

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,

Plaintiff,

INDICTMENT

v.

18 U.S.C. § 1341

18 U.S.C. § 1343

WAYNE ROBERT DAHL, JR.,

Defendant.

THE UNITED STATES GRAND JURY CHARGES:

COUNTS 1-4
(Mail Fraud)

1. At times relevant to this Indictment:

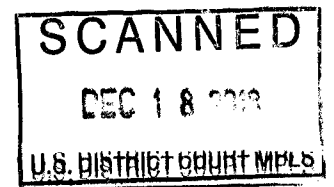
a. Defendant WAYNE ROBERT DAHL, JR. was the owner and Chief Executive Officer of Your Magazine Service, Inc.

b. Your Magazine Service was a Minnesota corporation in the business of selling magazine subscription packages to customers throughout the United States. Your Magazine Service operated a call center in Chaska, Minnesota.

2. From in or about 2009 through in or about 2016, in the State and District of Minnesota, and elsewhere, the defendant,

WAYNE ROBERT DAHL, JR.,

did knowingly devise and participate in a scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts.



3. It was part of the scheme that defendant DAHL owned and operated a fraudulent telemarketing company called Your Magazine Service, Inc. DAHL and his company defrauded consumers by tricking them into signing up for costly magazine subscriptions through false and fraudulent representations and sales tactics.

4. As part of his scheme defendant DAHL purchased lists of consumers who had active magazine subscriptions through other companies. DAHL knew that many of the consumers on these lists were elderly and susceptible to fraudulent and deceptive sales tactics. DAHL nevertheless had his sales employees cold-call the people on these lists and fraudulently sign them up for expensive magazine subscription packages.

5. It was further part of the scheme that defendant DAHL directed his employees to use a script that contained false and fraudulent representations designed to trick consumers into unwittingly signing up for costly magazine subscription packages.

6. Defendant DAHL's script directed his employees to falsely represent that DAHL's company, which he misleadingly named "Your Magazine Service," was the consumers' existing magazine provider. DAHL's script further directed his employees to falsely claim that the purpose of their call was to provide a one-time \$150 credit on the consumer's existing account. In reality, as DAHL well knew, most of the consumers did not have an existing magazine subscription with Your Magazine Service and DAHL's employees were calling consumers not to offer them a credit on their account, but to trick them into signing up for new magazine subscription packages.

7. Defendant DAHL's script directed his employees to fraudulently obtain consumers' credit card information by falsely claiming that the company was conducting a survey on credit card and banking usage. In reality, DAHL's company was not conducting a survey and DAHL directed his employees to obtain this information so it could be used to bill consumers for magazine subscription packages they did not want and did not realize they were purchasing.

8. After the consumer's credit card information had been obtained, defendant DAHL's script directed a "closer" to get on the call in order to complete the process of fraudulently inducing the consumer to sign up for a new magazine subscription package. DAHL's script directed the closer to pretend to be a supervisor who wanted to ensure that the initial telemarketing employee was polite and courteous during the call.

9. DAHL's script directed the closer to begin by again falsely stating that the purpose of the call was to offer the consumer a \$150 credit on their existing magazine subscription account. Through his script, DAHL then directed the closer to confirm the consumer's credit card number and identifying information by falsely claiming that this information was needed in order to process the \$150 credit on their account. Again, this was not true. In reality, DAHL directed the closer to confirm the consumers' credit card information so that DAHL's company could bill them for new magazine subscription packages.

10. It was further part of the scheme that defendant DAHL then directed his employees, through his script, to trick consumers into appearing to agree to purchase an expensive magazine subscription package. DAHL's script did this by

falsely suggesting that Your Magazine Service was only crediting the consumer's account in a way that reduced their existing account balance when the company was actually signing the consumers up for a new subscription package. Specifically, DAHL's script directed his employees to say the following, which DAHL knew to be fraudulent and untrue:

And it looks like your monthly payments are set at \$49.90. That hasn't changed any. The only thing that's changed is we knocked three payments off so you only have 20 payments remaining, and once those 20 payments are made, you'll have everything paid in full.

In reality, DAHL's company did not have an existing relationship with these consumers and they did not have any monthly payments. Unbeknownst to the consumers, DAHL's employees—acting at DAHL's direction—signed them up for new magazine subscription packages at a price of 20 payments of \$49.90, which resulted in a total cost of \$998.

11. It was further part of the scheme that defendant DAHL directed employees to record a final portion of the call during which employees "confirmed" that the consumers were purchasing a new magazine subscription package. DAHL instructed his employees to record only this final portion of the call, and not to record the earlier portion of the call where they falsely represented that consumers would be receiving a \$150 credit and not incurring any new charges. DAHL told his employees to bulldoze through this final portion of the call in order to make the "sale," even when the consumers were confused and did not realize they were signing up for new magazine subscription packages. If consumers asked questions or challenged the new charges, DAHL had his employees stop recording and start over with false

assurances that the customers would only be receiving a reduction on their existing account and would not be incurring any new charges.

12. Defendant DAHL later used these selective recordings when consumers challenged the charges and claimed they had not signed up for magazine subscription packages through DAHL's company.

13. Defendant DAHL also gave his employees a "rebuttal script" for use in responding to consumers' questions. DAHL's rebuttal script directed his employees to provide false and fraudulent responses to consumers' questions. For example, if a consumer stated that he or she did not want more magazines, DAHL's script directed employees to falsely state "Oh, this isn't for any more. This is for what you're already getting."

14. Defendant DAHL's company used these fraudulent sales tactics to sell magazine packages to more than 13,000 people across the United States. DAHL and his company received more than \$10 million from its victim-customers for these magazine subscription packages.

15. On or about the dates listed below, in the State and District of Minnesota and elsewhere, the defendant,

WAYNE ROBERT DAHL, JR.,

for the purpose of executing the scheme described above, knowingly caused to be sent by the U.S. Postal Service certain matters or things, including the following:

Count	Date (on or about)	Mail Details
1	June 23, 2014	A letter from the Collections Manager at Your Magazine Service, Inc. in Minnesota to Individual NR

		in Maryland stating that a \$106.01 payment was due to Your Magazine Service by July 10, 2014
2	March 5, 2015	A letter from Your Magazine Service, Inc. in Minnesota to Individual JC in New York stating that Individual JC's account was past due and stating that "this will not have a negative effect on your credit rating here as long as you make arrangements by 4/5/2015"
3	August 25, 2015	A letter from Your Magazine Service, Inc. in Minnesota to Individual JC in New York after Individual JC disputed Your Magazine Service charges on her credit card and in which Your Magazine Service stated "ON TAPE YOU GAVE YOUR PERMISSION TO US TO BILL YOUR CREDIT CARD"
4	September 22, 2015	A letter from Your Magazine Service, Inc. in Minnesota to Individual SW in Oklahoma stating that Your Magazine Service was unable to withdraw the \$39.90 monthly payment from Individual SW's bank account and requesting that Individual SW make the payment

All in violation of Title 18, United States Code, Section 1341.

Counts 5-8
(Wire Fraud)

16. The allegations in paragraphs 1 through 14 of Counts 1-4 are incorporated herein.

17. On or about the dates listed below, in the State and District of Minnesota and elsewhere, the defendant,

WAYNE ROBERT DAHL, JR.,

for the purpose of executing the scheme described above, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, signals, and sounds, including the following:

Count	Date (on or about)	Wire Details
5	December 31, 2014	A wire communication from CorTrust Bank in South Dakota to Klein Bank in Minnesota that transferred \$99.80 from Individual TA's bank account to Your Magazine Service's bank account
6	March 16, 2015	A wire communication from American Heritage Bank in Oklahoma to Klein Bank in Minnesota that transferred \$39.90 from Individual SW's bank account to Your Magazine Service's bank account
7	May 18, 2015	A wire communication from US Navy Federal Credit Union to Klein Bank in Minnesota that transferred \$39.90 from Individual JD's bank account to Your Magazine Service's bank account and that passed through servers located outside the state of Minnesota
8	September 30, 2015	A wire communication from Synchrony Bank to Klein Bank in Minnesota that processed a \$998 charge on Individual JC's credit card, transferred \$998 to Your Magazine Service's bank account, and passed through servers located outside the state of Minnesota

All in violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATIONS

18. Counts 1 through 8 of this Indictment are incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) in conjunction with Title 28, United States Code, Section 2461(c).

19. If convicted of any of Counts 1-8 of this Indictment, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to Counts 1-8 of the Indictment.

20. If any of the above-described property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in

Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON