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CLERK U.S. DISTRICT COURT
DISTRICT OF ARIZONA
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UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

REDACTED FOR
PUBLIC DISCLOSURE

United States of America,
Plaintiff,
v.
Edward Ray Longoria,
Amber Rebecca Halvorson,
Defendants.

NO: **CR '11 15 65 PHX DGC DKO**

INDICTMENT

VIO: 18 U.S.C. §§ 371 and 2
(Conspiracy)
Count 1

18 U.S.C. §§ 1341, 2326, and 2
(Mail Fraud)
Counts 2-16

18 U.S.C. §§ 1343, 2326, and 2
(Wire Fraud)
Counts 17-26

18 U.S.C. §§ 982 (a) and (b)
(Criminal Forfeiture)

THE GRAND JURY CHARGES:

INTRODUCTION

At times material to this Indictment:

1. The Results Group, L.L.C. ("TRG"), aka/dba TRG Internet Solutions, was an Arizona limited liability company with its principal place of business located at 2845 East Camelback Road, Suite 700, Phoenix, Arizona. TRG sometimes falsely used a non-existent address of 3333 E. Camelback Road, with various false suite designations, in Phoenix, Arizona. TRG also used Commercial Mail Receiving Agencies (CMRAs) at 4400 N. Scottsdale Road, Suite 9-208, Scottsdale, Arizona (UPS Store), and 3219 E. Camelback Road, suite 260, Phoenix, Arizona (UPS Store).

1 2. Defendant EDWARD RAY LONGORIA was a manager of TRG and was president and
2 sole shareholder of Edward Longoria Investments, Inc., which was a majority owner and
3 member of TRG.

4 3. Defendant AMBER REBECCA HALVORSON was a manager of TRG and was
5 president and sole shareholder of Amber Halvorson Investments, Inc., which was an
6 owner and member of TRG.

7 **COUNT ONE**

8 **(Conspiracy)**

9 4. The factual allegations of paragraphs 1 through 3 above are re-alleged and incorporated
10 by reference.

11 5. Beginning at a time unknown to the Grand Jury, but at least as early as June 2004, and
12 continuing through at least on or about November 2006, in the District of Arizona and
13 elsewhere, defendants EDWARD RAY LONGORIA and AMBER REBECCA
14 HALVORSON, doing business under the entities and repositories described above, and
15 others, did knowingly and willfully agree and conspire with each other and others, known
16 and unknown to the Grand Jury, to commit one or more of the following offenses against
17 the United States:

- 18 a. Title 18, United States Code, Sections 1341, 2326, and 2 (Mail Fraud); and
19 b. Title 18, United States Code, Sections 1343, 2326, and 2 (Wire Fraud).

20 **OBJECTS OF THE CONSPIRACY AND SCHEMES TO DEFRAUD**

21 6. The objects of the conspiracy and schemes to defraud were:

- 22 a. to deceive victims-consumers into purchasing sham internet-based business
23 opportunities (“IBOs”), which purportedly set victims up as being “affiliated
24 with” or “linked to” established websites of major retail and gambling companies;
25 b. to reload or re-solicit victims into purchasing additional marketing packages that
26 purportedly stimulated consumer interest in the IBOs; and
27 c. to profit financially from these fraudulent misrepresentations and promises.

1 **MANNER AND MEANS OF THE CONSPIRACY AND SCHEMES TO DEFRAUD**

2 7. The manner and means used by the defendants, and others known and unknown to the
3 Grand Jury, through the entities described above, and others, to effect the objects of the
4 conspiracy and the schemes and artifices to defraud, included the following:

- 5 a. Victim-consumers were lured by various Internet banners and other pop-up
6 advertisements that defendants caused to be placed on employment-related job
7 posting websites and other locations on the Internet. These advertisements and
8 inducements falsely and fraudulently offered victims a so-called “opportunity” to
9 earn income from their homes using the defendants’ Internet-based business
10 opportunity (“IBO”) program. The advertisements induced interested viewers to
11 provide their names and phones numbers so that the defendants, or their agents,
12 could contact them about this “business opportunity.”
- 13 b. Telephone solicitors, at the direction and on behalf of the defendants, contacted
14 victims and materially misrepresented the potential returns and projected earnings
15 that victims could expect from their IBOs. Victims were told numerous lies,
16 including lies regarding the income and earnings of other purported purchasers of
17 this program, and the lie that the IBO was a “risk-free” venture with unlimited
18 growth and high earning potential.
- 19 c. In these initial telephone solicitations, victim-consumers were told that the
20 defendants created and hosted individual IBO websites for victim-consumers.
21 Each IBO website was misrepresented to be affiliated with, connected to, or
22 linked in some fashion to Amazon.com, Overstock.com, or gambling-related
23 websites. Defendants and their agents claimed that ordinary, everyday internet
24 users would be directed to the IBO because other print and Internet advertisements
25 would funnel or drive consumers to the IBO. After this internet traffic was
26 purportedly directed to the IBO, consumers would purportedly use the victim’s
27 IBO as a “link” or “portal” to the major retail and gambling websites of legitimate
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1 companies (i.e., Amazon and Overstock) and supposedly generate shared
2 commissions and other earnings by making purchases from or otherwise spending
3 money on the legitimate consumer websites. As such, victim-purchasers of IBOs
4 were falsely and fraudulently told their IBOs were affiliated with these successful
5 retail and gambling entities on the Internet and that other IBO owners were using
6 this same system to earn over \$50,000 per month in commissions.

- 7 d. Victim-consumers first purchased the basic IBO package at varying amounts
8 between \$99.00 and \$599.00, depending on how much an individual telephone
9 solicitor could deceive a victim into paying.
- 10 e. Defendants, through their representatives, further assured victims that the initial
11 fee was all they needed to get each IBO up and running. Victims were
12 fraudulently told that TRG had a business resource center that would provide
13 unlimited consultation from a staff of “experts.” Victims were also falsely told
14 they each had a “marketing coach” to help them with their business and marketing
15 needs, including access to free advertising. Victims were told that the IBO
16 program was “risk-free” and that after six months, if a victim- purchaser was not
17 satisfied, TRG would fully refund his or her money.
- 18 f. After the initial fraudulent sales were completed, victims were sent written sales
19 documents and other promotional materials that further misrepresented the nature
20 of the services and products being sold by TRG.
- 21 g. After defrauding victims in the initial sale of IBOs, defendants further solicited
22 money from victims through a “targeted advertising” program. This was a
23 fraudulent advertising program in which solicitors deceived victims into
24 purchasing additional advertising in the belief it would make their IBOs
25 profitable. TRG representatives fraudulently pitched various advertising
26 packages, priced between \$1,000 and \$10,000, and deceived victims into believing
27 that a more expensive advertising package would result in greater profitability to
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1 the victim's IBO. If victim-consumers could not afford one of the pre-scripted
2 advertising programs, TRG representatives falsely and fraudulently induced
3 victims to disclose the amount they could afford, and then fraudulently designed
4 advertising packages for this price level. Victims were falsely told that the
5 additional advertising would direct "qualified" or "targeted" visitors to IBO
6 websites. In fact, whatever advertising defendants actually purchased, if any, was
7 neither "qualified" nor "targeted"; instead, these "purchased" visitors were, at
8 best, merely "junk" or "bulk" internet traffic that was not pre-determined to be
9 interested in purchasing from the retail or gambling entities purportedly "linked"
10 to the IBOs of victim-consumers.

11 h. When victims sought refunds from TRG, various lulling techniques were
12 employed. These lulling deceptions were done to delay or deter the actual return
13 of victim funds.

14 i. During the scope of the conspiracy and schemes to defraud, several thousand
15 victim-purchasers of IBOs were defrauded in excess of \$20 million. Throughout
16 this period, defendants had no association or arrangements with Amazon.com,
17 Overstock.com, or any gambling entities, and none of the victim IBOs were ever
18 linked to these retail and gambling establishments. Thus, there were no
19 documented sales for any IBOs from actual third party consumers searching the
20 internet and visiting any of the many thousands of fraudulent IBO websites
21 created by the defendants.

22 OVERT ACTS

23 8. In furtherance of the aforesaid conspiracy, and to effect the objects of the conspiracy, the
24 defendants, and others known and unknown to the Grand Jury, through the entities
25 described above, and others, committed or caused to be committed various acts in the
26 District of Arizona and elsewhere.

27 a. The following overt acts, among others, were committed:
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- (1) On or about June 24, 2004, defendants caused to be established a CMRA at the UPS Store at 3219 East Camelback Road, Phoenix, Arizona.
- (2) On or about August 4, 2004, defendants incorporated TRG in Arizona.
- (3) On or about February 6, 2006, defendant HALVORSON was added to the signature cards for accounts ending in 0252 and 9296 in the name of TRG at Chase Bank in Phoenix, Arizona.
- (4) On or about June 2, 2006, defendants caused to be opened a merchant account in the name of TRG ending in 585 at Discover Business Services.
- (5) On or about August 14, 2006, victim FL mailed from Florida to TRG in Arizona a signed Work Order and Customer Receipt.
- (6) On or about August 16, 2006, victim CCB in Virginia was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (7) On or about August 17, 2006, TRG mailed an information packet from Arizona to victim FL in Florida.
- (8) On or about August 17, 2006, victim FL in Florida was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (9) On or about August 17, 2006, TRG mailed from Arizona to victim CCB in Virginia a Work Order and Customer Receipt.
- (10) On or about August 18, 2006, TRG mailed from Arizona to FL in Florida a Welcome Letter and a Work Order and Customer Receipt.
- (11) On or about August 28, 2006, victim JA in Pennsylvania was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (12) On or about August 29, 2006, TRG mailed from Arizona to JA in Pennsylvania a Welcome Letter and a Work Order and Customer Receipt.
- (13) On or about September 5, 2006, victim JA in Pennsylvania was fraudulently solicited in a telephone call from a TRG representative in Arizona.

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- (14) On or about September 6, 2006, victim CB in Washington was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (15) On or about September 6, 2006, TRG mailed from Arizona to JA in Pennsylvania a Welcome Letter and a Work Order and Customer Receipt.
- (16) On or about September 7, 2006, TRG mailed from Arizona to CB in Washington a Work Order and Customer Receipt.
- (17) On or about September 18, 2006, victim NY in Tennessee was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (18) On or about September 19, 2006, victim EK in New York was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (19) On or about September 19, 2006, TRG mailed from Arizona to NY in Tennessee a Welcome Letter and a Work Order and Customer Receipt.
- (20) On or about September 20, 2006, TRG mailed from Arizona to EK in New York a Welcome Letter and a Work Order and Customer Receipt.
- (21) On or about September 21, 2006, victim JA in Pennsylvania was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (22) On or about September 22, 2006, victim CB in Washington mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (23) On or about September 22, 2006, TRG mailed from Arizona to JA in Pennsylvania a Welcome Letter and a Work Order and Customer Receipt.
- (24) On or about September 22, 2006, victim NY in Tennessee mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (25) On or about September 22, 2006, victim CB in Washington was fraudulently solicited in a telephone call from a TRG representative in Arizona.

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- (26) On or about September 25, 2006, victim EK in New York mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (27) On or about September 26, 2006, victim EK in New York was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (28) On or about September 27, 2006, TRG mailed from Arizona to EK in New York a Welcome Letter and a Work Order and Customer Receipt.
- (29) On or about September 27, 2006, victim NY in Tennessee was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (30) On or about September 28, 2006, victim AS in Virginia was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (31) On or about September 28, 2006, TRG mailed from Arizona to NY in Tennessee a Welcome Letter and a Work Order and Customer Receipt.
- (32) On or about September 29, 2006, TRG mailed from Arizona to AS in Virginia a Welcome Letter and a Work Order and Customer Receipt.
- (33) On or about October 1, 2006, victim CB in Washington mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (34) On or about October 2, 2006, victim AS in Virginia mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (35) On or about October 2, 2006, victim NY in Tennessee mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (36) On or about October 3, 2006, victim EK in New York was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (37) On or about October 4, 2006, TRG mailed from Arizona to EK in New York a Welcome Letter and a Work Order and Customer Receipt.
- (38) On or about October 4, 2006, victim AS in Virginia was fraudulently solicited in a telephone call from a TRG representative in Arizona.

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- (39) On or about October 5, 2006, TRG mailed from Arizona to AS in Virginia a Welcome Letter and a Work Order and Customer Receipt.
- (40) On or about October 6, 2006, victim EK in New York mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (41) On or about October 7, 2006, victim AS in Virginia mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (42) On or about October 27, 2006, victim MS in Indiana was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (43) On or about October 28, 2006, TRG mailed from Arizona to MS in Indiana a Welcome Letter and a Work Order and Customer Receipt.
- (44) On or about October 30, 2006, victim VG in Oregon was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (45) On or about October 31, 2006, TRG mailed from Arizona to VG in Oregon a Welcome Letter and a Work Order and Customer Receipt.
- (46) On or about November 3, 2006, victim MS in Indiana mailed a signed Work Order and Customer Receipt to TRG in Arizona.
- (47) On or about November 3, 2006, TRG mailed an information packet from Arizona to VG in Oregon.
- (48) On or about November 4, 2006, victim MS in Indiana was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (49) On or about November 5, 2006, TRG mailed from Arizona to MS in Indiana a Welcome Letter and a Work Order and Customer Receipt.
- (50) On or about November 6, 2006, victim MS in Indiana was fraudulently solicited in a telephone call from a TRG representative in Arizona.
- (51) On or about November 6, 2006, victim VG in Oregon was fraudulently solicited in a telephone call from a TRG representative in Arizona.

1 (52) On or about November 7, 2006, TRG mailed from Arizona to MS in
2 Indiana a Welcome Letter and a Work Order and Customer Receipt.

3 (53) On or about November 7, 2006, TRG mailed from Arizona to VG in
4 Oregon a Welcome Letter and a Work Order and Customer Receipt.

5 All in violation of Title 18, United States Code, Sections 371 and 2.

6 **COUNTS TWO THROUGH SIXTEEN**

7 **(Mail Fraud)**

- 8 9. The factual allegations in paragraphs 1 through 8 of the Indictment are incorporated by
9 reference and re-alleged as though set forth fully herein.
- 10 10. Beginning at a time unknown to the Grand Jury, but at least as early as June 2004, and
11 continuing through at least on or about November 2006, in the District of Arizona and
12 elsewhere, defendants EDWARD RAY LONGORIA and AMBER REBECCA
13 HALVORSON, doing business under the entities described above, and other entities
14 and individuals known and unknown to the Grand Jury, did knowingly and willfully
15 devise and intend to devise a scheme and artifice to defraud and to obtain money and
16 property by means of materially false and fraudulent promises, pretenses, and
17 representations.
- 18 11. On or about the dates listed below, in the District of Arizona and elsewhere, for the
19 purpose of executing and attempting to execute said scheme and artifice to defraud and
20 to obtain money and property by means of materially false and fraudulent promises,
21 pretenses, and representations, defendants EDWARD RAY LONGORIA and AMBER
22 REBECCA HALVORSON, and others known and unknown to the Grand Jury, doing
23 business under the entities described above, and others, placed and caused to be placed
24 in a post office and authorized depository for mail matter a matter and thing whatever
25 to be sent and delivered by the United States Postal Service, and deposited and caused
26 to be deposited a matter and thing whatever to be sent and delivered by commercial
27 interstate carriers, and took and received therefrom a matter and thing, as shown below

1 for each Count, for the purpose of executing the scheme to defraud, to and from victims
 2 not in Arizona, from and to TRG in Arizona, as set forth in the chart below, each such
 3 instance being a separate Count of this Indictment:

COUNT	DATE	MAIL MATTER	DELIVERY LOCATION	MEANS OF SHIPMENT
2	8/14/2006	Signed Work Order & Customer Receipt sent from victim purchaser FL in Florida to TRG in Arizona	TRG in Arizona	Mail
3	8/17/2006	Work Order & Customer Receipt sent from TRG in Arizona to victim purchaser CCB in Virginia	Hampton, VA	Mail
4	9/6/2006	Work Order & Customer Receipt and Welcome Letter sent from TRG in Arizona to victim purchaser JA in Pennsylvania	Philadelphia, PA	Mail
5	9/07/2006	Work Order & Customer Receipt sent from TRG in Arizona to victim purchaser CB in Washington	Mead, WA	Mail
6	9/25/2006	Signed Work Order & Customer Receipt sent from victim purchaser EK in New York to TRG in Arizona	TRG in Arizona	Mail
7	9/25/2006	Signed Work Order & Customer Receipt sent from victim purchaser EK in New York to TRG in Arizona	TRG in Arizona	Mail
8	9/28/2006	Work Order & Customer Receipt and Welcome Letter sent from TRG in Arizona to victim purchaser NY in Tennessee	Murfreesboro, TN	Mail

9	10/1/2006	Signed Work Order & Customer Receipt sent from victim purchaser CB in Washington to TRG in Arizona	TRG in Arizona	Mail
10	10/2/2006	Signed Work Order & Customer Receipt sent from victim purchaser NY in Tennessee to TRG in Arizona	TRG in Arizona	UPS
11	10/5/2006	Work Order & Customer Receipt and Welcome Letter sent from TRG in Arizona to victim purchaser AS in Virginia	Richmond, VA	Mail
12	10/7/2006	Signed Work Order & Customer Receipt sent from victim purchaser AS in Virginia to TRG in Arizona	TRG in Arizona	Mail
13	10/28/2006	Work Order & Customer Receipt and Welcome Letter sent from TRG in Arizona to victim purchaser MS in Indiana	Greencastle, IN	Mail
14	11/1/2006	Work Order & Customer Receipt and Welcome Letter sent from TRG in Arizona to victim purchaser VG in Oregon	Hillsboro, OR	Mail
15	11/3/2006	Information Packet and other promotional materials sent from TRG in Arizona to victim purchaser VG in Oregon	Hillsboro, OR	Mail
16	11/3/2006	Signed Work Order & Customer Receipt sent from victim purchaser MS in Indiana to TRG in Arizona	TRG in Arizona	Mail

All in violation of Title 18, United States Code, Sections 1341, 2326, and 2.

COUNTS SEVENTEEN THROUGH TWENTY-SIX

(Wire Fraud)

12. The factual allegations in paragraphs 1 through 11 of the Indictment are incorporated by reference and re-alleged as though set forth fully herein.
13. Beginning at a time unknown to the Grand Jury, but at least as early as on or about June 2004, and continuing through at least on or about November 2006, in the District of Arizona and elsewhere, defendants EDWARD RAY LONGORIA and AMBER REBECCA HALVORSON, doing business under the entities described above, and other entities and individuals known and unknown to the Grand Jury, did knowingly and willfully devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent promises, pretenses, and representations.
14. On or about the dates listed below, in the District of Arizona and elsewhere, for the purpose of executing and attempting to execute said scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent promises, pretenses, and representations, defendants EDWARD RAY LONGORIA and AMBER REBECCA HALVORSON, and others known and unknown to the Grand Jury, doing business under the entities described above, and others, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce the following writings, signs, signals, pictures, and sounds, as shown below for each Count, in the District of Arizona and elsewhere, each such instance being a separate Count of this Indictment:

COUNT	DATE	DESCRIPTION
17	8/28/2006	Telephone conversation between victim purchaser JA in Philadelphia, PA and TRG salesperson BB in Phoenix, AZ

18	9/6/2006	Telephone conversation between victim purchaser CB in Mead, WA and TRG salesperson JT in Phoenix, AZ
19	9/18/2006	Telephone conversation between victim purchaser NY in Murfreesboro, TN and TRG salesperson TD in Phoenix, AZ
20	9/19/2006	Telephone conversation between victim purchaser EK in Syosset, NY and TRG salesperson JS in Phoenix, AZ
21	9/28/2006	Telephone conversation between victim purchaser AS in Richmond, VA and TRG salesperson GM in Phoenix, AZ
22	10/4/2006	Telephone conversation between victim purchaser AS in Richmond, VA and TRG salesperson MM in Phoenix, AZ
23	10/27/2006	Telephone conversation between victim purchaser MS in Greencastle, IN and TRG salesperson JB in Phoenix, AZ
24	10/30/2006	Telephone conversation between victim purchaser VG in Hillsboro, OR and TRG salesperson BD in Phoenix, AZ
25	11/4/2006	Telephone conversation between victim purchaser MS in Greencastle, IN and TRG salesperson MM in Phoenix, AZ
26	11/6/2006	Telephone conversation between victim purchaser MS in Greencastle, IN and TRG salesperson MM in Phoenix, AZ

All in violation of Title 18, United States Code, Sections 1343, 2326, and 2.

FORFEITURE ALLEGATIONS

15. The factual allegations in paragraphs 9 through 14 of the Indictment are incorporated by reference and re-alleged as though set forth fully herein.
16. Pursuant to 18 U.S.C. § 982(a)(8), as a result of committing one or more of the Mail Fraud (18 U.S.C § 1341) and Wire Fraud (18 U.S.C. § 1343) offenses, in Counts 2 through 26, upon conviction, the Court shall order that the defendants so convicted to forfeit to the United States, any real or personal property:

1 (A) used or intended to be used to commit, facilitate, or promote the commission
2 of such offenses; and
3 (B) constituting, derived from, or traceable to the gross proceeds obtained directly
4 or indirectly as a result of the offenses.

5 17. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18,
6 United States Code, Section 982(b), each defendant shall forfeit substitute property, up
7 to the value of the amount described above, if by any act or omission of the defendant,
8 the property described above, or any portion thereof, cannot be located upon the
9 exercise of due diligence; has been transferred, sold to, or deposited with a third party;
10 has been placed beyond the jurisdiction of the court; has been substantially diminished
11 in value; or has been commingled with other property which cannot be divided without
12 difficulty.

13 All in accordance with Title 18, United States Code, Sections 982(a)(1)(8) and (b), 1341,
14 and 1343; and Rule 32.2(a), Federal Rules of Criminal Procedure.

15 A TRUE BILL

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17 /S/
FOREPERSON OF THE GRAND JURY
Date: August 10, 2011

18 DENNIS K. BURKE
19 United States Attorney
20 District of Arizona

21 /S/
DOMINIC LANZA
22 PETER SEXTON
23 Assistant U.S. Attorneys