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CLERK U.S. DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
CLEVELAND

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 DANIEL W. SANDWISCH and )  
 ROBIN J. FLAUM, )  
 )  
 Defendants. )

INFORMATION

JUDGE

3:10CR0134

CR. NO. \_\_\_\_\_  
Title 18, United States Code,  
Section 371

JUDGE ZOUHARY

COUNT 1

Conspiracy to commit Mail and Wire Fraud, 18 U.S.C. § 371

The United State Attorney charges:

1. At all times material herein, Royal Links USA, Inc. (RLUSA) was incorporated in Ohio and had its headquarters in the Northern District of Ohio. The defendant, DANIEL W. SANDWISCH and co-conspirator P.C., not charged herein, established and owned RLUSA in order to work with Royal Links, Canada (RL Canada) to continue RL Canada's business of leasing non-motorized beverage caddies, or carts, to golf courses in Canada, by similarly leasing these carts to golf courses in the United States.

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2. In establishing RLUSA, the Defendant, DANIEL W. SANDWISCH, and co-conspirator P.C. arranged for meetings with the principals of Royal Links Canada (RL Canada) to discuss their business model and the prospects of marketing that business model in the United States. RL Canada purported it was running a successful business by leasing non-motorized beverage caddies or carts to golf courses in Canada and paying the golf courses a “rebate” to cover the cost of their lease, which rebate money came from advertisers, mostly beer companies, who purportedly paid to post advertising on these caddies. Initially, the Defendant, DANIEL W. SANDWISCH, and co-conspirator P.C. entered into an agreement with the main principal of RL Canada to bring the RL Canada business model to the United States wherein RL Canada would provide the carts, which were then manufactured in Canada in a small shop, and obtain advertisers, and transfer the advertising money to the Defendant, DANIEL W. SANDWISCH, and co-conspirator P.C. to pay golf courses the “rebate” on their lease payments. The Defendant, DANIEL W. SANDWISCH, and co-conspirator P.C. initially began marketing this business model to golf courses in the United States under the corporate name of Tower Building Services, Inc., which was later changed to RLUSA. No advertising money was forthcoming from RL Canada and the carts provided by RL Canada proved to be inadequate and had to be redesigned and rebuilt. The Defendant, DANIEL W. SANDWISCH, and co-conspirator P.C. lost contact with RL Canada, which failed shortly after the defendant, DANIEL W. SANDWISCH and co-conspirator P.C. began dealing with them.

3. At the time of RL Canada’s failure to provide any advertising revenue and to provide carts which were suitable for sale and leasing, the Defendant, DANIEL W. SANDWISCH, and co-conspirator P.C. had already begun marketing these beverage carts to

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various golf courses in the United States, promising the courses a “rebate” from advertising revenue which would cover the cost of their lease. Knowing full well that there was no advertising money forthcoming from RL Canada, the Defendant, DANIEL W. SANDWISCH, and co-conspirator P.C., instead of returning the funds raised initially through their marketing effort, decided to keep marketing these beverage caddies under their own, similar program, without disclosing that there was no advertising revenue and that any monies used for a “rebate” would come from the sale of carts to leasing companies and to monies provided by golf courses to join what RLUSA marketed as “The Program.”

4. As part of its own program, RLUSA, under the direction of the Defendant, DANIEL W. SANDWISCH, and co-conspirator P.C., began manufacturing their own non-motorized beverage caddies at a cost of approximately \$4,000 to \$5,000, initially. These units were marketed to golf courses for their use, and sold to leasing companies at approximately \$9,600 to \$12,500 per unit. Over the term of the lease, the unit eventually cost approximately \$16,000, so the leasing company received a profit as part of this marketing plan. Under this scheme, as marketed by RLUSA, all the leasing payments would be paid by RLUSA purportedly from their advertising revenue, supposedly removing any risk of loss to the golf courses and the leasing companies.

5. At all times material herein, co-conspirator ROBIN J. FLAUM was hired by co-conspirator P.C., to be President of Marketing for RLUSA. P.C, who was not an officer of RLUSA, essentially directed, supervised, and controlled the operations of RLUSA. As part of her duties, co-conspirator ROBIN J. FLAUM, under the direction of P.C., prepared and reviewed various advertising brochures and literature, spoke to lease company and golf course clients, and

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established a nationwide network of RLUSA sales representatives to telephone and visit golf courses, to encourage the leasing and sale of beverage caddies under the terms of what RLUSA called the “Royal Links Beverage Caddy Express Program” or “The Program.”

6. From in or about 2002 through in or about December, 2004, the exact dates being unknown, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C., not charged herein, and others known and unknown, unlawfully, willfully, and knowingly, did combine, conspire, confederate and agree together and with each other to violate the laws of the United States, to wit: to commit (a) mail fraud, in violation of Title 18, United States Code, Section 1341; and (b) wire fraud, in violation of Title 18, United States Code, Section 1343.

**The Object of the Conspiracy**

7. The object of the conspiracy was to obtain money from golf courses and leasing companies through materially false promises and misrepresentations and omissions of material fact for financial gain and in order to keep the scheme going and to conceal the true source of so-called “rebate” money and the financial condition of RLUSA.

**Manner and Means**

Among the means and methods by which the the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C., and others known and unknown, carried out the conspiracy were the following:

8. It was part of the conspiracy that defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C.:

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- a. Made, and caused to be made, interstate telephone calls to solicit clients for “The Program,” and sent, and caused to be sent, facsimile transmissions through interstate wire facilities, of brochures, promotional material, correspondence, and other documents, to solicit leasing companies and golf courses to purchase and lease beverage caddies;
- b. Sent and caused to be sent, through the United States mails and interstate private carriers, brochures, promotional material, correspondence, “rebate payment checks,” and other documents, to solicit leasing companies and golf courses to purchase and lease beverage caddies, and lull those clients already in “the Program” into a false sense of security; and
- c. Sent and caused to be sent, mail, interstate facsimile transmissions, and emails and made telephone calls to the RLUSA sales staff instructing them on how to sell “The Program” to golf courses.

9. It was part of the conspiracy that RLUSA, through the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C., engaged in a sales campaign to induce golf courses throughout the United States to enter into “The Program,” and to encourage leasing companies to purchase beverage caddies at inflated prices, and to lease these caddies to the golf courses under “The Program.” To that end, the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, under the direction of co-conspirator P.C., prepared and distributed, and caused to be prepared and distributed, glossy brochures, hired a national network of sales representatives, and provided them with a sales script, in order to contact and sell “The Program” to golf courses throughout the United States.

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10. It was part of the conspiracy that the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C., fraudulently sold, and cause to be sold, “The Program” to golf courses by describing it as follows: RLUSA required the golf courses to lease or buy beverage caddies from third party leasing companies (to which RLUSA, contingent upon the golf courses’ credit approval, sold the caddies at a profit to the leasing companies), and, in turn, RLUSA promised to reimburse these golf courses, through “monthly sponsorship revenue sharing,” or “rebate” payments, which were equal to the amount of monthly lease payments which the golf courses owed to the leasing companies. In return, the golf courses agreed to permit RLUSA to display advertising panels on the beverage caddies. RLUSA represented that these “monthly sponsorship revenue sharing” payments were generated by RLUSA’s contracts with several nationally known companies, such as P&G, Kellogg’s, Campbell and Hershey Foods, to advertise their products on panels on the beverage caddies in return for advertising revenue from these companies. Under “The Program”, RLUSA agreed to share these revenues with participating golf courses, thereby providing a “rebate” to the golf courses for their monthly lease payments.

11. It was part of the conspiracy that the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C., made, and caused to be made, one or more of the following material false statements and misrepresentations and omitted, and caused to be omitted, material facts, in order to induce leasing companies to purchase beverage caddies at a significant markup and golf courses to lease these beverage caddies under the “The Program:”

- a. That there were “[g]uaranteed monthly sponsorship revenue” payments that would be made to golf courses under “The Program”;

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- b. That RLUSAs program “arrives to the course on a Net-Zero basis through a fully rebated lease payment funded by our national sponsors such as P&G, Kellogg’s, Campbell, and Hershey Foods;”
- c. That RLUSA had agreements in place with Kellogg’s, Hershey’s, Pringles and V-8, as national sponsors, for these companies to provide funds to RLUSA for advertising in return for these companies paying RLUSA “monthly sponsorship revenue;”
- d. That golf courses could “get the Nationally-Sponsored Beverage Caddy Express Free;”
- e. That RLUSA would “rebatе the exact dollar amount of the lease;”
- f. That “[m]onthly, and at the end of the 60-month period, there is no cost to you [the golf course]. You [the golf course] have use of our beverage caddies for 5 years at no cost to you;” and
- g. That “[t]he worst thing that can happen is the course will make money.”

12. In truth and fact, as the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM and co-conspirator P.C. well knew:

- a. There were no contracts or agreements in place with P&G, Kellogg’s, Campbell, Pringles, V-8, and Hershey Foods, as national sponsors, for these companies to provide funds to RLUSA for advertising;
- b. What advertising revenue RLUSA did receive was insignificant and wholly insufficient, from smaller and lesser known companies than noted above, to cover the “rebate” payments promised to the golf courses to pay

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their monthly lease payments or “monthly sponsorship revenue” payments under the so called “Program” or “Net-Zero Program;”

- c. “The Program” was not riskless, the “rebate” payments were not “guaranteed “ such that the golf courses could not be assured that they would receive their leased beverage caddies for “free;”
- d. RLUSA concealed from the client leasing companies and golf courses that it did not have the advertising revenue it claimed to have, and that the only means RLUSA had to keep making “rebate” payments was to continue to sell more and more beverage caddies and to lease these caddies to more and more golf courses, all of whom, in turn, were promised their own “rebate” payments as an inducement to enter this “Program.” As part of the scheme in place, the worsening financial condition of RLUSA was concealed from RLUSAs clients.

13. It was a further part of the conspiracy that, on or about October 4, 2004, the defendant ROBIN J. FLAUM prepared, under the direction of co-conspirator P.C., a letter to all golf courses in “The Program.” This letter, which was signed by co-conspirator ROBIN J. FLAUM, as President of Royal Links USA, Inc., was mailed notifying the golf courses in “The Program” that RLUSA would no longer fund the monthly payments, and offered to place these golf courses in a new program. This letter falsely blamed the cessation of these “rebate” payments on “advertiser demands and, significantly, the non-compliance” of golf courses to “change out the sign panels” and the failure of courses “to display the Beverage Caddy Express/Express Hospitality Center on a consistent basis or at all.” In truth and fact, as the



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defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C., well knew, there were no National Sponsors as RLUSA represented and any so-called “advertiser demands” or purported “non-compliance” of golf courses had nothing to do with the failure of RLUSA to pay the promised “rebate” payments to golf courses under “The Program.” As part of the scheme, defendant, DANIEL W. SANDWISCH, realized the misleading and deceptive nature of the letter and golf courses’ response to same was monitored and reviewed under his direction and control. The defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirators P.C. thereby continued to conceal, in this letter, the true financial condition of RLUSA to the golf courses in “The Program” and the fact that RLUSA had grossly insufficient advertising revenue to pay for “rebate” payments.

14. From in or about 2002 through in or about December 2004, the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM and co-conspirator P.C. caused to be leased, one or more beverage caddies to hundreds of golf courses throughout the United States, causing these golf courses and a substantial number of leasing companies to sustain monetary losses under RLUSAs fraudulent “Program” after RLUSA failed to make the promised “rebate” payments.

#### **Overt Acts**

In furtherance of the conspiracy and to effect its lawful objects, the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C., and others known and unknown, committed the following overt acts, among others, in the Northern District of Ohio, Eastern Division, and elsewhere:

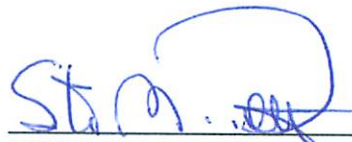
15. The paragraphs in the Manner and Means section are hereby incorporated as if fully rewritten herein, with each such paragraph constituting a separate overt act.

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16. The defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C. mailed, and caused to be mailed, a letter to golf courses on October 4, 2004, in an effort to conceal from the golf courses the true financial condition of RLUSA.

17. Following the October 4, 2004, letter, and continuing through at least December, 2004, the defendants, DANIEL W. SANDWISCH and ROBIN J. FLAUM, and co-conspirator P.C., discussed among themselves the need to monitor the responses of the golf courses to this letter, to promote alternative programs which they claimed would be profitable, and to discuss suggested responses for sales representative to make to client complaints/inquiries in order to keep these clients from complaining, to lull them into a false sense of security, and in an effort to keep them in a business relationship with RLUSA.

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



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STEVEN M. DETTELBACH  
UNITED STATES ATTORNEY