

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
JOHNNY SMITH	:	VIOLATIONS:
LOREN SANDERS,		18 U.S.C. § 371 (conspiracy - 1 count)
 a/k/a “Saayhbirah Sanders,”	:	18 U.S.C. § 1029(a)(5) (access device
 a/k/a “Loren Burton”	:	fraud - 1 count)
	:	18 U.S.C. § 1341 (mail fraud - 3 counts)
	:	18 U.S.C. § 1343 (wire fraud - 4 counts)
	:	18 U.S.C. § 513(a) (uttering a counterfeit
	:	check - 2 counts)
	:	Notice of forfeiture
		Second notice of forfeiture

SUPERSEDING INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times relevant to this superseding information:

1. The Home Depot Stores Inc. (“Home Depot”) was a national retail chain based in Atlanta, Georgia that sells, among other things, tools, hardware and other home improvement merchandise in interstate commerce. In addition, Home Depot sells gifts cards, which could be purchased in various denominations and could be used to purchase merchandise at Home Depot stores.
2. Citigroup Inc. (“Citigroup”) was a financial institution that, among other things, offered credit cards to consumers in interstate commerce. One type of credit card offered by Citigroup was the Home Depot credit card.
3. Defendants JOHNNY SMITH and LOREN SANDERS lived in a house at

██████████ in Philadelphia, Pennsylvania.

4. From in or about February 2006 to on or about August 17, 2006, in the Eastern District of Pennsylvania and elsewhere, defendants

**JOHNNY SMITH and
LOREN SANDERS,
a/k/a “Saayhbirah Sanders,”
a/k/a “Loren Burton,”**

conspired and agreed, together and with others known to the grand jury, to commit offenses against the United States, that is, knowingly and with intent to defraud, commit access device fraud, in violation of Title 18, United States Code, Section 1029(a)(5).

MANNER AND MEANS

It was part of the conspiracy that:

5. Defendants JOHNNY SMITH and LOREN SANDERS created a fake school named The J.M.P. School Annex that they claimed was located at their home address at ██████████ in Philadelphia, Pennsylvania, and applied for a Home Depot credit card in the name of the J.M.P. School Annex.

OVERT ACTS

In furtherance of the conspiracy, the following overt acts, among others, were committed in the Eastern District of Pennsylvania and elsewhere:

1. On or about February 19, 2006, defendant LOREN SANDERS went to the Home Depot store located at 2200 Oregon Avenue, Philadelphia, PA 19102 and applied for a credit card account in the name of The J.M.P. School Annex, with an address of ██████████ ██████████ in Philadelphia, Pennsylvania.

2. On or about the following dates, defendant LOREN SANDERS used a fraudulently obtained Home Depot credit card in the name of J.M.P. School Annex to purchase Home Depot gift cards, tools and other merchandise from Home Depot, for approximately the following amounts:

	<u>Date</u>	<u>Amount</u>
a.	2/24/2006	\$668.00
b.	3/5/2006	\$2,300.84
c.	4/4/2006	\$584.05
d.	7/3/2006	\$149.41
e.	7/13/2006	\$2,540.65
f.	7/14/2006	\$512.65
g.	7/14/2006	\$118.70
h.	7/15/2006	\$545.90
i.	7/31/2006	\$2,639.06
j.	7/31/2006	\$2,449.45
k.	8/1/2006	\$2,972.32
l.	8/4/2006	\$627.01
m.	8/6/2006	\$5,000.00
n.	8/6/2006	\$5,000.00
o.	8/6/2006	\$2,674.53
p.	8/7/2006	\$3,500.00
q.	8/7/2006	\$590.33
r.	8/7/2006	\$4,103.51
s.	8/9/2006	\$3,502.00
t.	8/9/2006	\$4,500.00

u.	8/10/2006	\$4,611.55
v.	8/11/2006	\$4,711.94
w.	8/11/2006	\$623.02
x.	8/17/2006	\$172.14

3. On or about the following dates, defendant JOHNNY SMITH used a fraudulently obtained Home Depot credit card in the name of J.M.P. School Annex to purchase Home Depot gift cards, tools and other merchandise from Home Depot, for approximately the following amounts:

	<u>Date</u>	<u>Amount</u>
a.	3/7/2006	\$38.46
b.	3/9/2006	\$58.50

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

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count One of this superseding information are incorporated here.

2. From on or about February 24, 2006 through on or about August 17, 2006, in the Eastern District of Pennsylvania and elsewhere, defendants

**JOHNNY SMITH and
LOREN SANDERS,
a/k/a “Saayhbirah Sanders,”
a/k/a “Loren Burton,”**

knowingly and with intent to defraud used, and aided and abetted the use of, an unauthorized access device, that is, a Home Depot credit card issued by Citigroup, in the name of a fictitious school called The J.M.P. School Annex, to obtain things of value aggregating \$1,000 or more during a one year period, for a total of approximately \$55,240.02, thereby affecting interstate commerce.

In violation of Title 18, United States Code, Sections 1029(a)(5) and 2.

COUNTS THREE THROUGH FIVE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

At all times relevant to this superseding information:

1. Defendants JOHNNY SMITH and LOREN SANDERS lived in a house at [REDACTED] in Philadelphia, Pennsylvania. There was no school at this address.
2. PC Mall Inc. (“PC Mall”), based at 2555 West 190th Street, Torrance, California, was engaged in the business of selling computers and other electronic equipment over the Internet.
3. Bagwell Marketing (“Bagwell”), based at 501 Business Pkwy, Richardson, Texas, was engaged in the business of selling promotional, advertising and marketing merchandise over the Internet.
4. United Parcel Service, Federal Express and Pitt Ohio Express were private, commercial interstate carriers, delivering goods in interstate commerce.

THE SCHEME

5. From in or about December 2005 through in or about April 2006, defendants

**JOHNNY SMITH and
LOREN SANDERS,
a/k/a “Saayhbirah Sanders,”
a/k/a “Loren Burton,”**

devised and intended to devise a scheme to defraud PC Mall and Bagwell, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

6. Defendants JOHNNY SMITH and LOREN SANDERS fraudulently purchased merchandise and computers by ordering them in the name of fictitious schools which they claimed were operating at their residence.

7. In or about December 2005, defendants JOHNNY SMITH and LOREN SANDERS sent via facsimile a purchase order and contract to Bagwell Promotions, a division of Bagwell Marketing. The purchase order purported to be from the Sanders-Smith School 4 Learning, [REDACTED] in Philadelphia, Pennsylvania, and sought to purchase approximately thirty-six giant Christmas stockings filled with merchandise. The purchase order requested that the Christmas stockings be sent to the school using next day shipping. The purchase order was signed by defendant SANDERS using her alias, Saayhbirah Sanders.

8. Defendants JOHNNY SMITH and LOREN SANDERS agreed to pay Bagwell approximately \$5,184 plus the cost of shipping for the Christmas stockings. Defendants SMITH and SANDERS agreed to pay for the stockings using a bank check, but at Bagwell's request, provided a Discover credit card number to Bagwell to guarantee payment of the stockings until defendants SMITH and SANDERS sent the check.

9. As defendants JOHNNY SMITH and LOREN SANDERS knew, the purchase order was false because the Sanders-Smith School 4 Learning did not exist, and there was no such school located at [REDACTED] in Philadelphia, Pennsylvania.

10. As defendants JOHNNY SMITH and LOREN SANDERS further knew, the Discover credit card provided by the defendants to Bagwell did not belong to them or the

Sanders-Smith School 4 Learning, and the true owner of the credit card account did not authorize the defendants to use the Discover credit card to pay for the merchandise from Bagwell.

11. On or about December 14, 2005, defendants JOHNNY SMITH and LOREN SANDERS caused Bagwell to ship to their home at [REDACTED] in Philadelphia, Pennsylvania approximately thirty-six giant Christmas stockings worth approximately \$5,184.

12. In or about March 2006, defendants JOHNNY SMITH and LOREN SANDERS sent a purchase order via facsimile to PC Mall. In or about April 2006, defendants SMITH and SANDERS sent a second purchase order via facsimile to PC Mall. Both purchase orders purported to be from the J.M.P. School Annex, [REDACTED] in Philadelphia, Pennsylvania, and sought to purchase numerous Gateway and Sony computers. The purchase orders were signed by defendant SANDERS using her alias, Saayhbirah Sanders.

13. As defendants JOHNNY SMITH and LOREN SANDERS knew, both PC Mall purchase orders were false because the J.M.P. Annex School did not exist, and there was no such school located at [REDACTED] in Philadelphia, Pennsylvania.

14. On or about March 17, 2006, defendants JOHNNY SMITH and LOREN SANDERS caused PC Mall to ship to their home at [REDACTED] in Philadelphia, Pennsylvania approximately 40 Sony and Gateway computers worth approximately \$52,000.

15. On or about April 5, 2006, defendants JOHNNY SMITH and LOREN SANDERS caused PC Mall to ship to their home at [REDACTED] in Philadelphia, Pennsylvania approximately 80 Sony computers worth approximately \$116,000.

16. On or about the dates set forth below, in Philadelphia, in the Eastern

District of Pennsylvania, and elsewhere, defendants

**JOHNNY SMITH and
LOREN SANDERS,
a/k/a “Saayhbirah Sanders,”
a/k/a “Loren Burton,”**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, knowingly caused to be delivered by commercial interstate carrier, according to the directions thereon, the following items, each mailing constituting a separate count, as set forth below:

Count	Mailing Date	Sender	Received	Description
1	December 14, 2005	Bagwell, Richardson, Texas		36 Giant Christmas Stockings sent via United Parcel Service based on a fraudulent purchase order
2	March 17, 2006	PC Mall, Torrance, California		Sony and Gateway computers sent via Federal Express based on a fraudulent purchase order
3	April 5, 2006	PC Mall, Torrance, California		Sony and Gateway computers sent via Pitt Ohio Express based on a fraudulent purchase order

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

COUNT SIX

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

At all times relevant to this superseding information:

1. Defendants JOHNNY SMITH and LOREN SANDERS lived in a house at [REDACTED] in Philadelphia, Pennsylvania.

2. Circuit City Stores, Inc. ("Circuit City") was a national electronics retail chain based in Richmond, Virginia.

THE SCHEME

3. From on or about December 19, 2005 through on or about December 22, 2005, defendants

**JOHNNY SMITH and
LOREN SANDERS,
a/k/a "Saayhbirah Sanders,"
a/k/a "Loren Burton,"**

devised and intended to devise a scheme to defraud Circuit City, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

4. Defendants JOHNNY SMITH and LOREN SANDERS fraudulently purchased toys and other electronic merchandise by ordering them in the name of a fictitious school which they claimed were operating at their residence.

5. On or about December 19, 2005, defendants JOHNNY SMITH and LOREN SANDERS sent a purchase order number [REDACTED] via facsimile from their home

located at [REDACTED] in Philadelphia, Pennsylvania to Circuit City located at 9954 Mayfield Drive in Richmond, Virginia. The purchase order purported to be from the Sanders-Smith School 4 Learning, [REDACTED] in Philadelphia, Pennsylvania, and sought to purchase approximately \$6,346.45 worth of toys and other electronic merchandise. The purchase order was signed by defendant SANDERS using her alias, Saayhbirah Sanders.

6. Accompanying the purchase order was a letter written on letterhead for the Sanders-Smith School, [REDACTED] in Philadelphia, Pennsylvania. The letter stated that all purchases orders are “net 30,” meaning that the purchase order would be paid within 30 days, but also added that the school usually pays upon receipt. The letter further requested that the electronic merchandise ordered in the Circuit City purchase order number [REDACTED] be shipped via express shipping so that the goods would be received by December 22, 2005. The purchase order was signed by defendant LOREN SANDERS using her alias, Saayhbirah Sanders.

7. As defendants JOHNNY SMITH and LOREN SANDERS knew, the purchase order was false because the Sanders-Smith School 4 Learning did not exist, and there was no such school located at [REDACTED] in Philadelphia, Pennsylvania.

8. On or about December 21 and 22, 2005, defendants JOHNNY SMITH and LOREN SANDERS went to a Circuit City store located in Atlanta, Georgia and picked up the merchandise ordered in Circuit City purchase order number [REDACTED].

9. On or about December 19, 2005, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**JOHNNY SMITH and
LOREN SANDERS,
a/k/a “Saayhbirah Sanders,”
a/k/a “Loren Burton,”**

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds, specifically, a fraudulent purchase order for approximately \$6,346.45 worth of toys and other electronic merchandise sent by facsimile from [REDACTED] in Philadelphia, Pennsylvania to Circuit City located at 9954 Mayfield Drive in Richmond, Virginia.

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

COUNTS SEVEN THROUGH NINE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

At all times relevant to this superseding information:

1. Paragraphs 1 through 3 of Count One of this superseding information are incorporated here.
2. Wachovia Corporation (“Wachovia”) was a federally insured bank based in Charlotte, North Carolina.
3. The city of Chester, Pennsylvania (“Chester”) was a municipality located within the Eastern District of Pennsylvania which used a bank account at Wachovia as its payroll account for its employees.

THE SCHEME

4. From on or about December 19, 2005 through on or about December 22, 2005, defendant

JOHNNY SMITH

devised and intended to devise a scheme to defraud Chester, Home Depot, Citigroup and Wachovia Bank, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

5. Defendant JOHNNY SMITH obtained the bank account information for Chester’s payroll bank account at Wachovia.
6. On or about August 3, 2006, defendant JOHNNY SMITH used the bank

account information for Chester's payroll bank account to make a \$2,972.32 electronic payment over the Internet to his Home Depot credit card account.

7. On or about August 7, 2006, defendant JOHNNY SMITH used the bank account information for Chester's payroll bank account to make a \$10,627.01 electronic payment over the Internet to his Home Depot credit card account.

8. On or about August 9, 2006, defendant JOHNNY SMITH used the bank account information for Chester's payroll bank account to make a \$6,764.86 electronic payment over the Internet to his Home Depot credit card account.

9. On or about the dates listed below, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOHNNY SMITH,

for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION
7	August 3, 2006	Wiring of payment file from Home Depot Processing Center, in Des Moines, Iowa to Wachovia Bank ACH Data Center in North Carolina.
8	August 7, 2006	Wiring of payment file from Home Depot Processing Center, in Des Moines, Iowa to Wachovia Bank ACH Data Center in North Carolina.
9	August 9, 2006	Wiring of payment file from Home Depot Processing Center, in Des Moines, Iowa to Wachovia Bank ACH Data Center in North Carolina.

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

COUNT TEN

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

On or about August 7, 2006, in the Eastern District of Pennsylvania, defendants

**JOHNNY SMITH and
LOREN SANDERS,
a/k/a “Saayhbirah Sanders,”
a/k/a “Loren Burton,”**

with intent to deceive, knowingly made, uttered, and possessed, and aided and abetted the making, uttering and possession of, a counterfeit security of a political subdivision of a State, that is, a counterfeit check dated August 4, 2006, written on the account of the city of Chester, Pennsylvania, drawn on Wachovia Bank, payable to “Johnny M. Smith,” check no. [REDACTED], in the amount of \$642.98.

In violation of Title 18, United States Code, Sections 513(a) and 2.

COUNT ELEVEN

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

On or about August 11, 2006, in the Eastern District of Pennsylvania, defendants

**JOHNNY SMITH and
LOREN SANDERS,
a/k/a “Saayhbirah Sanders,”
a/k/a “Loren Burton,”**

with intent to deceive, knowingly made, uttered, and possessed, and aided and abetted the making, uttering and possession of, a counterfeit security of a political subdivision of a State, that is, a counterfeit check dated August 4, 2006, written on the account of the City of Chester, Pennsylvania, drawn on Wachovia Bank, payable to “Johnny M. Smith,” check no. [REDACTED], in the amount of \$657.67.

In violation of Title 18, United States Code, Sections 513(a) and 2.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1029, 1341 and 1343 as set forth in this superseding information, defendant

JOHNNY SMITH

shall forfeit to the United States of America any property that constitutes or is derived from proceeds traceable to the commission of such offenses, including, but not limited to, the sum of \$270,944.21.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code,

Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Sections 981(a)(1) and 982 (a)(7).

SECOND NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1029, 1341 and 1343 as set forth in this superseding information, defendant

**LOREN SANDERS,
a/k/a “Saayhbirah Sanders,”
a/k/a “Loren Burton,”**

shall forfeit to the United States of America any property that constitutes or is derived from proceeds traceable to the commission of such offenses, including, but not limited to, the sum of \$250,580.02.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code,

Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Sections 981(a)(1) and 982 (a)(7).

PATRICK L. MEEHAN
UNITED STATES ATTORNEY