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FOR IMMEDIATE RELEASE:

LAWRENCEBURG MAN SENTENCED FOR FRAUD

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that JAMES L. SLOAN, 72, Lawrenceburg, Indiana, was sentenced to 18 months imprisonment by U.S. District Judge Sarah E. Barker following his conviction at trial on October 19, 2005 for the offenses of wire fraud and mail fraud. This case was the result of an investigation by the U.S. Postal Inspection Service.

JAMES L. SLOAN operated and controlled the Christian Freedom Foundation. SLOAN conducted the business of the Christian Freedom Foundation from an office in Cincinnati, Ohio, and from his residence in Lawrenceburg, Indiana.

The Christian Freedom Foundation published a monthly newspaper called the "Christian Freedom Chronicle." SLOAN was the editor of the "Christian Freedom Chronicle." Issues of the "Christian Freedom Chronicle" included an insert titled "Christian Singles News and Contacts," a publication containing a variety of personal advertisements. SLOAN was the editor of "Christian Singles News and Contacts."

SLOAN caused copies of the “Christian Freedom Chronicle,” with its insert “Christian Singles News and Contacts,” to be mailed by United States mail to persons throughout the United States.

Issues of the “Christian Freedom Chronicle” contained an advertisement soliciting persons to join the Christian Freedom Foundation. The advertisement stated that you could become a member of the Christian Freedom Foundation by paying an annual fee of \$498.75 or by paying monthly installments of \$49.95. The advertisements also stated that if you became a member, you would receive certain benefits, including an annual subscription to the “Christian Freedom Chronicle,” a machine that would provide free electricity, and the opportunity to earn in excess of \$400,000 per year.

The headline of the advertisement in various issues of the “Christian Freedom Chronicle” stated “FREE Electricity for Life Possible.” The body of the advertisement stated that members of the Christian Freedom Foundation had a chance to receive free electricity for life and would receive a certificate that entitled the holder to an electrical generator as it became available, which generator would be installed at no additional cost if and when it was available. The advertisement in various issues of the “Christian Freedom Chronicle” contained a photograph of the machine that was to provide the free electricity.

The headline of the advertisement in various issues of the “Christian Freedom Chronicle” stated “Plus—the opportunity to make \$492,000 per year.” The advertisement in various issues of the “Christian Freedom Chronicle” changed the amount to \$473,320 per year. The body of the advertisement stated that persons who joined the Christian Freedom Foundation would be entered on a “matrix,” described as a “3x8 Forced Matrix” or a “Double Flip-Flop 3x8 Forced

Matrix,” and would receive funds based on the number of persons who subsequently joined the Christian Freedom Foundation and were entered on the matrix. The advertisement in various issues of the “Christian Freedom Chronicle” provided that persons entered on such a matrix had the opportunity to receive commissions up to approximately \$17,000 or up to approximately \$396,000 by simply joining the Christian Freedom Foundation and up to in excess of \$472,000 by successfully soliciting other persons to join the Christian Freedom Foundation. The advertisement in various issues of the “Christian Freedom Chronicle” guaranteed that persons would make at least 20% more than they paid to join the Christian Freedom Foundation.

A person who wanted to join the Christian Freedom Foundation could pay the membership fee by mailing the application with a check or money order to SLOAN’s post office box or by faxing the application and the person’s bank account information to SLOAN. SLOAN would use the bank account information to make monthly withdrawals from the person’s bank account.

Approximately 90 victims either read or were told of SLOAN’s solicitation in the “Christian Freedom Chronicle” and decided to join the Christian Freedom Foundation. The victims mailed their checks and money orders in payment of the membership fee to SLOAN by United States mail, or faxed their applications and bank account information to SLOAN, or provided their bank account information to SLOAN through persons who had joined and were soliciting others to join the Christian Freedom Foundation.

SLOAN deposited the checks and money orders he received from the victims into a bank account on which he was a signator. SLOAN used the bank account information he received from the victims to prepare checks that he deposited into the bank account.

Although SLOAN sent the victims documents pertaining to the machine that was to provide free electricity, none of the victims received such a machine. Nor did any of the victims receive \$17,000-\$400,000, let alone the guaranteed 20% more than they had paid to join the Christian Freedom Foundation. Although some of the victims received checks from SLOAN as purported earnings from their placement on the matrix, none of these payments remotely approached the astronomical financial returns represented by SLOAN. In fact, the checks were less than the funds the victims had paid to join the Christian Freedom Foundation. These checks caused the victims to believe they were on their way to earning the money SLOAN had represented they would earn through their placement on a matrix.

Inspectors of the United States Postal Inspection Service examined the checks deposited SLOAN's bank account for the period March 1, 2001-September 1, 2001. This analysis revealed that SLOAN had received a total of approximately \$22,834 from 90 victims of his fraudulent scheme. The inspectors also determined that SLOAN had paid these 90 victims a total of approximately \$3,500 in purported earnings from their purported placement on the matrix.

According to Assistant United States Attorney Joe H. Vaughn, who prosecuted the case for the government, Judge Barker also imposed 2 years supervised release following SLOAN's release from imprisonment. During the period of supervised release, SLOAN will be supervised by the United States District Court and must pay restitution of \$19,654 to the 90 victims of his scheme to defraud.

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