a senior sales support representative; and Charles L. Lytle, 35, of Shakopee, Minn., a sales representative.

Prosecutors said the charges include various conspiracy, mail fraud and wire fraud offenses that carry sentences ranging from 5 years to 20 years in prison and up to a \$250,000 fine per count.

Faris, Chicoine and Ihrke were arrested Wednesday morning and released on \$25,000 bond after their arraignments in Minneapolis federal court, prosecutors said. They are scheduled to appear in San Jose federal court on March 29.

Lytle was expected to surrender to authorities.

It was not immediately clear Thursday whether any of the defendants had lawyers. A call by The Associated Press to the headquarters of Interlink, which prosecutors said is now operating as Zykco USA, was not returned. A woman who picked up the phone at Faris' home said they were not commenting and hung up. Attempts to obtain the telephone numbers of the other defendants were unsuccessful.



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