

# ST. LOUIS POST-DISPATCH

## Guilty verdict in \$43 million scam

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By ROBERT PATRICK / *ST. LOUIS POST-DISPATCH*

**East St. Louis** — A Las Vegas man was convicted Friday for his role in a telemarketing scheme that scammed \$43 million from more than 300,000 U.S. consumers, the U.S. attorney's office said.

Defendant Kyle Kimoto, 32, owned Assail Inc., which operated under a number of names, including First Financial Solutions and First Choice Solutions.

From January 2001 through October 2002, the company used call centers throughout the U.S., Canada, India and the Caribbean to offer credit cards for a fee of at least \$159 to people who had been turned down for them, prosecutors said. The marketers implied that they were calling from the victims' own banks or financial institutions.

Assistant U.S. Attorney Bruce Reppert told jurors at the start of Kimoto's trial in court at East St. Louis that the scam was based on "misdirection, misimpression and misunderstanding."

Kimoto's victims never got their credit cards, prosecutors said. Instead, they only received an application for a stored value MasterCard, which has to be "loaded" with funds before it can be used. Reppert said it was basically "junk mail."

Kimoto was indicted in June by a grand jury in the Southern District of Illinois, where 34 of its 38 counties had victims.

After a two-week trial, he was convicted of all of the charges: one count of conspiracy to commit mail fraud, wire fraud and money laundering, one count of mail fraud and 12 counts of wire fraud.

He now faces up to 175 years in prison and a \$3.5 million fine, prosecutors said.

Kimoto's lawyer, Robert M. Draskovich, told jurors that the telemarketing "scripts" were not deceptive, but that some employees suggested to consumers they would get credit cards and some consumers misunderstood. He also said that a former business associate, Peter Porcelli II of Oldsmar, Fla., was the "real criminal."

Porcelli pleaded guilty of federal conspiracy, mail fraud and wire fraud charges in May.

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