



Department of Justice

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Northern District of Georgia

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DEFENDANT ARRESTED UPON RETURN FROM PHILIPPINES IN \$25 MILLION NATIONWIDE TELEMARKETING FRAUD SCHEME

Atlanta, GA - JASON JAMES EYER, 34, of Marietta, Georgia, was arrested by federal agents and made his initial appearance today before a United States Magistrate Judge on multiple fraud charges, related to a nationwide telemarketing scheme. EYER was indicted on the charges on January 5, 2010 along with two co-defendants, KARA SINGLETON ADAMS, 38, and JAMES A. SCHOENHOLZ, 37, both from Marietta, Georgia, who are being sought and are believed to be in the Philippines. EYER voluntarily surrendered at Atlanta Hartsfield Jackson International Airport this morning after arriving from the Philippines.

Acting United States Attorney Sally Quillian Yates said, "This multi-million dollar fraud scheme used simple tactics. It allegedly used a high-pressure telemarketing sales pitch on hundreds if not thousands of victims, who were promised significant savings on credit card debt and interest rate reductions if they paid a fee. The first of three defendants will now face these charges."

According to Acting United States Attorney Yates, the indictment, the affidavit, and other information presented in court: Starting in 2008 and continuing through December 2009, ADAMS, EYER, and SCHOENHOLZ, conspired to defraud consumers by the sale of purported credit card interest rate reduction programs, through a variety of schemes and companies, such as "Economic Relief Technologies," (ERT), formerly at 1820 Water Place, Suite 250, Atlanta; "SafeRide Warranty," formerly at 1820 Water Place, Suite 255, Atlanta; and "VP Marketing," (VPM), formerly at 1820 Water Place, Suite 195, Atlanta, Georgia.

The indictment alleges that the trio also did business in many other names, such as "Clear Breeze Solutions;" "Money Works;" "Client Services;" "Financial Protection Center;" "Life Change Solutions;" "Express Debt Elimination;" "Capital Resources;" Express Corp Advisor;" "Express Corp;" "Card Services;" "Credit Services;" "Americare Software Solutions;" "A Better Tomorrow;" "Helping Hand Resources;" "Auto Protection Center;" "Warranty Services;" "Auto War;" "Assured Warranty;" "Debt Suite, Inc.;" "Total Curb Appeal, LLC;" "Debtworks Software, LLC;" "DM Associates, LLC;" "VersaDebt Corp;" and "FYI Tech, Inc."

Using those company names, the defendants allegedly initiated telephone calls to consumers throughout the United States to induce the sale of their purported credit card interest rate reduction program. Consumers were either greeted by a prerecorded message instructing them to “press 1 now” if they would like to have their credit card interest rates lowered or directly solicited by a live telemarketer offering to lower the consumers' credit card interest rates. Consumers who pressed “one” were connected to a live telemarketer, who used a script saying they could substantially lower the consumers' credit card interest rates and save the consumers thousands of dollars in interest payments. The telemarketers elicited personal information to see if the victim had enough money to pay the company's fee.

The telemarketers would tell the victims they would become debt-free much faster, typically three to five times faster, than they would without the company's program. Consumers were also told that their monthly payments would be no higher than their current monthly payments on their credit card accounts. The victims were assured that there was no out of pocket cost associated with their interest rate reduction program, but that the cost of the program, between \$749 and \$1,495, would be paid for out of the thousands of dollars in savings the consumer would achieve. Consumers were told that this savings would be realized within 30-45 days and were promised a full refund of their purchase price if they did not achieve \$4,000 in savings. Some customers were offered additional incentives of a \$500 gas card and a \$500 shopping gift card to sign-up for the so-called interest rate reduction program.

In reality, the consumers who decided to sign-up for the interest rate reduction program were immediately charged a fee on their credit card ranging from \$749 to \$1,495. Victims did not in fact receive what they were promised. In many instances, no attempt was made to negotiate a lower interest rate for consumers' credit cards. Even when a victim's credit card company was called to request a lower interest rate, the rates were rarely lowered and the consumer did not save thousands of dollars as promised in the sales pitch. When a consumer complained about not receiving the savings as promised, KARA SINGLETON ADAMS, JASON JAMES EYER, and JAMES A. SCHOENHOLZ caused to be mailed a “financial analysis” to the victim containing publicly-available “advice” suggesting that the consumer pay more money each month to save in interest over the life of the debt or transfer balances from high interest credit cards to credit cards with lower interest rates. Consequently, consumers were not able to pay down their credit card debts any faster.

The indictment lists a small portion of the total amount of the alleged victims, identifying them only by their initials and their location, which includes Wisconsin, Rhode Island, New York, Oklahoma, Virginia, West Virginia, Minnesota, Texas, Nebraska, and California, showing various loss amounts. Information contained in the affidavit alleges that victims came from a total of at least 46 states. The total loss amount alleged in the telemarketing scheme is over \$25 million. The defendants allegedly spent over \$20 million of the proceeds in a little over a year at a variety of luxury hotels, high-end retailers, jewelers, casinos, exotic automobiles, as well as payments to private tutors for their children. A

forfeiture provision in the indictment seeks any and all ill-gotten gains from the scheme, including an account from the Provident Bank and Trust of Belize. On November 30, 2009, the Federal Trade Commission obtained a temporary restraining order against the defendants, and a federal judge appointed a receiver to take over the companies and find any and all assets derived from the fraud.

This case is being investigated by Inspectors from the United States Postal Inspection Service.

Assistant United States Attorneys Jamila M. Hall, Teresa Hoyt and Gerald Sachs are prosecuting the case.

For further information please contact Sally Q. Yates, Acting United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.