



UNITED STATES POSTAL INSPECTION SERVICE  
WORK AT HOME/DISTRIBUTORSHIPS  
CASE BRIEFS  
(January 2006 To Date)

**Wealth By Mail, Inc.**

A Cease and Desist Order was issued on January 11, 2006, against Sherman Mills of Washington, DC, doing business as Wealth By Mail, Inc. Inspectors' investigation revealed Mills operated a work-at-home scheme where he recruited individuals on behalf of Wealth By Mail, Inc., and sent solicitations through the U.S. Mail to between 15,000 and 20,000 individuals. The individuals recruited by Mills were advised they could earn over \$1,000 a week and subsequently sent between \$160 and \$230 in fees directly to a Post Office Box in Alexandria, VA, controlled by Mills. Recruits were given \$5 for any individual who agreed to participate as a result of their efforts. On December 8, 2005, Mills signed a Consent Agreement acknowledging he would discontinue the solicitation of individuals through the mail, return all new remittances and orders to senders, and pay full refunds to any person who paid monies in connection with the subject promotion.

**Network Marketing  
Home Systems**

As a result of a Postal Inspection Service investigation, on January 19, 2006, a Cease and Desist Order was issued against Gail Powers, Michael Powers, Carl Reid, and Preston Reid, doing business as Network Marketing and Home Systems in Pelham, AL. Inspectors learned during their investigation that the Powers and Reids (Grandmother and Grandfather and Father and Son, respectively) ran a family business wherein they solicited \$38 from customers in return for instructions and materials detailing their work-at-home envelope stuffing scheme. The materials, sent to customers via the mail, made numerous false representations concerning specific work activity and potential profits. The subjects also signed a Consent Agreement on January 19, 2006, acknowledging they would discontinue the scheme.

**GTEC**

Gregory Akins of Nashville, TN, operated GTEC – a work-at-home envelope stuffing scheme wherein he advertised in newspapers and guaranteed \$2,000 per week income. Victims called a 1-800 number and were mailed an application, which they subsequently returned along with an application fee. Some victims advised Inspectors they received flyers to post advertising themselves as a company hiring envelope stuffers to work at home and perpetuate the cycle. Most victims; however, received nothing. On January 23, 2006, Akins signed a Consent Agreement and on January 26 a Cease and Desist Order was issued against him and GTEC.

## **Armand & Company**

On February 5, 2006, Jason Gassan Salem was sentenced in Tucson, AZ, to six months in prison, one year supervised release, and fined \$4,000 for operating Armand & Company – a work-at-home envelope stuffing scheme. Salem and a co-defendant, Anthony Armand, raised approximately \$198,000 from over 4,200 consumers nationwide between April and September 1999. They mailed flyers to consumers throughout the country advertising the opportunity and specifically stated, “Envelopes come directly to you, stamped, pre-addressed and ready for handling, together with a \$1 advance payment per envelope.” Respondents subsequently mailed to Salem and Armand \$43 for which they received a packet of information showing a picture of a weight loss product, the Armand & Company address, a (non-working) phone number for ordering, and instructions that they should duplicate the flyer and mail it to as many people as possible – at their own expense – or post them in public places. Salem was initially arrested by Postal Inspectors in Newport Beach, CA, on February 8, 2002, and subsequently pled guilty to one count of mail fraud in April 2005. Armand was sentenced on April 21, 2005, to five years’ supervised release and ordered to pay nearly \$11,000 in victim restitution.

## **Employment Solutions**

On February 9, 2006, a Cease and Desist Order was issued against Ron Spruill, doing business as Employment Solutions of Birmingham, AL. Ron Spruill advertised a work-at-home opportunity for which he solicited \$32 from customers. In return, customers received – via the U.S. Mail – instructions and materials detailing the envelope stuffing scheme. Inspectors’ review of Spruill’s materials revealed numerous false representations concerning specific work activity and potential profits available to customers.

## **Mailing Processing Systems**

Michael A. and Nicholas A. Shim conducted business as Mailing Processing Systems, Inc. of Miami, FL, and mailed solicitations to consumers offering substantial wages for work done in consumers’ homes, which consisted of stuffing envelopes or assembling and stapling booklets. Interested consumers were required to mail in a \$39 registration fee. Instead of receiving substantial wages for at-home employment, the consumer received a packet of envelopes, mailing labels, and advertisements that were to be mailed to other consumers soliciting them to join the same program and submit their payment of \$39 to Mailing Processing Systems, Inc. Michael Shim was the subject of a prior false representation action by the Postal Service in 1994 for promoting an envelope stuffing work-at-home scheme. At that time, doing business as M & K Enterprises of West Hollywood, Florida, Shim signed a Consent Agreement acknowledging that he would discontinue making false representations under any name or corporate device. The Agreement stated that, in the event such a promotion was restarted, the Postal Service could file an action to stop delivery of mail immediately if a breach was identified. Such an order was issued on November 17, 2005, causing mail going to MPS to be withheld from delivery. On February 10, 2006, Michael Shim signed a Consent Agreement, wherein he agreed to discontinue the deceptive practices complained of and permanently refrain from initiating any new mail order business of any type. As part of the agreement, he agreed to pay civil penalties of \$12,500 to the U.S. Treasury. On February 17, 2006, a Cease and Desist Order was issued.

## **Michael Anthony Best**

On March 13, 2006, Michael Anthony Best was sentenced in Allegany County Maryland to one year and six months in prison (time suspended for time served), three years' probation, and ordered to pay \$1,200 in restitution to victims of Allegany County. An investigation into Best's activities by Washington County Sheriff's officers and Postal Inspectors revealed that, between September 2004 and January 2005, Best fraudulently placed advertisements in local newspapers advertising work-at-home programs. When consumers responded to the ads they were provided either a Post Office Box address to send payment or encouraged to wire money to Best via Western Union. In return, they received a brochure instructing them how to order additional brochures, not information about working from home. When consumers requested refunds, none were made.

## **Disabled American Co-op (D.A.C.)**

Ray Davie of St. Louis, MO, conducted two business opportunity schemes for which two Cease and Desist Orders were issued on March 27 and 28, 2006, respectively. Davie first placed advertisements in *American Classifieds* stating that participants could make up to \$5,000 per month mailing letters. He solicited participants through the mail, claiming he was an 81-year-old World War II disabled veteran. He requested that consumers send him \$50 for an innovative mail order program that allowed participants to work at home mailing letters. After payment of \$50, Davie requested \$10 for 100 mailing labels and advised victims to copy his first solicitation and send it to additional individuals. For the second scheme, Davie – doing business as Disabled American Co-op (D.A.C.) again placed advertisements in *American Classifieds* stating that participants could make a fantastic steady income just mailing letters. He solicited money through the mail requesting that victims send him \$5 for a starter kit with complete information to get started right away. After payment of \$5, Davie requested an additional payment of \$30 to join D.A.C. and \$10 for 100 mailing labels.

## **National Brochures**

**AAA - The Information Center**

**All Seasons Breeding (sic) Cards**

**A&A Insurance Statements**

**Job Quest**

**For Every Season Greeting Cards**

**Supreme Design Brochures**

**AAA - MIP Program**

On March 30, 2006, Malcolm Lincoln was sentenced to 10 years in prison and 3 years' supervised release. His wife, Alice Fay Turner, was sentenced on May 11, 2006, to three years and ten months in prison and three years' supervised release. Lincoln and Turner were each ordered to pay \$28,282 in restitution to more than 200 identified victims of an envelope stuffing scheme they conducted. Inspectors' investigation revealed that, beginning in April 2004 and continuing until their arrests on September 1, 2005, the subjects operated an envelope stuffing scheme under various business names and ran classified advertisements nationwide offering at-home employment to stuff envelopes. Victims who responded to the ads received promotional materials through the mail soliciting between \$35.95 and \$745.95 with promises of earning between \$4.00 and \$21.82 per envelope stuffed. Victims who responded to the solicitations received materials instructing them to send out similar misleading solicitations. No one ever received payment from Turner or Lincoln. As complaints were received, the defendants would change the name of their operation. It is estimated that over 1,000 people were victimized, and the defendants earned more than \$400,000 as a result of the scheme.

## **Million Dollar Program**

On April 14, 2006, a Cease and Desist Order was issued against William Morton of St. Louis, MO, doing business as Million Dollar Program. Morton operated a work-at-home scheme representing to participants that a small investment could earn them \$1 million. Morton used the U.S. Mail to send solicitations to potential participants to become members of the "Million Dollar Club." Interested individuals mailed an application fee of \$100 for which they received a second solicitation requesting that another \$100 payment be made to a sponsor to purchase a "product." The "product" was the same informational materials being distributed by Morton. On March 27, 2006, Morton signed a Consent Agreement acknowledging he would discontinue the solicitation of individuals through the mail, return all new remittances and orders to senders, and to pay full refunds to any person who has paid monies in connection with the subject promotion.

## **American Marketing Systems Global Marketing Network Caudell Enterprises**

On April 17, 2006, Tracey Carter was sentenced to two years in prison and ordered to pay over \$5,500 in restitution to victims of the work-at-home scheme she conducted. She was also ordered to write letters of explanation and apology to the 150 victims of record and to her 3 oldest children. Inspectors learned during their investigation that Carter advertised in newspapers across the country offering payment for stuffing envelopes using the names American Marketing Systems, Global Marketing Network, and Caudell Enterprises. All complaints received by the Inspection Service had in common a negative response from the company once payment for the plan was rendered. Investigation determined Carter had been operating this enterprise from about 1998 until 2004 using a combination of Post Office Boxes and boxes rented at Commercial Mail Receiving Agencies. Investigation revealed approximately 8,000 victims, with Carter receiving more than \$350,000. The investigation disclosed Carter used the proceeds from her scheme for personal expenses and payment of printing and advertising in numerous publications in order to sustain her operation.

## **Proven Concepts**

A False Representation Order was issued against Lucas Jaten doing business as Proven Concepts of Scottsdale, AZ on April 18, 2006. Jaten operated a work-at-home/multi-level marketing scheme and represented to potential clients that - for 57 minutes of work - they would be guaranteed \$1,200 a week. Jaten, through existing Proven Concepts clients, mailed postcard solicitations to potential clients. Interested individuals returned the postcard to the person who sent the solicitation along with \$129. That person kept \$80 as their commission and forwarded the remaining \$49, along with the new client's information, to Jaten. The new client received the "How to Earn Thirty-Thousand Dollars a Month" tape set and the right to advertise the same program through Proven Concepts' postcards and collect \$80 from each new client. The guarantee stipulated two conditions: 1) the investor must use the postcards supplied by Proven Concepts and 2) the investor must use the list broker recommended by Proven Concepts. Preprinted postcards through Proven Concepts cost approximately \$85/1,000 and names and addresses cost approximately \$162/1,000. Investors were required to place the labels on the postcards and provide and apply postage (\$230/1000). The 57 minutes of work was the time it took to label and apply postage to 1,000 postcards. Proven concepts guaranteed a 1.5 % return on the 1,000 cards, equating to 15 new clients at \$80 per client or \$1,200. If the return of \$1,200 was not achieved, Proven Concepts promised only to return the \$129, not the additional \$477 invested in the mailing.

### **PrestoCash Systems**

On May 4, 2006, a Cease and Desist Order was issued against David and Susan Preston of Summerville, SC, doing business as PrestoCash Systems. David and Susan Preston, husband and wife, operated a multi-level marketing and pyramid scheme via nationwide newspaper advertisements and direct mail and Internet solicitations. The Prestons solicited between \$100 and \$12,500 per customer in return for instructions and materials detailing how to solicit others into the multi-level scheme. The materials made numerous false representations concerning potential profits.

### **J & J Insurance**

As a result of Postal Inspectors' receipt of consumer complaints against J & J Insurance, which began in April 2005 and continued until February 2006, an investigation was initiated into the activities of the company and its owner. Inspectors learned that J & J Insurance was operated by Jonathan C. Joanes of Chicago, IL, and advertised in local classified flyers with the tag line: "Make \$100,000 a year selling Medicare insurance by mail." The scheme operated as a typical failure-to-render scheme in which respondents sent in a fee of \$39.95 plus \$4.00 shipping and handling for information and supplies in order to work at home selling Medicare insurance. Joanes then failed to render services and did not provide respondents with any further communications. On September 6, 2006, a False Representation Order was issued against Joanes and J & J Insurance.

### **GSECO National Mailing Service**

On August 11, 2006, a Cease & Desist Order was issued against Grant T. Seeley doing business as GSECO National Mailing Service of St. Louis, MO. Inspectors' investigation revealed Seeley placed advertisements in national magazines for individuals to earn money by working at home. The ads indicated that GSECO was an established national company offering a guaranteed weekly income. Individuals were asked to call an 800 phone number. After calling the number, victims were sent a solicitation requesting \$30 be sent to GSECO National Mailing Service at a Post Office Box in St. Louis for the complete home mailers program. Most of the victims received nothing. Some victims received refunds before Seeley closed the Post Office Box on April 29, 2006 and left no forwarding address. Later investigation found that he moved to Christiansburg, VA. On June 8, 2006, Seeley signed an Agreement Containing a Consent Order to Cease and Desist wherein he agreed to discontinue the solicitation of individuals through the mail in connection with the subject promotion.

### **Royal VT Enterprises**

#### **R.V.T. Enterprises**

#### **Gold Enterprises Systems**

On August 18, 2006, Cease and Desist Orders were issued against Derrick Demetrius and Veronica Talavera, doing business as Royal VT Enterprises and R.V.T. Enterprises at addresses in Hialeah and Ft. Lauderdale, FL; and against Derrick Demetrius and Valerie Mosley, doing business as Gold Enterprises Systems in Sunrise and Hollywood, FL. Royal VT Enterprises and Gold Enterprises Systems mailed solicitations to consumers offering a work-at-home opportunity stuffing envelopes and/or assembling/stapling booklets. Interested consumers were required to mail a registration fee of between \$42 and \$299. In return, consumers received nothing or information unrelated to the original advertisement. On July 10 and 13, 2006, respectively, Valerie Mosley, Derrick Demetrius, and Veronica Talavera, signed Consent Agreements agreeing to discontinue deceptive practices and to permanently refrain from initiating new mail order businesses.

## **Home Savings/HUD**

A Cease and Desist Order was filed against Daniel Hernandez, doing business as Home Savings/HUD, on August 25, 2006. Hernandez placed advertisements in the *Nickel Ads* throughout the United States for individuals to earn money by working at home. The ads offered weekly incomes of between \$800 and \$1,100. Individuals were directed to an 877 phone number. During the telephone solicitation, victims were told they would earn money by processing two forms for the Department of Housing and Urban Development (HUD), which would enable people owed money by HUD to collect the funds owed them. Victims were directed to mail \$19.95 plus \$5 shipping and handling to an address in Tigard, OR, for a start-up kit that included a list of people owed money by HUD. On May 10, 2006 Hernandez signed a Consent Agreement acknowledging he would discontinue the solicitation of individuals through the mail in connection with the subject promotion.