



Department of Justice

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Six Telemarketers Charged in Florida with Business Opportunity Scam

WASHINGTON – Five people have been indicted by a federal grand jury in Miami relating to the individuals' participation in a fraudulent business opportunity sales operation, the Justice Department and the U.S. Postal Inspection Service announced today. A sixth individual was also charged in a criminal information.

According to the indictment, the defendants were involved with a firm called Global Resources Inc. The nine-count indictment charges five of the defendants with conspiracy to commit mail fraud and wire fraud. Some of the defendants are also charged with mail fraud, wire fraud, and aiding and abetting.

According to the indictment and information, from approximately June 2004 through Oct. 2004, Stewart Pope of Seminole, Fla.; John Maginnis of Miami; Lisa Cohan of Ft. Lauderdale; Laura Fadlon aka "Laura Sadlon" of North Miami; Larry Taylor and Frank DiMezza, both of Long Beach, Calif.; and others engaged in the fraudulent sale of business opportunities through Global. The information charges a sixth defendant, John Maginnis, with a single count of conspiracy to commit mail fraud and wire fraud.

The company purportedly sold prepaid business opportunities, along with assistance in establishing, maintaining and operating a prepaid business. According to the defendants and their co-conspirators, a business opportunity purchaser would earn substantial profits when members of the public purchased prepaid cell phones, phone minutes and various prepaid products and services from a distributor's kiosk terminal.

Global promoted the business opportunities to consumers across the country through television commercials and other media, touting the profits that could be earned by purchasing a distributorship and urging consumers to call a telephone number that appeared in the advertisements. Potential purchasers were told that for a purchase price of approximately

\$15,000 Global would provide three terminals, numerous prepaid cell phones and advertising material. Global salespeople told consumers that Global would find viable, high-traffic locations to place the terminals, relocate any terminals that underperformed, only sell distributorships in a limited geographic area, and provide ongoing technical support and customer service. According to the charges, these representations were all false. According to the indictment, the defendants and others also falsely represented to potential purchasers that they would earn their investment back in approximately six months to a year.

Defendants Lisa Cohan, Larry Taylor and John Maginnis were Global salespeople, referred to as closers. Closers made several misrepresentations about the profits that would be generated by the business, territorial limitations, the viability of locations and ongoing customer support and technical assistance that Global would provide. The closers also gave out the names of the company's references, who falsely claimed to be successful Global distributors.

Defendant Stewart Pope was listed as Global's president in the company's marketing materials, communications with potential customers and disclosure documents. In reality, Pope was not an owner or principal of Global. Pope's name was used to hide the involvement of Global's true owners and principals, who, among other things, had a history of selling various sorts of failed business opportunities.

Defendants Frank DiMezza and Laura Fadlon were Global references who fraudulently held themselves out as successful Global distributors. In reality, neither DiMezza nor Fadlon ever purchased a Global distributorship, and they were paid to lie to prospective purchasers.

If convicted, the defendants face a maximum statutory term of imprisonment of 20 years on each count, a

possible fine, and mandatory restitution.

It should be remembered that an indictment and information are not evidence of criminal activity, and all defendants are presumed innocent until proven otherwise.

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