

The United States Attorney's Office

Southern District of Florida

Press Release

JURY CONVICTS TWO BUSINESS OPPORTUNITY DEFENDANTS IN ATM SCAM

December 1, 2009

FOR IMMEDIATE RELEASE

Jeffrey H. Sloman, United States Attorney for the Southern District of Florida, and John V. Gillies, Special Agent in Charge, Miami Division, Federal Bureau of Investigation, Miami Field Office, announced today that a jury found defendants **Andrew Steinberg** and **Stephen Duffie** guilty of fraud in connection with an automated teller machine ("ATM") business opportunity scheme.

Steinberg, 39, of West Palm Beach, was found guilty of one count of conspiracy, five counts of mail fraud, and four counts of wire fraud. Duffie, 32, of Miramar, was found guilty of one count of conspiracy and one count of mail fraud. Each offense carries a maximum statutory term of imprisonment of twenty (20) years, a possible fine, and mandatory restitution.

Steinberg already was imprisoned and Duffie was taken into custody after the verdict was returned. Both defendants are scheduled to be sentenced on February 12, 2010, by United States District Court Judge Kenneth A. Marra, in West Palm Beach, Florida.

According to the evidence at trial, Steinberg and Duffie operated Fidelity ATM, which operated out of offices in Boynton Beach and Delray Beach from 2004-2006. The business closed in November 2006 after being sued in a civil case by the Federal Trade Commission. Approximately 110 victims across the United States were defrauded of \$4.2 million.

Fidelity ATM has no relationship to Fidelity Investments.

According to the evidence, Fidelity ATM sold a \$30,000 "package" that was supposed to include three ATMs, high-traffic locations for the ATMs, and ongoing customer service. However, as shown during trial, Steinberg and Duffie misrepresented the purchasers' likely profits, misrepresented the location services that Fidelity ATM would provide, and used fake references. Indeed, the evidence showed that Steinberg and Duffie arranged for employees and friends to pose as successful Fidelity ATM customers during sales calls with future potential purchasers. The fake references used prepaid cell phones that Fidelity ATM purchased in the names, and with the real area codes, of genuine customers.

The Fidelity ATM prosecution is part of an ongoing crackdown on business opportunity fraud in South Florida that during the last four years has resulted in 95 felony convictions. The effort has been carried out by the United States Department of Justice, the United States Attorney's Office in Miami, the Federal Trade Commission, and federal law enforcement agencies.

Mr. Sloman commended the investigative efforts of the FBI. The case is being prosecuted by Alan Phelps and Patrick Jasperse, Trial Attorneys, United States 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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