



U.S. Department of Justice

Ronald C. Machen Jr.
*United States Attorney for the
District of Columbia*

*Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530*

PRESS RELEASE

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For Information Contact:

Public Affairs

(202) 252-6933

<http://www.justice.gov/usao/dc/index.html>

Florida Man Sentenced to 78 Months in Prison For Wire Fraud in Massive Internet-Based Ponzi Scheme - Venture Raised More Than \$120 Million From “Members”

WASHINGTON - Thomas A. Bowdoin, Jr., also known as Andy Bowdoin, the founder and operator of a business known as AdSurf Daily, Inc., was sentenced today to 78 months in prison for running a fraudulent Internet-based advertising scheme that generated more than \$120 million from tens of thousands of people across the United States and other countries.

The sentence was announced by Ronald C. Machen Jr., U.S. Attorney for the District of Columbia, and Dennis Ramos Martinez, Special Agent in Charge of the Orlando Field Office of the U.S. Secret Service.

Bowdoin, 77, of Quincy, Fla., pled guilty in May 2012 to a federal charge of wire fraud. He was sentenced by the Honorable Rosemary M. Collyer in the U.S. District Court for the District of Columbia. Upon completion of his prison term, Bowdoin will be placed on three years of supervised release.

According to a statement of offense, signed by the government as well as the defendant, Bowdoin ran a Ponzi scheme disguised as an online advertising company. AdSurf Daily, Inc., or ASD, drew in large numbers of investors by promising huge returns on their investments. Thousands of victims, many from the Washington, D.C. area, lost money through the scheme.

As part of his guilty plea, Bowdoin admitted that he operated ASD from September 2006 until August 2008, when agents from the Secret Service and the St. Cloud, Fla. IRS-Secret Service Task Force seized ASD's assets and bank accounts pursuant to a court order.

The U.S. Attorney's Office for the District of Columbia subsequently obtained civil forfeiture of \$80 million in proceeds of Bowdoin's schemes, including numerous bank accounts, real property, luxury vehicles, and watercraft. The Department of Justice's Asset Forfeiture and Money Laundering Section, the U.S. Secret Service, and the U.S. Attorney's Office for the District of Columbia established a program to return the fraudulently obtained money to

victims. Approximately \$59 million in forfeited assets has been returned to approximately 9,000 victims. In addition, the Department of Justice's Asset Forfeiture and Money Laundering Section has indicated to the Court that it will provide a supplemental program post-sentencing to address remission petitions from any remaining victims. Information on the supplemental remission program will be available soon at <http://www.justice.gov/usao/dc/programs/vw/adsurfdaily.html>.

"Thomas Bowdoin was a master of fraud and deception, cheating victims out of their hard-earned money and savings with his get-rich scheme," said U.S. Attorney Machen. "His actions cost his victims millions of dollars and now they will cost him his freedom. This sentence will protect the public from Mr. Bowdoin's scams and hold him accountable for his crimes."

"This guilty plea and sentencing are yet another example of the Secret Service's investigative efforts to combat financial crimes," said Special Agent in Charge Ramos Martinez. "Capitalizing on the strength of our financial task force partnerships, we aggressively pursue criminals using computer experts, forensic specialists, investigative experts and intelligence analysts."

According to the government's evidence, ASD operated on the Internet at various websites, including www.adsurfdaily.com, www.adcashgenerator.com, and www.lafuentedinero.com. Bowdoin heralded ASD as an "income opportunity," and referred to himself as a "money magnet." Bowdoin stated that it was his "goal ... to make 100,000 millionaires in 3 years."

ASD's business model promised members the opportunity to earn 125 percent (initially 150 percent) on each dollar paid into ASD, as long as the members viewed other members' websites for a few minutes each day on ASD's Internet page, commonly referred to as the ASD "rotator." Bowdoin also promised members commissions for recruiting other members into the program.

While a small percentage of ASD members who invested early in the program could earn the extraordinary rates of return, the promised opportunity was illusory for the vast majority of ASD members. Indeed, due to the fact that ASD's pyramid-style business model relied entirely on an ever increasing influx of new money to fund the debt owed to earlier members, the vast majority of members could never earn the promised rates of return, making the promised opportunity fraudulent. Key to the government's case was that ASD did not generate any revenue from sales to customers outside the pyramid scheme.

During ASD's operation, Bowdoin raised more than \$120 million from over 96,000 members. Bowdoin paid out to members approximately \$45 million to cover their investments and induce them to re-enroll in ASD's program. Bowdoin spent more than \$8 million to operate and promote ASD and more than \$1 million for his own personal benefit or the benefit of his family. In 2008, alone, Bowdoin used ASD funds to purchase a lake house in Quincy, Fla., two luxury vehicles, a boat, two recreational watercrafts, and other items of value.

In 2008, Bowdoin held several rallies across the country attended by thousands of ASD members and potential members, during which he promoted ASD's business model and offered

matching bonuses to induce further investment. During the rallies, an ASD employee informed audiences, at Bowdoin's direction, that Bowdoin could be trusted because a criminal background check on Bowdoin only revealed a speeding ticket in North Carolina.

Bowdoin knew those representations were false. The truth was Bowdoin had been convicted of three securities-related felonies in Alabama in the 1990s and had been charged in Alabama in the 1990s in at least thirteen other indictments alleging securities fraud, resulting in Bowdoin being forever barred from selling securities in Alabama. None of these disclosures were made to ASD members or potential members.

In addition, to further promote himself and ASD, Bowdoin directed an ASD employee at these rallies to inform ASD members and potential members that Bowdoin had been personally given a medal of distinction from President George W. Bush for his business achievements. In reality, Bowdoin purchased the medal of distinction from the National Republican Congressional Committee by donating \$25,000 to the committee, using ASD members' funds.

This case was pursued as part of a nationwide operation that targeted investment fraud. The Financial Fraud Enforcement Task Force was established in 2010 by the President to lead an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes.

The President's Financial Fraud Enforcement Task Force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit StopFraud.gov.

In announcing the sentence, U.S. Attorney Machen and Special Agent in Charge Ramos Martinez praised the efforts of those who have investigated and prosecuted the case. They expressed appreciation to U.S. Secret Service's Orlando and Tallahassee Field Offices and the St. Cloud IRS-Secret Service Task Force for their work in the investigation. They also expressed special recognition to Secret Service Special Agents Roy Dotson, Thomas Campbell, and Nielsen "Scot" Cochran, and St. Cloud IRS-Secret Service Task Force Agent Brian Watson.

U.S. Attorney Machen and Special Agent in Charge Ramos Martinez also commended those who worked on the case from the U.S. Attorney's Office, including Forensic Accountant Crystal Boodoo; Information Technology Specialist Kimberly Smith; Paralegals Anne Riopelle, Nicole Wattlelet, Tasha Harris, Shanna Hays, Sarah Reis, Taryn McLaughlin and Toni Donato; Legal Assistants Jessica McCormick and Krishawn Graham; Victim Witness Chief Jelahn Stewart, Victim Witness Coordinator Dawn Tolson-Hightower, Victim Witness Program Specialist Yvonne Bryant and Victim Witness Assistant Basizette Stribling.

They also expressed appreciation for the work done on the case by the Asset Forfeiture and Money Laundering Section of the U.S. Attorney's Office. Finally, they praised the work of Assistant U.S. Attorney Seth Waxman and former Assistant U.S. Attorney Allison Barlotta, who investigated the matter and prepared the case for trial, and Assistant U.S. Attorney David Gorman and former Assistant U.S. Attorneys William Cowden and Vasu B. Muthyala, who investigated the case.

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