

FILED

JUN 20 2007

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS
EAST ST. LOUIS OFFICE

UNITED STATES OF AMERICA,)

Plaintiff,)

vs.)

KYLE KIMOTO,)

Defendant.)

CRIMINAL NO. 07-30089-MJR

Title 18
United States Code,
Sections 371, 1341, 1343, 2326 & 2.

INDICTMENT

THE GRAND JURY CHARGES:

I. Introductory Statement

1. From on or about January 2001, and continuing until approximately October 25, 2002, in St. Clair, Alexander, Bond, Clark, Clinton, Crawford, Cumberland, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Madison, Marion, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Washington, Wayne, White and Williamson Counties, thirty four of the thirty eight counties comprising the Southern District of Illinois, and elsewhere, **KYLE KIMOTO** (“**KIMOTO**”), together with Assail, Inc., a Nevada corporation based in St. George, Utah, he owned and controlled, with Summit Communications International, Capital First Benefits, Inc., and Premier One Benefits, Inc., all of which Kimoto controlled, with Peter Porcelli, a resident of the Tampa/Clearwater, Florida area and with corporations Porcelli owned and controlled, including Bay Area Business Council, Inc. and American Leisure Card Corp., and together with others known and unknown, and doing business with American consumers under various corporate names and aliases, including Bay Area Business Council, American Leisure Card, First Financial Solutions, First Choice Solutions, Advantage

Capital, Capital First and Premier One, engaged in a fraudulent telemarketing scheme from Utah and Florida, and from various call centers in the United States including Utah, Kansas, Oregon, Idaho, Arizona, Virginia and Florida, and from various international call centers located in Grenada, St. Lucia, St. Vincents, Toronto (Canada), and India, and elsewhere, by falsely leading consumers with poor or no credit to believe that they would be receiving a MasterCard or Visa credit card with a credit limit for an advanced fee, and instead providing consumers with nothing, an application for a Stored Value MasterCard (a form of debit card), or a worthless piece of plastic that looked like a MasterCard credit card with a MasterCard logo.

2. Defendant, and his co-conspirators, collected fees ranging between \$159.95 and several hundred dollars from tens of thousands of U.S. consumers, processing several million dollars in electronic debit charges against consumer bank accounts.

3. Neither Visa nor MasterCard authorized defendant, or his co-conspirators, to market credit cards on their behalf and no consumer received a credit card as a result of their payment of a fee to defendant.

4. From January 2001 through October 25, 2002, Kimoto, and his co-conspirators, defrauded or attempted to defraud at least 325,141 individuals in the United States, including 609 residents of the Southern District of Illinois, out of approximately \$43 million. Defendant, and his co-conspirators, made several million telemarketing calls attempting and intending losses nearing a half billion U.S. dollars, or more.

II. Participants in the Scheme

At all times relevant to this Indictment:

5. Kyle Kimoto was a resident of St. George, Utah. During the course of the scheme, Kimoto set up several fraudulent telemarketing operations which sold an illicit advanced fee credit card program under various names including, First Financial Solutions, First Choice Solutions, Advantage Capital, Capital First, Premier One, Bay Area Business Council and American Leisure Card. Kimoto owned and controlled Assail, Inc. and was in control of the telemarketing operations ostensibly being conducted by others, including Summit Communications International, Capital First Benefits, Premier One Benefits, and others.

6. Assail Inc. was a Nevada Corporation whose principal place of business was in St. George, Utah. Outbound telemarketing calls and verification recordings were made by Assail, Inc. for itself and for Bay Area Business Council and American Leisure Card pursuant to contracts entered into between Kimoto and Porcelli. It maintained a web of affiliated call centers throughout the world to sell the credit card program designed by defendant. In order to insulate itself from regulators and others, it sold its program under different names and also contracted out its customer service operation to third parties to make it more difficult for regulators to trace the operation back to Assail in St. George, Utah.

7. Peter J. Porcelli, II is and was a resident of the Tampa/Clearwater area in Florida. During the course of the scheme, Porcelli set up fraudulent telemarketing businesses in the names of Bay Area Business Council and American Leisure Card. Porcelli contracted with Assail, Inc. and Kimoto to provide substantially all of his outbound telemarketing. Porcelli's programs were adapted by Kimoto to Kimoto's sales model and Porcelli's programs became Kimoto's programs and under Kimoto's effective control.

8. Bay Area Business Council, Inc. ("BABC"), was a Florida corporation, with its principal place of business at 801 West Bay Drive, Largo, Florida 33770. Porcelli owned BABC which became effectively controlled by Kimoto after a contract was entered into between Kimoto and Porcelli.

9. American Leisure Card Corp. ("ALC") was a Florida corporation, with its principal place of business at 6289 W. Sunrise Blvd., Ste. 277, Sunrise, Florida 33313. Porcelli owned ALC which became effectively controlled by Kimoto after a contract was entered into between Kimoto and Porcelli.

10. Summit Communications International was a Nevada corporation, ostensibly doing business as Advantage Capital Benefits with a purported place of business at 502 North Division Street, Carson City, Nevada. Though a legal registered office for Summit, Summit maintained no functioning office there. Though there was an ostensible president of Summit, Summit was a front for Kimoto and Assail.

11. Capital First Benefits was a Florida corporation with a purported principal place of business at 18495 South Dixie Highway, Miami, Florida. Capital First maintained no office at that address which was nothing more than a commercial mail drop providing mail forwarding services. Though there was an ostensible president of Capital First, Capital First was a front for Kimoto and Assail.

12. Premier One Benefits, Inc. was a Delaware corporation with a purported principal place of business at 510 East 17th Street, Idaho Falls, Idaho. Premier One maintained no office at that address which was nothing more than a commercial mail drop providing mail forwarding

services. Though there was an ostensible president of Premier One, Premier One was a front for Kimoto and Assail.

13. Each of the corporate entities and businesses described in the preceding paragraphs also acted as principals in the conduct of the fraudulent scheme described within. The corporate entities and businesses conspired with each other and with **KIMOTO** and Porcelli to commit the acts described herein. In addition, **KIMOTO** aided, abetted, counseled, commanded, induced and procured the commission of offenses by the corporate entities and businesses described herein.

III. Scheme

14. Since January 2001, and continuing thereafter until sometime on approximately October 25, 2002, through unsolicited calls from telemarketers, defendant, and his co-conspirators, operating first under the name of First Financial Solutions, First Choice Solutions, Advantage Capital, Capital First, Premier One, Bay Area Business Council, and American Leisure Card, falsely implied that they were calling from, or were affiliated with, legitimate credit card companies, such as Visa and MasterCard, or were calling from a financial institution to which the consumer had previously submitted an application for a credit card. In truth and in fact, neither they, nor their companies, had any connection whatsoever with Visa, MasterCard, or the consumer's bank. Defendant operated through an international network of ostensible "providers," which served as the front for Kimoto and Assail and created the appearance of companies separate and distinct from Kimoto providing the MasterCard Stored Value Debit Card, and "affiliates" which actually did the outbound telemarketing. Kimoto's "affiliates" were outbound call centers located in the U.S., Canada, the Caribbean and India and sold Kimoto's credit card program in the same manner utilizing essentially the same scripts.

15. Using lead lists with names of consumers who had applied for credit and had been turned down, cold calls were made by telemarketers to consumers throughout the United States. The telemarketers made a sales presentation to consumers based upon a sales script that opened by saying, "Our records indicate that within the past 12 months, you filed an application for a credit card and you are now eligible to receive your MasterCard." (BABC and Advantage Capital script), or representations of similar import. The consumer was then told that the telemarketer needed to ask the consumer some questions "to verify that my records are still correct." Among the questions asked of the consumer were questions about their monthly income, implying that the telemarketer was updating the consumer's application for credit. The consumer was then put on hold "for computer authorization," (or "access" in later scripts) after which she was told that she was to receive a "MasterCard."

16. As part of the script, consumers were typically told that "nothing....looks better on your Equifax credit report than a Mastercard," representing and implying that somehow their credit rating would be improved. That the consumer's credit rating would be somehow improved was emphasized in those cases in which consumers expressed initial reluctance to buy the card.

17. As part of the Advantage Capital, Capital First and Premier One offers, during the "verification" process, consumers were offered so called "free" trials of various services, without adequate disclosure that acceptance of the trials would result in recurring monthly charges to the consumer's bank accounts. As part of the Bay Area Business Council and American Leisure Card offers, consumers were also promised a "fabulous" Florida vacation, but the supposed Florida vacation, which was a visit to a time share property (something not disclosed in the script), was not

a prominent part of the sales pitch which targeted consumers who had previously attempted to obtain a credit card.

18. Customers were told that in order to get their “card,” they would have to pay a “one time processing [fee]” which varied from about \$159.95 up to several hundred dollars, “plus shipping and handling.”

19. After a consumer agreed to the terms outlined by the telemarketer, whose sales pitch was calculated to lead the consumer to believe that she would receive a MasterCard credit card with a credit limit for an advanced fee of between \$159 up to several hundred dollars, the consumer was transferred to a “verifier.”

20. The job of the verifier was to confirm payment information, since payment was to be made by an electronic debit against a consumer’s checking or savings account. Since Assail’s and Bay Area’s third party payment processors required a consumer’s authorization for a one time debit to be recorded before the transaction could be processed for payment (as did all payment processors), a digital recording of the verification call was made. However, no such recording was made of the initial telemarketing sales call. An automated “disclosure” was played to the consumer mentioning a “pay as you go MasterCard.” The consumer was advised, among other things, that there would be no “credit” on their card “until you make a payment.” (Bay Area and Advantage Capital). The prerecorded disclosure also described the availability of “cash advances.” (Bay Area and Advantage Capital). The verifier concluded with the question you agreed “to everything we spoke about over the phone?” (Bay Area and Advantage Capital).

21. In later verifications, after the consumer had agreed to purchase what was sold as a credit card during the unrecorded sales call, the telemarketer played a pre recorded message which

after representing the availability of “cash advances,” contained a brief reference to the fact that “[y]ou understand this is not a line of credit.” Up until that reference, everything in the sales script was designed to lead the consumer to believe that they were to receive a *credit card* with a *credit limit*. This reference was slipped into the recording surreptitiously in order to attempt to create a recording that ostensibly would establish that the consumer had in fact purchased a *debit* card with no credit limit despite the fact that the sales script was designed and intended to create the very opposite impression. Those few consumers who noticed that the verifier, reading from the verification scripts, was changing the terms of the offer previously agreed to by the consumer, and who asked the verifier to explain what was meant by the disclosure were lied to and in fact in many cases the verifier confirmed the consumer’s original assumption that they were paying a fee to receive a *credit card with a credit limit*.

22. After the consumer’s bank account was debited, she received a “benefits package” either through the U.S. Mail or an interstate commercial carrier. The so called “benefits package” consisted of free offers that were generally available to the public at no cost, other promotional literature, as well as some very general information on credit repair. The consumer did not receive a MasterCard credit card as promised, however. Consumers received an application for a cash secured debit card or an unusable plastic card with an unauthorized reproduction of the MasterCard logo and meaningless numbers embossed on the card. Despite representations by the telemarketer during the sales call that there would be a “one time processing fee,” in the case of the Bay Area Business Council and American Leisure Card offers, the consumer was required to send in still an *additional fee* of \$15.00 in order to receive her debit card.

23. After consumers received their benefits package and realized that they were not going to receive a credit card as promised, but a debit card with no credit limit, few took the next step to apply for and receive a MasterCard *debit* card.

24. One of the supposed “benefits” was a “membership” which entitled the consumer to unspecified benefits. In the case of Bay Area Business Council, this came at a cost of \$10.00 per month, a fee *not* disclosed in the Bay Area Business Council sales script. The only notice of this fee was a brief reference to it in an automated disclosure played to the consumer during verification *after* the consumer *had already agreed* to the terms and conditions of the offer outlined by the telemarketer *during the initial call*.

25. Tens of thousands of Bay Area Business Council and American Leisure Card “members” were very angry after they received their so called “benefits package” which failed to provide what the consumer was seeking and expecting to receive, a major credit card with a credit limit. As many as one hundred thousand Bay Area Business Council “members,” if not more, called Bay Area’s Customer Service number over a period of several months to complain that they had been told that they would receive a credit card and instead received something else. Customer Service representatives were trained to “rebut” customers and one of the major “rebuttals” was to stress that the customer, who had poor or no credit, would improve their credit rating through making payments on the card, which was supposedly being reported to Equifax, a credit bureau. Consumers who persisted in demanding refunds had difficulty obtaining them. Even in those instances in which Bay Area’s customer service staff determined that the consumer had been lied to when the consumer asked a question during the recorded verification call, the consumer would never receive a full refund. The consumer would receive no refund, a partial refund or a refund *less the shipping and*

handling fee. Shipping and handling was generally never refunded even where Bay Area's own customer service records established both that the consumer had been specifically lied to during the verification call *and* had never actually been sent a benefits package for which Bay Area would have incurred *any* shipping and handling charges.

26. In the case of Advantage Capital, Capital First Benefits, and Premier One Benefits, customer service was outsourced by Kimoto and Assail to a company in Waco, Texas, hereinafter referred to as "S, Inc." Over time, S, Inc. had to substantially increase its staff to cope with the burgeoning customer complaints. A very large number of Advantage Capital, Capital First Benefits and Premier One Benefits customers received no card of any kind, not even a MasterCard Stored Value Debit Card and a large number of customers called S, Inc. to complain that they had received *nothing* at all. In fact, although Assail had a contract with the company to provide MasterCard Stored Value Debit Cards, only a few hundred customers ever received even a debit card. When the company with whom Assail had contracted to provide the debit card had suspicions about whether even these few hundred customers understood what they were getting called the consumers to make sure that the consumer understood they were getting a debit card with no credit limit, not a single customer understood that the card was a debit card with no credit limit; each Assail consumer had been led to believe that they were going to get a credit card. Of the several hundred whose name had been submitted by Assail to receive a debit card, after the telephone calls from the actual card provider, only about 100 consumers agreed to take the debit card.

27. When customers who had thought they were to receive a credit card based upon the sales script read to them by the telemarketer called the customer service number provided by Assail, S, Inc. in large part accurately described the bank card as a debit card, but, utilizing scripts provided

by Assail, stressed the fact that the use of the debit card would lead to the consumer either establishing credit or improving their bad credit. This information was intended to convince the consumer to make a new decision based upon the new information that MasterCard was *not a credit card*. Assail instructed S, Inc. to make it difficult for a complaining consumer to obtain a refund and trained S, Inc. and its customer service representatives to make several “rebuttals” to customers, all from a rebuttal script provided by Assail, and all for the purpose of stalling consumers’ refund claims.

28. While consumers were told during subsequent calls to customer service seeking a refund, that their payment history on the card would improve their credit, at no time did defendant, Assail, Advantage Capital, Summit Communications, Premier One, Capital First Bay Area Business Council, American Leisure Card, or any of their affiliates, report to Equifax the payments made by those few consumers who did acquire their debit card and in fact, at all times relevant to this Indictment, Equifax neither generally received account information on debit cards nor took the use of these cards into account in determining a consumer’s credit rating. Equifax also neither generally received “membership” fees nor took the payment thereof into account in determining a consumer’s credit rating.

29. Many consumers also contacted the Better Business Bureau and their state Attorney General to complain about BABC’s business practices. In turn, the Better Business Bureau and various state Attorneys General wrote letters to Bay Area asking that Bay Area respond to them about the consumers’ complaints, the overwhelming majority of the complaints being that the consumer had been promised a credit card and instead had been provided with something else, a

stored value card with a MasterCard logo, the same complaint received by Bay Area's customer service staff.

30. Assail, Inc., Summit Communications, Capital First Benefits, Premier One Benefits, Bay Area and American Leisure Card and their affiliates did not provide consumers with, or arrange for consumers to receive, credit cards or other extensions of credit. Furthermore, neither the firms nor any of their affiliates were authorized by MasterCard or Visa to issue or market MasterCard or Visa credit cards to the public, or to use MasterCard or Visa trademarks in their promotions.

31. In connection with the transactions described in this Indictment, **KYLE KIMOTO** engaged in a scheme involving deceit and trickery in order to gain an unfair and dishonest advantage over thousands of victims located in the Southern District of Illinois and elsewhere throughout the United States, defrauding those victims of approximately \$43 million.

IV.
Count 1 - Conspiracy
18 U.S.C. § 371

32. Paragraphs 1 through 31 are hereby realleged.

33. From on or about June 2001 and continuing through approximately October 25, 2002, in St. Clair, Alexander, Bond, Clark, Clinton, Crawford, Cumberland, Edwards, Effingham, Fayette, Franklin, Gallatin, Hamilton, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Madison, Marion, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Richland, Saline, Union, Washington, Wayne, White and Williamson Counties, within the Southern District of Illinois and elsewhere, the defendant,

KYLE KIMOTO,

together with Assail, Inc., Summit Communications International, Inc., Capital First Benefits, Inc.,

Premier One Benefits, Inc., Bay Area Business Council, Inc., Bay Area Business Council Customer Service Corp., American Leisure Card Corp., Senior Marketing Consultants, Inc., Bay Memberships, Inc., Peter Porcelli, II, and others known and unknown, did unlawfully, willfully, and knowingly combine, conspire, confederate and agree among themselves and each other to commit certain offenses against the United States as follows:

A. To devise a scheme and artifice to defraud and to obtain money and property by means of false pretenses, and for the purpose of executing and in order to effect the scheme, to knowingly cause to be sent and delivered by the United States Postal Service and by commercial interstate carrier, benefits packages, mail and mail matter to various residents of the Southern District of Illinois, in violation of Title 18, United States Code, Section 1341.

B. To devise a scheme and artifice to defraud and to obtain money or property by means of false pretenses, and for the purposes of conducting, promoting, and carrying on said scheme by means of the Postal Service, to use and assume, and to request to be addressed to a false and fictitious address other than the proper address, all in violation of Title 18, United States Code, Section 1342.

C. To devise a scheme and artifice to defraud and to obtain money and property by means of false pretenses, for the purpose of executing and in order to effect the scheme, to knowingly cause to be transmitted by means of wire or radio communication in interstate and foreign commerce, interstate and international telephone calls, and signs and signals, all in violation of Title 18, United States Code, Section 1343.

D. To engage in money laundering offenses, all in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(I) and 1957 to wit:

1) knowing that the property involved in financial transactions represent the proceeds of unlawful activity, conducts and attempts to conduct financial transactions which in fact involve the proceeds of the specified unlawful activity of mail fraud and wire fraud with the intent to promote the carrying on of mail fraud and wire fraud;

2) to knowingly engage and attempt to engage in monetary transactions in criminally derived property of a value greater than \$10,000 that was derived from the specified unlawful activity of mail fraud and wire fraud.

34. In furtherance of the conspiracy, between June 2001 and October 25, 2002, defendant, and his co-conspirators, committed the following overt acts.

A. Kimoto developed a sales model for the sale of a MasterCard Stored Value Debit Card as a credit card and targeted consumers with bad or no credit, who had applied for and had been turned down for a credit card.

B. Kimoto put together an international network of “affiliates,” call centers which made unsolicited telephone calls to consumers, including consumers in the Southern District of Illinois, utilizing the marketing plan and sales scripts developed by Kimoto.

C. On or about March 1, 2001, Kimoto forwarded an email he received from a graphics designer to one of his “providers.” The email recited that the graphics designer had found the “‘legal’ logo from Visa” and added further that “I believe it doesn’t hurt to relate 1st Financial Solutions with the credit card company so it gives the sense of a more legitimate operation...”

D. On or about August 8, 2001, Kimoto entered into a contract with Peter Porcelli for the sale of Porcelli’s travel package which contained a MasterCard Stored Value Debit Card to be used in lieu of travelers checks. Kimoto thereafter changed Porcelli’s program to

conform to the other advanced fee credit card programs he was selling and changed the sales scripts to be almost identical to the scripts that were being used by Kimoto and his affiliates in the sale of his other programs.

E. In mid September, 2001, Kimoto met with Porcelli for the first time. Kimoto counseled Porcelli that Porcelli's travel package and debit card could not be sold as Porcelli had intended and informed Porcelli that in his experience, consumers were interested in a *credit card* hence requiring that the debit card be represented to consumers to be a credit card with a credit limit.

F. In late 2001 or early 2002, Porcelli noticed that on the recorded verifications, there were a substantial number of calls in which Kimoto's verifiers were representing to consumers that they would receive a *credit card with a credit limit* in response to consumer questions about the MasterCard, necessitating in many cases refunds from complaining customers. Kimoto warned Porcelli against making too many refunds because each refund had the effect of reducing the income to the affiliated room, which, in turn, might lead to the reduction in the number of "seats" made available by that room to sell Porcelli's program and hence significantly constrict Porcelli's income, if Porcelli made too many refunds.

G. Sometime around June, 2002, Kimoto met with representatives of the firm which had a contract to supply Kimoto with MasterCard Stored Value Debit Cards. The representatives suggested that instead of including the fake plastic card in the package sent to consumers who paid the processing fee, that Kimoto supply a functioning bank card. Kimoto rejected the suggestion because of the negative effect that providing a functioning bank card would have on his "bottom line."

H. Sometime in August, 2002, after the Federal Trade Commission had shut Porcelli down, Kimoto started to organized “burn parties” to burn a significant number of Assail’s business records. He also instructed the General Manager of Assail’s office in St. George, Utah, to dispose of his personal computer.

I. Defendant, and his co-conspirators, caused the mailings, interstate commercial shipments, and wire communications within the Southern District of Illinois to occur as charged in Counts 2 through 14 of this Indictment, which are incorporated herein and realleged as additional overt acts in furtherance of the conspiracy. The offenses occurred in connection with the conduct of telemarketing, punishable under Title 18, United States Code, Sections 2326(1) and (2).

Count 2 - Mail Fraud

18 U.S.C. § 1341

35. Paragraphs 1 through 31 are hereby realleged.

36. On or about the 18th day of August, 2002, in Madison County, within the Southern District of Illinois, and elsewhere, the defendant,

KYLE KIMOTO,

having devised the above-described scheme and artifice to defraud and to obtain money or property by means of false and fraudulent pretenses, representations and promises, for the purpose of executing the scheme and attempting so to do, did knowingly cause to be sent and delivered by the United States Postal Service, correspondence, including a benefit package, addressed to J.T., a resident in Edwardsville, Illinois, within the Southern District of Illinois.

All in violation of Title 18, United States Code, Sections 1341 and 2.

The offense occurred in connection with the conduct of telemarketing, punishable under Title 18, United States Code, Sections 2326(1) and (2).

Counts 3-8 - Wire Fraud

18 U.S.C. § 1343

37. Paragraphs 1 through 31 are realleged.

38. On or about the dates listed below, in Madison, St. Clair and White Counties, within the Southern District of Illinois and elsewhere, the defendant,

KYLE KIMOTO,

having devised the above-described scheme and artifice to defraud and to obtain money or property by means of false and fraudulent pretenses, representations and promises, for the purpose of executing the scheme and attempting so to do, did knowingly cause to be transmitted by means of wire or radio communication in interstate and foreign commerce, signs and signals, that is unsolicited telemarketing phone calls, which calls were placed from the State of Utah and other states and foreign countries, to the Southern District of Illinois and portions of which were simultaneously recorded by a third party verification service in Gaithersburg, Maryland as is set forth in the respective Count:

Count	Date	To	Victim
3	July 3, 2002	Cahokia, IL	S.K.
4	July 18, 2002	Edwardsville, IL	J.T.
5	July 24, 2002	Norris City, IL	R.K.
6	July 25, 2002	Granite City, IL	S.J.
7	July 26, 2002	Swansea, IL	D.M.
8	July 31, 2002	Fairview Heights, IL	J.H.

All in violation of Title 18, United States Code, Sections 1343 and 2.

The offenses occurred in connection with the conduct of telemarketing, punishable under Title 18, United States Code, Sections 2326(1) and (2).

**Counts 9-14 - Wire Fraud
18 U.S.C. § 1343**

39. Paragraphs 1 through 31 are realleged.

40. On or about the dates listed below, in Madison and St. Clair Counties, from the places within the Southern District of Illinois described below, the defendant,

KYLE KIMOTO,

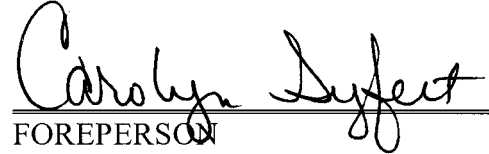
having devised the above-described scheme and artifice to defraud and to obtain money or property by means of false and fraudulent pretenses, for the purpose of executing the scheme and attempting so to do, did knowingly cause to be transmitted by means of wire or radio communication in interstate and foreign commerce, signs and signals, that is, ACH debit transfers from bank accounts of consumers in the Southern District of Illinois, to banks outside the State of Illinois.

Count	Date	Amount\$	Wire From	Wire To	Victim
9	July 30, 2002	\$199.90	Edwardsville, IL	Sunrise, FL	J.T.
10	August 1, 2002	\$199.90	Granite City, IL	Sunrise, FL	S.J.
11	August 2, 2002	\$10.00	Granite City, IL	Fort Lauderdale, FL	S.J.
12	August 12, 2002	\$199.90	O'Fallon, IL	Sunrise, FL	J.H.
13	August 12, 2002	\$10.00	Alton, IL	Fort Lauderdale, FL	A.W.
14	August 13, 2002	\$10.00	O'Fallon, IL	Fort Lauderdale, FL	J.H.

All in violation of Title 18, United States Code, Sections 1343 and 2.

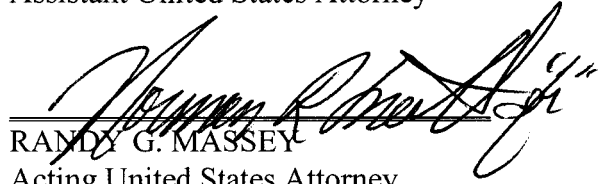
The offenses occurred in connection with the conduct of telemarketing, punishable under Title 18, United States Code, Sections 2326(1) and (2).

A TRUE BILL


FOREPERSON



BRUCE E. REPERT
Assistant United States Attorney



RANDY G. MASSEY
Acting United States Attorney

Recommended Bond: *\$1 MILLION SECURED*