

JUL 21 2017

US District Court  
Western District of NC

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION

UNITED STATES OF AMERICA )

v. )

MIRANDA BAILEY )

DOCKET NO. 3:17cr220

BILL OF INFORMATION

Violation:

18 U.S.C. § 371

**THE UNITED STATES ATTORNEY CHARGES:**

At the specified times and at all relevant times:

1. There were several interconnected fraudulent debt collection companies operating in and around Mecklenburg County in North Carolina. These fraudulent debt collection companies targeted individuals throughout the United States and generally executed their scheme to defraud by coercing purported debtors to pay money, some of which was not even owed, by providing false and misleading information and using harassing and abusive tactics.

2. One of the fraudulent debt collection companies operating in Mecklenburg County was known at various points as RJ FINANCIAL SERVICES and/or Nationwide Asset & Recovery, collectively "RJ FINANCIAL."

3. RJ FINANCIAL began operating in Mecklenburg County in or about November 2012 and remained in operation until the Federal Bureau of Investigation executed a search warrant in November 2014.

4. Between in or about January 2013 and in or about November 2014, RJ FINANCIAL defrauded thousands of debtors throughout the United States out of more than \$3 million dollars.

**Individuals**

5. Defendant MIRANDA BAILEY worked at RJ FINANCIAL from in or about May 2013 through in or about November 2014. During that time, BAILEY served as a collector and team leader or supervisor. BAILEY generally used the alias or "shake" name "Savannah Grant" when talking to purported debtors. Before joining RJ FINANCIAL, BAILEY was a collector at Capital Solutions Agency a/k/a Berkeley Hughes and Associates (BHA).

6. Owner A was, at all relevant times, a leader of the RJ FINANCIAL conspiracy and an owner, operator, and leader of RJ FINANCIAL.

7. Individual B worked at RJ FINANCIAL from in or about March 2013 through in or about November 2014. During that time, Individual B served as a collector and team leader or supervisor. Individual B generally used the aliases or “shake” names “Ada Brown” or “Katlin Pierce” while talking to purported debtors. Before joining RJ FINANCIAL, Individual B was a collector at BHA.

8. Individual C worked at RJ FINANCIAL from in or about March 2013 through in or about November 2014. During that time, Individual C served as Operations Manager. Individual C generally used the aliases or “shake” names “Dean McCoy,” “Michael Hickman,” “George Raffino,” “Randy Freeman,” or “Berman Maxwell” while talking to purported debtors. Before joining RJ FINANCIAL, Individual C was a manager at BHA.

9. Individual D was, at all relevant times, a leader of the RJ FINANCIAL conspiracy and an operator and leader of RJ FINANCIAL. Individual D generally used the aliases or “shake” names “Brittany Martin” or “London Taylor.”

10. Owner E was, at all relevant times, a leader of the RJ FINANCIAL conspiracy and an owner, operator, and leader of RJ FINANCIAL.

### **The Fraudulent Debt Collection Scheme**

11. The fraudulent debt collection companies, including RJ FINANCIAL, operated in the following manner:

a. They purchased lists of purported debtors. These lists were often sold and resold, so that the same purported debtors were called by multiple companies, attempting to collect on the same purported debt.

b. They then engaged in or caused others to engage in a process commonly known as “skip-tracing” to locate biographical information about the purported debtor, including, for example, the person’s phone number, address, and social security number. The collectors then utilized this information to call the purported debtors and to induce the purported debtors into talking with them.

c. Then, depending on the company and the timing, messages were either left for purported debtors using a dial service or collectors called the purported debtors individually, generally using prepared scripts that contained numerous false and fraudulent representations.

d. As part of the script used by the fraudulent debt collection companies, including RJ FINANCIAL, purported debtors were asked whether they wished to “handle this matter in or out of court!” Depending on the response, collectors either switched to a “rebuttal” script, *i.e.*, a script that responded to whatever reason the purported debtor gave for not paying, or engaged in a conversation to “settle” the debt with either a payment plan or a one-time payment.

e. Often, either before offering or agreeing to a settlement figure, the collector placed the purported debtor on hold and pretended to consult with a fictitious person, who was often falsely represented to be an attorney.

f. Collectors then either processed the payment or transferred the call to another individual, *i.e.*, a manager, a payment processor, and/or a “closer,” to take the payment.

12. In making calls, the collectors were generally instructed to follow a script or scripts that included false and misleading information designed to scare purported debtors into paying monies. For example, among the false and/or fraudulent representations in the script(s) utilized at RJ FINANCIAL were that:

a. The collector was calling “to investigate and possibly file 2 charges against you in (Debtor’s local county court)” and that those charges included “Breach of contract or fraud” and “Malicious intent to defraud a financial institution.”

b. “We have reviewed all of the case file; and it has been determined that this is a definite case of breach of contract...”

c. “According to the language of this contract; our client has the right to pursue you for up to 378% of the original balance if this contract is breached....”

d. “Federal law does require that I inform you that you do have the right to offer a counter offer; most defendants offer close to what they originally borrowed, plus the \$300 civil penalty...assessed by the state....”

13. Further, in order to disguise the fraudulent nature of their business and scare purported debtors, the fraudulent debt collection companies, including RJ FINANCIAL, often misrepresented who they were in one or more ways. For example,

a. They frequently changed the name of the purported company they were working for when making calls so that a purported debtor would not be able to locate truthful information about the company, and, more particularly complaints against the company, on the internet. For example, among the fictitious company names used by RJ FINANCIAL were: Piedmont Investigations and Procurement; Raffino, Garrison & McCoy; Harling Hill Scott & Associates; Hillman, Scott & Associates; ARS & Associates; Holland Dempsey & Associates; Kinsey Kline & Associates; Berman Maxwell & Associates; Department of Fraud; and Express Payment Services.

b. In some instances, they falsely represented that they were law firms, that they had attorneys on staff to consult, and/or that the collectors themselves were attorneys.

c. In other instances, they falsely represented themselves to be members of law enforcement or falsely represented that they were working with or affiliated with law enforcement, sometimes going as far as to play a police scanner in the background.

d. In other instances, they utilized names intended to give the false impression they were working with the government, including, for example, "Department of Fraud."

e. They instructed collectors to use aliases, commonly known as "shake" names, when making the calls and to fraudulently identify themselves as an "investigator" purportedly calling on behalf of a "client."

14. These fraudulent debt collection companies, including RJ FINANCIAL, also often engaged in one or more other scare tactics to fraudulently induce purported debtors to pay them, including, for example,

a. Harassing family members and friends to get the purported debtor to call them and pay them.

b. Threatening that imminent civil and/or criminal charges would be filed if the purported debtor did not make arrangements to pay during the call.

c. Threatening that a process server or the sheriff was prepared to serve them with papers, including, for example, arrest warrants, subpoenas, restraining orders, and garnishment of wages, if they did not make arrangements to pay during the call.

15. As a result of the false and fraudulent representations and harassing and abusive tactics used by RJ FINANCIAL, BAILEY, Owners A and E, and Individuals B, C, and D, thousands of individuals throughout the United States were fraudulently induced to pay debts (a) that often were not owed; (b) that were outside of the statute of limitations; and/or (c) to companies that were not authorized to collect on such debts.

#### **Examples of Fraudulent Debt Collection Calls**

16. As a collector, BAILEY made many calls to purported debtors and their friends and families in which she made false and fraudulent representations and engaged in harassing and abusive tactics intended to scare individuals into paying purported debts. For example,

a. On August 27, 2013, BAILEY a/k/a Savannah Grant, left a message for K.B. at the number of "a possible relative or associate of" K.B., and falsely represented that she was contacting him "on behalf of Philadelphia County." She further falsely represented she was calling related to "an ongoing investigation which names [him] as a person of interest," stating that she did "need to verify a place of employment to complete a service of process with Philadelphia County." And, that if there was "no response within twenty-four hours, at that point, the case will be turned over to the County Deputy and they will execute the legal documents to [his] current place of employment or [his] residence."

b. On August 27, 2013, BAILEY a/k/a Savannah Grant, called the employer of A.B., purporting to call on behalf of "Los Angeles County Sheriff Department," and asking to speak with a supervisor, to "try to get the company's protocol for a service of process, to serve these legal documents" to Victim A.B.

c. On August 27, 2013, BAILEY a/k/a Savannah Grant, called an individual purportedly “listed as a possible relative to” Victim T.B., purporting to call “on behalf of Mobile County with the Department of Fraud” regarding “a pending matter in Mobile County and it is in reference to some bank fraud charges that are formalized against her.”

d. On August 27, 2013, BAILEY a/k/a Savannah Grant, left a message for Victim L.B. falsely stating that she was “contacting [him] on behalf of Monroe County” and needed to “make contact with [him] or [his] attorney” because she has “a pending matter and the case has been transferred to [her] office and [she] does need to verify [his] place of employment or [his] place of residence to complete a service of process with Monroe County.” BAILEY further falsely represented that the victim’s “case will be turned over to the County Deputy if there is no response in 24 hours.”

e. When Victim L.B. called back and spoke with BAILEY a/k/a Savannah Grant on August 27, 2013, BAILEY represented she was with the “Department of Fraud” and had been trying to get in contact with him “pertaining to a civil complaint that has been formalized against [him] with Monroe County as well as two charges.” She further falsely represented the “first charge is breach of contract, which is bank fraud, and the second is malicious intent to defraud a financial institution.” BAILEY went on to falsely state “that these charges are already in place” and “pending” and that while the Victim may win the civil case in light of his bankruptcy, “the criminal charge will still stand.” She further falsely represented that “a collection agency” couldn’t handle the criminal charge “but Department of Fraud here as well as our law firm and our in house attorney will be able to make that final decision for you in regards to the Court matter” so if he wants “to close out this criminal case against [him]” they could “do that here and help you out on that behalf.”

f. On or about August 28, 2013, BAILEY a/k/a Savannah Grant called Victim L.B. and spoke with his wife, falsely informing her that she was contacting the Victim “on behalf of Monroe County, with the Department of Fraud” because “we have a case here” regarding “some charges that are formalized against him with Monroe County.” She went on to falsely represent that the Victim “is facing some very serious charges and if [she doesn’t] get in contact with [the Victim], [she] will issue a warrant for his arrest.” BAILEY then informed the wife that it was actually her son that “was the subject of our investigation” and falsely tells the her that her son is “facing some bank fraud charges he committed” she needs to contact her son and “let him know that he needs to get in contact with [BAILEY] or [she] will take him into custody while he is at work or if he is at home.”

17. In addition to collecting purported debt themselves, as team leaders, supervisors, and/or managers, BAILEY, Individual B, and Individual C also, *inter alia*, (1) listened to the calls of other collectors to ensure that they were following the scripts provided when talking to purported debtors and (2) would sometimes have calls transferred to them from the collectors they supervised so that they could “close” the call and/or could process payments from purported debtors.

**COUNT ONE**  
**18 U.S.C. § 371**  
**(Fraudulent Debt Collection Conspiracy)**

18. The United States Attorney re-alleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 17 of the Bill of Information, and further alleges that:

19. From in or about January 2013 through in or about November 2014, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendant,

**MIRANDA BAILEY**

did knowingly combine, conspire, confederate, and agree with members of the fraudulent debt collection company, and others known and unknown to the United States Attorney, to commit offenses against the United States, including violations of Title 18, United States Code, 1341 (mail fraud) and 1343 (wire fraud).

**Manner and Means**

20. The defendant and other members of the fraudulent debt collection company carried out the conspiracy in the manner and means described in paragraphs 1 through 17 of this Bill of Information, among others.

**Overt Acts**

21. In furtherance of the conspiracy, and to accomplish the objects thereof, the defendant and her co-conspirators committed one or more overt acts described in paragraphs 1 through 17 in the Western District of North Carolina and elsewhere.

All in violation of 18 U.S.C. § 371.

**NOTICE OF FORFEITURE**

22. Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

a. All property which constitutes or is derived from proceeds of the violations set forth in this Bill of Information;

b. All property involved in such violations or traceable to property involved in such violations; and

c. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) or (b) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendant/s to the extent of the value of the property described in (a) and (b).

23. The following property is subject to forfeiture on one or more of the grounds stated above:

a. A forfeiture money judgment in the amount of at least \$3 million, such amount constituting the proceeds of the violations set forth in this Bill of Information.

JILL WESTMORELAND ROSE  
UNITED STATES ATTORNEY

  
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MARIA K. VENTO  
ASSISTANT UNITED STATES ATTORNEY

  
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WILLIAM M. MILLER  
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