

Mass Mailing Fraud 2019 Fact Sheet

Over the past year, the Department of Justice and the U.S. Postal Inspection Service (USPIS), brought enforcement actions to combat global, mass-mailing fraud schemes that collectively have defrauded millions of elderly and vulnerable U.S. victims out of hundreds of millions of dollars. The actions include both criminal charges and civil injunction lawsuits.

The Department of Justice actions were brought by the Consumer Protection Branch and the U.S. Attorneys' Offices in the Eastern District of New York, the District of Rhode Island, and the District of Nevada.

The mail fraud schemes prosecuted involve complicated webs of actors located across the world. In each scheme, fraudsters sent direct-mail letters falsely promising cash, valuable prizes, or good fortune if the letter recipients sent back a payment for purported processing fees or taxes. The letters appeared to come from legitimate sources, typically on official-looking letterhead, and falsely seemed that they were personally addressed to each recipient. In reality, the fraudsters perpetrating the schemes never sent a victim letter recipient anything of value, but instead simply kept victim payments for their use and enrichment. The fraudsters also repeatedly victimized those individuals who showed a susceptibility to their scams.

The actions announced today include both criminal and civil cases against multiple "direct mailers" who, collectively, were responsible for dozens of schemes involving tens of millions of dollars every year. In addition, these actions seek to shut down several other actors who worked with the mailers to carry out the schemes.

The passages below describe some of the most significant cases brought as part of the Department of Justice's actions combatting elder fraud. The charging documents relevant to the actions discussed below are available on this page.

Three Individuals Charged With Operating Massive Psychic Direct Mail Fraud Scheme

Last week, the government unsealed guilty pleas by two defendants and an 18-count indictment against a third individual alleged to have operated a massive mail fraud scheme over more than 20 years. The scheme sent fraudulent letters in the names of two French psychics soliciting money from millions of individuals in the United States.

The unsealed charges include an indictment issued October 25, 2018, against Patrice Runner, 56, a Canadian and French citizen. Runner was indicted by a grand jury in the Eastern District of New York on charges of mail and wire fraud, conspiracy to commit mail and wire fraud, and conspiracy to commit money laundering. Charges were also unsealed last week against two Canadian citizens, Maria Thanos, 54, and Philip Lett, 48, who pleaded guilty in the Eastern District of New York in June 2018 to charges of conspiracy to commit mail fraud for roles in the operation of the same psychic mail fraud scheme. Thanos and Lett worked at the direction Patrice Runner to handle many of the daily operations of the two-decade scheme.

Runner was arrested in Spain by officers of the Spanish National Police in December 2018, in response to a request by the United States for his provisional arrest for the purpose of

extradition. Runner remains in Spain pending consideration by the Spanish government of the United States government's request for his extradition.

According to the charges, from 1994 through November 2014, Runner's mail fraud scheme sent letters purporting to be from two world-renowned French psychics and promising that the recipient had the opportunity to achieve great wealth and happiness with the psychic's assistance in exchange for payment of a fee. The government alleges in the indictment that the mail fraud scheme resulted in losses of over \$180 million dollars from more than 1.4 million victims in the United States.

The government alleges in the indictment that the fraudulent letters induced consumers to send money for purportedly personalized astrological services and reports, as well as for purportedly unique or supernatural objects. The letters frequently stated that a psychic had seen a personalized vision regarding the recipient of the letter, and stated that the recipient had the opportunity to achieve wealth and happiness or avoid bad fortune with the psychic's assistance. In fact, the scheme sent nearly identical letters to tens of thousands of victims each week. Runner and his co-conspirators allegedly obtained the names of elderly and vulnerable victims by renting and trading mailing lists with other mail fraud schemes. When a victim responded to one letter, Runner and his co-conspirators sent dozens of additional letters to the victim. Each of these additional letters also appeared to be a personalized letter from a psychic and requested additional money from the victim. In reality, the psychics allegedly had no role in sending the letters, did not receive responses from the victims, and did not send the additional letters after victims paid money.

This matter was investigated by the United States Postal Inspection Service, and is being prosecuted by the Consumer Protection Branch of the Department of Justice with assistance from the United States Attorney's Office for the Eastern District of New York. The Office of International Affairs of the Department of Justice's Criminal Division is assisting with Runner's extradition. The Spanish National Police also provided assistance in securing Runner's arrest.

An indictment is a formal charge that a defendant has committed a violation of criminal law and is not evidence of guilt. Every defendant is presumed innocent unless and until proven guilty.

Las Vegas Direct Mailers Charged with Conspiring to Commit Fraud

The government charged Patti Kern, 62, and Edgar Del Rio, 51, both of Henderson, Nevada, with conspiring to defraud victims across the United States. In charges filed in the U.S. District Court for the District of Nevada, the government alleged that Kern and Del Rio mass-mailed fraudulent solicitations that misled victims into believing that they had won large amounts of money but needed to pay a fee, typically \$20, to claim their winnings. In fact, none of these victims received any large cash awards. Del Rio pleaded guilty on February 26. In a related civil action filed last year, the government obtained court orders shutting down the Las Vegas direct mail operation that Kern, Del Rio, and others had managed. That operation had cheated victims out of more than \$10 million, according to the government's complaint.

This matter was investigated by the United States Postal Inspection Service, and is being prosecuted by the Consumer Protection Branch of the Department of Justice with assistance from the United States Attorney's Office for the District of Nevada.

Additional Criminal and Civil Cases

Additional actions filed as part of the Department's efforts against mass mailing during the Elder Fraud Sweep are discussed in the following press releases:

<https://www.justice.gov/usao-edny/pr/long-island-resident-pleads-guilty-multimillion-dollar-elder-fraud-scheme-and>

<https://www.justice.gov/opa/pr/florida-man-sentenced-46-months-prison-role-mail-fraud-scheme-victimized-seniors>

<https://www.justice.gov/opa/pr/five-charged-elder-fraud-schemes>

<https://www.justice.gov/usao-ri/pr/temporary-restraining-order-issued-elder-fraud-investigation>

<https://www.justice.gov/opa/pr/district-court-enters-temporary-restraining-order-blocking-three-elder-fraud-schemes-sendin-0>