

## Southern District of Florida

### Press Release

#### TWO SOUTH FLORIDA MEN INDICTED IN CONNECTION WITH FRAUDULENT ATM BUSINESS OPPORTUNITY VENTURE

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##### FOR IMMEDIATE RELEASE

A Miami federal grand jury has charged two South Florida men with conspiracy, mail and wire fraud in connection with the operation of a fraudulent ATM business opportunity, the Justice Department announced. The criminal charges are part of the government's continued nationwide crackdown on business opportunity fraud.

The indictment returned Thursday by the grand jury alleges that **Andrew Steinberg**, 39, of Lake Worth, Fla., **Stephen Duffie**, 32, of Miramar, Fla., and their co-conspirators fraudulently marketed and sold business opportunities nationwide under the name Fidelity ATM. Fidelity representatives allegedly told customers that, for purchase prices of \$29,995 or more, they would receive ATMs installed in profitable, high-traffic locations. The indictment alleges that the conspirators falsely claimed that current Fidelity customers earned substantial profits and that new customers would also reap significant earnings. According to the indictment, Fidelity operated out of Palm Beach County, Fla., from approximately August 2004 to November 2006.

The indictment alleges that existing Fidelity customers complained to the defendants and their co-conspirators about low transaction levels and unprofitable locations, but that the defendants concealed this fact from new customers. According to the indictment, Fidelity provided potential new customers with the names and phone numbers of "references," or supposedly satisfied existing customers. The indictment alleges that Fidelity employees and friends of Steinberg pretended to be Fidelity customers during these reference calls.

Steinberg, Duffie and several others involved with Fidelity ATM previously were named as defendants in a 2006 civil suit brought by the Federal Trade Commission in the Southern District of Florida. Filings in that case show that more than 100 people from around the country paid Fidelity approximately \$4.2 million for the ATM business opportunities.

"Business opportunity fraud is a very serious crime," said Tony West, Assistant Attorney General for the Justice Department's Civil Division. "Working closely with the FBI and Postal Inspection Service, we have charged more than 100 individuals with felonies in the past five years. We will continue to investigate and prosecute those who prey on unsuspecting entrepreneurs and commit business opportunity fraud."

Steinberg and Duffie both were charged with one count of conspiracy to commit mail and wire fraud, seven counts of mail fraud and eight counts of wire fraud. If convicted, the defendants face a maximum statutory term of 20 years in prison, a possible fine and mandatory restitution on the conspiracy count. They also face a maximum statutory prison term of 20 years on each of the mail and wire fraud counts, a possible fine and mandatory restitution.

Assistant Attorney General West and Alexander R. Acosta, U.S. Attorney for the Southern District of Florida, commended the efforts of the FBI, which investigated the criminal case, and the Federal Trade Commission. The case is being prosecuted by trial attorney Alan Phelps of the U.S. Department of Justice Office of Consumer Litigation.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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