

Best Buy Fraudster's Supercar Gains

Written by Marco Attard
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In 2 weeks' time, the US Treasury will auction \$3m worth of supercars, including a Ferrari Enzo-- as part of \$31m scammed by one Russell Cole from Best Buy over a number of years. Truly a retailer's nightmare, if there ever was one. How did he do it?



Back in 2003, Best Buy started online auctions to buy replacement parts-- with repair centres across the US issuing lists of needed parts for suppliers to submit blind bids for. Vendors with the lowest bids and parts could then "win" Best Buy's business. Overseeing the auctions was a third party, National Parts.

Through his company, Chip Factory (co-owned with his wife), and a Best Buy employee acting as insider, Cole submitted low, low bids to supply particular parts-- before wildly inflating the price for the same part. In one 2003 example, they bid \$69 on a computer screen, before charging Best Buy \$1699.

To make matters even worse, Chip Factory sent out faulty and destroyed items-- including parts smelling like "roach spray" or melted motherboards. Sometimes Chip Factory didn't even bother to put anything in the boxes they sent out to Best Buy.

The scam was eventually uncovered-- in 2009. By that time, Cole got himself a \$2.65m home and his 11-strong auto stable, with models including a replica Cobra, a Bentley Continental GTC, a Porsche Cayenne and a Ferrari F430. Not that he'll get much enjoyment from them, what with his getting a 15 year charge for fraud and tax evasion charges.

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