

Department of Justice

Office of Public Affairs

PRESS RELEASE

Wednesday, February 17, 2010

West Palm Beach, Florida, Resident Charged in Multi-Million Dollar Cramming Scheme

Willoughby Farr, 46, of West Palm Beach, Fla., has been charged with perpetrating what is known as a cramming scheme, which was designed to place charges on consumers' telephone bills for collect calls that were not made, the Justice Department and the U.S. Postal Inspector's Miami Field Office announced today.

According to the just unsealed indictment, from April 2003 to December 2005, Farr used three West Palm Beach companies – Nationwide Connections Inc., Access One Communications Inc. and Connect One Communications Inc.– to defraud consumers. Through these companies, Farr allegedly arranged for local telephone companies to falsely bill consumers for collect calls. Because the charges typically appeared on the last page of consumers' telephone bills, many paid the charges. The indictment charges Farr with six counts of mail fraud and two counts of wire fraud. Each count carries a maximum statutory term of 20 years in prison, a possible fine and restitution.

Farr was in prison at the time he is alleged to have committed the scheme charged in the indictment. According to the indictment, he therefore hid his ownership of the firms. He also hid his ownership because other firms had cut off his ability to bill for calls due to consumer complaints and state regulators had sued him for illegitimate billing.

“This type of scheme steals from hundreds of thousands of consumers who inadvertently pay toll charges that appear on their phone bills without authorization,” said Assistant Attorney General Tony West. “We will not hesitate to prosecute financial crimes of this nature, but this case stresses the need for consumers to carefully review their telephone bills to make sure fraudulent charges are not included.”

In February 2006, the Federal Trade Commission (FTC) brought a cramming suit against several firms and individuals, including Farr. That suit resulted in a \$34,547,140 judgment against Farr.

“We wish to thank the FTC for the civil investigation it conducted, and we commended the efforts of the Postal Inspection Service for its work on the criminal investigation,” said Jeffrey H. Sloman, U.S. Attorney for the Southern District of Florida. “This case demonstrates the effectiveness of cooperative law enforcement efforts which can put an end to fraudulent schemes, and then bring wrongdoers to justice.”

“This investigation demonstrates the collective tenacity of our U. S. Attorney, the Federal Trade Commission and the Postal Inspection Service to protect the American consumer,” said Inspector in Charge Henry Gutierrez. “The Postal Inspection Service is committed to ensuring that the U. S. Mails are never used to defraud.”

An indictment is only an accusation, and the defendants are presumed innocent unless and until proven guilty.