Department of Justice

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District of Kansas

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MAN PLEADS GUILTY IN BLAST FAX FRAUD CASE

WICHITA, KAN. – **Andrew S. Wang,** 35, Mount Laurel, N.J., pleaded guilty Wednesday to one count of conspiracy to commit wire fraud.

In his plea, he admitted he conspired with co-defendants **Richard A. Hagan**, **Brian P. Renneisen**, **John R. Persaud** and **Shaun A. Smoker** to defraud business owners by means of a company called Prudential Business Services, Inc.

Wang admitted that in late 2002 or early 2003 he went to work for a company called Ackland and Associates, where he met the co-defendants. While working there, he began to experiment with obtaining sales leads by sending unsolicited faxes. Sometime before July 23, 2003, the co-defendants formed a new company called Prudential Business Services, Inc.

When Wang went to work for PBS as a business analyst and sales person, he arranged for fax blasting of PBS advertisements to businesses throughout the United States and Canada. The advertisements, sent out under the name of a fictitious company called USA Group or American Group, offered to help business owners find buyers for their businesses. If a business responded to the fax, it would be contacted by a representative of PBS. If a meeting was scheduled between the business owner and the PBS consultant, a PBS representative would send the business documents that contained false representations including:

– Promising PBS would conduct due diligence investigations that were never done.

– Claiming to have a successful business history stretching back years, even though the firm was newly formed and had never successfully arranged for the sale of a business.

– Claiming PBS analysts were paid only when a business was sold when in fact analysts received a 40 percent commission on fees sellers paid for evaluation of their businesses by third parties. In fact, during the time Wang was employed by PBS, the company had never arranged a successful sale of a business. The company depended on income from sellers paying fees for evaluations of their businesses.

From July 8, 2003, through June 2004 PBS did not collect any monies from the successful sale of a business. During that time, the company collected more than $6.5 million from its clients, about $170,700 which was paid to companies that evaluated client's businesses. The remainder went for the operating expenses of PBS, salaries and dividends to the owners.

Wang also admitted he posed as a satisfied customer of PBS and praised the company's services when he was contacted by prospective clients of PBS who were given his name as a reference.

Wang is scheduled for sentencing July 7, 2008. He faces a maximum penalty of 5 years in federal prison and a fine up to $250,000.

Co-defendants **Richard A. Hagan**, **Brian P. Renneisen**, **John R. Persaud**, **Cheri L. Persaud**, **Shaun A. Smoker**, **Marvin R. Hicks,** and **Brandon Cook**, are awaiting trial.

VICTIMS HOTLINE

A hotline has been set up for victims of the fraud at **316-269-6594**. Under federal law, victims have a right to timely notice of court proceedings, a reasonable opportunity to confer with prosecutors, and the right to be heard at hearings including pleas and sentencing.

The U.S. Secret Service, Internal Revenue Service - Criminal Investigation and the Wichita Police Department investigated. Assistant U.S. Attorney Alan Metzger is prosecuting.

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