



# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, OCTOBER 28, 2008  
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CRM  
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## **SIX INDIVIDUALS INDICTED FOR PARTICIPATING IN A SCHEME TO DEFRAUD CONSUMER PRODUCT MANUFACTURERS**

WASHINGTON - Six individuals have been charged with conspiracy and wire fraud arising from their scheme to defraud consumer product manufacturers, Acting Assistant Attorney General of the Criminal Division Matthew Friedrich and U.S. Attorney for the Southern District of Indiana Timothy Morrison announced today.

The seven-count indictment, unsealed today, was returned by a federal grand jury in Indianapolis on Oct. 22, 2008. New York residents Dina Wein Reis, 44, Suzanne Carrico, 34, Sarah Golden, 36, and Chaya Cooper, 39, and New Jersey resident Sheryl Raport, 41, were arrested today and are scheduled to make their initial appearance today in the U.S. District Court for the Southern District of New York. Steve Manenti, 72, a resident of Chicago, surrendered to authorities and will make his initial appearance today in the U.S. District Court in the Northern District of Illinois.

The indictment alleges that between January 2000 and October 2008, the defendants obtained consumer goods at discounted prices from manufacturers and distributors of consumer products by falsely informing them that the defendants would donate those products to non-profit organizations for promotional purposes. In fact, the defendants intended to, and did, sell those goods at substantial profit to wholesalers, retail stores and others. According to the indictment, manufacturers of consumer products often set aside a portion of their product to be sold to charitable organizations, to various programs that market and promote the manufacturers' product and to authorized retailers outside of the United States for substantially discounted prices. Manufacturers often do so to aid humanitarian organizations, to engender goodwill for their product and to increase sales for their product by promoting it to a new sector of the market.

The indictment specifically alleges that the defendants contacted the businesses and claimed that Reis controlled valuable business ventures that could distribute and promote their products to hundreds or thousands of retail outlets to which Reis had exclusive access, such as pharmacies, grocery stores, salons or hardware stores. The defendants allegedly told the businesses that to take advantage of placing their company's product in Reis' supposed retail outlets, their companies would have to sell the defendants, at extremely discounted prices, a large quantity of product, which defendants falsely stated would be distributed as free samples to non-profit organizations such as senior living communities, schools and American Indian

reservations. The defendants are alleged to have falsely told the businesses that if the samples of their product were favorably received by these potential consumers, demand for their product would increase, and the companies' products in the future could be promoted, distributed and widely sold through Reis' purported network of retail stores, which would lead to significant growth in sales and profits for the corporations. Once the defendants received the products they allegedly sold them to wholesalers, retailers and distributors at a substantial profit for themselves rather than provide samples through their purported non-profit program as they claimed.

If the defendants are convicted, the conspiracy charge carries a maximum 20 years in prison and a \$250,000 fine. The charge of wire fraud carries a maximum sentence of 20 years in prison and a \$250,000 fine.

The case is being prosecuted by Trial Attorney Matthew Klecka of the Criminal Division's Fraud Section and Assistant U.S. Attorney Winfield D. Ong of the Southern District of Indiana. The investigation is being conducted by the FBI.

An indictment is merely a charge. Defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt.

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