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Department of Justice

Office of Public Affairs

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**Another Individual Sentenced in Miami in Connection with Costa Rica-Based Business Opportunity Fraud Ventures**

*Operation Exploited Connections to Colorado, Florida, Nevada, New Mexico and Pennsylvania*

WASHINGTON – Gregory Britt Fleming was sentenced today in connection with a series of Costa Rica-based business opportunity fraud ventures, the Justice Department and the U.S. Postal Inspection Service announced. Fleming was sentenced by Judge Marcia G. Cooke to a term of 60 months in prison and five years of supervised release. Additionally, he was ordered to pay more than \$2.5 million in restitution.

Two other defendants in this case previously pleaded guilty and have been sentenced. On Oct. 27, 2010, Donald Williams was sentenced to 78 months in prison. On April 20, 2011, Silvio Carrano was sentenced to 97 months in prison, three years supervised release and ordered to pay more than \$9 million in restitution.

Beginning in June 2004, Carrano, Donald Williams, Fleming and their co-conspirators fraudulently induced purchasers in the United States to buy business opportunities in Apex Management Group Inc., USA Beverages Inc., Twin Peaks Gourmet Coffee Inc., Cards-R-Us Inc., Premier Cards Inc., The Coffee Man Inc. and Nation West Distribution Company. The business opportunities the defendants sold cost thousands of dollars each, and most purchasers paid at least \$10,000. Each company operated for several months, and after one company closed, the next opened. The various companies used bank accounts, office space and other services in the Southern District of Florida and elsewhere.

The defendants, using aliases, participated in a conspiracy that used various means to make it appear to potential purchasers that the businesses were located entirely in the United States. In reality, Carrano, Donald Williams and Fleming operated out of Costa Rica to fraudulently induce potential purchasers in the United States to buy the purported business opportunities.

The companies made numerous false statements to potential purchasers of the business opportunities. Potential purchasers were falsely told they would likely earn substantial profits; that prior purchasers of the business opportunities were earning meaningful profits; that purchasers would sell a guaranteed minimum amount of merchandise, such as greeting cards and beverages; and that the business opportunity worked with locators familiar with the potential purchaser's area who would secure or had already secured high-traffic locations for the potential purchaser's merchandise stands.

The companies employed various types of sales representatives, including frontiers, closers and references. A frontier spoke to potential purchasers when the prospective purchasers initially contacted the company in response to an advertisement. A closer subsequently spoke to potential purchasers to close deals. References spoke to potential purchasers about the financial success they purportedly had experienced since purchasing one of the business opportunities. As part of his plea, Fleming acknowledged that he conspired to commit fraud while working at USA Beverages and Nation West.

"The court's sentences provide fair warning to business opportunity fraudsters who try to impose financial hardship on innocent, hardworking victims," said Tony West, Assistant Attorney General for the Justice Department's Civil Division. "The Department of Justice will continue to seek stiff sentences for those who exploit consumers to make a quick buck for themselves."

"Fraudulent business opportunity sellers must realize that all financial fraud will be prosecuted vigorously. This is true even if the schemers operate from outside of the United States," said Wifredo Ferrer, U.S. Attorney for the Southern District of Florida. "International law enforcement cooperation



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eliminates safe havens for those who cheat American citizens from overseas.”

Each of the companies was registered as a corporation and rented office space to make it appear to potential purchasers that its operations were fully in the United States. Apex was registered as a Florida corporation and rented office space in Ft. Lauderdale, Fla., while USA Beverages was registered as a Florida and New Mexico corporation and rented office space in Las Cruces, N.M. Twin Peaks was registered as a Florida and Colorado corporation and rented office space in Fort Collins, Colo. Cards-R-Us was registered as a Nevada corporation and rented office space in Reno, Nev. Premier Cards was registered as a Colorado and Pennsylvania corporation and rented office space in Philadelphia. Coffee Man and Nation West were both registered as Colorado corporations and rented office space in Denver. These locations made it appear to potential purchasers that the businesses were located entirely in the United States when in fact they were not.

“Telemarketing fraud that exploits American consumers and abuses the U.S. Mails will be investigated thoroughly, wherever it arises. This international and domestic investigation illustrates the Postal Inspection Service’s resolve to protect the American public from financial fraud in all its forms,” said Henry Gutierrez, U. S. Postal Inspector in Charge in Miami.

Assistant Attorney General West and U.S. Attorney Ferrer commended the investigative efforts of the Postal Inspection Service. The case is being prosecuted by trial attorneys Jeffrey Steger and Alan Phelps with the U.S. Department of Justice Office of Consumer Protection Litigation.

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Civil Division

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