

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : CRIMINAL NO. 10-

v. : DATE FILED: _____

JOSEPH A. GRAZIOLA : VIOLATIONS:
18 U.S.C. § 1341 (mail fraud - 3 counts)
: Notice of forfeiture

INFORMATION

COUNTS ONE THROUGH THREE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant JOSEPH A. GRAZIOLA owned and operated a business called Bad Credit B Gone ("BCBG"), which purported to repair individuals' credit. Defendant GRAZIOLA and others acting at his direction falsely represented that BCBG was a law firm that secured the deletion of unfavorable items from its customers' credit reports in exchange for fees ranging from \$500 for individuals to \$750 for married couples. In fact, defendant GRAZIOLA never employed any attorneys.

THE SCHEME

2. From in or about May 2003 to in or about January 2006, defendant

JOSEPH A. GRAZIOLA

devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

3. Defendant JOSEPH A. GRAZIOLA established and maintained a website named “www.badcreditbgone.com,” that prominently featured a picture with false claims that the pictured individuals were lawyers and paralegals who performed the work to repair the credit of BCBG customers. In its “frequently asked questions” section, the BCBG website falsely claimed to be a “law firm,” that an attorney named “James Brennan Esq.” managed the law firm, and that Brennan employed “associate attorneys.” The website further falsely claimed that BCBG customers received all of the protections of the “attorney/client relationship” and that BCBG was able to have matters deleted from credit reports by issuing “subpoena[s]” to credit agencies.

4. Defendant JOSEPH A. GRAZIOLA’s website also falsely stated that BCBG had helped hundreds of thousands of customers repair their credit and had successfully deleted hundreds of thousands of credit items from customers’ credit reports.

5. Defendant JOSEPH A. GRAZIOLA published and shipped promotional materials and customer applications for BCBG to prospective customers that falsely stated that BCBG, unlike other credit repair companies, was a law firm in New York that employed attorneys who performed all credit repair work. The materials also falsely stated that BCBG had been in business for more than nine years, had assisted more than 400,000 Americans in repairing their credit, and had deleted over 90 percent of negative items from clients’ credit reports.

6. Defendant JOSEPH A. GRAZIOLA and others acting at his direction assured prospective BCBG customers over the telephone that BCBG was a law firm in New York whose staff attorneys, using subpoena power, would do all of the work to repair the customers’ credit, and could even have bankruptcies removed from customers’ credit reports.

7. Defendant JOSEPH A. GRAZIOLA maintained a mail drop at Rockefeller Center in New York, New York, and falsely represented to BCBG customers and potential customers that the mail drop was the law office from which the BCBG lawyers worked.

8. Defendant JOSEPH A. GRAZIOLA charged \$500 per individual and \$750 per couple, payable in two installments, for the BCBG services he purported to provide. Defendant GRAZIOLA accepted payments to BCBG by credit card, debit card, money order, cashier's check, or PayPal, an internet-based company that facilitated payment for goods and services by allowing buyers to pay sellers by using a credit card or direct withdrawal from a bank account.

9. As part of the scheme, defendant JOSEPH A. GRAZIOLA collected more than \$120,000 in fees from more than 250 different BCBG customers.

10. On or about the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOSEPH A. GRAZIOLA,

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by United States mail according to the directions thereon, the following:

<u>COUNT</u>	<u>DATE</u>	<u>ITEM</u>
1	May 27, 2005	Check for \$250 from C.F. to BCBG.
2	August 31, 2005	Check for \$250 from M.G. to BCBG.
3	January 3, 2006	Money order for \$350 from J.J. to BCBG.

In violation of Title 18, United States Code, Section 1341.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1341 set forth in this information, defendant

JOSEPH A. GRAZIOLA

shall forfeit to the United States of America any property constituting, or derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to the sum of approximately \$120,000.

2. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), 28 U.S.C.
§ 2461, and United States Code, Section 853.



Peter F. Schmid for
ZANE DAVID MEMEGER
United States Attorney