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 January 10, 2024

**Extradited Canadian Defendant Pleads Guilty to Orchestrating**

**Massive Telemarketing Scheme Targeting Senior Citizens in United States**

 PHILADELPHIA – United States Attorney Jacqueline C. Romero announced that Ari Tietolman, 40, of Montréal, Canada, entered a plea of guilty yesterday before United States District Judge Gerald A. McHugh to three counts of wire fraud and five counts of money laundering, all arising from Tietolman’s operation of a massive scheme from Canada that targeted American senior citizens with deceptive telemarketing calls for nearly a decade.

 [U.S. Attorney Romero quote]

 [FBI quote]

 [IRS quote]

 From 2005 to 2014, Tietolman directed the fraud scheme from Montréal, Canada. In this scheme, Tietolman’s network of telemarketers sold worthless or non-existent services and then debited the victims’ bank accounts without their informed consent. Through this scheme, Tietolman and his co-schemers, including co-defendants Marc Roy Ferry and Adam Harper, took millions of dollars from tens of thousands of senior citizens in the United States.

 Tietolman created a number of fraudulent companies that sold a purported fraud protection services, a purported prescription drug discount card, and a purported discounted legal service. The products and services offered by the fraudulent companies were worthless or non-existent.

 Tietolman obtained names and telephone numbers of elderly Americans. Further, Tietolman and Harper hired and instructed telemarketers to call these elderly Americans to sell the worthless or non-existent products and services offered by the fraud companies. Most of Tietolman’s telemarketers were based in “boiler rooms” in and around Montreal, Canada. In addition, there was at least one “boiler room” in India. Tietolman and Harper called these rooms “fulfillment rooms.”

During their calls, Tietolman’s telemarketers made various misrepresentations, such as stating that they were calling on behalf of, or were affiliated with, the victim’s bank, the victim’s insurance company, or the United States government. In addition, Tietolman’s telemarketers often misled the consumers about the need for these products and services.

In addition to misrepresenting the value of the products being marketed, Tietolman’s telemarketers also misrepresented the cost of these products, sometimes telling consumers the products were free, or less expensive than the amount that was ultimately debited from the consumers’ bank accounts. In other instances, the telemarketers assured consumers they would not debit the consumers’ bank accounts and then did just that after the consumer provided their bank account information.

Tietolman attempted to conceal his own involvement in the scheme by employing Ferry and others to run “front” companies, including First Consumers, and process the fraud proceeds. Tietolman paid Ferry and others to form these “front” companies in the United States. The sole purpose of these “front” companies was to process the fraud proceeds generated by the telemarketing scheme. Tietolman instructed Ferry and others to open up numerous bank accounts in the United States in the names of the fraud companies that they had incorporated. Ferry sent Tietolman and Harper online logins and passwords so Tietolman, Harper, and others could control these United States bank accounts from Canada.

Tietolman sent, or had others send, bank account information for the victims in the United States to Ferry. Using computer programs and printers provided by Tietolman, Ferry and others used the victims’ bank account information to print remotely created checks (“RCCs”), in the United States. The RCCs were all made payable to the fraud companies and did not require a signature by the account holder. Because these RCCs did not require the account holder’s consent each time a check was created and submitted to the bank for payment, the account holder-victim had no opportunity to object or prevent the debit from occurring.

Per Tietolman’s instructions, Ferry and others deposited the RCCs in bank accounts held by the fraud companies. Tietolman instructed Ferry and others to deposit the RCCs in batches of less than $10,000 to avoid bank reporting requirements in the United States. After the checks were deposited, Tietolman and Harper regularly instructed Ferry and others to wire the majority of the funds to accounts in Canada in the names of Madicom, Landshark, and other fraud companies.

Tietolman, Harper, and Ferry knew that many victims would notice unauthorized debits from their account and complain to the fraud companies or the victims’ banks. In some cases, Tietolman’s employees would process refunds for the victims. In other cases, the victim’s bank would reverse the debit and return the RCC to Ferry and others and designate the returned check as “unauthorized.” Indeed, from 2011 on, there were more than $8 million in returned RCCs (also called “charge backs”).

Whenever returned checks began accruing, bank security officers called Ferry to ask questions about the business. Ferry would inform Tietolman, who would then take responsibility for communicating with the banks regarding check return rates. Tietolman would ask banks for additional time to make deposits to cover the returns. If a bank granted more time, Tietolman told Ferry to “hammer” that account with all available deposits to try to get more money processed through the account before it was closed. Many of these accounts were closed quickly because of the high return rates.

Tietolman knew that many banks would close accounts of such businesses because of concerns they were engaged in fraudulent or criminal activity. To ensure that his telemarketing scheme had banks in which to deposit the RCCs, Tietolman instructed Ferry and others to simultaneously open accounts at several banks in the United States for the fraud companies. Accordingly, the fraud companies still had accounts to deposit the fraud proceeds even if one or more banks froze and/or closed their accounts. Per Tietolman’s instructions, Ferry recruited others to open bank accounts in in California, Georgia, and North Carolina to deposit victims’ checks.

 Tietolman faces a maximum possible sentence of 170 years’ imprisonment, a three-year period of supervised release, $2.75 million fine or double the value of the funds involved in the transportation, transmission or transfer (whichever is greater), and a $700 special assessment. Full restitution of as much as $9 million also shall be ordered. Forfeiture of all proceeds from the offense also may be ordered.

 Tietolman was extradited from Canada to the United States in 2023. He remains in federal custody in the United States. His sentencing date is scheduled for April 18, 2024.

Co-defendants Marc Roy Ferry and Adam Harper previously entered their guilty pleas in the case and are also awaiting sentencing. Both Ferry and Harper have been released on bail conditions.

 The case was investigated by the Federal Bureau of Investigation and the Internal Revenue Service – Criminal Investigation and is being prosecuted by Assistant United States Attorneys Eric D. Gill and Vineet Gauri. The Royal Canadian Mounted Police and the Department of Justice’s Office of International Affairs also provided invaluable assistance in the investigation and prosecution.

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