

4-16-09
The Honorable, Clerk
U.S. District Court
Western District of NC

DAB

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

No. 5:09-CR-107-1-D-2

UNITED STATES OF AMERICA)
)
) INDICTMENT
)
V.)
)
SCOTT ARTHUR WADDELL)

The Grand Jury charges that:

INTRODUCTION

A. OVERVIEW

1. Between at least November, 2003 and in or around April, 2008, the defendant, SCOTT ARTHUR WADDELL, operated PST Consultants, Inc., which was incorporated in North Carolina on April 15, 2000. The defendant's wife was the registered agent and president of PST Consultants, Inc.

2. Between on or about November 7, 2007 and in or around April, 2009, WADDELL operated Modern Office Solutions, Inc., which was incorporated in North Carolina on November 7, 2007. The defendant was the registered agent of Office Solutions, Inc.

3. During these time periods, the defendant engaged in the business of negotiating leases for copiers, related equipment, and supplies.

4. Acting as a salesman, the defendant would find businesses or charities who wanted to lease copiers, related equipment, or supplies. The defendant would then negotiate a lease for specific

equipment at a monthly price for a certain number of months.

5. The defendant would supply the copiers and related equipment that customers wanted to lease. However, a financial leasing company—a third party—would assume the lease, pay the defendant for the value of the lease, and accept lease payments from the customer. In essence, the financial leasing companies—who were sometimes FDIC-insured banks—financed the equipment in the leases.

6. The customer would receive copying equipment under a lease for a certain number of months and would then be obligated to make monthly payments to the leasing company. The Defendant frequently would have the customer make payments to PST, and promised that he in turn would pay the financial leasing company. The leasing company received those payments as they came in over the course of the leases. The defendant would receive a large payment from the financial leasing company for the entire value of the lease at the time the lease was entered into.

B. PURPOSE OF THE SCHEME AND ARTIFICE

7. From on or about November 21, 2003 and continuing to on or about June 3, 2008, the defendant, SCOTT ARTHUR WADDELL, devised a scheme and artifice to defraud financial leasing companies of money they were paying to the defendant for what they believed were valid and legally binding leases.

C. THE SCHEME AND ARTIFICE

8. The defendant submitted materially false and fraudulent leases to financial leasing companies.

9. One method the defendant used was to have a customer sign a lease and then make alterations to that lease that the customer did not consent to and was not aware of. These alterations would include lengthening the terms of the leases, increasing the amount of the monthly payments, and/or adding or changing the items being leased.

10. In other cases, the defendant would forge the signature of a purported customer who had never seen or agreed to accept the terms of the lease.

11. Based on these fraudulent leases, the financial leasing companies would pay the defendant for a lease that was not legitimate at all or for an amount far exceeding the value of the lease the defendant had actually signed.

12. To cover this fraud and extend his ability to engage in it, the defendant made payments on the fraudulent leases.

COUNT ONE

[Bank Fraud - 18 U.S.C. §1344]

Paragraphs 1-12 of the Introduction are re-alleged and incorporated herein by reference.

In or around November, 2007, in the Eastern District of North Carolina and elsewhere, defendant SCOTT ARTHUR WADDELL devised the scheme and artifice described above to defraud a financial leasing

company, Suntrust, an insured depository institution (as defined in section 3(c)(2) of the Federal Deposit Insurance Act), and to obtain moneys, funds, and credits, owned by or under the custody or control of Suntrust, by means of materially false and fraudulent pretenses, representations, or promises.

On or about November 21, 2007, in the Eastern District of North Carolina, the defendant, SCOTT ARTHUR WADDELL, executed the scheme and artifice to defraud set forth above, in that the defendant submitted a fraudulent lease with the number -167 to obtain approximately \$90,950 in proceeds for his own benefit, in violation of Title 18, United States Code, Section 1344.

COUNT TWO

[Wire Fraud - 18 U.S.C. §1343]

Paragraphs 1-12 of the Introduction are re-alleged and incorporated herein by reference.

On or about January 18, 2005, in the Eastern District of North Carolina and elsewhere, the defendant, SCOTT ARTHUR WADDELL, for the purpose of executing, and attempting to execute, the scheme and artifice to defraud, did transmit and cause to be transmitted in interstate commerce, by means of a wire communication, certain signals, that is a facsimile to M.L. that contained a fraudulent lease dated January 17, 2005 with the lease number -424-006 purportedly between M.L. and B.M., in violation of Title 18, United States Code, Section 1343.

COUNTS THREE THROUGH NINE
[Wire Fraud - 18 U.S.C. §1343]

Paragraphs 1-12 of the Introduction are re-alleged and incorporated herein by reference.

On or about the dates set forth below, each date constituting a separate count of this Indictment, in the Eastern District of North Carolina and elsewhere, the defendant, SCOTT ARTHUR WADDELL, for the purpose of executing, and attempting to execute, the scheme and artifice to defraud, did cause to be transmitted in interstate commerce, by means of a wire communication, certain signals, that is a wire transfer of money to a bank account used by the defendant described below:

<u>Count</u>	<u>Date</u>	<u>To</u>	<u>From</u>	<u>Description</u>
3	8/25/04	PST Consultants	M. L.	A wire transfer to Bank of America Account -2768 for \$43,556.70 relating to lease number -424-005
4	1/20/05	PST Consultants	M. L.	A wire transfer to Bank of America Account -2768 for \$50,000 relating to lease number -424-006
5	1/31/06	PST Consultants	U.S. B.	A wire transfer to Bank of America Account -2768 for \$96,801.34 relating to lease number -731
6	4/27/06	PST Consultants	M. L.	A wire transfer to Bank of America Account -2768 for \$29,885.32 relating to lease number -424-008
7	11/21/07	PST Consultants	S.	A wire transfer to Bank of America Account -2768 for \$90,950 relating to lease number -167

8	6/4/08	Modern Office Solutions	F. B. & C. T. Co.	A wire transfer to Bank of America Account -9304 for \$73,000 relating to lease number -715-001
9	4/18/08	Modern Office Solutions	F. B. & C. T. Co.	A wire transfer to Bank of America Account -9304 for \$68,500 relating to lease number -711-001

Each entry constituting a separate violation of Title 18, United States Code, Section 1343.

COUNT TEN

[Mail Fraud - 18 U.S.C. §1341]

Paragraphs 1-12 of the Introduction are re-alleged and incorporated herein by reference.

On or about March 7, 2008, in the Eastern District of North Carolina, the defendant, SCOTT ARTHUR WADDELL, for the purpose of executing the scheme and artifice to defraud, did receive and cause to be received from the mail an envelope from L.O. Corp. to Modern Office Solutions containing a check for \$21,400, relating to lease number -706-001, in violation of Title 18, United States Code, Section 1341.

COUNTS ELEVEN THROUGH EIGHTEEN

[Mail Fraud - 18 U.S.C. §1341]

Paragraphs 1-12 of the Introduction are re-alleged and incorporated herein by reference.

On or about the dates set forth below in the Eastern District of North Carolina, each date constituting a separate count of this

Indictment, the defendant, SCOTT ARTHUR WADDELL, for the purpose of executing the scheme and artifice to defraud, did place and cause to be placed in an authorized depository for mail matter the following mailings described below:

<u>Count</u>	<u>Date</u>	<u>To</u>	<u>From</u>	<u>Mailing</u>
11	10/21/04	U.S. B.	PST Consultants	An envelope containing a lease dated 10/21/04 with the lease number -931 between B.M. and U.S. B.
12	12/15/04	U.S. B.	PST Consultants	An envelope containing a lease dated 12/15/04 with the lease number -584 between B.M. and U.S. B.
13	1/25/05	U.S. B.	PST Consultants	An envelope containing a check from PST Consultants to U.S. B. for \$2,439.06 relating to lease number -584
14	7/18/05	U.S. B.	PST Consultants	An envelope containing a check from PST Consultants to U.S. B. for \$11,995.38 relating to lease numbers -931 and -584
15	10/18/05	M. L.	PST Consultants	An envelope containing a check from PST Consultants to M. L. for \$4863.18 relating to lease numbers -424-005; -006;
16	4/27/06	M. L.	PST Consultants	An envelope containing a check from PST Consultants to M. L. for \$3805.88 relating to lease numbers -424-005; -006

17	5/10/06	U.S. B.	PST Consultants	An envelope containing a check from PST Consultants to U.S. B. for \$14,311.26 relating to lease number -731
18	10/21/04	M. L.	PST Consultants	An envelope containing a check from PST Consultants to M. L. for \$904.16 relating to lease number -424-005

Each entry constituting a separate violation of Title 18, United States Code, Section 1341.

A TRUE BILL

DATE: 4-15-09

GEORGE E.B. HOLDING
United States Attorney

David A. Bragdon

BY: DAVID A. BRAGDON
Assistant United States Attorney