

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

- v. - :

MICHAEL BROWN, and :  
ANDREW LLOYD, :

Defendants. :

- - - - -X

SEALED  
SUPERSEDING INDICTMENT

S2 20 Cr. 524

COUNT ONE  
(Conspiracy to Commit Wire Fraud)

The Grand Jury charges:

Relevant Individuals and Entities

1. At all times relevant to this Indictment, MICHAEL BROWN, the defendant, owned and operated Credit Bureau Center, LLC, f/k/a MyScore LLC ("MyScore"), a Delaware limited liability company which provided credit reports and credit monitoring services via the websites eFreeScore.com, FreeCreditNation.com, and CreditUpdates.com, among other sites (collectively, the "MyScore Websites").

2. At all times relevant to this Indictment, CC-1, a co-conspirator not named herein, owned and operated an affiliate marketing company with a network of affiliates. In affiliate marketing, a seller of goods or services such as MyScore uses other firms or individuals known as "affiliates" to market the seller's goods or services by attracting customers to the

seller's websites. MICHAEL BROWN, the defendant, contracted with CC-1, in order to increase customer traffic to the MyScore Websites.

3. At all times relevant to this Indictment, ANDREW LLOYD, the defendant, was an affiliate that worked with CC-1 to drive potential customers to the MyScore Websites.

4. CC-1 served as the intermediary between MICHAEL BROWN and ANDREW LLOYD, the defendants. CC-1 received commissions from BROWN based on the number of customers who entered their credit card information to obtain a credit report on the MyScore Websites, and CC-1 then paid a portion of those commissions to LLOYD.

#### Overview of Scheme

5. From at least in or about 2014 through at least on or about January 10, 2017, MICHAEL BROWN and ANDREW LLOYD, the defendants, and CC-1 engaged in a nationwide online marketing scheme to post fake advertisements for rental properties across the United States on a classified advertisements website (the "Advertising Website"). The purpose of the scheme was to fraudulently induce over two million potential customers to enter their credit card information on the MyScore Websites and obtain a credit report under false pretenses, in order to automatically enroll them in a monthly membership for credit monitoring services.

6. The rental properties advertised through the scheme frequently listed desirable locations for lower than market prices to induce interest from prospective renters. In actuality, the rental properties did not exist as advertised or were not actually available for rent through the posts on the Advertising Website.

7. When prospective renters inquired about the rental properties posted on the Advertising Website by responding to the advertisements, they received a form email purporting to be from the property owner requiring the prospective renter to obtain a copy of their credit report, and referring the prospective renter to one of the MyScore Websites to obtain a credit report, before scheduling a tour of the property. Once a prospective renter visited one of the MyScore Websites and entered credit card information to receive a credit report, the prospective renter was charged \$1.00 to his or her credit card, and was automatically enrolled in a monthly membership for credit monitoring services with recurring charges of typically \$29.94 per month until the membership was cancelled.

8. When prospective renters responded to the purported property owner asking to schedule a tour of the advertised property now that they had a copy of their credit report, there was typically no response, as the property was not actually available for rent as advertised and the scheme had succeeded in

fraudulently generating a monthly membership subscription for MyScore. Many prospective renters who obtained a credit report from the MyScore Websites as a result of the scheme did not realize that they had been automatically enrolled in MyScore's membership until they discovered the monthly charges on their credit card statements. Some prospective renters also had difficulties canceling the membership when they contacted MyScore's customer service department.

9. MICHAEL BROWN and ANDREW LLOYD, the defendants, and CC-1 continued to execute the scheme through at least on or about January 10, 2017 despite numerous complaints during the course of the scheme from customers and consumer organizations about the fraudulent nature of the rental advertisements on the Advertising Website, the automatic enrollment of customers in MyScore's monthly membership with recurring charges without their knowledge, and the difficulties in cancelling the monthly membership.

10. In total, the scheme executed by MICHAEL BROWN and ANDREW LLOYD, the defendants, and CC-1 caused over approximately 2.7 million unique visits to the MyScore Websites and generated approximately \$6.8 million in revenue from approximately 169,000 customers who were automatically enrolled in MyScore's monthly membership for credit monitoring services through the scheme.

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## MEANS AND METHODS OF THE CONSPIRACY

11. MICHAEL BROWN and ANDREW LLOYD, the defendants, and CC-1 generally engaged in the following conduct to carry out their criminal scheme:

a. First, LLOYD used a collection of accounts on the Advertising Website registered in fake names to post advertisements for rental properties that appeared to be posted by different property owners. The advertisements typically contained photos of the rental properties and showcased properties in desirable locations for below-market prices in order to attract interest. The advertisements were posted for rental properties in metropolitan areas across the United States, including, among other locations, New York City, Miami, Atlanta, Houston, Los Angeles, and San Diego. The properties were not, however, actually available for rent through the advertisements posted by LLOYD or did not actually exist. The advertisements also did not disclose the specific address of the rental properties but instead contained a contact email address inviting prospective tenants to contact the property owner if they were interested in the rental property.

b. Second, when a prospective renter responded to the email address in the rental advertisement to express interest in the property, the prospective renter received an email response purporting to be from the property owner, but

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that, was actually sent from an email account controlled by LLOYD. The email response sent to prospective renters who expressed interest in the rental properties was nearly identical and followed a form email used by LLOYD. The form email typically described purported features of the advertised property and falsely informed the prospective renter, in substance and in part, that he or she was the second person to respond to the advertisement, that the first responder no longer needed the property, and that the property owner was ready to lease the property to the prospective renter with flexible terms and had just completed all new renovations. The form email also falsely stated, among other things, that the address for the property could not be disclosed for security reasons and that in order to schedule a tour of the property, the prospective renter must click on a hyperlink in the email to obtain a credit report. The hyperlink in the email directed the prospective renter to one of the MyScore Websites. Notably, the form email typically vouched for the integrity of the MyScore Websites by falsely stating, for example, that "all of our tenants use this site because it is widely trusted" and that "all you need to do is fill out the form and you get your report," without mentioning the \$1.00 fee or the automatic enrollment in a monthly membership for credit monitoring services. BROWN was

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familiar with the form email response that was sent to

prospective renters, and in or about September 2015, BROWN requested CC-1 to edit a version of the form email to make it clear that the prospective renter should only print out the report and bring it on the purported tour of the advertised property rather than email the report to the purported property owner. CC-1, in turn, requested that LLOYD incorporate BROWN's requested edit to the form email.

c. Third, when prospective renters clicked on the hyperlink in the email response from the purported property owner to obtain a copy of their credit report, the prospective renter was directed to the "landing page" of one of the MyScore Websites. The landing page of the MyScore Websites typically featured a large banner that stated, in substance and in part, "Get Your Free Credit Score and Report" with significantly smaller text referencing an unspecified "7-day trial" and a "Monthly membership of \$29.94 automatically charged after trial." In order to get the credit report, prospective renters were required to enter identifying information and credit card information through a series of webpages. Upon providing this information, prospective renters were immediately charged a \$1.00 "refundable processing fee," and automatically enrolled in a seven-day trial of MyScore's credit monitoring service and then a monthly membership with recurring charges of

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approximately \$29.94 every month until the membership was

cancelled. A prospective renter could not obtain the credit report without being automatically enrolled in MyScore's monthly membership.

d. Finally, during the course of the scheme, MyScore's customer service department, which was managed by BROWN, received numerous complaints from customers that the rental advertisements in the Advertising Website that led them to the MyScore Websites were fraudulent, that customers were being billed for a monthly membership without their authorization, and that it was difficult to cancel the membership. In addition, BROWN was aware that thousands of the victims of the marketing scheme reversed the credit card charges from MyScore for the monthly membership on the basis that such charges were fraudulent and/or unauthorized. BROWN was also informed directly on multiple occasions throughout the scheme of complaints about the fraudulent rental advertisements, but he continued to participate in and facilitate the scheme. For example, on or about November 12, 2015, BROWN was informed that a credit reporting agency MyScore partnered with wanted its logo removed from one of the MyScore Websites because "there is some negative media attention on that site, something about deceptive listings on [the Advertising Website]." Similarly, in or about June and July 2016, the Better Business Bureau sent BROWN

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examples of complaints containing "statements of your company



creating false advertisements for homes for rent on [the Advertising Website]" and informed BROWN, in substance and in part, that consumers have alleged being "misled into signing up for a credit reporting service when they thought they were applying for housing." In response to these complaints and inquiries, BROWN and MyScore's customer service department falsely denied that MyScore was involved in posting the fake rental advertisements and denied that MyScore paid for referrals to its websites.

#### STATUTORY ALLEGATIONS

12. From at least in or about 2014 through at least on or about January 10, 2017, in the Southern District of New York and elsewhere, MICHAEL BROWN and ANDREW LLOYD, the defendants, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

13. It was a part and an object of the conspiracy that MICHAEL BROWN and ANDREW LLOYD, the defendants, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, knowingly would and did transmit and cause to be transmitted by means of wire, radio, and television

communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, BROWN and LLOYD agreed together with CC-1 to engage in a scheme to use fake online advertisements for rental properties and related emails, including emails transmitted into the Southern District of New York, to fraudulently induce prospective renters to enter their credit card information on the MyScore Websites to obtain a credit report under the false pretenses of being able to tour a property available for rent, when in fact the property was not available for rent through the advertisements and the prospective renters' credit card information was used to automatically enroll them in a membership for credit monitoring services with recurring monthly charges.

(Title 18, United States Code, Section 1349.)

**COUNT TWO**  
**(Wire Fraud)**

The Grand Jury further charges:

14. The allegations set forth in paragraphs 1 through 11 are realleged and incorporated by reference as if fully set forth herein.

15. From at least in or about 2014 through at least on or ~~about January 10, 2017, in the Southern District of New York and~~ elsewhere, MICHAEL BROWN and ANDREW LLOYD, the defendants,

having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, knowingly did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, BROWN and LLOYD engaged in a scheme to use fake online advertisements for rental properties and related emails, including emails transmitted into the Southern District of New York, to fraudulently induce prospective renters to enter their credit card information on the MyScore Websites to obtain a credit report under the false pretenses of being able to tour a property available for rent, when in fact the property was not available for rent through the advertisements and the prospective renters' credit card information was used to automatically enroll them in a membership for credit monitoring services with recurring monthly charges.

(Title 18, United States Code, Sections 1343 and 2.)

**FORFEITURE ALLEGATIONS**

16. As the result of committing the offenses charged in Counts One and Two of this Indictment, MICHAEL BROWN and ANDREW LLOYD, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C)

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and Title 28, United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

**Substitute Assets Provision**

17. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

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

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461, to seek forfeiture of any other property of

the defendants up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981;  
Title 21, United States Code, Section 853, and  
Title 28, United States Code, Section 2461.)



*Damian Williams*  
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DAMIAN WILLIAMS  
United States Attorney

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SEALED INDICTMENT

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(18 U.S.C. §§ 1343, 1349, and 2.)

DAMIAM WILLIAMS  
United States Attorney

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