

WILLIAMSBURG COUNTY SHERIFF, COLUMBIA MAN INDICTED FOR FRAUD. Sheriff Michael L. Johnson, age 38, of Salters, South Carolina, and Lester L. Woods, age 48, of Columbia, South Carolina, were charged in a one-count indictment. Both were charged with Conspiracy to Commit Wire Fraud, a violation of Title 18, U. S. C. §1349. The maximum penalty each could receive is twenty years imprisonment and a maximum fine of \$250,000. The case was investigated by agents of the Federal Bureau of Investigation and is assigned to Assistant United States Attorney Winston D. Holliday, Jr., of the Columbia office for prosecution.

**UNITED STATES V. LESTER L. WOODS
MICHAEL L. JOHNSON**

TITLE 18, UNITED STATES CODE, SECTION 1349

THE MAXIMUM SENTENCE FOR THIS COUNT IS A FINE OF \$250,000 (18 U.S.C. § 3571) AND/OR IMPRISONMENT FOR NOT MORE THAN 20 YEARS AND A TERM OF SUPERVISED RELEASE OF NOT MORE THAN 3 YEARS (18 U.S.C. § 3583) PLUS A SPECIAL ASSESSMENT OF \$100.00 (18 U.S.C. § 3013).

consumers for the purpose of providing reports about the credit-worthiness of consumers to third parties (credit reports).

5. CRAs typically sell credit reports, directly and indirectly, to, among others, *entities in the business of making decisions regarding whether, and on what terms, to lend money to consumers or to sell goods and services to consumers on credit (the "end-users")*. CRAs may also provide end-users with "credit scores." Credit scoring is a statistical methodology that quantifies the credit risk posed by a prospective or current borrower and is based on information in the credit report. Credit scoring is widely used to evaluate applications for credit, identify prospective borrowers, and manage existing credit accounts. *The ultimate credit score of a particular consumer is influenced by many factors, including the consumer's payment history, utilization of credit, balances, available credit limit, and length of credit history.* End-users of credit reports and credit scores use them to determine creditworthiness of their customers. Common end-users of credit reports and credit scores are credit card issuers, mortgage lenders, and automobile lenders. Credit histories are comprised of information provided to CRAs by, among other sources, "furnishers." Furnishers are entities that provide information relating to consumers to one or more CRAs for inclusion by the CRA in a credit report and, ultimately, for the information to be factored into a credit score. Common furnishers are credit card issuers, automobile lenders, department stores, utilities, insurers, and collection agencies. Many furnishers are also end-users of credit reports. Because of the importance of credit histories and credit scores to lending decisions, the integrity and availability of accurate data and information maintained by CRAs is extremely important to furnishers, end-users, and CRAs.

6. A line of credit is an agreement between a lender and a consumer whereby the lender agrees to lend a consumer funds up to an agreed upon limit. The consumer may borrow as

much of the line as needed and pays interest on the borrowed portion only. Payment amounts are typically based upon the *outstanding balance amount*. These lines of credit or credit accounts are the most common item on a credit report. They also are referred to as trade liens. Each trade lien contains detailed information about the account.

7. According to Section 605B of the Fair Credit Reporting Act (FCRA), "Except as otherwise provided in this section, a consumer reporting agency shall block the information in the file of a consumer that the consumer identifies as information that resulted from an alleged identity theft, not later than four business days after the date of receipt by such agency of:

- a. *appropriate proof of identity of the consumer;*
- b. a copy of an identity theft report;
- c. the identification of such information by the consumer; and
- d. a statement by the consumer that the information is not information relating to any transaction by the consumer."

8. The Federal Trade Commission (FTC) website advises consumers:

"An Identity Theft Report will help you deal with credit reporting companies, debt collectors, and businesses that gave the identity thief *credit or opened new accounts in your name*. You can use the Report to:

- a. get fraudulent information removed from your credit report
- b. stop a company from collecting debts that result from identity theft, or from selling the debt to another company for collection
- c. place an extended fraud alert on your credit report
- d. get information from companies about accounts the identity thief opened or misused."

THE FRAUDULENT CREDIT REPAIR CONSPIRACY

9. From at least in or about March 2012, through in or about August 2013, **LESTER L. WOODS** and **MICHAEL L. JOHNSON**, unlawfully, knowingly, and willfully did conspire, combine, confederate, and agree with each other to devise a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted by means of wire communications in interstate commerce, writings, signs, and signals for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

10. **LESTER L. WOODS** and **MICHAEL L. JOHNSON** engaged in a scheme to falsely and fraudulently improve the credit histories and credit scores of over 130 consumers. The consumers were typically charged several hundred to a few thousand dollars to have their credit improved.

11. In furtherance of the scheme to defraud, from in or about March 2012 through August 2013, **LESTER L. WOODS** and **MICHAEL L. JOHNSON**, together with others known and unknown to the Grand Jury, furnished to Equifax information falsely and fraudulently indicating that the consumers had been victims of Identity Fraud or Identity Theft. **LESTER L. WOODS** and **MICHAEL L. JOHNSON** conveyed this Identity Fraud or Identity Theft knowing that the consumers had not been victims of Identity Fraud or Identity Theft. This false and fraudulent information was conveyed by wire to Equifax in the form of Williamsburg County Sheriff's Office (WCSO) Incident Reports and other documents. These false and fraudulent Incident Reports and documents provided Equifax with consumer personal identity information along with detailed lists of the trade liens and other accounts which were the subject of the falsely alleged Identity Fraud or Identity Theft.

12. Based on the furnishing of false and fraudulent information to Equifax by **LESTER L. WOODS** and **MICHAEL L. JOHNSON**, Equifax suppressed over \$11 million in trade liens and public debt from over 130 consumer credit reports. This falsely and fraudulently improved their credit histories and scores, and the integrity and availability of data and information provided by Equifax was impaired. Additionally, based on the fraudulent information provided by **LESTER L. WOODS** and **MICHAEL L. JOHNSON**, Equifax put extended fraud alerts on the consumers' files that would last for seven years.

MANNER AND MEANS

It was part of the conspiracy that:

13. Defendant **LESTER L. WOODS** obtained the names, dates of birth, social security numbers (personal identity information), and addresses of consumers who desired to have their credit improved or repaired.

14. Defendant **LESTER L. WOODS** accessed credit information of consumers maintained by Equifax and provided that credit information and other consumer information to defendant **MICHAEL L. JOHNSON**.

15. Defendant **MICHAEL L. JOHNSON** prepared false and fraudulent WCSO Incident Reports using information provided by defendant **LESTER L. WOODS**. Defendant **MICHAEL L. JOHNSON** prepared the Incident Reports, which indicated the consumers had been victims of Identity Fraud or Identity Theft and that they reported the information, knowing that they had not been victims of Identity Fraud or Identity Theft and that they had not reported that information.

16. Defendant **MICHAEL L. JOHNSON** provided the fraudulent WCSO Incident Reports to defendant **LESTER L. WOODS**.

17. Defendant **LESTER L. WOODS** sent the fraudulent WCSO Incident Reports to Equifax by facsimile and/or e-mail.

OVERT ACTS

In furtherance of the conspiracy, defendants **MICHAEL L. JOHNSON** and **LESTER L. WOODS** committed the following overt acts in the District of South Carolina:

a. In or about June 2012, defendant **LESTER L. WOODS** provided defendant **MICHAEL L. JOHNSON** with personal identity information of S.W. with which **MICHAEL L. JOHNSON** prepared a false and fraudulent WCSO Incident report.

b. On or about June 13, 2012, defendant **MICHAEL L. JOHNSON** prepared WCSO Incident Report number 12005872 in the name of S.W.

c. In or about June 2012, defendant **LESTER L. WOODS** provided **MICHAEL L. JOHNSON** with personal identity information of R.N. with which **MICHAEL L. JOHNSON** prepared a false and fraudulent WCSO Incident Report.

d. On or about June 14, 2012, defendant **MICHAEL L. JOHNSON** prepared WCSO Incident Report number 12005880 in the name of R.N.

e. In or about August 2012, defendant **LESTER L. WOODS** provided defendant **MICHAEL L. JOHNSON** with personal identity information of A.A. with which **MICHAEL L. JOHNSON** prepared a false and fraudulent WCSO Incident Report.

f. On or about August 29, 2012, defendant **MICHAEL L. JOHNSON** prepared WCSO Incident Report 12008857 in the name of A.A.

g. In or about September 2012, defendant **LESTER L. WOODS** provided defendant **MICHAEL L. JOHNSON** with the personal identity information of E.J. with which defendant **MICHAEL L. JOHNSON** prepared a false and fraudulent WCSO Incident Report.

h. On or about September 11, 2012, defendant **MICHAEL L. JOHNSON** prepared WCSO Incident Report number 12009505 in the name of E.J.

i. On or about April 30, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce the WCSO Incident Report number 0712657 and another document containing the personal identity information of K.D. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

j. On or about June 14, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce the WCSO Incident Report number 12005872 and another document containing the personal identity information of S.W. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

k. On or about July 2, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12005880 and another document containing the personal identity information of R.N. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

l. On or about July 2, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12006244 and another document containing the personal identity information of G.J.D. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

m. On or about August 9, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12007712 and another document containing the personal identity information of Q.B. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

n. On or about September 5, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12008857 and another document containing the personal identity information of A.A. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

o. On or about September 14, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12009505 and another document containing the personal identity information of E.J. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

p. On or about October 23, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12008742 and another document containing the personal identity information of A.J. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

q. On or about October 23, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12010142 and another document containing the personal identity information of M.L. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

r. On or about October 29, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12011175 and another document containing the personal identity information of R.C. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

s. On or about November 8, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12011540 and

another document containing the personal identity information of W.A. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

t. On or about November 14, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12011830 and another document containing the personal identity information of P.W. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

u. On or about November 16, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12011379 and another document containing the personal identity information of G.J.D. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

v. On or about December 14, 2012, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12008154 and another document containing the personal identity information of M.J. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

w. On or about January 7, 2013, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 12013350 and another document containing the personal identity information of D.T. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

x. On or about January 15, 2013, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 13000210 and another document containing the personal identity information of L.B. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

y. On or about January 15, 2013, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 13000170 and another document containing the personal identity information of S.H. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

z. On or about January 29, 2013, defendant **LESTER L. WOODS** sent by means of wire communication in interstate commerce WCSO Incident Report number 13000170 and another document containing the personal identity information of S.H. from Columbia, South Carolina, to Equifax in Atlanta, Georgia.

All in violation of Title 18, United States Code, Section 1349.

A True BILL



WILLIAM N. NETTLES (WDHjr)
UNITED STATES ATTORNEY



FOREPERSON J