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

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

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
vs.)
)
JACQUELINE ENID ACEVEDO,)
)
Defendant)

Criminal No. 14-30013-MJR

Title 18,
United States Code,
Section 1349

INDICTMENT

THE GRAND JURY CHARGES:

I. Introduction

1. Between on or about June 18, 2008, through November 2009, in Alexander, Bond, Clinton, Crawford, Effingham, Fayette, Franklin, Hamilton, Jackson, Jasper, Jefferson, Jersey, Madison, Marion, Monroe, Randolph, Richland, St. Clair and Williamson Counties, within the Southern District of Illinois and elsewhere, **JACQUELINE ENID ACEVEDO**, Jennifer Kirk, Ryan Brazel, John Thomas Egan, Jose Goyos, Daniel Ferrara, and others known and unknown, doing business as Universal Marketing Solutions (“UMS”), Creative Vacation Solutions (“CVS”) and Premier Timeshare Solutions (PTS), conducted a telemarketing timeshare resale scheme targeting timeshare owners throughout the United States, its Territories, and Canada. UMS, CVS and PTS falsely represented that they had found buyers for the consumers’ timeshare interests and solicited fees of up to several thousand dollars from each consumer in purported pre-paid closing costs and related expenses. The purported sales did not occur, closings were not scheduled as was often represented, and, in fact, UMS, CVS and PTS did not

successfully sell any consumer's timeshare interest. UMS, CVS and PTS failed to devote substantial resources to marketing their clients' timeshare interest and simply pocketed the purported closing costs, with about a third going to the individual telemarketers who sold the timeshare resale services to the consumer and the balance kept by the owners of the respective telemarketing companies.

2. Between late 2007 and approximately December 2009, UMS, CVS and PTS collected approximately \$35 million and victimized approximately 25,500 consumers in all fifty states, the District of Columbia and Puerto Rico; all ten Canadian provinces and the Northwest Territory of Canada. UMS, CVS and PTS victimized at least sixty-eight (68) consumers in at least thirty (30) of the thirty-eight (38) counties comprising the Southern District of Illinois.

II. Participants

3. Universal Marketing Solutions ("UMS") was the initial name under which the timeshare resale scheme operated. UMS was a registered fictitious name of Hicks, Inc., which was incorporated in 2006 and was located in Palm Beach County, Florida. The owners of Hicks, Incorporated, were Matthew Hicks, deceased, who was the boyfriend of Jennifer Kirk, and Jennifer Kirk. Hicks was the President, and Jennifer Kirk was the Vice President. Hicks, Inc, was dissolved in 2009.

4. Creative Vacation Solutions ("CVS") became the business name under which the scheme operated after Universal Marketing Solutions had lost or was in the process of losing its credit card merchant accounts. Creative Vacation Solutions was a Florida corporation based in Palm Beach County, Florida and formed in 2008 ostensibly by "S.K.," its ostensible owner, the brother of Jennifer Kirk. In fact, the company was owned and operated by Jennifer Kirk.

5. Premier Timeshare Solutions (“PTS”) was a parallel telemarketing scam operating in south Florida. Jose Manuel Goyos, Jr. was the registered agent and co-owner of C&G Marketing Associates, LLC, a Florida corporation, which defrauded consumers using the fictitious name of Premier Timeshare Solutions. C&G Marketing was incorporated in the State of Florida on January 26, 2009, and the articles of incorporation identify Goyos as a manager, along with “KRC.” The company was co-owned by Goyos and KRC. Goyos was a prior employee of UMS and CVS before he incorporated and established Premier Timeshare Solutions.

6. UMS, CVS and PTS had several sales offices located in south Florida including offices in West Palm Beach, Belvedere, Boca Raton, Okeechobee, Green Acres and Lake Worth. Some of these offices resembled franchise operations in that they were owned and operated by others, but used the same business name, the same sales pitches and collected money through common credit card merchant accounts.

7. **JACQUELINE ENID ACEVEDO** was a telemarketer who worked for Universal Marketing Solutions in 2008 and 2009, CVS in 2009, and PTS from late March 2009 until November 2009.

III. The Scheme

8. Universal Marketing Solutions, Creative Vacation Solutions and Premier Timeshare Solutions were names under which the defendant and others operated the timeshare resale scam. All three companies engaged in a scam intended to deceive consumers into

believing that these timeshare resale companies had obtained firm and binding offers from purchasers to buy that consumer's timeshare interest.¹

9. A telemarketer referred to as an "opener" or "dialer" would place a cold call to a timeshare owner from lead lists obtained from list brokers. The opener would ask if the timeshare owner had an interest in selling her timeshare unit. If such an interest was expressed, then the opener would transfer the call to a "closer." The "closer," frequently described to the consumer as the "inventory manager," would then take over the call from the opener. Sometimes, before the closer took over the phone call from the customer, the opener, closer and other telemarketers would discuss the perceived level of desperation of the prospect to sell their timeshare unit. Fees for the illusory services being sold by UMS, CVS and PTS would then be jacked up to correspond with the apparent level of desperation. Once the "inventory manager" got on the phone with the prospect, he would tell the prospect that UMS, CVS or PTS had one or more "buyers" or "offers" for units in the timeshare resort where the prospects unit was located. Once the customer paid a generous fee of up to several thousand dollars for closing related expenses, the "inventory manager" said that he could "attach" one of the "buyers" or "offers" to the customer's timeshare unit. Telemarketers usually provided a specific closing date, which was typically sixty (60) to ninety (90) days away, and told clients that the up-front fees would be refunded at closing. Once telemarketers processed the up-front fees for the consumer-typically by charging the consumers' credit cards, they and the companies pocketed the money.

¹ As used in this indictment, "timeshare" refers to a type of fractional interest in real estate in which the owner has the right to occupy particular premises for a specified period of time. What constitutes a "timeshare" depends upon the law of the state in which the real estate is located.

10. In general, the telemarketer made up the closing date given to customers. The made-up closing date needed to be at least sixty (60) to ninety (90) days from the date of the call in order to postpone when customers would call their credit card companies or banks to complain that they had been defrauded, an inevitable result when each and every “closing” date passed without any of the clients receiving the sales proceeds’ checks they were promised. Delaying that inevitable reporting by the client was important to the success of the scheme, since customer complaints would almost certainly result in chargebacks, a reversal of the original transfer of funds from the consumer’s credit card, against the company’s merchant account. An accumulation of chargebacks would jeopardize the ability of the company to process bank card transactions and ultimately prevent the company from getting paid.

11. After persuading a consumer to purchase UMS, CVS or PTS services, the telemarketer would then complete an internal sales form with the owner’s information, including information on the owner’s timeshare interest and asking price, and then transfer the file to a “quality assurance” employee. The “quality assurance” employee would then place a telephone call to the consumer and make a recording of that part of the call where the consumer gave their oral consent to a charge to the consumer’s credit card, debit card, or ACH debit on the consumer’s bank account. During the *unrecorded* portion of the call made to CVS customers, many consumers were read the following:

First, I will be discussing with you our marketing practices and how we have gotten the offer on your unit and I’ll also be discussing with you, *that although we do have an offer of \$____*, we cannot legally attach one specific buyer to your unit until we have your free and clear deed and title as well as your signed contract and seller certification back in house. (emphasis added)

12. This purported “quality assurance” script contained a blank for the telemarketer to insert a dollar amount for the purported “offer” that CVS had supposedly received on that consumer’s timeshare. At UMS, telemarketers would generally ask the timeshare owners what they had paid for their units and then tell each timeshare owner that their “offer” was roughly twenty five percent higher than what the timeshare owner had paid for it. CVS often filled in the offer amount with the consumer’s *asking price* which had been written by the telemarketer on the form given to the “quality assurance” employee. After telling the consumer that CVS had received an offer on the consumer’s timeshare at or above the asking price, the “quality assurance” employee turned on the tape recorder and recorded an acknowledgment by the consumer that the bank card number and expiration date, or bank account information and routing code was correct and that the consumer had agreed to the transaction. Even though consumers were just told that the company had actually received an offer at or above the asking price, the recorded part of the script contained an acknowledgment by the consumer that they were merely “authorizing” the company to sell the unit for a particular “sale price,” a highly ambiguous statement that fell short of the representations made just moments earlier.

13. Prior to the recorded part of the “quality assurance” verification, clients were asked to acknowledge that they had not been told that there was a specific buyer for their timeshare. The consumers were led to believe that, while there were firm offers and, in some cases, multiple buyers for their unit, the company could not “legally attach” the offer or buyer to the property until the company had a signed contract from the client. Only after the contract was executed and the consumer paid the up-front fees, could the company then “attach” a specific buyer or offer to their timeshare unit. It would, therefore, not have seemed inconsistent for a client to acknowledge during the recording that he had not been promised that there was a buyer

when in fact that is exactly what he had been promised during the unrecorded conversation. If a client did not follow the script, the call could be terminated, the client re-coached, and a new recording initiated until the client answered the questions in strict conformance with the company script. Thus, when the customer later complained to the Better Business Bureau, regulators, and law enforcement officials that they had been promised a closing, UMS, CVS and PTS could then retrieve the recording as purported evidence that the company had promised no such thing.

14. After the customer paid the up-front fees by bank card or ACH debit, UMS, CVS or PTS would send the customer a contract to sign. Rather than a contract for the sale of the property as had been promised, the contract instead only obligated the company to provide advertising and marketing services.

15. As UMS, CVS and PTS's unrecorded sales pitch, "quality assurance" procedures and written contracts were constructed, UMS, CVS and PTS could claim that marketing and advertising was all that UMS, CVS or PTS had ever agreed to provide. Any impression that the consumer formed that UMS, CVS or PTS had a concrete offer for the customer's unit was a "misunderstanding" on the customer's part.

16. Despite collecting approximately \$35 million in pre-paid up-front fees from consumers for "timeshare resale services," UMS, CVS and PTS were not instrumental in selling a single timeshare. While occasionally desperate timeshare owners expressed interest in abandoning their timeshare interest because of recurring annual fees, and Jennifer Kirk personally would purchase timeshare units at distressed fire sale prices, there were substantially no sales at or anywhere near the full asking price of the seller. UMS, CVS and PTS made no substantial effort to either market or advertise any customer's timeshare interest other than to

place a simple listing on a website for a relatively nominal expense. UMS, CVS and PTS made little effort to promote their website and a listing on the website(s) was of no practical value to its customers.

17. After the promised closing dates came and went without a closing actually taking place, many customers called UMS, CVS or PTS to ask about the status of the expected closing. In general, victims were first told that the offer on the victim's timeshare was firm. In subsequent calls to the companies, the consumers were then given a number of excuses as to why the closing had not occurred, including, among other things, that: (1) the "maintenance and title report" was still in process; (2) the buyers were in the process of getting financing; (3) the buyers were having difficulty getting financing; and (4) the buyers' financing had fallen through. These statements were false and fraudulent in that UMS, CVS and PTS had no buyers, no offers and no interested parties.

18. Telemarketers, who were "openers" and "closers," split about a third of whatever fees they could bilk from an individual customer. In some cases, the company would take a percentage of the fee up-front, and the openers and closers would take their respective cuts from the remaining portion. Telemarketers who were very successful at UMS, CVS and PTS were not so because they were particularly good salesmen. Instead, they were successful and made lots of money because they were especially good liars.

19. The established, proven and highly successful sales pitch that was used by UMS, CVS and PTS telemarketers contained material misrepresentations of fact and misleading statements to prospective customers, including the following:

A. UMS, CVS and PTS telemarketers falsely represented that their companies had received an offer on the customer's time share. This claim was sometimes

embellished by individual telemarketers to include *multiple* offers on the property. In addition, many consumers were also told that the specific offer that had been received on their property was a “binding” contract and that the purported purchaser “could not back out of it.”

B. UMS and CVS agents falsely represented that a closing was scheduled on the consumer’s timeshare property oftentimes in just thirty (30) to ninety (90) days.

C. UMS, CVS and PTS telemarketers falsely represented that the pre-paid up-front fee collected from the consumers were for deed and title searches, maintenance profiles, deed preparation, title transfer, and/or similar expenses.

D. When consumers called the companies to complaint that no closing had occurred, UMS, CVS and PTS agents falsely represented that they indeed had an offer or buyer for the timeshare property, and then proceeded to give various made-up excuses as to why the closing had not taken place as promised and represented.

20. The representations made in the sales pitch used by UMS, CVS and PTS were false and fraudulent in that the offers on the consumer’s property were a fantasy, the closing dates were totally make believe, and the purported purpose of the pre-paid upfront fees was a pure invention by the telemarketer. The fees were not being used for closing costs or other expenses, but were instead being purloined to enrich the telemarketers and their bosses and pay for the continuing expenses associated with the scam. Only a relatively small amount of the fee collected was going to the cost of listing the property on UMS’s, CVS’s and PTS’s website, if indeed the consumer’s property was even listed there.

21. The sales practices of UMS, CVS and PTS were false and misleading and all were businesses permeated with fraud in an industry pervaded by deceit.

22. Conspirators utilized sales scripts that created an appearance which was false and deceptive and calculated to induce a false belief as to the true facts.

23. In connection with the transactions described in this Indictment, the defendant engaged in a scheme involving deceit and trickery in order to gain an unfair and dishonest advantage over victims located in the Southern District of Illinois and elsewhere throughout the United States and Canada.

Count 1

**Conspiracy to Commit Mail and Wire Fraud, 18 U.S.C. § 1349
Universal Marketing Solutions and Creative Vacation Solution**

24. The previous paragraphs of the indictment are realleged

25. From on or about June 18, 2008 and continuing through at least January 2009 in the counties of Alexander, Bond, Clinton, Crawford, Effingham, Fayette, Franklin, Hamilton, Jackson, Jasper, Jefferson, Jersey, Madison, Marion, Monroe, Randolph, Richland, St. Clair and Williamson, within the Southern District of Illinois and elsewhere,

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defendant, together with Jennifer Kirk, various managers of the telemarketing call centers operating under the names of Universal Marketing Solutions and Creative Vacation Solutions, and others both known and unknown to the grand jury, did knowingly and willfully combine, conspire, confederate and agree among themselves and with 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, representations and promises, and for the purpose of

executing the scheme, and attempting so to do, to knowingly cause to be sent and delivered by the United States Postal Service and by commercial interstate carrier, mail matter to and from residents of the United States, including residents of the Southern District of Illinois, to and from the offices of UMS and CVS in the State of Florida, in violation of Title 18, United States Code, Section 1341.

B. To devise a scheme and artifice to defraud and to obtain money and property by means of false pretenses, for the purpose of executing the scheme, and attempting so to do, to knowingly cause to be transmitted by means of wire or radio communication in interstate and foreign commerce, interstate telephone calls, credit card transactions, electronic fund transfers, and signs and signals, to and from the offices of UMS and CVS in the State of Florida, in violation of Title 18, United States Code, Section 1343.

26. In furtherance of and as a foreseeable consequence of the conspiracy, UMS and CVS and its telemarketers caused contracts and other documents to be transmitted by U.S. Mail or by interstate commercial carrier to the Southern District of Illinois.

27. In furtherance of and as a foreseeable consequence of the conspiracy, UMS and CVS and its telemarketers caused interstate telephone calls to be made to the Southern District of Illinois.

All in violation of Title 18, United States Code, Section 1349.

The offense occurred in connection with the conduct of telemarketing, in violation of the Senior Citizens Against Market Scams Act of 1994 (SCAMS Act), punishable under Title 18, United States Code, Section 2326(1).

Count II

**Conspiracy to Commit Mail and Wire Fraud, 18 U.S.C. § 1349
Premier Timeshare Solutions**

28. The previous paragraphs of the indictment are realleged.

29. From in or around April 2009 and continuing through at least November 2009 in the counties of Alexander, Bond, Clinton, Crawford, Effingham, Fayette, Franklin, Hamilton, Jackson, Jasper, Jefferson, Jersey, Madison, Marion, Monroe, Randolph, Richland, St. Clair and Williamson Counties, within the Southern District of Illinois and elsewhere,

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defendant, together with Jose Goyos, Daniel Ferrara and various managers of the telemarketing call centers operating under the name of Premier Timeshare Solutions, and others both known and unknown to the grand jury, did knowingly and willfully 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, representations and promises, and for the purpose of executing the scheme, and attempting so to do, to knowingly cause to be sent and delivered by the United States Postal Service and by commercial interstate carrier, mail matter to and from residents of the United States, including residents of the Southern District of Illinois, to and from the office of PTS in the State of Florida, in violation of Title 18, United States Code, Section 1341.

B. To devise a scheme and artifice to defraud and to obtain money and property by means of false pretenses, for the purpose of executing the scheme, and attempting so

to do, to knowingly cause to be transmitted by means of wire or radio communication in interstate and foreign commerce, interstate telephone calls, credit card transactions, electronic fund transfers, and signs and signals, to and from the office of PTS in the State of Florida, in violation of Title 18, United States Code, Section 1343.

30. In furtherance of and as a foreseeable consequence of the conspiracy, PTS and its telemarketers caused contracts and other documents to be transmitted by U.S. Mail or by interstate commercial carrier to the Southern District of Illinois.

31. In furtherance of and as a foreseeable consequence of the conspiracy, PTS and its telemarketers caused interstate telephone calls to be made to the Southern District of Illinois.

All in violation of Title 18, United States Code, Section 1349.

The offense occurred in connection with the conduct of telemarketing, in violation of the SCAMS Act, punishable under Title 18, United States Code, Section 2326(1).

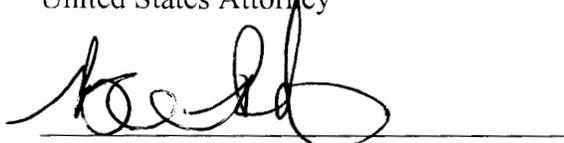
A TRUE BILL



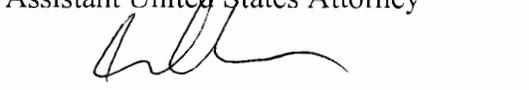
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