

Note: the names of individuals and dealerships have been changed to fictitious names.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA, : CRIMINAL NO. _____
 : DATE FILED: _____
 v. : VIOLATIONS:
 : 18 U.S.C. § 371
 : (Conspiracy - 1 Count)
 : 18 U.S.C. § 2314 (Interstate
 JAMES JONES, : Transportation of Falsely Made
 PHILLIP JONES, and : Securities - 10 Counts)
 FRED FILBERT : 49 U.S.C. § 32705(a), 32709(b)
 : (False Odometer Statement - 10
 : Counts)
 : 18 U.S.C. § 2
 : (Aiding and Abetting)

I N D I C T M E N T

COUNT ONE

THE GRAND JURY CHARGES THAT:

1. At times relevant and material to this Indictment:

(a) Defendant **JAMES JONES** was engaged in the buying and selling of used motor vehicles. **JAMES JONES** operated under the name ABC Automotive, a licensed New York dealership that bought and sold used cars in the Eastern District of Pennsylvania and elsewhere. **JAMES JONES** also did business using other dealership names, both real and fictitious, including XX & YY Auto.

(b) Defendant **PHILLIP JONES** was engaged in the buying and selling of used motor vehicles. **PHILLIP JONES** was the owner and operator of DEF Dealership, a licensed New York dealership that

bought and sold used cars in the Eastern District of Pennsylvania and elsewhere. **PHILLIP JONES** also did business using other dealership names, both real and fictitious, including XX & YY Auto.

(c) Defendant **FRED FILBERT** was engaged in the buying and selling of used motor vehicles. **FRED FILBERT** did business using the name VVV Sales, a licenced New Jersey dealership. **FRED FILBERT** operated VVV Sales as a "title wash," through which altered high mileage titles were submitted to the New Jersey Department of Motor Vehicles and new, "clean," low mileage titles were issued to VVV Sales. **FRED FILBERT** also operated under other dealership names, both real and fictitious, including Autos Galore and XYZ Express, in the Eastern District of Pennsylvania and elsewhere.

2. As used in this Indictment, the following vehicle numbers refer to the vehicles identified below:

<u>Vehicle No.</u>	<u>Year/Make</u>	<u>Vehicle Identification Number</u>
1	1994/Buick	XXXXXXXXXXXXXXXXXXXX
2	1995/Nissan	XXXXXXXXXXXXXXXXXXXX
3	1996/Mercury	XXXXXXXXXXXXXXXXXXXX
4	1993/Lincoln	XXXXXXXXXXXXXXXXXXXX
5	1995/Buick	XXXXXXXXXXXXXXXXXXXX
6	1996/Ford	XXXXXXXXXXXXXXXXXXXX
7	1997/Lincoln	XXXXXXXXXXXXXXXXXXXX
8	1995/Ford	XXXXXXXXXXXXXXXXXXXX
9	1996/Buick	XXXXXXXXXXXXXXXXXXXX

THE CONSPIRACY

3. Beginning at a time unknown to the Grand Jury, but at least as early as January 1997, and continuing through at least November 1998, the exact dates being unknown to the Grand Jury, in the Eastern District of Pennsylvania and elsewhere,

**JAMES JONES,
PHILLIP JONES, and
FRED FILBERT**

defendants herein, did combine, conspire, confederate, and agree with each other, and other persons known and unknown to the Grand Jury, to commit offenses against the United States, that is:

(a) knowingly and willfully to reset and alter, and cause to be reset and altered, the odometers of motor vehicles, intending to change the mileage registered by the odometers, in violation of Title 49, United States Code, Sections 32703(2) and 32709(b);

(b) to transport and cause to be transported in interstate commerce, with unlawful and fraudulent intent, falsely made, forged, altered, and counterfeited securities -- namely, motor vehicle certificates of title -- knowing the same to be falsely made, forged, altered, and counterfeited, in violation of Title 18, United States Code, Section 2314; and

(c) knowingly and willfully to give and cause to be given, in making the written disclosures to the buyers of used motor vehicles required by Title 49, United States Code, Section 32705(a), and Title 49, Code of Federal Regulations, Part 580, false statements relating to the actual mileage of the vehicles,

in violation of Title 49, United States Code, Sections 32705(a) and 32709(b).

PURPOSE OF THE CONSPIRACY

4. It was the purpose of the conspiracy to cause both the immediate and subsequent buyers of used motor vehicles, including ultimate consumers, to pay more for the vehicles than they would have paid if they had known the vehicles' correct mileage readings.

MANNER AND MEANS BY WHICH
THE CONSPIRACY OPERATED

5. It was a part of the conspiracy that defendants **JAMES JONES, PHILLIP JONES, and FRED FILBERT**, and their co-conspirators, would purchase numerous used motor vehicles (mostly late-model, high-mileage vehicles), cause the odometers of those vehicles to be rolled back to lower mileage figures, and resell the vehicles to purchasers in the Eastern District of Pennsylvania and elsewhere, representing to the purchasers that the false low-mileage readings were the vehicles' correct mileage readings;

It was further part of the conspiracy that:

6. Defendants **JAMES JONES, PHILLIP JONES, and FRED FILBERT**, and their co-conspirators, purchased high-mileage used motor vehicles for resale using various names, both real and fictitious, including XX & YY Auto Sales, DEF Dealership, and VVV Sales Palace, from other automobile dealers in Massachusetts and elsewhere.

7. Defendants **JAMES JONES, PHILLIP JONES, and FRED FILBERT,** and their co-conspirators, paid for the vehicles using funds drawn from accounts under their control in the names of XX & YY Auto Sales, ABC Automotive, DEF Dealership, and XYZ Express.

8. After purchasing those vehicles, defendants **JAMES JONES and PHILLIP JONES,** and their co-conspirators, caused the vehicles' odometers to be rolled back to lower mileage figures (vehicles with such altered odometers are called "rolled-back vehicles" below).

9. Defendants **JAMES JONES and PHILLIP JONES,** and their co-conspirators, caused the vehicles they purchased to be cleaned and made incidental repairs in a manner designed to conceal their true mileage.

10. Defendants **JAMES JONES, PHILLIP JONES, and FRED FILBERT,** and their co-conspirators, caused automobile titles and other motor vehicle title and ownership documents to be physically altered so that the mileage figures on those documents corresponded to the false low mileage odometer readings on the rolled-back vehicles.

11. Defendants **JAMES JONES, PHILLIP JONES, and FRED FILBERT,** and their co-conspirators, applied for, and caused to be applied for, new motor vehicle titles from the State of New Jersey, by submitting the altered titles in order to procure new "clean" or "washed" titles which showed false low mileages for the vehicles. The clean titles were applied for and issued in the name of VVV Sales Sales, a dealership controlled by defendant

FRED FILBERT. Defendants **JAMES JONES, PHILLIP JONES, and FRED FILBERT,** and their co-conspirators, used these falsely made titles to hide the true chain of ownership and high mileage of the rolled-back vehicles from subsequent purchasers.

12. Defendants **JAMES JONES, PHILLIP JONES, and FRED FILBERT,** and their co-conspirators, caused falsely made, forged, altered and counterfeited titles and vehicle reassignment documents to be transported in interstate commerce to and within the Eastern District of Pennsylvania and elsewhere, for use in sales of those motor vehicles.

13. Defendants **JAMES JONES and PHILLIP JONES,** and their co-conspirators, transferred, and caused to be transferred, the falsely made titles to the used motor vehicles to businesses under their control. The businesses used in this way included ABC Automotive and DEF Dealership, among others.

14. Defendants **JAMES JONES and PHILLIP JONES,** and their co-conspirators, sold, and caused to be sold, the rolled-back vehicles to subsequent purchasers at a wholesale auto auction in the Eastern District of Pennsylvania, and elsewhere, using the business names ABC Automotive and DEF Dealership, among others.

15. In connection with the sale of the rolled-back vehicles, defendants **JAMES JONES and PHILLIP JONES,** and their co-conspirators, provided false low mileage odometer disclosure statements to subsequent purchasers.

16. The defendants' actions and misrepresentations led the defendants to receive higher prices for the vehicles sold than

they would have received if the vehicles had correct mileage readings, and that buyers of the vehicles, including ultimate consumers, paid more for the vehicles than they would have paid if they had known the vehicles' true mileage.

OVERT ACTS

17. In order to effect and accomplish the objects and purposes of the conspiracy, the defendants and co-conspirators did commit numerous overt acts, in the Eastern District of Pennsylvania and elsewhere, among which were the following:

(a) On or about January 13, 1997, defendant **PHILLIP JONES** applied for a used car dealership renewal license from the New York Department of Motor Vehicles for the dealership named DEF Dealership, and listed himself as the owner of the business.

(b) On or about June 6, 1997, defendant **PHILLIP JONES** authorized a person known to the grand jury to conduct transactions on behalf of DEF Dealership at an automobile auction in Manheim, Pennsylvania.

(c) On or about August 8, 1997, a person known to grand jury, acting with assistance from defendant **JAMES JONES**, applied for a used car dealership license from the New York Department of Motor Vehicles under the name ABC Automotive, and listed himself as the owner of the business.

(d) On or about August 8, 1997, a person known to grand jury, acting with assistance from defendant **JAMES JONES**, opened business checking account number xxxxxxxxxxxxxx under the name of

ABC Automotive at the xxxxxxxxxxx National Bank, in Yonkers, New York, and listed himself as the sole signer on the account.

(e) On or about December 31, 1997, a person known to grand jury, acting with assistance from defendant **JAMES JONES**, registered at an automobile auction in Manheim, Pennsylvania, under the name of ABC Automotive, and listed himself as the owner of the business.

(f) On or about March 13, 1998, defendant **FRED FILBERT** applied for a used car dealership renewal license from the New Jersey Department of Motor Vehicles under the name VVV Sales Sales, and listed himself as the president of the company.

Vehicle Number 1

(g) On or about March 14, 1998, defendant **JAMES JONES** purchased Vehicle Number 1 with 103,600 miles on the odometer from a wholesale automobile dealership in Massachusetts.

(h) On or about April 2, 1998, defendant **FRED FILBERT**, using the name VVV Sales Sales, submitted to the New Jersey Department of Motor Vehicles an altered title for Vehicle Number 1, along with an application for a new title, falsely representing that the mileage on Vehicle Number 1 was 38,681 miles.

(i) On or about April 3, 1998, in connection with the sale of Vehicle Number 1, defendant **JAMES JONES** caused an odometer statement to be issued falsely certifying that Vehicle Number 1 had only 38,821 miles.

Vehicle Number 4

(j) On or about June 2, 1998, defendant **JAMES JONES** reviewed vehicle history records and odometer readings for Vehicle Number 4, through a commercial database of motor vehicle records.

(k) On or about July 11, 1998, defendant **PHILLIP JONES** purchased Vehicle Number 4 with 278,948 miles on the odometer from a wholesale automobile dealership in Massachusetts.

(l) On or about July 14, 1998, defendant **FRED FILBERT**, using the name VVV Sales Sales, submitted to the New Jersey Department of Motor Vehicles an altered title for Vehicle Number 4, along with an application for a new title, falsely representing that the mileage on Vehicle Number 4 was 49,120 miles.

(m) On or about July 31, 1998, in connection with the sale of Vehicle Number 4, defendant **PHILLIP JONES** caused an odometer statement to be issued falsely certifying that Vehicle Number 4 had only 50,641 miles.

Vehicle Number 10

(n) On or about June 29, 1998, defendant **JAMES JONES** reviewed vehicle history records and odometer readings for Vehicle Number 10, through a commercial database of motor vehicle records.

(o) On or about June 29, 1998, defendant **FRED FILBERT** purchased Vehicle Number 10 with 107,298 miles on the odometer from a wholesale automobile dealership in Massachusetts.

(p) On or about July 13, 1998, defendant **FRED FILBERT**, using the name VVV Sales Sales, submitted to the New Jersey Department of Motor Vehicles an altered title for Vehicle Number 10, along with an application for a new title, falsely representing that the mileage on Vehicle Number 10 was 47,617 miles.

(q) On or about July 17, 1998, in connection with the sale of Vehicle Number 10, defendant **PHILLIP JONES** caused an odometer statement to be issued falsely certifying that Vehicle Number 10 had only 48,217 miles.

In violation of Title 18, United States Code, Section 371.

COUNTS TWO - ELEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 and 2 of Count One are realleged and incorporated herein by reference.

2. On or about the dates listed below, in the Eastern District of Pennsylvania and elsewhere,

**JAMES JONES,
PHILLIP JONES, and
FRED FILBERT,**

defendants herein, with unlawful and fraudulent intent, did transport and cause to be transported in interstate commerce, from New Jersey to Pennsylvania, falsely made, forged, altered, and counterfeited securities -- namely, certificates of title relating to the motor vehicles listed below -- knowing the securities to have been falsely made, forged, altered, and counterfeited, each such instance being a separate Count of this Indictment:

<u>Count</u>	<u>Vehicle No.</u>	<u>Date</u>
2	1	4/2/1998
3	2	3/24/1998
4	3	5/6/1998
5	4	7/14/1998
6	5	8/24/1998
7	6	5/5/1998
8	7	4/29/1998
9	8	9/24/1998
10	9	7/2/1998
11	10	7/13/1998

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

COUNTS TWELVE - TWENTY-ONE

1. Paragraphs 1 and 2 of Count One are realleged and incorporated herein by reference.

2. On or about the dates listed below, in the Eastern District of Pennsylvania,

**JAMES JONES,
PHILLIP JONES, and
FRED FILBERT,**

defendants herein, did knowingly and willfully give and cause to be given, in making the written disclosures to the buyers of used motor vehicles required by Title 49, United States Code, Section 32705(a), and Title 49, Code of Federal Regulations, Part 580, false statements relating to the cumulative mileage registered on the odometers of the motor vehicles listed below, in that defendants **JAMES JONES, PHILLIP JONES, and FRED FILBERT,** certified as accurate the false mileages listed below, when in fact the odometers of the vehicles had registered the high mileages listed below when defendants acquired the vehicles, each such instance being a separate and additional Count of this Indictment:

<u>Count</u>	<u>Date</u>	<u>Vehicle No.</u>	<u>High Mileage</u>	<u>False Mileage</u>
12	4/3/1998	1	103,600	38,821
13	4/3/1998	2	118,129	38,678
14	5/22/1998	3	67,831	24,180
15	7/31/1998	4	278,948	50,641
16	9/11/1998	5	79,900	33,058
17	5/8/1998	6	236,168	24,412

18	5/8/1998	7	80,145	20,569
19	9/18/1998	8	138,745	36,801
20	7/17/1998	9	77,203	28,810
21	7/17/1998	10	107,298	48,217

In violation of Title 49, United States Code, Sections 32705(a) and 32709(b), and Title 18, United States Code, Section 2.

A TRUE BILL:

Foreperson

XXXXXXXXXXXXXXXXXXXX
United States Attorney