

Island Scam

Con man tricks six people into buying one island

by Pollywog Gardenvale and Gigs Taggart

Over the long 4th of July weekend, con man “Juggernaut Stoklitsky” used the delay in island transfers to trick six buyers into purchasing the same island. Although the first purchase was legitimate and the island was eventually delivered to the first buyer, the other five were not so lucky.

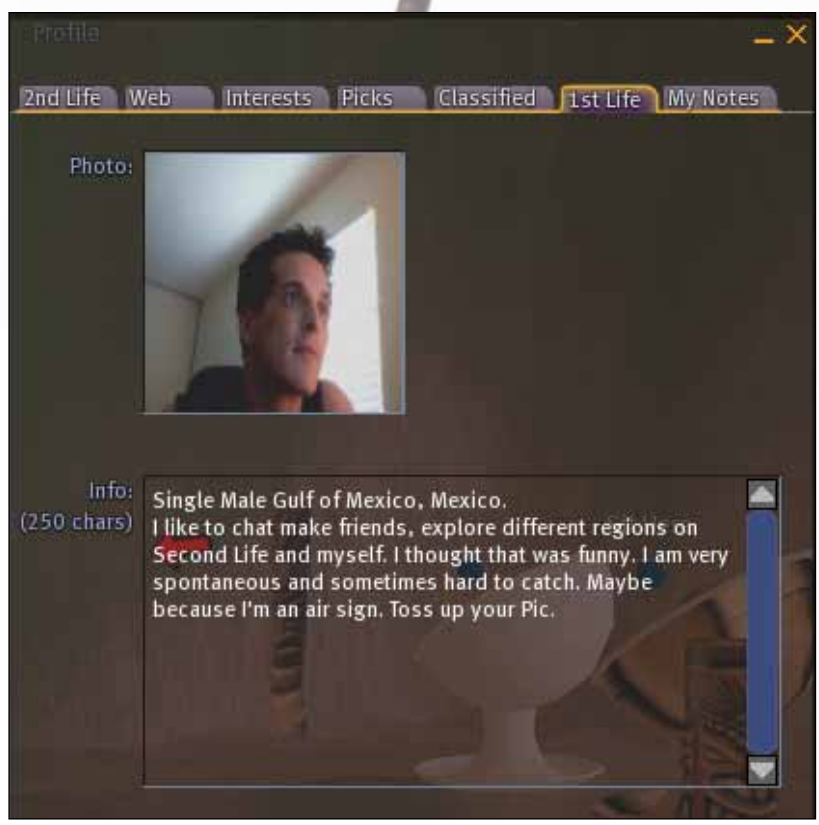
On Sunday, July 8, 2007, Jim Gervais (as avatar JR Unknown) paid Stoklitsky L\$485,000 (\$1,850 US) for the purchase of an island. The next day, Gervais noticed that Stoklitsky had posted another advertisement on the Second Life forums claiming to have a region for sale, even though Stoklitsky owned only two regions.

Gervais logged into a second account and sent Stoklitsky another offer, which Stoklitsky accepted. It was at this time that Gervais set up a sting operation to catch him in the act to prove that he was intentionally engaging in fraud. In an exclusive interview, Gervais reveals what happened:

“I tried with my alt, had my wife try with hers, and friends and family contact him as well to see if he would try to sell to them. He did and they knew better to actually buy. It was the proof I needed that he was trying to run a scam... We are guessing he moved his L’s out via a third party exchange because it was so quick. It would have taken longer to sell on the Lindex and transfer to Paypal than he had before his account was frozen. I already checked with Apez and they don’t know of him so SLX is my next guess but I haven’t been able to validate it yet.”

On Monday, July 9, Gervais contacted Linden Lab and informed them of the scam.

In total, three victims paid using Linden Dollars. Jason Giglio (Gigs Taggart, a correspondent for The Sun) also paid Stoklitsky on Sunday. Giglio realized there was a problem when he contacted Linden Lab early Tuesday morning. Linden Lab responded that they were “investigating the situation,” but would give no further details. “I really didn’t know what to think; Linden Lab



Although Stoklitsky describes himself as “sometimes hard to catch,” he provided ample information in his profile for police to track him down.

stonewalled me. I didn’t get a straight answer until Jack Linden called me on Wednesday,” said Giglio. The other two victims paid using PayPal.

On July 17, Linden Lab’s head concierge Jack Linden, sent a message to the victims of the scam stating, “despite our best efforts we have not been able to recover funds from [Stoklitsky].” Linden Lab’s position is that no recovery of funds is possible, even though the scam was quickly reported.

Several questions remain unanswered, including the fact that Linden Lab requires from one-to-five business days to process the sale of Linden Dollars, with a typical delay of two or three days. How was Stoklitsky able to so quickly cash out the Linden Dollars he received over the weekend?

The victims are now working with the FBI and local law enforcement in the area where they believe Stoklitsky resides. Meanwhile, Linden Lab has declined to take any action on this matter, claiming, “Linden Lab does not generally get involved in private deals between residents,” with the expectation that all parties will “comply with legal processes”.

Gervais included the following description of events in the police report:

“...I (my players name is JR Unknown) and another player (Juggernaut Stoklitsky) in game reached an agreement for me to purchase a private estate island from him for \$1825.00US. We agreed on the exchange rate of 266L per dollar and did the math. 266 Lindens x \$1825.00 = 485450 Lindens total. I paid Juggernaut Stoklitsky in full on



Jr Unknown to Juggernaut Stoklitsky: Did you rip anyone else off today? Already have your RL info, get ready for legal action :-)

► Con Man

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Sunday the 8th of July. He agreed to file a transfer request for the property to me upon payment. He then provided me with a number for that support ticket transfer request. (4052-1221539) I then filed my ticket for transfer and included his number that he provided me. I followed up with a call to support on Monday morning and learned his ticket # he gave me was bogus and never existed. I then started looking more into everything. He wouldn't respond to any of my attempts to contact him. He at the same time continued to sell the island to other people. It was evident something wrong was going on, so I reported it all to the games staff on Monday and requested an investigation.

"The game froze his account and has tried unsuccessfully to contact him by information they have on file since then. They normally stay out of third-party situations like this. But they have been helping as much as they can and have confirmed their investigation to me and told me they are trying to attempt to recover funds. They have access to all logs and chat and instant message conversations between all players so they can go back and read it all—which they must have—even though it is against their policy of not getting involved in such matters. They told me they can't turn it all over to me directly but will comply with

any legal requests for such information. That will show the clear scheme this guy had and of his intent to defraud everyone.

"I posted an announcement on the community forums to watch out for a island transfer scam and have now been contacted by 4 other players that this guy sold his island to, as well. Two others paid in game like I did in Lindens, and the other two paid out of game via Paypal. All of us have records to back these claims and have reported it to the game managers. 3 of the 4 are in the US and are ready to prosecute and file charges as well. The 4th wants to, but lives in Canada and isn't sure how to go about it.

"Juggernaut used his real life info to register with both Second Life and Paypal. He accepted money from two victims via Paypal so he had to provide his info to them with the transaction. His real name is [omitted]. He has his real picture in his players profile. He had many friends in game and told people he lived in Florida but not where. I googled his name and Florida and came up with this article of his last arrest in Collier County. I then requested a mug shot via email from their public information officer. 8 out of 8 have said it looks to be the same person as his picture in his players profile.

Stoklitsky also owned a second island, although its disposition is known only to Linden Lab. The second island was not liquidated to pay restitution to the victims, although it appears to have been removed—which in actuality, makes that server space available once more for resale by Linden Lab.

Although Stoklitsky's avatar is no longer listed in the Second Life database, his 917-member "Scores Poker House and Gaming Room" group still shows him as the founder.

In Second Life, previously-owned island regions are a hotly traded commodity, fetching prices from \$1400 to \$2100 (US) on the open market. Usually these land deals are completed without a hitch, but a series of recent events has exposed a critical flaw in the system that Linden Lab uses to handle the transfer of these valuable assets.

The fact that at least two of the victims are experienced land developers shows how easily this can happen to anyone. Buyer beware! ☼

An Update on the Investigation

On Sunday, January 6, I contacted JR Unknown to find out if there has been any progress in the investigation.

JR Unknown: Hello Pollywog. Well, the situation has not been resolved. It is still being investigated and the State of Florida is deciding whether, and how, to prosecute the case. Juggernaut has been contacted by the police and interviewed. I'm keeping my fingers crossed that something happens soon. On a positive note, it allowed me to get to know Gigs, who is a heck of a nice guy and a whiz with programming and scripting :-)

Pollywog Gardenvale: That is a positive note! But I'm sorry they haven't nailed him yet. We're doing an end-of-year issue and this story was the 10th most read article of the year.

JR Unknown: Wow!

Pollywog Gardenvale: So I thought it would be nice to do a little follow-up, but I was hoping there might be better news. But at least it is some progress.

JR Unknown: Still trying to get the State to actually file charges at this point, but they do know who he is and where he's at in RL.

Pollywog Gardenvale: That's good. It's a first for them, for sure—virtual crime. But it is real crime, actually.

JR Unknown: I just wish LL would make more changes to the transfer sys-

tem. There's still a lot of room for problems, even though they have made some attempt to improve it.

Pollywog Gardenvale: Can I have your permission to use this chat?

JR Unknown: Yes of course. :-)

Pollywog Gardenvale: Thanks! :o) Take care and I'll catch ya later!

JR Unknown: You bet. Have a great day :-)

Pollywog Gardenvale: You too! ☼