



Department of Justice

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EBAY INC. TO PAY \$3 MILLION IN CONNECTION WITH CORPORATE CYBERSTALKING CAMPAIGN TARGETING MASSACHUSETTS COUPLE

BOSTON – eBay Inc., the global ecommerce company, has agreed to pay a \$3 million criminal penalty for an August 2019 harassment and intimidation campaign targeting a Massachusetts couple in retaliation for their online coverage of eBay, and for its obstruction of the investigation that followed.

eBay was charged criminally with two counts of stalking through interstate travel, two counts of stalking through electronic communications services, one count of witness tampering and one count of obstruction of justice and has entered into a deferred prosecution agreement. Pursuant to the agreement, eBay admitted to a detailed recitation of all the relevant facts about its conduct and agreed to pay a criminal penalty of \$3 million, which is the statutory maximum fine for these six felony offenses. As part of this resolution, eBay will also be required to retain an independent corporate compliance monitor for a period of three years and to make extensive enhancements to its compliance program.

“eBay engaged in absolutely horrific, criminal conduct. The company’s employees and contractors involved in this campaign put the victims through pure hell, in a petrifying campaign aimed at silencing their reporting and protecting the eBay brand,” said Acting United States Attorney Joshua S. Levy. “We left no stone unturned in our mission to hold accountable every individual who turned the victims’ world upside-down through a never-ending nightmare of menacing and criminal acts. The investigation led to felony convictions for seven individuals, all former eBay employees or contractors, and the ringleader was sentenced to 57 months in federal prison.”

Levy continued, “Today’s criminal resolution with the company imposes the maximum fine that the law allows under the statutes, holding eBay accountable for a corporate culture that led to this unprecedented stalking campaign. The corporate monitoring of eBay will be in place for the next three years and will ensure that eBay’s senior leadership sets a tone that makes compliance with the law paramount, implements safeguards to prevent future criminal activity, and makes clear to every eBay employee that the idea of terrorizing innocent people and obstructing investigations will not be tolerated.”

“Today’s settlement holds e-Bay criminally and financially responsible for emotionally, psychologically, and physically terrorizing the publishers of an online newsletter out of fear that bad publicity would adversely impact their Fortune 500 company. It also puts in place some

much needed checks and balances to ensure an overhaul of e-Bay's corporate culture by requiring it to implement a revamped compliance and ethics program designed to prevent the recurrence of the appalling conduct we uncovered in this case," said Jodi Cohen, Special Agent in Charge of the Federal Bureau of Investigation Boston Division. "No one should ever feel unsafe in their own home, and while this settlement cannot erase the significant distress this couple suffered, we hope it will deter others from engaging in similar conduct."

According to eBay's admissions, between approximately Aug. 5, 2019 and Aug. 23, 2020, Jim Baugh, eBay's former Senior Director of Safety and Security, and six other members of eBay's security team targeted the victims for their roles in publishing a newsletter that reported on issues of interest to eBay sellers. Senior executives at eBay were frustrated with the newsletter's tone and content, and with the comments posted beneath the newsletter's articles. The harassment campaign arose from communications between those executives and Baugh.

Baugh and his co-conspirators executed a harassment campaign intended to intimidate the victims and to change the content of the newsletter's reporting. The campaign included sending anonymous and disturbing deliveries to the victims' home, including a book on surviving the death of a spouse, a bloody pig mask, a fetal pig and a funeral wreath and live insects; sending private Twitter messages and public tweets criticizing the newsletter's content and threatening to visit the victims in Natick; and traveling to Natick to surveil the victims and install a GPS tracking device on their car. The harassment also featured Craigslist posts inviting the public for sexual encounters at the victims' home.

The victims spotted the surveillance team and contacted local police. After learning of the Natick Police Department's investigation, Baugh made false statements to police and internal investigators, and he and his team deleted digital evidence related to the cyberstalking campaign and falsified records intended to throw the police off the trail.

The seven convicted eBay employees and contractors include Baugh, who was sentenced to 57 months in prison in September 2022; David Harville, former Director of Global Resiliency, who was sentenced to 24 months in prison in September 2022; Stephanie Popp, former Senior Manager of Global Intelligence, who was sentenced to 12 months in prison in October 2022; Philip Cooke, a former Senior Manager of Security Operations, who was sentenced to 18 months in prison and 12 months of home confinement in July 2021; Stephanie Stockwell and Veronica Zea, a former Manager of Global Intelligence and a contract intelligence analyst, respectively, who were each sentenced to one year in home confinement in October and November 2022. Brian Gilbert, a former Senior Manager of Security Operations, has pleaded guilty and is awaiting sentencing.

Acting U.S. Attorney Levy and FBI SAC Jodi Cohen made the announcement today. Valuable investigative assistance was provided by the Natick Police Department. Assistant U.S. Attorney Seth B. Kosto, Deputy Chief of the Securities, Financial & Cyber Fraud Unit, prosecuted the case.

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