

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. 14-465-GAM
v.	:	DATE FILED: September 28, 2017
ARI TIETOLMAN	:	VIOLATIONS:
ADAM HARPER	:	18 U.S.C. §§ 1343, 1349, 2326(2)(A) & (B)
	:	(wire fraud – 3 counts)
	:	18 U.S.C. § 1956(a)(2)(B)(i) & (B)(ii)
	:	(money laundering – 4 counts)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	Notice of Sentencing Enhancement
	:	Notice of Forfeiture

SUPERSEDING INDICTMENT

COUNTS ONE THROUGH THREE

THE GRAND JURY CHARGES THAT:

At all times material to this Superseding Indictment:

Background

1. Defendant ARI TIETOLMAN was a Canadian citizen living in Québec, Canada.
2. Defendant ADAM HARPER was a Canadian citizen living in Québec, Canada.
3. Stephane Scebba, charged elsewhere, was a Canadian citizen living in Québec, Canada.
4. Marc Roy Ferry, charged elsewhere, was a United States citizen living in Chester County, Pennsylvania.
5. S.R., known to the Grand Jury, was a Canadian citizen living in Québec, Canada.

6. A.I, known to the Grand Jury, was a Canadian citizen living in Québec, Canada.

7. L.F. was a United States citizen living in Florida and Chester County, Pennsylvania.

8. C.B., known to the Grand Jury, was a United States citizen living in New York and Arizona.

9. R.B., known to the Grand Jury, was a Canadian citizen living in Florida.

10. B.S., known to the Grand Jury, was a United States citizen living in Florida.

11. Standard American Marketing, Inc. (“Standard American Marketing”) was a Delaware corporation with its principal place of business listed as Phoenix, Arizona.

12. Secure Account Services, LLC (“Secure Account Services”) was a Florida limited liability company with its principal place of business listed as Tampa, Florida and Downingtown, Pennsylvania.

13. First Consumers, LLC (“First Consumers”) was a Pennsylvania limited liability company with its principal place of business listed as Downingtown, Pennsylvania. First Consumers also did business as Fraud Watch, Patient Assistance Plus, and Legal Eye.

14. PowerPlays LLC (“PowerPlays”) was a Pennsylvania limited liability company with its principal place of business listed as Exton, Pennsylvania.

15. TrustOne was an Arizona corporation with its principal place of business listed as Phoenix, Arizona and Downingtown, Pennsylvania.

16. Madicom Inc. (“Madicom”) was a Canadian corporation owned by ARI TIETOLMAN.

17. Landshark Holdings, Inc. (“Landshark”) was a Canadian corporation owned by ARI TIETOLMAN.

THE SCHEME

18. From in or about 2005 to in or about March 2014, in the Eastern District of Pennsylvania and elsewhere, defendants

**ARI TIETOLMAN
and
ADAM HARPER,**

together and with Stephane Scebba and Marc Roy Ferry, charged elsewhere, and others known and unknown to the grand jury, devised and intended to devise a scheme to defraud, 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:

19. Defendants ARI TIETOLMAN and ADAM HARPER used a network of telemarketers to target American seniors with deceptive telemarketing calls, selling worthless or non-existent products and services, and then had their organization debit seniors’ bank accounts without their informed consent.

The Fraud Companies

20. Defendant ARI TIETOLMAN created, or had created, a number of fraudulent companies (“the fraud companies”), including but not limited to:

- a. Standard American Marketing, which also did business as Secure Account Services, and sold a purported fraud protection service; and
- b. First Consumers, which also did business as Fraud Watch, Patient Assistance Plus, Legal Eye and Trust One, and which sold a purported fraud protection service, a purported prescription drug discount card, and a purported discounted legal service;

21. The products and services offered by the fraud companies were worthless or non-existent. For example:

a. The victims who were convinced to buy the fraud protection service from Fraud Watch, received no such service.

b. The victims who were convinced to buy the discount prescription product from Patient Assistance Plus or TrustOne received a prescription drug discount card along with a list of participating pharmacies that purportedly accepted the cards. A.I. supervised the shipping of purported prescription drug discount cards to victims. However, these cards were available to consumers, free of charge, on public websites, and these cards typically provided no discount benefits to people insured by Medicare or private insurance companies. Most of the victims of this scheme were senior citizens and thus insured by Medicare.

c. The victims who were convinced to buy the legal services product from Legal Eye received no service.

The Telemarketing Scheme

22. Defendants ARI TIETOLMAN and ADAM HARPER, together and with Stephane Scebba and others, obtained names and telephone numbers of elderly Americans.

23. Defendants ARI TIETOLMAN and ADAM HARPER, together and with Stephane Scebba, hired and instructed telemarketers outside the United States to call these elderly Americans to sell the worthless or non-existent products and services offered by these companies. Defendant HARPER and Scebba supervised many telemarketers who were based in “boiler rooms” in and around Québec, Canada.

24. During these calls, under the direction of defendants ARI TIETOLMAN and ADAM HARPER, the telemarketers made various false representations, such as they were calling on behalf of, or are affiliated with, the victim’s bank, or insurance company, or the

United States government.

25. During these calls, under the direction of defendants ARI TIETOLMAN and ADAM HARPER, the telemarketers described the products marketed by the fraud companies, and often misled the consumers about the need for these products and services. For example:

a. When selling the product offered by Fraud Watch, the telemarketers often claimed that consumers must sign up, or renew, their fraud protection service immediately to preserve their protection against the threat of bank fraud. However, the fraud companies offered no real fraud protection and Fraud Watch did nothing to help prevent fraud.

b. When selling the product offered by Patient Assistance Plus or TrustOne, the telemarketers often claimed that this service provided consumers substantial discounts on prescription drugs and that Patient Assistance Plus or TrustOne “worked directly” with the drug manufacturers. However, Patient Assistance Plus and TrustOne had no relationship with drug companies and the benefits they claimed to sell were worthless.

26. In addition to misrepresenting the value of the products being marketed, under the direction of defendants ARI TIETOLMAN and ADAM HARPER, the telemarketers also misrepresented the cost of these products, sometimes telling consumers the products were free, or less expensive than the amount that was ultimately debited from the consumers’ bank accounts.

27. In other instances, under the direction of defendants ARI TIETOLMAN and ADAM HARPER, the telemarketers assured consumers they would not debit the consumers’ bank accounts, and then did just that after the consumer provided their bank account information.

TIETOLMAN's and HARPER's Concealment Through Front Companies

28. Defendants ARI TIETOLMAN and ADAM HARPER attempted to conceal their involvement in the scheme by employing Marc Roy Ferry, L.F., R.B., C.B., B.S., and others to run "front" companies, including First Consumers, and process the fraud money.

29. Defendants ARI TIETOLMAN and ADAM HARPER paid Marc Roy Ferry, L.F., R.B., C.B., B.S., and others to form corporations in the United States. The sole purpose of these corporations was to process the fraud proceeds generated by the telemarketing scheme. Defendants TIETOLMAN and HARPER instructed Ferry, L.F., R.B., C.B., B.S., and others to open up numerous bank accounts in the United States in the names of the fraud companies that they had incorporated. Ferry sent TIETOLMAN, HARPER, and S.R. online logins and passwords so TIETOLMAN, HARPER, S.R., and others could control these United States bank accounts from Canada. Ferry also sent a stamp of his signature to TIETOLMAN so TIETOLMAN and others could issue paper checks on these United States accounts from Canada.

30. Defendants ARI TIETOLMAN and ADAM HARPER sent, or had others send, Marc Roy Ferry, L.F., R.B., C.B., B.S., and others bank account information for the victims in the United States. Using computer programs and printers provided by defendants TIETOLMAN and HARPER, Ferry, L.F., R.B., C.B., B.S., and others used the victims' bank account information to print remotely created checks ("RCCs"), in the United States. The RCCs were all made payable to the fraud companies and did not require a signature by the account holder. Because these RCCs did not require the account holder's consent each time a check was created and submitted to the bank for payment, the account holder-victim had no opportunity to object or prevent the debit from occurring.

31. Marc Roy Ferry, L.F., R.B., C.B., B.S., and others deposited the RCCs in bank accounts held by the fraud companies, per Tietolman's instructions.

32. Defendants ARI TIETOLMAN and ADAM HARPER instructed Marc Roy Ferry, L.F., R.B., C.B., B.S., and others to deposit the RCCs in batches of less than \$10,000 to avoid federally-mandated reporting requirements. After the checks were deposited, defendants TIETOLMAN and HARPER instructed Ferry, L.F., R.B., C.B., B.S., and others to wire the majority of the funds to accounts in Canada in the names of Madicom, Landshark, and other fraud companies.

TIETOLMAN's and HARPER's Use of American Banks to Perpetuate the Scheme

33. Defendants ARI TIETOLMAN and ADAM HARPER, along with Stephane Scebba, Marc Roy Ferry, A.I., and others, knew that many victims would notice unauthorized debits from their account and complain to the fraud companies or the victims' banks. In some cases, A.I. and others at the fraud companies would process refunds for the victims. In other cases, the victim's bank would reverse the debit and return the RCC to Ferry, L.F., R.B., C.B., B.S., and others and designate the returned check as "unauthorized," or something similar. Indeed, from 2011 on, there were more than \$8 million in returned RCCs.

34. Defendants ARI TIETOLMAN and ADAM HARPER, along with Stephane Scebba, Marc Roy Ferry, and others, knew that many banks were suspicious of businesses like the fraud companies that used RCCs and generated a large number of returned checks. In addition, TIETOLMAN, HARPER, Scebba, Ferry, and others knew that many banks would close accounts of such businesses because of concerns they were engaged in fraudulent or criminal activity.

35. To ensure that their telemarketing scheme had banks in which to deposit the RCCs, defendants ARI TIETOLMAN and ADAM HARPER, along with S.R. and others, instructed Marc Roy Ferry, L.F., R.B., C.B., B.S., and others to simultaneously open accounts at several banks in the United States for the fraud companies. Accordingly, the fraud companies

still had accounts to deposit the fraud proceeds even if one or more banks froze and/or closed their accounts.

36. Per the instructions of defendants ARI TIETOLMAN and ADAM HARPER, Marc Roy Ferry recruited others to open bank accounts in California, Georgia, and North Carolina to deposit victims' checks. These accounts were opened in the name of PowerPlays.

TIETOLMAN's Steps to Avoid Law Enforcement

37. In or about June 2009, the state of Kansas sued L.F. and Secure Account Services, alleging that L.F. and Secure Account Services had engaged in telemarketing fraud, using tactics similar to the allegations in this Superseding Indictment.

38. In or about September 2009, defendant ARI TIETOLMAN's attorney negotiated a settlement on behalf of L.F. and Secure Account Services with the State of Kansas, whereby they agreed to pay a fine and refrain from engaging in deceptive telemarketing in the State of Kansas.

39. Following the Kansas lawsuit, defendants ARI TIETOLMAN and ADAM HARPER instructed their telemarketers not to call people in Kansas and other states where law enforcement and regulators had pursued litigation against defendant TIETOLMAN, Marc Roy Ferry, L.F., the fraud companies, and/or others. Ferry sent new complaints from states to the fraud companies in Canada, where A.I. handled them per TIETOLMAN's instructions.

Scope of the Fraud

40. While defendant ARI TIETOLMAN has operated this scheme since at least 2005, since May 2011, defendants TIETOLMAN and ADAM HARPER, together and with Stephane Scebba, Marc Roy Ferry, and others, have used this scheme to take more than \$13 million from tens of thousands of senior Americans.

41. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere, defendants

**ARI TIETOLMAN
and
ADAM HARPER,**

for the purpose of executing the scheme described above, and attempting to do so, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, each transmission constituting a separate count of this Superseding Indictment:

COUNT	DATE	DESCRIPTION
ONE	November 28, 2012	A bank wire of approximately \$9,000 from a First Consumers bank account ending in 1394 at Susquehanna Bank in the Eastern District of Pennsylvania to Madicom's bank account at Jameson Bank in Canada.
TWO	January 4, 2013	A bank wire of approximately \$7,522.69 from a First Consumers bank account ending in 1394 at Susquehanna Bank in the Eastern District of Pennsylvania to Madicom's bank account at Jameson Bank in Canada.
THREE	April 17, 2013	A bank wire of approximately \$9,950 from a First Consumers bank account ending in 1394 at Susquehanna Bank in the Eastern District of Pennsylvania to Landshark's bank account in Canada.

All in violation of Title 18, United States Code, Sections 1343, 1349, and 2, and 2326(2)(A) & (B).

COUNTS FOUR THROUGH SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-17 and 19-40 of Counts One through Three are incorporated here.

2. Defendants ARI TIETOLMAN and ADAM HARPER paid Marc Roy Ferry to open bank accounts in Pennsylvania in the name of the fraud companies to deposit fraud proceeds from the telemarketing scheme described in Count One.

3. Defendants ARI TIETOLMAN and ADAM HARPER instructed Marc Roy Ferry to deposit the fraud proceeds in the fraud companies' bank accounts in amounts less than \$10,000 to avoid federally-mandated reporting requirements.

4. Defendants ARI TIETOLMAN and ADAM HARPER instructed Marc Roy Ferry to wire the fraud proceeds from the fraud companies' bank accounts in the United States to bank accounts he controlled in Canada, in amounts less than \$10,000 to avoid federally-mandated reporting requirements.

5. Between January 2011 and March 2014, Marc Roy Ferry sent, by electronic wire or check, approximately \$ 4.3 million from the First Consumers' account at Susquehanna Bank to bank accounts controlled by defendant ARI TIETOLMAN in Canada.

6. On or about the dates set forth below, in the Eastern District of Pennsylvania, and elsewhere, defendants

**ARI TIETOLMAN
and
ADAM HARPER**

knowingly conducted, and attempted to conduct, and aided, abetted, and willfully caused, the following financial transactions affecting interstate commerce:

COUNT	DATE	DESCRIPTION
FOUR	May 1, 2013	A bank wire of approximately \$9,800 from a First Consumers bank account ending in 1394 at Susquehanna Bank in the Eastern District of Pennsylvania to Landshark's bank account in Canada.
FIVE	May 2, 2013	A bank wire of approximately \$9,897.57 from a First Consumers bank account ending in 1394 at Susquehanna Bank in the Eastern District of Pennsylvania to Landshark's bank account in Canada.
SIX	June 18, 2013	A bank wire of approximately \$9,865.45 from a First Consumers bank account ending in 1394 at Susquehanna Bank in the Eastern District of Pennsylvania to Landshark's bank account in Canada.
SEVEN	June 19, 2013	A bank wire of approximately \$9,704.22 from a First Consumers bank account ending in 1394 at Susquehanna Bank in the Eastern District of Pennsylvania to Landshark's bank account in Canada.

7. When conducting and willfully causing, the financial transactions described in paragraph 6 above, defendants ARI TIETOLMAN and ADAM HARPER knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity.

8. The financial transactions described in paragraph 6 above involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of 18 U.S.C. § 1343, and defendants ARI TIETOLMAN and ADAM HARPER acted with the knowledge that the transactions were designed, in whole and in part, to conceal and disguise the nature, location, source, ownership and control of the proceeds of the specified unlawful activity.

9. The financial transactions described in paragraph 6 above involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of 18 U.S.C. § 1343, and defendants ARI TIETOLMAN and ADAM HARPER acted with the knowledge that the transactions were designed, in whole and in part to avoid a transaction reporting requirement under state or federal law.

All in violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i) & (B)(ii), and 2.

NOTICE OF SENTENCING ENHANCEMENT

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1-17 and 19-40 of Count One are incorporated here.
2. From in or about 2005 to in or about March 2014, in the Eastern District of Pennsylvania and elsewhere, defendants

**ARI TIETOLMAN
and
ADAM HARPER,**

and others known and unknown to the grand jury, devised and intended to devise a scheme to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, in violation of Title 18, United States Code, Sections 1343 and 1349, in connection with the conduct of telemarketing that victimized ten or more persons over the age of 55 and targeted persons over the age of 55.

All in violation of Title 18, United States Code, Section 2326(2)(A) & (B).

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1343, 1349, and 1956, set forth in this Superseding Indictment, defendants

**ARI TIETOLMAN
and
ADAM HARPER**

shall forfeit to the United States of America any property, real or personal, used or intended to be used to commit, facilitate, or to promote the commission of such offenses; and constituting, derived from, or traceable to the gross proceeds that the defendants obtained directly or indirectly as a result of the offenses.

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

- (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

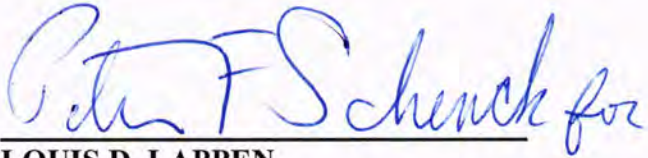
it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other

property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982.

A TRUE BILL:

GRAND JURY FOREPERSON

A handwritten signature in blue ink that reads "Peter F Schenck for". The signature is written in a cursive style.

LOUIS D. LAPPEN
ACTING UNITED STATES ATTORNEY