

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
SPARTANBURG DIVISION

UNITED STATES OF AMERICA)
)
 v.)
)
 WILLIAM DUPREE MELTON, and)
 JIMMY WAYNE MELTON,)
 a/k/a COOTIE MELTON,)
)
 Defendants)

CR. NO. 7:05-1079
18 U.S.C. §§ 371, 513, 2314, 2
49 U.S.C. §§ 32703(2), 32703(4),
32704(a), 32709(b)

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES:

1. Beginning on a date unknown, but at least as early as in or about January 1998, and continuing through a date unknown, but ending no earlier than in or about October 2005, in the District of South Carolina and elsewhere, the Defendants WILLIAM DUPREE MELTON and JIMMY WAYNE MELTON did combine, conspire, confederate, and agree with others known and unknown to the Grand Jury, to commit offenses against the United States, namely:

a. to knowingly and willfully reset, alter, and disconnect, and cause to be reset, altered, and disconnected, odometers of used motor vehicles, with the intent to change the number of miles indicated on the odometers of used motor vehicles, in violation of Title 49, United States Code, Sections 32703(2) and 32709(b); and

b. to cause to be transported and transferred in interstate commerce securities taken by fraud, namely checks provided in exchange for the purchase of motor vehicles, of the value of \$5,000 or more, knowing the same to have been taken by fraud, in violation of Title 18, United

States Code, Section 2314.

GENERAL ALLEGATIONS

2. At all times relevant to this Indictment:
 - a. Defendant WILLAM DUPREE MELTON operated an automobile dealership in Spartanburg, South Carolina, that did business under the names Melton Used Cars, Melton Fleet Lease, and Melton's Lease Cars; purchased vehicles with extremely high mileage; sold vehicles with low mileage; signed motor vehicle titles; and directed the replacement of odometer clusters in vehicles so that the vehicles' odometers would reflect a lower mileage than the mileage that the vehicle had actually traveled.
 - b. Defendant JIMMY WAYNE MELTON, acting on behalf of an automobile dealership in Spartanburg, South Carolina, that did business under the names Melton's Lease Cars, Melton Fleet Lease, and Melton's Used Cars; purchased vehicles with extremely high mileage; sold vehicles with low mileage; and replaced odometer clusters in vehicles so that the vehicles' odometers would reflect a lower mileage than the mileage that the vehicle had actually traveled.
 - c. As used in this Indictment, the following vehicle numbers refer to the vehicles identified below:

<u>Vehicle Number</u>	<u>Year</u>	<u>Make & Model</u>	<u>Vehicle Identification Number</u>
1	1993	Jeep Cherokee Sport	1J4FT68S3PL533019
2	1997	Lincoln Town Car	1LNLM81W5VY632631
3	1998	Ford F250	1FTPX28L5WNB21820
4	1995	Chevrolet C1500	2GBEC19K0S1139631
5	1994	Chevrolet C1500 Suburban	1GNEC16K3RJ371082
6	1995	Ford Explorer	1FMDU34X2SUB36538
7	1999	Ford F150	1FTRX18W4XKA04472
8	1999	Ford F150	1FTRX18W7XNA20695
9	1997	Chevrolet K1500	1GCEK19M1VE123537
10	1997	Honda Accord	1HGCD5635VA250787
11	1994	GMC Sierra K1500	2GTEK19KXR1554965
12	1999	Ford F350	1FTWX33F8XED07856
13	1997	Lincoln Town Car	1LNLM82W0VY660397
14	1999	Chevrolet C2500	1GCGC24F5XF042672
15	2000	Ford F150	1FTRX17L9YNA71723
16	1995	Dodge Caravan	2B4GH2536SR264173
17	1997	Ford Escort	1FALP13P3VW415797

MANNER AND MEANS OF THE CONSPIRACY

3. It was part of the conspiracy that the defendants would do and cause to be done the following:

- a. Purchase hundreds of used motor vehicles with extremely high mileage at automobile auctions in North Carolina, Tennessee, Georgia, Florida, Maryland, and elsewhere.
- b. Disconnect hundreds of electronic odometers.
- c. Obtain hundreds of replacement odometers and instrument clusters with lower mileage readings from salvage yards.
- d. Alter and reset odometers so that the odometers would reflect false, lower mileage readings.
- e. Disconnect and replace hundreds of odometers and instrument clusters in vehicles with odometers and instrument clusters bearing lower mileage readings, thereby resulting in the vehicles having odometers that reflected false, lower mileage readings.
- f. State to potential purchasers of used motor vehicles that the odometer in the vehicle had been broken and repaired when in fact the odometer had not been broken.
- g. Sell hundreds of vehicles at various auctions with low mileage with a written disclosure on the title that the odometer was inaccurate, but with no indication of the previous high mileage of the vehicle.
- h. Deposit checks from auto auctions and purchasers of vehicles with low-mileage odometers installed at the defendants' directions to a bank in South Carolina that would forward checks from these purchasers to banks outside of South Carolina for payment.
- i. Receive prices for the vehicles which they sold that were higher than they would have received had they informed buyers of the vehicles that, at the time of the previous purchase, the vehicles had functioning odometers with extremely high and accurate mileage readings.

OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY

4. In furtherance of the conspiracy to effect its objects, the following overt acts were committed in the District of South Carolina and elsewhere:

a. Defendant JIMMY WAYNE MELTON purchased Vehicle Number 1 on or about February 29, 2000, with 169,077 miles on the odometer for \$1,320 in Leesville, South Carolina.

b. Defendant JIMMY WAYNE MELTON sold Vehicle Number 1 on or about March 21, 2000, with 59,088 miles on the odometer for \$3,850 in Atlanta, Georgia.

c. Defendant WILLIAM DUPREE MELTON caused an application for title relating to Vehicle Number 2 to be submitted to the State of South Carolina on or about February 13, 2001, that would result in the issuance of a title to Melton Lease Cars, Inc., that did not reveal the previously recorded mileage of 304,337.

d. On or about February 13, 2001, the defendants caused an odometer cluster to be installed in Vehicle Number 2 at their place of business in Spartanburg, South Carolina, so that approximately 40,476 would show on the odometer.

e. Defendant WILLIAM DUPREE MELTON caused an application for title relating to Vehicle Number 3 to be submitted to the State of South Carolina on or about March 7, 2001, that would result in the issuance of a title to Melton Lease Cars, Inc., that did not reveal the previously recorded mileage of 147,981.

f. On or about March 7, 2001, the defendants caused an odometer cluster to be installed in Vehicle Number 3 at their place of business in Spartanburg, South Carolina, so that approximately 47,501 would show on the odometer.

g. Defendant WILLIAM DUPREE MELTON caused an application for title relating

to Vehicle Number 4 to be submitted to the State of South Carolina on or about March 13, 2001, that would result in the issuance of a title to Melton Fleet Leasing that did not reveal the previously recorded mileage of 175,166.

h. On or about March 13, 2001, the defendants caused an odometer cluster to be installed in Vehicle Number 4 at their place of business in Spartanburg, South Carolina, so that approximately 45,622 would show on the odometer.

i. Defendant WILLIAM DUPREE MELTON caused an application for title relating to Vehicle Number 5 to be submitted to the State of South Carolina on or about July 16, 2001, that would result in the issuance of a title to Melton Lease Cars, Inc., that did not reveal the previously recorded mileage of 206,088.

j. On or about July 16, 2001, the defendants caused an odometer cluster to be installed in Vehicle Number 5 at their place of business in Spartanburg, South Carolina, so that approximately 46,001 would show on the odometer.

k. Defendant WILLIAM DUPREE MELTON caused an application for title relating to Vehicle Number 6 to be submitted to the State of South Carolina on or about October 2, 2001, that would result in the issuance of a title to Melton Lease Cars, Inc., that did not reveal the previously recorded mileage of 194,553.

l. On or about October 2, 2001, the defendants caused an odometer cluster to be installed in Vehicle Number 6 at their place of business in Spartanburg, South Carolina, so that approximately 54,021 would show on the odometer.

m. The defendants caused the purchase of Vehicle Number 7 on or about January 18, 2002, with 229,984 miles on the odometer for \$8,500.

- n. Defendant JIMMY WAYNE MELTON sold Vehicle Number 7 on or about January 31, 2002, with 17,142 miles on the odometer for \$11,700 in Alcoa, Tennessee.
- o. Defendant WILLIAM DUPREE MELTON purchased Vehicle Number 8 on or about January 18, 2002, with 213,422 miles on the odometer for \$8,500.
- p. Defendant JIMMY WAYNE MELTON sold Vehicle Number 8 on or about February 7, 2002, with 48,534 miles on the odometer for \$11,100 in Alcoa, Tennessee.
- q. A member of the conspiracy purchased Vehicle Number 9 on or about February 5, 2002, with 140,384 miles on the odometer for \$7,685.
- r. Defendant JIMMY WAYNE MELTON sold Vehicle Number 9 on or about February 14, 2002, with 42,631 miles on the odometer for \$8,800 in Alcoa, Tennessee.
- s. A member of the conspiracy purchased Vehicle Number 10 on or about November 19, 2001, with 155,154 miles on the odometer for \$4,605.
- t. Defendant JIMMY WAYNE MELTON sold Vehicle Number 10 on or about February 14, 2002, with 45,604 miles on the odometer for \$5,200 in Alcoa, Tennessee.
- u. A member of the conspiracy purchased Vehicle Number 11 on or about January 30, 2002, with 213,566 miles on the odometer for \$4,130.
- v. Defendant JIMMY WAYNE MELTON sold Vehicle Number 11 on or about February 14, 2002, with 53,784 miles on the odometer for \$6,200 in Alcoa, Tennessee.
- w. Defendant JIMMY WAYNE MELTON caused an application for title relating to Vehicle Number 12 to be submitted to the State of South Carolina on or about January 7, 2003, that would result in the issuance of a title to Melton Fleet Leasing that did not reveal the previously recorded mileage of 152,680.

x. On or about January 7, 2003, the defendants caused an odometer cluster to be installed in Vehicle Number 12 at their place of business in Spartanburg, South Carolina, so that approximately 62,001 would show on the odometer.

y. Defendant JIMMY WAYNE MELTON caused an application for title relating to Vehicle Number 13 to be submitted to the State of South Carolina on or about February 14, 2003, that would result in the issuance of a title to Melton Fleet Leasing, that did not reveal the previously recorded mileage of 226,997.

z. Defendant JIMMY WAYNE MELTON caused an application for title relating to Vehicle Number 14 to be submitted to the State of South Carolina on or about February 14, 2003, that would result in the issuance of a title to Melton Fleet Leasing that did not reveal the previously recorded mileage of 194,828.

aa. On or about February 14, 2003, the defendants caused an odometer cluster to be installed in Vehicle Number 14 at their place of business in Spartanburg, South Carolina, so that approximately 64,835 would show on the odometer.

bb. Defendant WILLIAM DUPREE MELTON caused an application for title relating to Vehicle Number 15 to be submitted to the State of South Carolina on or about February 16, 2004, that would result in the issuance of a title to Melton Fleet Leasing that did not reveal the previously recorded mileage of 175,829.

cc. Defendant JIMMY WAYNE MELTON sold Vehicle Number 15, with 68,037 miles on the odometer for \$8,600 in Leesville, South Carolina.

dd. Defendant JIMMY WAYNE MELTON purchased Vehicle Number 16 on or about July 19, 2000, with 168,465 miles on the odometer for \$1,365 in Anderson, South

Carolina.

ee. Defendant JIMMY WAYNE MELTON sold Vehicle Number 16 on or about August 15, 2000, with 48,520 miles on the odometer for \$3,200 in Lakeland, Florida.

ff. Defendant WILLIAM DUPREE MELTON caused an application for title relating to Vehicle Number 17 to be submitted to the State of South Carolina on or about June 12, 2000, that would result in the issuance of a title to Melton Lease Cars, Inc., that did not reveal the previously recorded mileage of 120,012.

gg. On or about June 12, 2000, the defendants caused an odometer cluster to be installed in Vehicle Number 17 at their place of business in Spartanburg, South Carolina, so that approximately 40,108 would show on the odometer.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FIFTEEN

1. Paragraph Two of Count One is realleged here as if fully set forth.

2. On or about the dates listed below, within the District of South Carolina, Defendants WILLIAM DUPREE MELTON and JIMMY WAYNE MELTON did knowingly and willfully disconnect, reset and alter, and cause to be disconnected, reset and altered, the odometers of the motor vehicles listed below, from the approximate original mileages listed below to the approximate altered mileages listed below, with the intent to change the number of miles indicated on the odometers of the motor vehicles, each such instance being a separate and additional Count of this Indictment:

<u>Count</u>	<u>Vehicle No.</u>	<u>Date</u>	<u>Original</u>	<u>Altered</u>
Two	2	February 13, 2001	304,337	40,476
Three	3	March 7, 2001	147,981	47,501
Four	4	March 13, 2001	175,166	45,622
Five	5	July 16, 2001	206,088	46,001
Six	6	October 2, 2001	194,553	54,021
Seven	7	January 30, 2002	229,984	16,924
Eight	8	February 6, 2002	213,422	48,534
Nine	9	February 13, 2002	140,384	42,631
Ten	10	February 14, 2002	155,154	45,604
Eleven	11	February 14, 2002	213,566	53,784
Twelve	12	January 7, 2003	152,680	62,001
Thirteen	13	February 14, 2003	226,997	123,345

<u>Count</u>	<u>Vehicle No.</u>	<u>Date</u>	<u>Original</u>	<u>Altered</u>
Fourteen	14	February 14, 2003	194,828	64,835
Fifteen	15	February 17, 2004	175,829	68,037

All in violation of Title 49, United States Code, Sections 32703(2) and 32709(b) and Title 18, United States Code, Section 2.

COUNT SIXTEEN

1. Beginning on a date unknown, but at least as early as in or about January 1998, and continuing through a date unknown, but ending no earlier than in or about October 2005, in the District of South Carolina and elsewhere, the Defendants WILLIAM DUPREE MELTON and JIMMY WAYNE MELTON did combine, conspire, confederate, and agree with others known and unknown to the Grand Jury, to commit violations of Title 49, United States Code, Section 32704, namely: to knowingly and willfully replace odometers of used motor vehicles without setting the mileage readings on the replacement odometers to reflect the vehicles' previous mileage settings and without adjusting the odometers to read zero and attaching a written notice to the left door frame of the vehicles specifying the vehicles' mileages before the odometers were replaced and the dates of the odometer replacements.

2. Paragraphs 2 through 4 of Count One are realleged here as if fully set forth.
All in violation of Title 49, United States Code, Section 32703(4) and 32709(b).

COUNTS SEVENTEEN THROUGH TWENTY

1. Paragraph Two of Count One is realleged here as if fully set forth.

2. On or about the dates listed below, within the District of South Carolina, Defendants WILLIAM DUPREE MELTON and JIMMY WAYNE MELTON did knowingly and willfully replace odometers of used motor vehicles without setting the mileage readings on the odometers to reflect the vehicles' previous mileage settings and without adjusting the odometers to read zero and attaching a written notice to the left door frame of the vehicles specifying the vehicles' mileages before the odometers were replaced and the dates of the odometer replacements, each such instance being a separate and additional Count of this Indictment:

<u>Count</u>	<u>Vehicle No.</u>	<u>Date</u>
Seventeen	12	January 7, 2003
Eighteen	13	February 14, 2003
Nineteen	14	February 14, 2003
Twenty	15	February 17, 2004

All in violation of Title 49, United States Code, Sections 32704(a) and 32709(b) and Title 18, United States Code, Section 2.

COUNTS TWENTY-ONE THROUGH TWENTY-SIX

1. Paragraph 2 of Count One is realleged here as if fully set forth.

2. On or about the dates listed below, within the District of South Carolina, Defendants WILLIAM DUPREE MELTON and JIMMY WAYNE MELTON did unlawfully cause to be transported and transferred in interstate commerce, from the State of South Carolina to locations listed within the states below, a security taken by fraud, namely, a check drawn from a bank outside the State of South Carolina provided in exchange for the motor vehicles set forth below, of the value of \$5,000 or more, knowing the same to have been taken by fraud, each such instance being a separate and additional Count of this Indictment:

<u>Count</u>	<u>Vehicle No.</u>	<u>States</u>	<u>Date</u>
Twenty-one	2	New York	February 15, 2001
Twenty-two	6	Tennessee	October 4, 2001
Twenty-three	7	Tennessee	January 31, 2002
Twenty-four	9	Tennessee	February 14, 2002
Twenty-five	10	Tennessee	February 14, 2002
Twenty-six	11	Tennessee	February 14, 2002

All in violation of Title 18, United States Code, Sections 2314 and 2.

COUNT TWENTY-SEVEN

1. Paragraph 2 of Count One is realleged here as if fully set forth.
2. On or about January 7, 2003, within the District of South Carolina, Defendants WILLIAM DUPREE MELTON and JIMMY WAYNE MELTON did make, utter, and possess, and cause to be made, uttered, and possessed, a forged security of a State, namely, a certificate of title relating to Vehicle Number 12, with the intent to deceive other persons, organizations, and governments.

All in violation of Title 18, United States Code, Sections 513 and 2.

A true BILL

s/ Foreperson
FOREPERSON

s/ Jonathan S. Gasser
JONATHAN S. GASSER
UNITED STATES ATTORNEY

COUNT 1 (18:371)

MAXIMUM SENTENCE THIS COUNT
FINE OF \$250,000 (18 USC 3571) AND/OR
IMPRISONMENT FOR 5 YEARS AND A TERM OF
SUPERVISED RELEASE OF 3 YEARS (18 USC 3583)
SPECIAL ASSESSMENT \$100.00 (18 U.S.C. § 3013)

COUNTS 2 through 15
(49:32703(2) and 32709(b))

MAXIMUM SENTENCE THIS COUNT
FINE OF \$250,000 (18 USC 3571) AND/OR
IMPRISONMENT FOR 3 YEARS AND A TERM OF
SUPERVISED RELEASE OF 1 YEAR (18 USC 3583)
SPECIAL ASSESSMENT \$100.00 (18 U.S.C. § 3013)

COUNT 16
(49:32703(4) and 32709(b))

MAXIMUM SENTENCE THIS COUNT
FINE OF \$250,000 (18 USC 3571) AND/OR
IMPRISONMENT FOR 3 YEARS AND A TERM OF
SUPERVISED RELEASE OF 1 YEAR (18 USC 3583)
SPECIAL ASSESSMENT \$100.00 (18 U.S.C. § 3013)

COUNTS 17 through 20
(49:32704(a) and 32709(b))

MAXIMUM SENTENCE THIS COUNT
FINE OF \$250,000 (18 USC 3571) AND/OR
IMPRISONMENT FOR 3 YEARS AND A TERM OF
SUPERVISED RELEASE OF 1 YEAR (18 USC 3583)
SPECIAL ASSESSMENT \$100.00 (18 U.S.C. § 3013)

COUNTS 21 through 26
(18:2314)

MAXIMUM SENTENCE THIS COUNT
FINE OF \$250,000 (18 USC 3571) AND/OR
IMPRISONMENT FOR 10 YEARS AND A TERM OF
SUPERVISED RELEASE OF 3 YEARS (18 USC 3583)
SPECIAL ASSESSMENT \$100.00 (18 U.S.C. § 3013)

COUNT 27 (18:513)

MAXIMUM SENTENCE THIS COUNT
FINE OF \$250,000 (18 USC 3571) AND/OR
IMPRISONMENT FOR 10 YEARS AND A TERM OF
SUPERVISED RELEASE OF 3 YEARS (18 USC 3583)
SPECIAL ASSESSMENT \$100.00 (18 U.S.C. § 3013)