



Visa Exposed As Massive Credit Card Scam



The fraudulent company's top corporate brass is brought into police custody.

SAN FRANCISCO—In coordinated raids Monday at locations in Delaware, South Dakota, and California, federal agents apprehended dozens of executives at Visa Inc., a sham corporation accused of perpetrating the largest credit card scam in U.S. history.

According to indictments filed in U.S. District Court, Visa posed as a reputable lender, working through banks to peddle a variety of convincing-looking credit cards carefully designed to dupe consumers into spending far more money than they had. The criminal group would then impose a succession of escalating fees on unpaid balances, allegedly bilking some \$300 billion from victims in the past year alone.

"This is criminal behavior of the most vile sort," Attorney General Eric Holder said in a press conference following the arrests, estimating that one in three Americans have fallen for the scam since its inception in the 1970s. "By masquerading as a legitimate business, this illicit syndicate was able to prey on helpless citizens for decades, charging unfathomable interest rates on the order of 15, 20, even 30 percent or more. It's staggering. Nobody could afford that."

"The actions of the Visa crime ring amount to nothing less than mass extortion," Holder continued. "Anyone who's holding a Visa card has most likely already been ripped off."

Calling the scam's breadth and sophistication "unparalleled," Holder said the ringleaders of the plot carefully portrayed themselves as top-level financial executives, spent untold sums of victims' money on a luxurious high-rise headquarters in San Francisco, and employed scores of graduates from elite business schools—all as a means to perpetuate an elaborate confidence game.

Investigators said Visa often targeted vulnerable individuals, such as those with limited financial resources, students, and even the elderly. The group's typical con involved direct solicitation through letters supposedly written by the CEO himself, which often praised the recipients by name and stated that they had been hand-selected for favored treatment.

"I needed to pay off some medical bills, and this seemed like a good option," said Visa cardholder Eileen Carlson of Phoenix, explaining that her initial skepticism of the offers was worn down by the barrage of official-looking mail she received almost daily from the criminal organization. "But before I knew it, they were demanding at least \$900 a month, which I couldn't pay. They knew I didn't have any money to begin with—what did they expect?"

"And they kept after me for years," added Carlson, breaking into tears. "For Christ's sake, you can't get blood from a stone."

According to the Federal Trade Commission, Visa often employed perverse twists on its standard ruse, luring victims with promises of free gifts, enticing but inscrutable "rewards" programs, or deceptively low interest rates that later ballooned out of control and

siphoned away every last penny a person had.

"These crooks manipulated interest rates and charged arbitrary, exorbitant fees on literally anything they could—too much credit card activity, too little activity—it was utterly shameful," said Barbara Pendleton of the FTC, suggesting Visa used deliberately confusing financial language as well as fraudulent threats of litigation to squeeze money from its victims. "Then they sat back and did nothing while the money flowed in from people who actually work for a living."

Added Pendleton: "What's more—and this is truly sickening—they became so confident they could get away with this stuff that they openly conducted national ad campaigns and sponsored charity events. These people are the scum of the earth."

According to former Visa CFO R. Neil Williams, a crime boss turned government informant, the syndicate compiled troves of sensitive personal data on millions of Americans, including home addresses, birth dates, and income levels, and regularly sold this information to third parties or exploited it to draw new victims into the scam.

"Sure, people should have known better than to trust a magical card that allowed them to buy anything they want without any money whatsoever," Williams said. "But at Visa we understood that people will believe anything if they want it bad enough. That was the genius of our whole scheme."

As of press time, lawyers for Visa had proclaimed their clients' innocence, citing the fact that there is still no federal law stopping banks from charging any interest rate they goddamn please. ☞

COVER STORY



I am relaxed.

TIDBITS

Fellow **Jon Paul Rion** has been elected president-elect of the Ohio Association of Criminal Defense Lawyers, taking office for the year 2013. The current membership of OACDL is north of 700. It has members in all of Ohio's eighty-eight (88) counties. OACDL was founded 25 years ago. We are all proud of Jon Paul Rion for accepting the honor to serve.

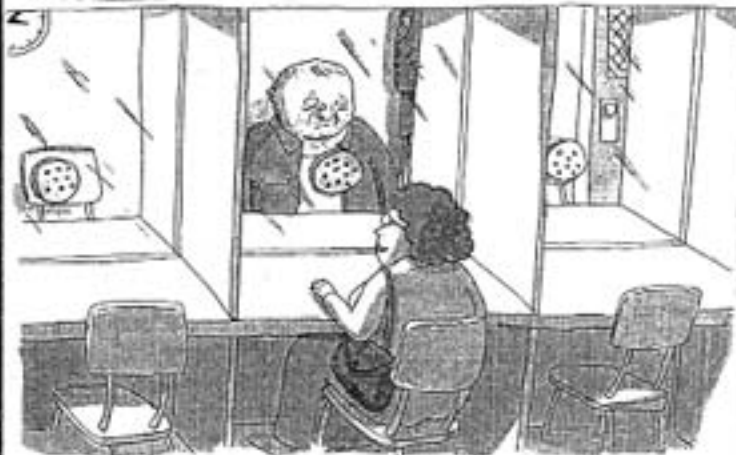
John H. Rion
Rion, Rion, & Rion, L.P.A., Inc.

Fellow **Max D. Stern** has assumed the presidency of the Massachusetts Association of Criminal Defense Lawyers, from this summer and for the next two years.

Dear fellows,

For the past year I have been defending a small town businessman who was accused of 21 counts of sexual exploitation of a child, child abuse and child pornography related charges. After Months of investigation, days of court hearings, relentlessly gathering records, documents and complaining witness information, the prosecuting attorney conceded that the defense theory - the accused was set up, was more likely true. The prosecutor filed a motion and order to dismiss all counts against my client that was signed and delivered moments ago. 61 year old Robert Mishata went from facing 21 possible life sentences to complete freedom.

Most importantly, this case had an ABCL connection. I spoke with Ian Friedman on several occasions about the case. He had great insight and valuable advice for me, including obtaining the right expert. I'm going to Hooters to celebrate! Best to all, **Pat (Mika)**



Kanin

"I couldn't find a nail file, like you asked, so I brought you some nail polish and lip gloss instead."

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September 23, 2011

L. Morgan Martin
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Steve LaChene, Editor
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Dear Steve:

My address has changed. Please note my address below:

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Thank you for your assistance.

Sincerely,

LAW OFFICES L. MORGAN MARTIN, P. A.

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July 31 2000

Dear Brethren:

I am that I am is he sent me unto you, and I do not travel alone. I write this epistle of need of a 1098d grip that only a brethren can give. First have you ever been on scout scold? If so then my name is not needed to show due cause to summons your direct help of concerning our newly Inart brethren Bro. A. Samsow.

Bro LaChene I am a master with a mark of both houses of Jesus and Allah, and it's with great respect that I ask of you to lend a right hand to bro samsow issues and legal problems. Fore on or about May 25, 2000 there was an Appeal from the P. c. s. a. order, of March 31, 1999 before the court of common Pleas of Philadelphia county criminal Division, No. 8909-3142. Now I am asking for light to be share on this issue and ask that you give a blessing from God and from on high by thus proceeding with this one petition in his time of Inart need. It's your handling of this matter that will determine what our next step and force will be before this court concerning this emotional issue at hand.

Bro, LaChene your watch at all times in this life and we the in-sens hand has great respect for your profession and duties when called upon. If you wish to deny this request and wish not to handle this issue personally then we ask that you please leave room for this brethren to be able to proceed pro se and not be hindered at any level during this action before the said courts.

My pass is from the oval grip of the same. I only ask that you see in light of the brethren send a narrow way as did Christ and thus create a square stone in the city shawliah with your most honorable name upon it through out your labor with this task and legal matter sir LaChene in fall.

For the holder of this light awaited and need, so if your are a man with a pot-crests then trust that you will do your very best to show fire through the winds of the earth, thus sharing some water with Tazzy bro- and his friends of new life and the fact that he has ley himself to live and duties of and to all perfect see.

DO NOT RE -01

151 Bro. A. Samsow

NEWS IN BRIEF

Report: Samantha's New Haircut Pretty Bad, But Don't Say Anything

COOKEVILLE, TN—According to a report from the Department of Health and Human Services, the haircut Cookeville resident Samantha Howard got Tuesday looks pretty terrible, but please don't say anything, because she's already a little insecure about it. "It's kind of choppy and lopsided, like one of those hairstyles they say is going to make you look young and cool, but Samantha just can't pull it off," HHS Secretary Kathleen Sebelius said. "Her face is too round, for one thing. Please be advised to tell her it's fine and then change the subject." As of press time, Howard's haircut just needed to grow in a little, and Americans were being urged to support her decision to maybe wear it in a ponytail for now.

John Edwards Pays \$30 To Register Edwards2016.com Just In Case

CHAPEL HILL, NC—Disgraced former senator and democratic presidential candidate John Edwards told reporters Friday that while he has no plans to run for president in 2016, he has nonetheless registered Edwards2016.com because "you never know." "I'm definitely not going to run—it's completely out of the question—but it never hurts to keep your options open," said Edwards, whose political career effectively ended after it was revealed that he had fathered a child with a former campaign worker while his wife was dying of breast cancer.

cer. "It's only 30 bucks, so I figured, why not? Better safe than sorry." According to Edwards, if he does run, which he adamantly stated he was not going to do, he's already got a few campaign slogan ideas he brainstormed "just for the hell of it."

Area Nephew A Very Funny Young Man

TACOMA, WA—Calling him "quick" and "very clever," local aunt Maria Palmer, 47, confirmed Wednesday that her nephew Gregory Olsen is a very funny young man. "It's like having a stand-up comedian in your living room," said Palmer, adding that the entertaining 13-year-old boy cracks her up with both his funny skits and his "spot-on" impression of Regis Philbin. "I don't know where he comes up with this stuff" According to reports, Palmer has told her nephew that he should send in some of his jokes to *Saturday Night Live*.

Gentle Ben Biographer's Shocking New Book Reveals Famous Bear's 28-Pine-Marten-A-Day Habit

LOS ANGELES—The film community was stunned Tuesday by a new biography's allegations that at the peak of his acting career, celebrated American black bear Gentle Ben was a ferocious addict who consumed up to 28 pine martens a day. "I spoke to a production assistant whose job was to buy the pine martens and sneak them into Gentle's trailer," said Gary Collins, whose book *Go, Gentle, Into That Good Night* contends the bear "was not always as gentle as his public image would suggest." He

refused to work until he'd had at least five pine martens, and by the time he stumbled onto the set, he could barely make it through his scenes. When he finally crashed, he sometimes hibernated for a year or more. That cost him a role on *Grizzly Adams*." According to the book, it was only with the help of Bear Jesus that Gentle Ben was able to break the chains of his crippling Mustelidae addiction.

Area Man Has Some Pretty Shitty Mob Ties

NEW BRUNSWICK, NJ—Despite local contractor Danny Polazza's frequent claims that "he knows a few guys," friends confirmed Monday that the 42-year-old's ties to the Mafia are actually pretty shitty. "He's always using this really knowing voice to ask us if there's anything we need—anything at all—but the most impressive thing he's ever come through with is tickets to a semi-pro hockey match," said Ryan Lambert, who grew up with Polazza and once received a free case of Vitamin Water from him. "Sometimes he'll show up with these calzones that are really delicious, but I'm pretty sure he pays for those out of his own pocket." Reached for comment, Polazza told reporters that if they kept their mouths shut and didn't ask too many questions, he could get them backstage during New Brunswick High School's spring production of *Pippin*.

EXTRA

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Forbidden phrases: A campaign lexicon

By Carl Golden

On the verge of another campaign season, voters can look forward to a bombardment of speeches, commercials, interviews, mailings, rallies, and robo-calls. Most will feature catchphrases, sound bites, and one-liners of limited meaning and less originality. The following list, by no means comprehensive, is presented as a public service.

We don't have a revenue problem; we have a spending problem: This is meant to create the false impression that a candidate knows something about public finances.

Government isn't the solution; government is the problem: Let's return this to the fortune cookie from whence it came.

Gate: Best used to refer to airport arrivals or entrances to front yards—rather than as a suffix to magnify any misstep by a public figure.

Jump the shark: Hardly seems worth it for the dozen people who understand what it means.

Big Oil: When was the last time you heard something about Little Oil?

Fire in the belly: This phrase should be confined to discussions of Szechuan food.

Going forward: Used to convey the sense that a candidate is progressive. Few candidates will explicitly state their desire to go backward.

A source who spoke on condition of anonymity: A reporter's way of warning readers that what follows could very well be self-serving garbage.

Get our fiscal house in order: This badly overused expression is employed by those hoping to cut the other guy's programs and leave theirs intact.

Government is the art of compromise: In other words, you give, I take.

The only poll that counts is the one on Election Day: Well, duh!

Special-interest money: Contributions to your opponent's campaign rather than to yours.

Revenue-neutral: Or at least a few million bucks in my favor.

I'll put an end to these outrageous government subsidies: Your friends will lose theirs, and my friends will get theirs.

Religion must be off limits: Unless I can convince people that my opponent's faith is strange and depraved.

You can't use government as a personal ATM: But I can.

A smear campaign by a desperate candidate: Damn, he's on to something!

I'm not the least bit optimistic that any of these phrases will go away. There are simply too many consultants who have them on three-by-five cards, ready to be shoved in front of a candidate at a moment's notice. To them, trite and hackneyed is tried and true.

Carl Golden served as press secretary to New Jersey Govs. Tom Kean and Christie Whitman. He lives in Burlington Township.

Man given life sentence for wife's death to be freed

Innocence Project has accused DA of suppressing evidence.

BY WILL WEISERT
Associated Press

GEORGETOWN — Texas prosecutors agreed Monday to release an Austin man sentenced to life in prison in the 1986 beating death of his wife after new DNA tests showed another man was likely responsible.

Michael Morton's case will likely raise more questions about Williamson County District Attorney John Bradley whose tenure on the Texas Forensic Science Commission, where he was appointed by Gov. Rick Perry, was controversial. Bradley has been critical of the commission's investigation of the Cameron Todd Willingham case. Willingham was executed in 2004 after being convicted of arson in the deaths of his three children, but experts have concluded the forensic science in the case was faulty.

The Innocence Project, a New York based organization that specializes in using DNA testing to



JAY JANNONIA/STAFF PHOTOGRAPHER

overturn wrongful convictions, has accused Bradley of suppressing evidence that would have helped clear Morton.

Morton was convicted on circumstantial evidence and sentenced to life in prison for his wife's August 1986 beating death. But new DNA tests done on a bandana found near Morton's home found blood from his wife and a California felon.

Authorities are now investigating whether that man was responsible for at least one other Austin slaying, that of Debra Jen Baker, who was bludgeoned to death in her bed in 1988. In fact, cold-case investigators say they now believe the man may have been a serial killer who operated in the area in the 1980s.

A judge has said he would set terms for Morton's release, which is expected today or Wednesday.

District Judge Sid Harle said it was up to a court of appeals to make a final determination on overturning Morton's conviction.

Prosecutors claimed Morton became enraged and bludgeoned his wife, Christine Morton, when she wouldn't have sex with him after a dinner to

celebrate his 32nd birthday.

Morton maintained his innocence, contending the crime was committed by an intruder.

The Innocence Project has claimed in court documents that Bradley, who has been the county's DA since 2011, suppressed evidence that strengthened Morton's case during the DNA proceedings. That evidence — a transcript of



Michael Morton: Expects to be released today or Wednesday.

a police interview indicating that Morton's 3-year-old son said the attacker was not his father — was ultimately obtained by the Innocence Project through a request under the Texas Public Information Act.

Perry, the leading candidate for the Republican presidential nomination, appointed Bradley to the forensic commission in 2009. The Texas Senate refused to confirm him as head of the commission after he told reporter Willingham was a "guilt monster."

Bradley later succeeded in getting an attorney general's ruling limiting the scope of the inquiry. The science commission is due to release a report Oct. 14, but it will only offer guidance on investigating arson cases, not a ruling on the evidence in the Willingham case.

That case could become an election issue for Perry because a report indicating that the science in the Willingham case was faulty was submitted to his office as part of the appeals Willingham's lawyers filed before his execution.

The Madoff Curve Ball

Almost no one spoke up for Fred Wilpon and Saul Katz, the owners of the New York Mets baseball franchise who since December have stood accused of being accomplices in Bernie Madoff's epic Ponzi scheme. They can now claim some vindication, however, since the legal case against them is in major trouble.

Irving Picard, the court-appointed bankruptcy trustee charged with unwinding the Big Con and recovering money for the victims, claims that the Wilpon-Katz families and their investment partnership knew or should have known that Madoff was a crook. Mr. Picard sued for more than \$1 billion, but this week U.S. District Judge Jodi Rakoff threw out nine of the 11 counts.

Under bankruptcy law, the single remaining count that involves recovering payments is limited to \$386 million. The actual figure may be far smaller depending on which portion the court rules is legitimate principal and which portion is fictitious Madoff "profits" stolen from other investors — closer to \$83 million. Judge Rakoff also overruled many of Mr. Picard's legal theories, which means his standard of proof will be much narrower if the Wilpon-Katz case goes to trial in March.

Mr. Picard borrowed heavily from the Elliot Spitzer playbook, targeting unympathetic public figures and laundering his distorted accusations through the press. When depositions that Mr. Picard claimed showed the Wilpon-Katzes colluded with Madoff became public, the testimony directly and specifically contradicted the trustee's selective edit.

The trustee took advantage of bankruptcy rules to hide such exculpatory evidence while the restorations of the Wilpon-Katzes were being smeared.

With his nearly unlimited discretion under the bankruptcy code, Mr. Picard seemed to be trying to extort a quick settlement before his claims were ever tested in a court of law.

Judge Rakoff writes that "even the Trustee does not appear to undertake the dubious task of plausibly pleading that the defendants knowingly invested in a Ponzi scheme." Mere business mistakes won't qualify either, which Judge Rakoff calls "a subjective standard." Nor will a lack of due diligence — a charge that could also be leveled against Securities and Exchange Commission investigators and the many affluent investors Madoff swindled for so long.

Instead, Mr. Picard will have to prove that the Wilpon-Katzes "willfully blinded" themselves to Madoff's crimes. "But why would defendants willfully blind themselves to the fact that they had invested in a fraudulent enterprise?" Judge Rakoff asks. Mr. Picard did make that claim when he was pitching his suit to the New York tabloids, but Judge Rakoff calls his case "less than overwhelming."

Mr. Picard's media stenographers are now circulating the claim that the decision means Madoff's victims won't get what they're owed, though perhaps his fees now in excess of \$224 million have something to do with it too. And perhaps if Mr. Picard's team was more scrupulous in its methods, their other cases wouldn't also be collapsing, such as those against the financier and philanthropist Ezra Merkin and certain Madoff feeder funds.

Madoff's corruption was damaging enough without compounding the harm by treating his victims as accessories. However the Wilpon-Katz case shakes out, Judge Rakoff's ruling is a victory for due process.

Will Someone Tell Her It's A Mushroom



545 vs. 300,000,000 People

-By Charlie Reese

Politicians are the only people in the world who create problems and then campaign against them.

Have you ever wondered, if both the Democrats and the Republicans are against deficits,
WHY do we have deficits?

Have you ever wondered, if all the politicians are against inflation and high taxes,
WHY do we have inflation and high taxes?

You and I don't propose a federal budget. The President does.

You and I don't have the Constitutional authority to vote on appropriations. The House of Representatives does.

You and I don't write the tax code, Congress does.

You and I don't set fiscal policy, Congress does.

You and I don't control monetary policy, the Federal Reserve Bank does.

One hundred senators, 435 congressmen, one President, and nine Supreme Court justices equates to 545 human beings out of the 300 million are directly, legally, morally, and individually responsible for the domestic problems that plague this country.

I excluded the members of the Federal Reserve Board because that problem was created by the Congress. In 1913, Congress delegated its Constitutional duty to provide a sound currency to a federally chartered, but private, central bank.

I excluded all the special interests and lobbyists for a sound reason.

They have no legal authority. They have no ability to coerce a senator, a congressman, or a President to do one cotton-picking thing. I don't care if they offer a politician \$1 million dollars in cash. The politician has the power to accept or reject it. No matter what the lobbyist promises, it is the legislator's responsibility to determine how he votes.

Those 545 human beings spend much of their energy convincing you that what they did is not their fault. They cooperate in this common con regardless of party.

What separates a politician from a normal human being is an excessive amount of gall. No normal human being would have the gall of a Speaker, who stood up and criticized the President for creating deficits. The President can only propose a budget. He cannot force the Congress to accept it.

The Constitution, which is the supreme law of the land, gives sole responsibility to the House of Representatives for originating and approving appropriations and taxes. Who is the speaker of the House now? He is the leader of the majority party. He and fellow House members, not the President, can approve any budget they want. If the President vetoes it, they can pass it over his veto if they agree to.

It seems inconceivable to me that a nation of 300 million cannot replace 545 people who stand convicted -- by present facts -- of incompetence and irresponsibility. I can't think of a single domestic problem that is not traceable directly to those 545 people. When you fully grasp the plain truth that 545 people exercise the power of the federal government, then it must follow that what exists is what they want to exist.

If the tax code is unfair, it's because they want it unfair.

If the budget is in the red, it's because they want it in the red.

If the Army & Marines are in Iraq and Afghanistan it's because they want them in Iraq and Afghanistan ...

If they do not receive social security but are on an elite retirement plan not available to the people, it's because they want it that way.

There are no insoluble government problems.

Do not let these 545 people shift the blame to bureaucrats, whom they hire and whose jobs they can abolish; to lobbyists, whose gifts and advice they can reject; to regulators, to whom they give the power to regulate and from whom they can take this power. Above all, do not let them con you into the belief that there exists disembodied mystical forces like "the economy," "inflation," or "politics" that prevent them from doing what they take an oath to do.

Those 545 people, and they alone, are responsible.

They, and they alone, have the power.

They, and they alone, should be held accountable by the people who are their bosses.

Provided the voters have the gumption to manage their own employees...

We should vote all of them out of office and clean up their mess!

Charlie Reese is a former columnist of the *Orlando Sentinel* Newspaper.

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June 22-24, 2012: Broadmoor Resort, Colorado Springs, CO

October 4-6, 2012: St. Regis, Dana Point, CA



The RoundTable

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Crime Watchers