

FILED

MAR 18 2010

**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.)
)
PAUL PRICE,)
)
and)
)
ELISSA PRICE,)
)
Defendants.)

No. 08-CR-30105-GPM-DGW

Title 18
United States Code,
Sections 2, 371, 982(a)(8), 2326(1) and (2),
1341, 1342, 1343 & 1349

SUPERSEDING INDICTMENT

THE GRAND JURY CHARGES:

I. Introductory Statement

1. From on or about the 1st day of August, 1999, and continuing through November, 2004, in St. Clair, Randolph, and Edwards Counties, and other counties within the Southern District of Illinois, and elsewhere, **PAUL PRICE and ELISSA PRICE**, through Veritech, Prime One, Gold Universal, Ameriline and others, (hereinafter collectively referred to as "Prime One") engaged in a fraudulent telemarketing scheme from the Toronto, Ontario area, targeting residents of the United States. Defendants represented that they would provide MasterCard and Visa credit cards to individuals with less than perfect credit for an advance fee payment generally ranging between \$159.00 and \$236.00. Defendants defrauded tens of thousands of U.S. consumers of over \$10 million in connection with the scheme.

2. In connection with the scheme, Prime One telemarketers made unsolicited telephone calls to residents of the United States and represented to them that Prime One was offering unsecured

MasterCard and Visa credit cards with low interest rates, credit limits of \$1,000, \$5,000, or more, and no annual fees.

3. To collect what Prime One represented as a one-time processing fee to receive the credit cards, telemarketers requested that consumers provide their bank account information, including account numbers and routing codes. Prime One then submitted this information to payment processors in the United States which utilized the automated bank clearinghouse (“ACH”) to debit the fees from consumer bank accounts. Said funds were then wire transferred to Prime One’s bank accounts in Canada.

4. Prime One did not provide consumers with a MasterCard credit card or a Visa credit card as promised, but instead provided a package stuffed with advertisements in the form of merchandise coupons and promotional literature for various products and services including cell phones, travel, digital satellite service, as well as a booklet titled “The National Credit Guide to the U.S.A.,” containing general information about credit repair.

5. Prime One at no time relevant to this complaint was ever authorized by MasterCard or Visa to make credit card offers to the public, or to use their registered trademarks in the promotional materials sent to consumers.

II. Participants in the Scheme

6. 120194 Canada Ltd., d/b/a Veritech Communications, Veritech Communication Services, Veritech, Prime One Benefits, Prime One Financial, Prime One, First National Credit Service, U.S. National Credit, Gold Universal and Ameriline is a Canadian corporation with its principal place of business located in Toronto, Ontario.

7. Prime One Financial Group, Inc., d/b/a/ Prime One Benefits, Prime One Financial,

Prime One, First National Credit Service, and U.S. National Credit, is an Ontario corporation with its principal place of business located in Toronto, Ontario.

8. Marketing Directives, Inc. (“Marketing Directives”) is a Delaware corporation with its principal place of business in Toronto, Ontario. Marketing Directives received mail at 220 West 19th Street, Suite 2a, New York, New York 10011.

9. Defendant **PAUL PRICE** is an owner and principal of Veritech, Prime One, Ameriline and Marketing Directives. At all times relevant to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, aided, abetted, counseled, induced and procured the acts and practices of Veritech, Prime One, Ameriline and Marketing Directives, including the acts and practices set forth in this Complaint.

10. Defendant **ELISSA PRICE, a/k/a Lisa Price and Lisa Wells (“Lisa Price”)**, is a principal of Veritech, Prime One, and Marketing Directives. She is the wife of **PAUL PRICE**. At all times relevant to this Complaint, acting alone or in concert with others, she has formulated, directed, controlled, aided, abetted, counseled, induced and procured in the acts and practices of Veritech, Prime One, Ameriline and Marketing Directives, including acts and practices set forth in this Complaint.

11. The various businesses and corporations utilized by defendants have operated as a common enterprise to purport to sell advance fee credit cards to consumers throughout the United States. They have shared officers, employees, office locations, have commingled funds, are commonly controlled, and have engaged in a common scheme. They are collectively referred to herein as “Prime One.”

III. The Scheme

12. Since at least August 1999, and continuing thereafter, defendants have made unsolicited outbound telephone calls to consumers throughout the United States and falsely offered to provide pre-approved credit cards to those consumers who agreed to permit defendants to debit their bank accounts for a “one-time” advance fee ranging from \$159.00 to \$236.00. Defendants’ telemarketers told consumers that the defendants were offering pre-approved MasterCard or Visa credit cards with low interest rates, guaranteed credit limits ranging between \$1,000 and \$5,000, and no annual fees. Defendants have targeted consumers with no credit or bad credit for their credit card offer.

13. During the telephone calls to consumers, defendants’ telemarketers requested bank account information, including bank routing information.

14. Defendants routinely debited the bank accounts of consumers, who provided bank account information and agreed to pay fees with bank account debits, in advance of providing those consumers with the MasterCard or Visa credit cards promised during the telephone calls.

15. After debiting the advance fee from consumers’ bank accounts, defendants did not provide consumers with the promised MasterCard or Visa credit cards. Instead of providing consumers with major credit cards, defendants provided consumers with packets of materials containing coupons and discounts for travel, recreation, auto, medical plans, satellite service, and cellular telephones. The packets also sometimes included a booklet titled “The National Credit Guide to the USA,” as well as a blank application form authorizing defendants to apply for credit cards on behalf of consumers.

16. Many consumers did not complete the defendants’ blank application form because

they realized that they have been scammed by the defendants when they did not receive the promised MasterCard or Visa credit cards in the package they received from the defendants.

17. Those consumers who did fill out the blank application and mailed it to the defendants did not receive the promised credit card. Instead, consumers sometimes received from defendants an Internet print out of an Orchard Bank secured credit card application containing consumers' personal information. According to the application, in order to receive a secured credit card from Orchard Bank, consumers were required to make an initial minimum deposit of \$200.00 as security for the line of credit, and consumers must maintain a savings account with Orchard Bank to secure the credit card. Many consumers who received the Orchard Bank application did not apply for the Orchard Bank credit card because they were expecting to receive an unsecured MasterCard or Visa credit card, not a secured credit card requiring significant deposits of money to secure a line of credit.

18. Defendants did not provide consumers with, or arrange for consumers to receive, the promised credit cards. Furthermore, Defendants were not authorized by MasterCard, Visa, or Household Bank (SB), N.A., owner of the Orchard Bank brand name, to issue or market MasterCard or Visa credit cards to the public, or to use MasterCard or Visa trademarks, or Household Bank's credit card applications, in their promotions.

19. Defendants bilked tens of thousands of U.S. consumers out of fees ranging from \$159.00 to \$236.00, in an amount aggregating over \$10 million.

**Count 1 – Conspiracy
18 U.S.C. § 371**

20. Paragraphs 1 through 19 are hereby realleged.

21. From on or about the 1st day of August, 1999 until approximately the 29th day of July 2002, in St. Clair, Randolph, and Edwards Counties, within the Southern District of Illinois and elsewhere, the defendants,

**PAUL PRICE and
ELISSA PRICE,**

together with 120194 Canada Ltd., d/b/a Veritech Communications, Veritech Communication Services, Veritech, Prime One Benefits, Prime One Financial, Prime One, First National Credit Service, U.S. National Credit and Ameriline 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 or 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 or 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, all in violation of Title 18, United States Code, Section 1343.

22. In furtherance of the conspiracy, between January 2000 and the 29th day of July 2002, defendants caused Prime One telemarketers to make unsolicited telephone calls to residents of the Southern District of Illinois, including, but not limited to telephone calls to St. Clair, Madison and Randolph Counties, Illinois.

23. In furtherance of the conspiracy, between January 2000 and the 29th day of July 2002, defendants caused Prime One to electronically process ACH debits against bank accounts located in the Southern District of Illinois, including, but not limited to, bank accounts located in St. Clair County, Illinois.

All in violation of Title 18, United States Code, Section 371.

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

Count 2 – Conspiracy

18 U.S.C. § 1349

24. Paragraphs 1 through 19 are hereby realleged.

25. From on or about the 30th day of July 2002 continuing through November 2004, in St. Clair, Randolph, and Edwards Counties, within the Southern District of Illinois and elsewhere, the defendants,

**PAUL PRICE and
ELISSA PRICE,**

together with 120194 Canada Ltd., d/b/a Veritech Communications, Veritech Communication Services, Veritech, Prime One Benefits, Prime One Financial, Prime One, First National Credit Service, U.S. National Credit and Ameriline 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 or 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 or 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, all in violation of Title 18, United States Code, Section 1343.

26. In furtherance of the conspiracy, between July 30, 2002 and November 2004, defendants caused Prime One telemarketers to make unsolicited telephone calls to residents of the Southern District of Illinois

27. In furtherance of the conspiracy, between July 30, 2002 and November 2004, defendants caused Prime One to electronically process ACH debits against bank accounts located in the Southern District of Illinois, including, but not limited to, bank accounts located in St. Clair County, Illinois.

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

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

**Counts 3 - 4 – Mail Fraud
18 U.S.C. § 1341**

28. Paragraphs 1 through 19 are hereby realleged.

29. On or about the dates listed below, in Randolph and Edwards Counties, within the Southern District of Illinois, and else where, the defendants,

**PAUL PRICE and
ELISSA PRICE,**

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 or commercial interstate carrier, correspondence addressed to the residents of the Southern District of Illinois to the places and in the manner described in the respective Count:

Count	Date	To:	Victim
3	6/1/02	Randolph County	TB
4	5/1/03	Edwards County	KC

All in violation of Title 18, United States Code, Sections 1341 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 5 - 7 Wire Fraud
18 U.S.C. § 1343**

30. Paragraphs 1 through 19 are realleged.

31. On or about the dates listed below, within the Southern District of Illinois and elsewhere, the defendants,

**PAUL PRICE and
ELISSA PRICE,**

having devised a scheme and artifice to defraud and for obtaining money and property by means of and fraudulent pretenses, representations and promises, for the purpose of executing the scheme, did knowingly cause to be transmitted by means of wire or radio communication in interstate and foreign commerce, signs and signals, that is unsolicited international telemarketing phone calls, from the Province of Ontario, Canada, to the residents of the Southern District of Illinois and to the places described below:

Count	Date	To:	Victim
5	4/1/02	Randolph County	TB
6	3/1/03	Edwards County	KC
7	10/21/04	St. Clair	MM

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

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

Count 8 - Wire Fraud
8 U.S.C. § 1343

32. Paragraphs 1 through 19 are realleged.

33. On or about 18th day of April, 2003, in St. Clair County, within the Southern District of Illinois and elsewhere, the defendants,

PAUL PRICE and
ELISSA PRICE,

having devised a scheme and artifice to defraud and for obtaining money and property by means of and fraudulent pretenses, representations and promises, for the purpose of executing the scheme, did knowingly cause to be transmitted by means of wire or radio communication in interstate and foreign commerce, signs and signals, that is an international telephone call in which a customer seeking to determine the status of a refund request, telephoned the Province of Ontario, from St. Clair County, within the Southern District of Illinois.

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

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

Forfeiture Allegation

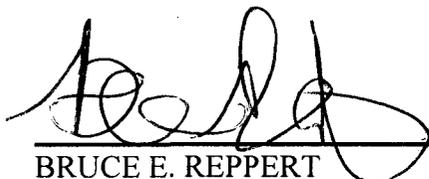
34. As a result of the foregoing offenses as described in Counts 1 through 8 of this Complaint, said counts referring to offenses involving telemarketing, the defendants shall forfeit to the United States, pursuant to Title 18, United States Code Section 982(a)(8), any real or personal property— (A) used or intended to be used to commit, to facilitate, or to promote the commission of any or each of said offenses, (B) constituting, derived from, or traceable to the gross proceeds that the defendants obtained directly or indirectly as a result of any or each of said offenses. Said property shall include, but not be limited, to, proceeds of \$10,000,000.00 in United States funds.

All in violation of Title 18, United States Code, Section 982(a)(8).

A TRUE BILL



FOREPERSON



BRUCE E. REPPERT
Assistant United States Attorney



A. COURTNEY COX
United States Attorney

Recommended Bond: *Detention*