

Attorney's Office, the Spokane Police Department, the United States Postal Inspection Service and others. Since this affidavit is being submitted for the limited purpose of securing a search warrant, I have not included every fact known to me concerning this investigation.

Overview of Scheme

3. Fraudulent high school and college "degrees" are being sold over the internet to people throughout the United States and the world by various entities, including "Saint Regis University", "James Monroe University", "Robertstown University", "Trinity Christian School" and others. As shown below, Dixie Ellen Randock, Steven Karl Randock (also known as Steven Randock, Sr., Steven Randock, and Steve Randock), Heidi Kae Lorhan, Amy Leann Hensley, Richard John Novak (also known as Rick Novak), Blake Alan Carlson, Roberta Lynn Markishtum and others are involved in manufacturing and selling fraudulent "degrees" to consumers over the internet using various entities. Depending on the type of "degree" a consumer wants to obtain, the suspects, through one or more of the websites registered either in their name or in the name of a nominee, charge fees from \$399.00 to in excess of \$2,454.00 per "degree" and accompanying documents. The "degrees" are then shipped or mailed via interstate carrier or the

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United States Postal Service to the purchasers. As shown below, the fees generated by the sale of fraudulent degrees and academic credentials are being laundered through one or more domestic and offshore bank accounts. Some of the foreign bank accounts which are being used to launder the proceeds of their wire fraud activity are/or were located offshore, in the islands of Dominica and St. Vincent, West Indies.

To further the scheme and to create the appearance that the "degrees" they have sold to consumers over the internet are legitimate, Dixie and Steven Randock and others have set up "accreditation" and "transcript verification" fronts.

Statutes Involved

4. Title 18, United States Code, section 1341, (Frauds and swindles) provides:

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, or to sell, dispose of, loan, exchange, alter, give away, distribute, supply, or furnish or procure for unlawful use any counterfeit or spurious coin, obligation, security, or other article, or anything represented to be or intimated or held out to be such counterfeit or spurious article, for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to be sent or delivered by any private or commercial interstate carrier, or takes or receives therefrom, any such matter or thing, or knowingly

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causes to be delivered by mail or such carrier according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.

5. Title 18, United States Code, section 1343, (Fraud by wire, radio, or television) provides:

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.

6. Title 18, United States Code, section 1956, (Laundering of monetary instruments) provides, in part:

(a)(1) Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity—

- (A)(i) with the intent to promote the carrying on of specified unlawful activity; or
- (ii) with intent to engage in conduct constituting a violation of section 7201 or 7206 of the Internal

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Revenue Code of 1986; or

(B) knowing that the transaction is designed in whole or in part—

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or

* * *

shall be sentenced to a fine of not more than \$500,000 or twice the value of the property involved in the transaction, whichever is greater, or imprisonment for not more than twenty years, or both.

(2) Whoever transports, transmits, or transfers, or attempts to transport, transmit, or transfer a monetary instrument or funds from a place in the United States to or through a place outside the United States or to a place in the United States from or through a place outside the United States—

(A) with the intent to promote the carrying on of specified unlawful activity; or

(B) knowing that the monetary instrument or funds involved in the transportation, transmission, or transfer represent the proceeds of some form of unlawful activity and knowing that such transportation, transmission, or transfer is designed in whole or in part—

(i) to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity; or

(ii) to avoid a transaction reporting requirement under State or Federal law,

shall be sentenced to a fine of not more than \$500,000 or twice the value of the monetary instrument or funds involved in the transportation, transmission, or transfer, whichever is greater, or imprisonment for not more than twenty years, or both.

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- (c)(7) the term "specified unlawful activity means—
(A) any act or activity constituting an offense listed in
section 1961 (1) of this title. . .

(18 U.S.C. § 1961(1) lists both § 1341 mail fraud and § 1343 wire fraud.)

7. Title 18, United States Code, section 1957, (Engaging in monetary transactions in property derived from specified unlawful activity) provides:

(a) Whoever, in any of the circumstances set forth in subsection (d), knowingly engages or attempts to engage in a monetary transaction in criminally derived property of a value greater than \$10,000 and is derived from specified unlawful activity, shall be punished as provided in subsection (b).

(b) (1) Except as provided in paragraph (2), the punishment for an offense under this section is a fine under title 18, United States Code, or imprisonment for not more than ten years or both.

(2) The court may impose an alternate fine to that imposable under paragraph (1) of not more than twice the amount of the criminally derived property involved in the transaction.

(c) In a prosecution for an offense under this section, the Government is not required to prove the defendant knew that the offense from which the criminally derived property was derived was specified unlawful activity.

(d) The circumstances referred to in subsection (a) are—

(1) that the offense under this section takes place in the United States or in the special maritime and territorial jurisdiction of the United States; or

(2) that the offense under this section takes place outside the United States and such special jurisdiction, but the defendant is a United States person (as defined in section 3077 of this title, but excluding the class described in paragraph (2)(D) of such section).

(e) Violations of this section may be investigated by such components

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of the Department of Justice as the Attorney General may direct, and by such components of the Department of the Treasury as the Secretary of the Treasury may direct, as appropriate and, with respect to offenses over which the United States Postal Service has jurisdiction, by the Postal Service. Such authority of the Secretary of the Treasury and the Postal Service shall be exercised in accordance with an agreement which shall be entered into by the Secretary of the Treasury, the Postal Service, and the Attorney General.

(f) As used in this section—

(1) the term “monetary transaction” means the deposit, withdrawal, transfer, or exchange, in or affecting interstate or foreign commerce, of funds or a monetary instrument (as defined in section 1956 (c)(5) of this title) by, through, or to a financial institution (as defined in section 1956 of this title), including any transaction that would be a financial transaction under section 1956 (c)(4)(B) of this title, but such term does not include any transaction necessary to preserve a person’s right to representation as guaranteed by the sixth amendment to the Constitution;

(2) the term “criminally derived property” means any property constituting, or derived from, proceeds obtained from a criminal offense; and

(3) the term “specified unlawful activity” has the meaning given that term in section 1956 of this title.

8. Title 15 United States Code, § 78dd-2 (Prohibited Foreign Trade Practices)

provides:

(a) Prohibition

It shall be unlawful for any domestic concern, other than an issuer which is subject to section 78dd-1 of this title, or for any officer, director, employee,

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or agent of such domestic concern or any stockholder thereof acting on behalf of such domestic concern, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to--

(1) any foreign official for purposes of--

(A)(i) influencing any act or decision of such foreign official in his official capacity, (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or (iii) securing any improper advantage; or

(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person;

(2) any foreign political party or official thereof or any candidate for foreign political office for purposes of--

(A)(i) influencing any act or decision of such party, official, or candidate in its or his official capacity, (ii) inducing such party, official, or candidate to do or omit to do an act in violation of the lawful duty of such party, official, or candidate, or (iii) securing any improper advantage; or

(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person; or

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(3) any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of--

(A)(i) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, (ii) inducing such foreign official, political party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such foreign official, political party, party official, or candidate, or (iii) securing any improper advantage; or

(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person.

The Premises To Be Searched

8. Doug and Heidi Lorhan residence:

This residence located at 14308 E. 22nd Avenue, Veradale (also known as Spokane Valley), Washington, 99037. The Lorhan residence is a two-story residence with an attached garage. The residence is blue in color with a dark blue trim. The numbers "14308" are affixed to the side of the residence, adjacent to the front door. A wood plaque bearing the name, "The Lorhan's" is affixed to the

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residence, below the numbers "14308". The front entrance to the residence faces to the North.

a. As of 07/30/05, Spokane County Assessors records indicate that the residence is identified as Spokane County Parcel #45262.2102 and is owned by Doug & Heidi Lorhan.

b. On 12/30/04, record inquiries with the Washington State Department of Licensing revealed Heidi Kae Lorhan holds a valid Washington State driver's license. Her address is listed as 14308 E. 22nd Avenue, Veradale, WA.

9. The Steve and Dixie Randock residence:

The residence located at 3127 E. River Glen Drive, Colbert, Washington, 99005, is located to the west of the Little Spokane River. The residence is set back approximately 200 feet to the north of River Glen Drive. The residence is a white single story residence with a daylight basement and a gable roof. A white fence surrounds the deck on the east side of the residence. The front entrance to the residence faces south, toward River Glen Drive. No numbers are apparent on the residence, however the address "E. 3127 River Glen" is located on a mailbox to

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the east of the residence at the intersection of Meadowview Drive and River Glen Drive.

As of 01/21/05, the residence located at 3127 E. River Glen Drive is identified as Spokane County Parcel # 37033.9137 and is owned by Children's Future Revocable Trust. As of 07/18/05, the officers of Children's Future Revocable Trust are: Dixie Ellen Randock, white female, 5'2", 118 lbs., blonde hair, brown eyes, born 03/16/50 and Steven Karl Randock, Sr., white male, 6'0", 200 lbs., gray hair, brown eyes, born 06/28/39

a. On 12/30/04, record inquiries with the Washington State Department of Licensing revealed Dixie Ellen Randock holds a valid Washington State driver's license. Her address is listed as 3127 E. River Glen Drive, Colbert, WA, 99005.

b. On 12/30/04, record inquiries with the Washington State Department of Licensing revealed Steven Karl Randock, Sr. holds a valid Washington State driver's license. His address is listed as 3127 E. River Glen Drive, Colbert, WA, 99005.

c. Record inquiries with the State of Washington, Master License Service, reveal that as of 07/27/05, the Association known as "Children's Future

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Trust" is registered with the State of Washington. The officers for Children's Future Trust are Steven and Dixie Randock, who registered with a home address of 3127 E. River Glen Drive, Colbert, WA, 99005.

d. On 7/27/05, Postal Inspector Dennis Larsen confirmed that both Steve and Dixie Randock are currently receiving mail at 3127 E. River Glen, Colbert, WA.

e. Financial records received from Card Services International (a credit card processing company) indicate that on 10/23/01, Steve Randock, DOB 8/28/39, and Dixie Randock, DOB 3/16/50, opened an account under the name of "AEIT" using the address of 3127 E. River Glen, Colbert, WA. The application indicates two business addresses as 14525 Newport Hwy, Mead, WA, and 601 E. Seltice Way, B8, Post Falls, ID. The "type of business" listed on the application is "Video Tape Rental Sales" rather than diploma sales.

10. 14525 N. Newport Hwy., Mead, WA 99021:

This premises is located at 14525 North Newport Highway, Mead, Washington, 99021. The building is a two-story commercial brick building with white trim and white window shutters. This building is located to the west, of Newport Highway (State Route 2). The front of the building faces south. The public entrance to the

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structure is located on the south side of the building. There are four white pillars at the front entrance to the building. There is also a manufactured home business on site, identified with a sign displaying "Home Boys Manufactured Homes" on the marquee near the business. No address numbers are apparent on or near the building.

a. As of 07/30/05, Spokane County Assessors records indicate that the parcel identified as Spokane County Parcel # 37344.0172 is owned by Steve & Dixie Randock.

b. Inquiries with the Washington State Department of Licensing, Master License Service Database, revealed that on 2/10/04 Steven Karl Randock, SR. registered "ST. Regis Accounting, 14525 N. Newport Hwy, Suite 3-F, Mead, WA" as a sole proprietorship.

c. On 1/6/05, Your Affiant, acting in an undercover capacity, entered the building at 14525 N. Newport Highway, Mead, WA, and spoke with Renee Hayes, Sales Associate for Home Boys Manufactured Homes, located at the same address. Hayes advised that Home Boys owns the entire building located at the aforementioned address and leases out some of the space on the second floor and in the basement to other businesses. Hayes stated one of the businesses

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located in the basement was "A+ Institute" which Your Affiant knows is an entity controlled by Dixie and Steven K. Randock.

d. Areas to be searched include all office spaces and storage areas within the building except for those offices readily identified as a non-related businesses.

11. Amy Hensley residence:

Amy Hensley's residence is located at 8015 E. Baldwin, Spokane, Washington, 99212. The Hensley residence is a single story residence with a basement, and an attached garage. The residence has light beige siding and white trim. The numbers "8015" are affixed to the side of the residence adjacent to the front door. The front entrance to the residence faces to the south.

As of 07/30/05, Spokane County Assessors records indicate that the house is identified as Spokane County Parcel #45073.1021 and is owned by Amy L. Hensley.

12. Northwest Business Stamp:

The business known as Northwest Business Stamp, is located at 5210 N. Market, Spokane, Washington, 99217. This business is located in a commercial, single story, tan colored brick building. The numbers "5210" are affixed to the front

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entrance of the business. A white, reader board style sign is affixed to the building above the front entrance, bearing the name "Northwest Business Stamp". The front entrance of the business faces the west. The business is located adjacent to the Spokane COPS Northeast office, located at 5208 N. Market, Spokane, WA.

As of 07/30/05, Spokane County Assessors records indicate that the business is identified as Spokane County Parcel 00.001310, and is owned by "Project Vision".

13. Richard Novak Residence (Arizona):

The Novak residence, located in a gated community, is located at 14628 N. 90th Drive, Peoria, Arizona, 85381. The residence is an off-white, stucco, tile roof, single story residence, and is the fourth house north of the corner of Acoma and 90th Drive on the west side of the street. The garage to the residence faces east. The front entry to the residence faces north and has a white security door. The dark colored numbers "14628" are clearly visible and securely affixed to the east side of the home facing the street adjacent to the garage door opening. The rear of the property is waterfront.

As of 08/01/05, Maricopa County Assessor's records indicate that the residence identified as Maricopa County Parcel # 200-61-921, is owned by Rick & Jean Novak.

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14. 601 E. Seltice Way, Post Falls, ID., Suite 8B.

Suite 8B is located within the Post Falls Professional Center, 601 E. Seltice Way, Post Falls, Idaho, 83854. The Post Falls Professional Center is a two-story business building with a basement. The building is located on the corner of Seltice Way and Lincoln Street in Post Falls, Idaho. The building has gray siding and blue trim, and faces south toward Seltice Way. Suite 8B is located in the basement of the Post Falls Professional Center and is identified with "8B" on the door.

As of 08/01/05, Kootenai County Assessor's records indicate the owner of The Post Falls Professional Center (identified as Kootenai County Parcel # P-5700-003-004-A) is Raymond B. Guerra. On 3/25/05, Ray Guerra provided Your Affiant with a copy of a lease agreement showing that Steve Randock, 3127 E. Riverglen, Colbert, WA leased suite 8B under the business name of "A+ Institute and Printing." Guerra stated that Steve Randock signed an extension to the lease agreement on 2/17/05, extending the lease of suite 8B until 8/18/05.

Details of Wire/Mail Fraud Investigation

15. In January 2005, the United States Secret Service (USSS), Spokane Resident Office (RO), initiated an investigation into a number of internet based virtual "schools", based on information obtained from Investigator Grant Collins,

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Washington State Attorney General's Office (WA AGO), 1116 W. Riverside Avenue, Spokane, WA, that the "schools" were fraudulently selling high school and college "degrees." Investigator Collins stated that "Saint Regis University," (also referred to as St. Regis University and SRU), "Robertstown University," "James Monroe University," (also referred to as "JMU") "James Monroe University High School," and "Trinity Christian School" were among the "schools" his agency was investigating, and that they are believed to be operating at 601 E. Seltice Way, Suite 8B, Post Falls, Idaho and 14525 N. Newport Highway, Mead, WA. Investigator Collins advised that Dixie Randock, Steve Randock, Sr., Heidi Lorhan, Amy Hensley, and Roberta Markishtum are among the main suspects who are operating the aforementioned fraudulent schools. Investigator Collins' investigation revealed that the suspects were operating the fraudulent "schools" under various business names including "A+ Institute," "AEIT" (Advanced Education Institute Trust), "Kaching Kaching," and "When Pigs Fly," and that most of their business transactions were conducted via the internet, e-mail, and common courier. Investigator Collins advised that inquiries with the Idaho Secretary of State's Office revealed Kaching Kaching, Inc. and When Pigs Fly, Inc. are businesses located at 601 E. Seltice Way, Suite 8B, Post

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Falls, Idaho, 83854. Investigator Collins also stated that his investigation determined that one of the methods of payment for the fraudulent "degrees" was PayPal, which Investigator Collins described as an electronic third party billing company that collects fees from the "diploma buyers" and forwards the money to "AEIT", "A+ Institute", or other entities designated by the main suspects.

Information Provided by George Gollin, PhD.

16. On 6/10/05, George Gollin, PhD., Professor of Physics, University of Illinois at Urbana-Champaign, advised Your Affiant that he has been conducting independent research into fraudulent "degrees" sold by "St. Regis University," "James Monroe University," and other related fraudulent "schools" and fraudulent "accreditation" companies tied to Steven and Dixie Randock. Dr. Gollin stated that because his professional obligations include research and public service, he believes his research into those "schools" selling fraudulent "degrees" is an important aspect of his profession. Dr. Gollin further advised Your Affiant that through his extensive research and monitoring of web sites selling educational "degrees" over the internet, he determined that as early as August 4, 1999, one or both of the Randocks started to participate in the sale of fraudulent "degrees" via the internet.

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17. Your Affiant checked several law enforcement databases and determined that Dr. Gollin has no criminal history.

18. Your Affiant also has reviewed a written Report (hereinafter "Gollin's Report") that Dr. Gollin and James Bear prepared in February 2004 for the United States Federal Trade Commission (FTC), State of Oregon Office of Degree Authorization, and State of Washington Higher Education Coordinating Board. According to Dr. Gollin's Report, "Saint Regis University", "American Coastline University", and the "National Board of Education" (NBOE) are three related organizations which pose as legitimate degree-granting institutions of higher education and claim to have received official recognition from the Republic of Liberia. "NBOE" claimed that it had acquired the right to accredit other "universities" anywhere in the world on behalf of Liberia. "Saint Regis University" maintained that it was based in Monrovia, Liberia, while "American Coastline" claimed that its main campus was in St. Petersburg, Russia. According to Dr. Gollin's Report, "in reality, both enterprises [were] based in the United States, with their principals working in the vicinity of Spokane, Washington and Rochester, New York. According to an Executive Summary of Dr. Gollin's Report, through analysis of internet manifestations of "NBOE", "Saint Regis

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University”, and “American Coastline University”, he showed that these organizations were operated by Dixie Randock, Steve Randock, Heidi Lorhan, Kenneth Pearson, and Richard Hoyer and demonstrated that their activities included the creation of over one hundred web sites, the offer of sale of academic “degrees” to unqualified customers, the construction of an imposter web site purporting to be the official site of the Liberian Embassy, and the transmission of unauthorized e-mail claiming to be official correspondence from the Liberian Embassy in Washington, D.C.

19. According to Dr. Gollin’s Report, inspection of web site domain registration and site content allowed partial reconstruction of Dixie and Steven Randock’s activities. Dr. Gollin’s February 2004 Report further indicates that Dixie Randock and her Spokane colleagues have registered and/or created more than one hundred different internet domains comprising at least 21 “degree”-granting entities, a number of sites which serve as brokers for degrees from unnamed universities, and a bogus Liberian Embassy site which was referenced by the “Saint Regis University” site in order to demonstrate the authenticity of “Saint Regis University.”

20. According to Dr. Gollin's Report, in 2001 or 2002, a consortium headed by Richard J. Hoyer, an American based in the Rochester, New York area, created a private organization called the "National Board of Education" ("NBOE") and entered into an arrangement which allowed "NBOE" to grant "official Liberian" accreditation to degree-granting enterprises anywhere in the world.

21. According to Dr. Gollin's Report, "NBOE" sells Liberian accreditations for \$50,000. "NBOE's" advertising informed potential customers that payment of the \$50,000 fee guarantees the award of accreditation. According to Dr. Gollin's Report, besides selling credentials to unaccredited schools, "NBOE" also operates "Saint Regis University", which has served as a kind of parent organization for over a dozen other universities. Dr. Gollin's report indicates that many (but not all) of these entities are operated by the same people who run "Saint Regis University". According to Dr. Gollin's Report, "Saint Regis University" and related entities sell academic credentials and provide to others phony academic "degrees", including, but not limited to, doctoral "degrees" in a variety of fields.

22. Dr. Gollin's Report indicates that he and Dr. Bear's own direct experience includes receipt of offers of sale of Associate of Arts "degrees" after submitting answers, almost all of which were incorrect, to a simple multiple choice test

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offered by "Saint Regis University" and "Robertstown University" web sites.

According to Dr. Gollin's Report, in spite of its claim of Liberian recognition, the web servers and administrative operations for "Saint Regis University" and related entities resided in the United States.

23. According to Dr. Gollin's Report, on 9/25/03 the Liberian Embassy posted a statement on its official website announcing that it has no official dealings with the online "St. Regis University." According to the statement, "The Embassy of Liberia in Washington, D.C. wishes to disassociate itself and to announce that it has no official dealings with the online St. Regis University, and would as such assume no responsibility for any reference to the Embassy."

24. According to Dr. Gollin, Randock started a web site

www.Liberianembassy.com, which was used with many of Randock's "schools" to show the "school" was accredited by the Country of Liberia.

25. Dr. Gollin also advised that soon after Dixie Randock started using

"NBOE", she employed the assistance of Sheila Danzig, owner and operator of

"Career Consultants International" (CCI), a foreign credential evaluator.

According to Dr. Gollin, Sheila Danzig, a former employee of "St. Regis

University", conducted evaluations of credentials for degree certification for "St.

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Regis University.” Eventually, Dixie Randock created “Academic Credential Assessment Corporation” (ACAC), which is supposedly based out 123 West First Street, Suite 675, Casper, Wyoming. (Investigators have determined that this address is simply a registered agency address for numerous corporations incorporated in Wyoming.) “ACAC” apparently is acting as a foreign credential evaluator which “accredits” Dixie Randock’s “schools.” Another website called “International Commission for Higher Education” (ICFHE) has appeared on the internet and is supposedly based out of 14781 Memorial Drive, Suite 1243, Houston, Texas. Investigators have determined that this address is a postal center. The ICFHE domain was initially registered on 4/12/04. The ICFHE website references ACAC and several other Randock “schools” as being “accredited.” Dr. Gollin advised that among the “St. Regis University”-related “universities” supposedly “accredited” by ICFHE are: “Ameritech University,” “Fort Young University,” and “Panamerica University.” Investigators have conducted inquiries with the Counsel for Higher Education and Accreditation and determined that these three “universities” are not recognized by the United States Department of Education.

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26. Your Affiant has learned that "ACAC" was incorporated on 4/12/04 in Wyoming as a for profit corporation. The registered agent is identified as GUSTA, INC., 123 W. First Street, Suite 675, Casper, Wyoming. The corporation's address is listed as G.D. Jalil, 123 W. First Street, Suite 675, Casper, Wyoming.

27. On 1/10/05 Dr. Gollin informed investigators about the connections between "AEIT", "Saint Regis University", "A+ Institute", "INSYNC, LLC", and "Thank You Payment". In order to receive services from www.usdegree.com (administrative contact is Heidi Lorhan) and www.saintregisedu.org, a consumer must accept the following terms:

The terms "St. Regis University (AEIT Peer Evaluation Degrees) Graduate School, Inc., and/or advancedu", and/or "Peer Evaluation" and/or "Peer Degrees" and/or "evaluation-based-degrees" and/or prior learning and/or experiential learning degrees" are used as a reference for the entire internet web sites www.advancedu.org, and/or www.saintregisedu.org including linked and or forwarded pages and files, as well as its officers, directors, owners, partners, agents, and employees AND ALL SUCH TERMS ABOVE SHALL be known as and referred to herein as "The Corporation".

* * *

You must accept above TERMS OF USE AGREEMENT to use this website, and/or by ordering our services, products or documents. Please note: "The Corporation" accepts Visa and Mastercard,

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American Express, PayPal. Your credit card statement will reflect a charge to AEIT, INSYNC, LLC, A+ or ThankyouPayment.

* * *

Information Regarding Suite 8B Obtained from Pam Liebel

28. On 1/14/05, Special Agent Greg Ross, USSS, interviewed Pam Liebel, Office Manager for High Wing Construction, 601 E. Seltice Way, Suite 7B, Post Falls, ID. Ms. Liebel stated that two women who have previously introduced themselves as "Amy" and "Roberta", work across the hall in suite 8B. Liebel stated that she has spoken to the two women on numerous occasions since they moved into suite 8B during the late summer or autumn of 2004. Liebel further informed SA Ross that in late 2004, the Post Falls Police had responded to their office at High Wing Construction, and that the investigating officer was inquiring about the women in suite 8B. Liebel stated that the Post Falls Police Officer had indicated that he was following up on a complaint filed with the Police Department by someone who had paid for a "bogus degree." Liebel stated that the officer told her that the complaint listed 601 E. Seltice, Suite 8B, as the address to which the complaining party had mailed their check. Liebel also informed SA Ross that around January 2005, she overheard a conversation that occurred in the hallway between her suite and suite 8B in which Amy was speaking with an

unknown male who appeared to be about 25 years old. Leibel stated the unknown male sounded very upset and was holding a DHL envelope in his hand. Leibel stated she heard Amy state, "I can't give you a check now because Steve is in India." Leibel stated she then heard Amy go back into her suite, and the unknown male started walking up the stairs to leave the building. Leibel stated that as the unknown male was walking up the stairs, she overheard him talking on his cellular telephone in an upset tone, "Well I was just down there." Leibel stated that based on the tone of voice and content of the conversation, she believes that the unknown male was complaining to Amy about something he had purchased from the business in suite 8B, and that he was not satisfied with the results of his conversation with Amy.

29. On 1/17/05, SA Ross received a telephone call from Pam Leibel informing SA Ross that Amy and Roberta had left their office earlier in the afternoon, and had left two packages in the common hallway area of their suite to be picked up for delivery by the DHL Delivery Company. Ms. Leibel indicated that each package looked similar, and appeared consistent with the type of delivery package that might hold paperwork or documents. Ms. Leibel also noted that the return address on the two packages was: A+ Institute, A. Hensley, 601 E. Seltice Way,

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Post Falls, Idaho, 83854.

Interview of Pam Liebel on 4/28/05 Regarding Observation of Computer Equipment in Suite 8B

30. On 4/28/05, Your Affiant personally re-interviewed Pam Liebel, High Wing Construction, 601 E. Seltice Way, Suite 7B, Post Falls, ID, regarding the individuals she has seen working in Suite 8B at 601 E. Seltice Way, Post Falls, Idaho. Liebel positively identified Amy Leeann Hensley, DOB 8/23/66, and Roberta Lynn Markishtum, DOB 9/23/67, from photo line-ups as the two individuals she has seen routinely working in Suite 8B. Liebel stated both Hensley and Markishtum had previously claimed to work in Suite 8B as graphic designers and printers. Your Affiant asked Liebel if she has seen any computer equipment or files in Suite 8B, and Liebel stated that she has in fact seen such items in Suite 8B on two recent occasions. Liebel stated that around 4/26/05, she was in Suite 8B, and noticed two (2) computers and two (2) printers in the suite. Liebel stated that around 4/29/05, she was again inside Suite 8B, and noticed three (3) filing cabinets, and a box on the floor that contained many folders with numerous individual's names on the tabs of the folders.

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Information Regarding Suite 8B Obtained from Local Police

31. On 1/19/05, SA Ross met with Lt. Scott Haug, Post Falls Police Department at his office in Post Falls, Idaho. Lt. Haug confirmed Pam Leibel's previous statements that a Post Falls Officer had attempted to contact "Amy" in suite 8B regarding a complaint which had been filed with the Post Falls Police Department. SA Ross obtained a copy of the incident report from Lt. Haug. The report indicates that on 12/14/04, the Post Falls Police Department (PD) received a telephone call from Melinda Adkins, 6477 B. Springdale Hunter Road, Hunters, WA. Ms. Adkins called the Post Falls PD to report that her son was involved in an on-line course or degree program in which he was supposed to take a test, send \$400.00 to 601 E. Seltice Way, Suite 8B in Post Falls, and would supposedly receive a "high school diploma" from a school called "Trinity Christian School." Ms. Adkins indicated that she found the transaction very suspicious, and subsequently called the Post Falls City Hall. She said that City Hall told her that no such school or business existed at that address. Ms. Adkins also informed Post Falls PD that she telephoned Amy Hensley at (866) 312-2348, the phone number listed on the web site that her son linked to "Trinity Christian School." Ms. Adkins stated that after speaking to Amy Hensley she felt that the school and

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"diploma" were illegitimate and decided to call the police.

Interview of Melinda Adkins

32. On 1/19/05, SA Ross telephonically interviewed Melinda Adkins. Ms. Adkins confirmed most of the information noted in the Post Falls PD report pertaining to her telephone complaint about the business located at 601 E. Seltice Way, Suite 8B in Post Falls, Idaho. Ms. Adkins informed SA Ross that her 17 year old son, Michael, became involved online with a web site-based "school" representing itself as "Trinity Christian School." Ms. Adkins stated that her son Michael was searching online for a way to complete his GED High School equivalency so he could enroll later this year in Community College. Ms. Adkins stated that Michael took a "test" at the "Trinity Christian School" web site, and was subsequently informed that he passed the test and earned the opportunity to pay \$200 and receive a High School Diploma. Additionally, Michael was informed that he could pay an additional \$200 and, without completing any additional tests or work, could receive an Associates College Degree. Ms. Adkins told SA Ross that she did not believe that these offers to her son were legal and/or legitimate so she investigated further. Adkins contacted the contact telephone number listed on the "Trinity Christian School" web site, and was able to speak to

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~~Amy Hensley, working out of an office at 601 E. Seltice Way, Suite 8B in Post Falls, Idaho.~~ Adkins stated that Hensley confirmed the offers which had been made to her son, that he could receive high school and junior collegiate degrees each for a total of \$400.00. Ms. Adkins stated that after speaking to Hensley, she was still suspicious. Adkins told SA Ross that she then contacted the Idaho Department of Education, as well as the Post Falls City Hall. She said that neither entity had any records of any legitimate academic institutions under the name "Trinity Christian School" or at the above listed Post Falls address.

33. On 1/24/05, SA Ross received a telephone call from Melinda Adkins. Ms. Adkins called to provide additional information in follow-up to her initial interview with SA Ross. She stated that she "found her notes" and could provide further specifics about the potential "diploma" purchase from "Trinity Christian School" at 601 E. Seltice Way in Post Falls. Ms Adkins said that when she spoke to Amy Hensley, Hensley instructed her to mail their \$399.00 check to: AEIT, 601 E. Seltice Way, B-8, Post Falls, Idaho. Ms. Adkins also provided to SA Ross the internet address at which her son Michael found and took the online "test" to receive his diploma and AA degree. The site is listed as www.e-grads.com. Further, Adkins informed SA Ross that Amy Hensley also directed her to look at

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the web site for "James Monroe University." Finally, Ms. Adkins stated that the Secret Service may be interested in another feature of the "services" provided by "Trinity Christian School." Adkins said that Hensley informed her that upon purchase of a diploma or degree from their business, that diploma or degree becomes an accessible record/document in an online "Digital Archive" that may be accessed by potential employers interested in verifying her son's degrees.

Secret Service's First Undercover Purchase of a "Degree" via the Internet

34. On 2/28/05, SA Ross, acting in an undercover (U/C) capacity and using a U/C computer, made contact with "James Monroe University High School" via their website at www.jamesmonroeuniversity.ac/jmu_admissions.html. At this internet site, SA Ross, using a U/C alias of 18 year old Jeffrey Rowley, was solicited/prompted to complete an "assessment of competency." Shortly after completing the "James Monroe University High School" online form, SA Ross received an e-mail on his U/C e-mail account at Rowleygolf@yahoo.com. This e-mail was from forward1@university-services.net. The e-mail SA Ross received invited him to take a free online exam to test for SA Ross' qualifications to receive a High School Diploma and/or Associate of Arts Degree. The e-mail requested

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SA Ross to go to www.university-services.net/james_sre/high_school/test.html to take the test.

35. On 2/28/05, SA Ross clicked on the link that had been forwarded to the Rowley U/C e-mail account and took a test consisting of approximately 125 questions. Out of the approximately 125 questions, SA Ross was confident of the correct answers for the majority of the 125 questions. However, SA Ross purposefully answered approximately 75% of the questions incorrectly in order to judge the integrity of the test's scoring system. After completing the questions, the web site indicated that SA Ross had tested to the equivalency of a 3.1 Grade Point Average for High School, and a 3.2 Grade Point Average for an AA college degree. The site then solicited SA Ross (as Jeffery Rowley) to purchase any number of potential diploma packages including false transcripts, degrees, and supporting documents. Utilizing a U/C credit card account for alias Jeffery Rowley, SA Ross purchased "transcripts" for both High School and an AA degree, a High School "diploma", an AA degree, and supporting documents of accreditation verification. SA Ross' U/C credit account was subsequently charged \$399.00 via a PayPal online charging service.

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Interview of DHL Employees – Rowley “Degree” Shipped from Suite 8B

36. On 3/1/05, SA Ross met with Thomas Hall, Mike Carpine and Nate Reed, managers from DHL Shipping Corporation at their main office for the Eastern Washington/Northern Idaho region. District Manager Nate Reed conducted numerous computerized record searches pertaining to the DHL account registered to "A + Institute", and to the shipping records assigned to "A + Institute's" DHL account. DHL records indicated that "A + Institute" shipped approximately 60 packages per month for the months of January and February 2005. Records indicated that approximately 40% of those shipments were international shipments and 60% were domestic U.S. shipments. Each of the three managers that SA Ross met with were quite familiar with the "A + Institute" account because they are a "high volume daily shipper." According to the DHL supervisory team, the "A + Institute" account largely ships "document" packages as opposed to larger box-oriented shipments. The DHL team further informed SA Ross that this account has shipped at approximately the same volume from the Post Falls address since September of 2004. The DHL supervisory team stated that prior to September 2004, the "A + Institute" account had a different primary address of 14525 N. Newport Hwy, Mead, Washington. DHL agreed to begin to make copies

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~~of the shipping information for all packages being shipped out of "A + Institute" at~~
601 E. Seltice, Post Falls. Finally, during this same meeting SA Ross informed the
DHL supervisory team that SA Ross is expecting a specific package to be shipped
from "A + Institute", sent to the undercover alias of Jeffery Rowley. DHL agreed
to intercept this shipment and notify SA Ross immediately upon receipt.

37. On 3/4/05, SA Ross received a telephone message from Thomas Hall, DHL
Supervisor, informing him that they had received a shipped package sent from "A
+ Institute" in Post Falls to SA Ross' undercover alias Jeffery Rowley.

38. On 3/5/05, SA Ross responded to DHL's shipping office on Airport Way,
Spokane, WA. SA Ross took possession of a package that had been shipped from
"A + Institute", 601, E. Seltice 8B, Post Falls Idaho, which was intended to be
shipped to SA Ross's U/C alias, Jeffery Rowley, in Minneapolis, MN. SA Ross
reviewed the contents of the shipment and found that it contained two folders.
The first folder contained a "diploma" and "transcript" from "James Monroe
University High School" awarded to Jeffery Rowley showing that Rowley had
successfully achieved his high school diploma. SA Ross noted that the false
"transcript" represented that Rowley had attended four years of schooling at
"James Monroe University High School" despite the fact that SA Ross (as U/C

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Rowley) had informed the "school" that SA Ross had not completed four years of high school. The second folder contained both a "transcript" and an "AA degree" from "James Monroe University" awarded to Jeffery Rowley indicating that Rowley had fulfilled an Associate College degree. All of the documents appeared official and bore various "seals", signatures of "school officials", etc. All of these diploma, degree, and transcript documents were shipped to SA Ross by "James Monroe University", from "A + Institute" after SA Ross (acting as Jeffery Rowley) had simply taken a single 20 minute test, scoring approximately 25% correct on the test, attended no classes, and paid \$399.00 with a credit card.

Secret Service's Second Undercover Purchase of a "Degree" via the Internet

39. On 3/2/05, SA Ross visited the internet web site for James Monroe University at www.jamesmonroeuniversity.ac. SA Ross filled out an on-line "application" using the undercover alias of Anthony Gwynn. As Anthony Gwynn, SA Ross submitted a short "resume" which stated that Gwynn was a high school graduate but did not have any additional college experience or other education. Gwynn's resume also included his work experience, listing approximately 14 years of post high school experience. That work history included: four years as a minor league baseball pitcher, five years as a customer service clerk at Blockbuster

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Video Store, two years as a telemarketer, and three to four years as an account manager/sales person for a temporary employment service. SA Ross, acting in the U/C capacity as Anthony Gwynn, submitted all of the above false information to be "evaluated" as advertised by the "James Monroe University" web site "advisors."

40. In his U/C capacity, SA Ross received an e-mail from forward1@university-services.net requesting references. On 3/8/05, SA Ross, acting in his U/C capacity as Anthony Gwynn, composed two letters of reference for U/C alias Anthony Gwynn, upon the e-mail request of the "advisors" at "James Monroe University." In his U/C capacity, SA Ross composed two fake letters of reference from supposed "co-workers" of Anthony Gwynn, each recommending that he was a good employee and should be considered for "employment." SA Ross then sent the two "reference" letters via facsimile transmission to the fax number (208) 318-0568 which had been provided to SA Ross, acting as U/C alias Anthony Gwynn, by the "James Monroe University" staff.

41. On 3/10/05, U/C alias Anthony Gwynn was contacted via e-mail to U/C account Agonthebeach@hotmail.com by "Advisor James" at james@university-services.net. "James" informed Anthony Gwynn that "James

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Monroe University" had received and reviewed his application including his letters of reference, and stated that Gwynn "placed in the top percentage of applicants" and was eligible for his degree through "James Monroe University." The e-mail further stated that based solely on his work experience and two letters of reference, Gwynn was eligible to receive either a "Bachelor of Arts in Business Administration or a Bachelor of Business Administration in Business Administration" from "James Monroe University." The e-mail provided an internet link to which Anthony Gwynn was solicited to visit in order to pay for "degree documents" and other materials. That site was listed as: www.university-services.net/jamesmonroe/rev/worldpay_ja.html. SA Ross linked to the listed site and was presented with an online "list" of possible degree documents, letters, and various "accreditation" and "equivalency" materials. Using the U/C credit account of Anthony Gwynn, SA Ross purchased via the internet false degrees, transcripts, Apostilles, a Dean's List certificate, and numerous "accreditation" documents each purporting to legitimize SA Ross' undercover "degree" and creating the appearance that "James Monroe University" was a legitimate educational institution. SA Ross spent \$2,454.00 on U/C

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~~Anthony Gwynn's credit card account ordering all of the available "degree" related documents over the internet.~~

42. On 3/10/05, SA Ross notified DHL supervisor Mike Carpine that his company could expect a shipment of documents to be sent by "A + Institute", 601 E. Seltice Way, Post Falls, Idaho to: Anthony Gwynn, 7411 Gowen Place, San Diego, CA. Carpine indicated that he would intercept the shipment and notify SA Ross upon receipt.

Secret Service's Third Undercover Purchase of a "Degree" via the Internet

43. On 3/15/05, SA Ross, acting under his other U/C alias Jeffrey Rowley, e-mailed his "advisory contact" at "James Monroe University." SA Ross, using the e-mail account of U/C alias Jeffrey Rowley, electronically requested to be considered for a Bachelor's degree, in addition to the High School and Associates degrees that Rowley had already received via "James Monroe University." SA Ross submitted via e-mail a short synopsis including two years of work experience working at a movie theater as well as multiple years as a newspaper boy. SA Ross also stated via e-mail that U/C alias Rowley had completed almost one year of home study after SA Ross had dropped out of high school.

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44. On 3/16/05, SA Ross, acting under the U/C alias Jeffery Rowley, received an e-mail communication at rowleygolf@yahoo.com from the "James Monroe University" "advisor" confirming that he was eligible to receive a Bachelor's degree from "James Monroe University." The context of the e-mail was exactly the same as had been sent to U/C alias Anthony Gwynn. The e-mail from forward1@university-services.net stated that Rowley qualified for a Bachelor of Arts degree based solely on the fact that he was purportedly an eighteen-year-old high school dropout who had paid recently for a bogus High School and AA degree through "James Monroe University."

45. On 3/17/05, SA Ross was telephonically contacted by DHL Field Supervisor Mike Carpine who informed him that he had successfully intercepted a package shipped from "A + Institute," A. Hensley, 601 E. Seltice Way, Post Falls, ID to the U/C alias Anthony Gwynn in San Diego, California. SA Ross informed Carpine that USSS Resident Agent In Charge (RAIC) Kevin Miller would pick up the package on 3/18/05.

46. On 3/18/05, RAIC Miller responded to the DHL Field Office on Airport Way in Spokane, Washington and took possession of the aforementioned intercepted package which had been shipped by "A + Institute" to Anthony

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Gwynn, 7411 Gowen Place, San Diego, California. The package, for which U/C alias Anthony Gwynn had paid \$2,454 included:

- A "degree" indicating U/C alias Anthony Gwynn had obtained a BA in Business Administration from "James Monroe University;"

- "Official transcripts" from "James Monroe University" falsely representing that Anthony Gwynn had taken four full years worth of college classes;

-A document entitled "Degree Authentication Attestation" representing that "Richard Novak, Director of the University Services, Inc., and the Registrar of the James Monroe University, hereby solemnly declare and certify that the Degree of Bachelor of Arts in Major(s): Business Administration and the Transcript with all other documents for: Anthony Aaron Gwynn are fully earned, accredited and granted;"

-A document entitled "Dean's List Certificate of Achievement" and awarded by "James Monroe University" to Anthony Gwynn.

-A "James Monroe University" academic records summary for Anthony Gwynn certifying a 3.36 grade point average.

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~~A laminated "Alumni ID Card" in the name of Anthony Aaron~~

Gwynn from "James Monroe University."

47. On 4/1/05, SA Ross, working in a U/C capacity as Jeffery Rowley, completed the aforementioned transaction offered by "James Monroe University" to complete a Bachelor's degree. SA Ross linked to the following internet link as provided by his "advisors" from "James Monroe": www.university-services.net/jamesmonroe/rev/worldpay_ja.html. At the listed internet site, SA Ross purchased a "Bachelors of Pre-Law" using Confidential Funds, as well as various associated documents including associated "transcripts" and "letters from University Staff". The entire purchase cost \$1,173.00 from the U/C Rowley Account. It should be noted that this purchase completed a transaction for U/C identity "Jeffery Rowley" in which Rowley was allowed by "James Monroe University" to purchase a High School Diploma, followed immediately by an "AA degree" and then a "Bachelor's Degree in Pre-Law" despite his being an 18 year old high school dropout with limited work history.

48. On 4/8/05, SA Ross received a telephone call from Mike Carpine, DHL Supervisor, who informed SA Ross that the expected document package from A + Institute sent to the U/C alias "Jeffery Rowley" had been intercepted and would be

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held for pickup by the Secret Service at the DHL Field Office. The fraudulent documents were subsequently picked up by SA Ross at the DHL Field Office.

49. On 4/11/05, SA Ross reviewed and inventoried the newest aforementioned package sent to the U/C alias of Jeffery Rowley. The shipment of documents, for which "Jeffery Rowley" had paid \$1173.00 included:

- Two official copies of "degrees", BA in Pre-Law from "James Monroe University"

- "Official transcripts" for four full years worth of college classes which never occurred.

- Numerous supporting letters and documents from the "administration" at "James Monroe University".

Verification of Rowley Degree through OTAC (Official Transcript Archive Center)

50. On 5/3/05, SA Ross placed a recorded telephone call to (208) 777-9704.

The phone was answered by an individual identifying herself initially as "OTAC".

SA Ross, acting in an undercover capacity identified himself as "Bob Winthrop"

from the Transportation Security Administration (TSA). SA Ross indicated that

he had received a job application from a person named Jeffery Rowley who was

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applying to be a baggage screener for TSA (Note: Jeffery Rowley is the identity of SA Ross' previously established U/C role to obtain multiple fraudulent degrees/diplomas from James Monroe University). SA Ross stated that he was calling "OTAC" to verify the academic credentials as listed on Jeffery Rowley's application. The woman at "OTAC" identified herself as "Jennifer Greene" (verified spelling). When questioned, she stated that she is located in Delaware. However, Detective Bryan Tafoya, Spokane Police Department, subsequently listened to the recorded conversation and determined that the voice of "Jennifer Greene" was remarkably similar to the voice of Robert Markishtum, who Detective Tafoya interviewed at Suite 8B in Post Falls, Idaho. Ms. "Greene" indicated that she was looking into her computer database to query for Jeffery Rowley. "Greene" then confirmed that Rowley was indeed a student and had achieved both an AA degree as well as a BA in Pre Law from "James Monroe University." When questioned by SA Ross about speaking to professors or to an advisor, Ms. "Greene" stated that she would locate an appropriate individual to speak with and would have that person call "Bob Winthrop". SA Ross provided a telephone number for a return phone call to "Bob Winthrop".

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51. On 5/9/05, in response to a subpoena, Verizon Legal Compliance, San Angelo, TX, indicated that number (208) 777-9704 rolls over to a main number of (208) 777-9707, and is billed to AEIT at 601 E. Seltice Way, B-8, Post Falls, ID.

52. On 5/19/05, acting in an undercover capacity, SA Ross placed a recorded telephone call to (208) 777-9704. The phone was answered by an individual identifying herself initially as "OTAC", and later identified as "Jennifer Greene." SA Ross, again identified himself as "Bob Winthrop" from the Transportation Security Administration. "Greene" again stated that she was located in Delaware, despite the fact that SA Ross knowingly called a phone number registered in Post Falls, Idaho. SA Ross asked "Greene" if "James Monroe University" is fully accredited, to which "Greene" responded that it is. SA Ross further inquired as to whether or not "James Monroe University" is the same, or equivalent to, the well known on-line University of Phoenix. "Greene" responded that "James Monroe University" is equivalent in accreditation to the University of Phoenix. SA Ross also questioned "Greene" about the course work and degree program at "James Monroe University." He asked "Greene" if students who receive a degree from "James Monroe University" are required to take individual classes/courses, and take tests and complete study programs for each class. "Greene" answered

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~~affirmatively, that the on-line "James Monroe University" program does require full course work for each class and degree program.~~

Secret Service's Fourth Undercover Purchase of a "Degree" via the Internet

53. On 4/19/05, SA Ross, acting in a U/C capacity, logged into the "James Monroe University" website at www.jamesmonroeuniversity.ac. At the web site, SA Ross submitted an "application" and "evaluation" under the U/C alias of "Mohammed Syed". SA Ross completed an online form at the web site in which he included supposed "biographical information" for "applicant" "Mohammed Syed". SA Ross stated that Mohammed Syed has no formal education, but has obtained multiple hours of training in chemistry and in engineering with the Syrian Army. SA Ross indicated in the application that Mohammed Syed's work ~~experience primarily consists of a fifteen year career in the Syrian Army as a chemist and chemical engineer.~~ SA Ross further indicated that Mohammed Syed ~~is still a Syrian citizen, but that Syed is currently visiting the United States and would like to quickly obtain "college degrees" so that he could find employment and obtain an H1-B Visa to remain in the United States.~~ SA Ross submitted "Mohammed Syed's" fictional "application" for review by "James Monroe evaluators". SA Ross also subsequently created two fictional "letters of reference"

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purporting to be written in support of "Mohammed Syed". SA Ross forwarded the letters via facsimile to the fax number provided on the "James Monroe University" website, (202) 318-0568. SA Ross included an U/C e-mail address of masyedholland@juno.com as his contact information for "Mohammed Syed".

54. On 5/13/05, SA Ross received an e-mail to his U/C e-mail account for "Mohammed Syed" at masyedholland@juno.com, from "James" at forward1@university-services.net. "James" stated that he was an "advisor" for "James Monroe University", and he asked for additional information from "Mohammed Syed". SA Ross was asked to provide further specifics about which particular degree he was seeking. SA Ross replied to the e-mail from "James", stating that "Mohammed Syed" would like both a BS, and a Masters degree in Chemical Engineering.

55. On 5/14/05, SA Ross received an e-mail to his "Mohammed Syed" U/C e-mail account at masyedholland@juno.com, from "advisor James" at forward1@university-services.net. The e-mail informed "Syed" that he would be unable to obtain a chemical engineering degree because "James Monroe" does not have "faculty" in that specific area. "Advisor James" informed "Mohammed" that

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instead, he would be able to obtain "degrees" in chemistry, environmental engineering, or both.

56. On 5/17/05, SA Ross received an e-mail to his U/C e-mail account for Mohammed Syed at masyedholland@juno.com, from "James" at forward1@university-services.net. The e-mail stated that "Syed" qualified for multiple possible "degrees." The entire text of the e-mail instructing "Mohammed Syed" about how to proceed and how to pay, is included below:

Dear Mohammed,

Thank you for submitting your application to James Monroe University for our consideration. After reviewing* your PLA Report and other submitted information, our Office of Admissions is pleased to announce that you have been approved for the degree:

Bachelor of Science in Environmental Engineering

Bachelor of Science in Chemistry

Master of Science in Environmental Engineering

Master of Science in Chemistry

James Monroe University takes pride in its graduates. Your evaluation placed you in the top percentage of applicants, and you can be very proud of the education you have attained through nontraditional means.

Multi-Nationally Accredited and recognized the world over, James Monroe University looks forward to adding your name to its list of high-achieving alumni. We know your degree will enable you to take a giant leap forward in your career while giving you a personal sense of achievement and satisfaction. We look forward to hearing how your James Monroe University degree changes your life.

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All that remains is for you to pay the graduation fee. You may pay online at: [http:// www.university-services.net/jamesmonroe/fp_ja.html](http://www.university-services.net/jamesmonroe/fp_ja.html)

We accept Visa, MasterCard, American Express, PayPal, bank wire transfers, and checks. Once your graduation fee is paid, your degree and supporting documents will be shipped to you by courier.

If you'd prefer to pay by phone please e-mail us your phone number and best time to call and a payment agent will contact you.

Although we do not anticipate an increase in fees, please note that the fees quoted at the website today are guaranteed for 30 days only. If you respond after this time period you will be responsible for any additional fees that may be in effect.

Please let me know if you have any questions or if I can be of further assistance. We look forward to welcoming you to the James Monroe University Alumni!

Sincerely,

James Hunter, Admissions

James Monroe University

http://mymail.marketrends.net/src/compose.php?send_to=james%40university-services.net

SA Ross then linked to the above-listed payment site, and filled out the payment request form under the name "Mohammed Syed". The payment form provided the opportunity for "Syed" to purchase as many "degrees" as he wanted. SA Ross

purchased a BS in Chemistry, a Masters in Chemistry, and a Masters in Environmental Engineering. The total cost for the three "degrees" was listed as

\$1277.00. The payment form also provided the opportunity for "Mohammed Syed" to "backdate" any of his "degrees" and choose whatever date of completion

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he would like. SA Ross indicated that the BS in Chemistry should be dated 2002, the MS in Chemistry in 2004 and the Masters of Engineering dated 2005. SA Ross submitted his payment form, the Mohammed Syed U/C credit card was charged, and the transaction completed.

57. Also on 5/17/05, SA Ross sent an e-mail to "Advisor James" at forward1.university-services.net, from "Mohammed Syed". In the e-mail, "Mohammed" stated that his true interest is to acquire the advanced degrees and then obtain an H1B Visa to stay in the U.S. SA Ross asked "James" which degree would work best to obtain such a visa.

58. On this same date, SA Ross received a reply e-mail from "James" to "Mohammed", stating to "Mohammed": "I would need you to confirm with them that they will accept either degree."

59. On 6/6/05, SA Ross received a telephone call from Mike Carpine at DHL Shipping in Spokane, WA. Carpine informed SA Ross that his office had possession of a package addressed to Mohammed Syed, 1711 Aviation Way, Colorado Springs, CO 80916. SA Ross noted that this is the address which he had provided to "James Monroe University" for the purposes of shipping "Mohammed Syed's" "degrees". Carpine informed Ross that this package had been shipped via

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United States Postal Service. However, because the address of 1711 Aviation Way that SA Ross had provided as "Mohammed's" address, is really the address for DHL Shipping in Colorado Springs, CO, the package was received successfully by DHL and forwarded immediately via DHL air shipment to the Spokane offices of DHL.

60. On this same date, SA Ross responded to the DHL Offices at the Spokane Airport and received the package addressed to "Mohammed Syed". SA Ross reviewed and inventoried the contents of the package. The shipment included twelve (12) documents, including three "degrees" in the fields of "BS, Chemistry", "Masters in Chemistry" and "Masters of Engineering in Environmental Engineering". The additional documents included in the packet were supporting documents purporting to be "official" letters and "transcripts" in support of each of the three "degrees." Also included in the packet were multiple "wallet cards", (small plastic copies of each of the three degrees, plus "alumni cards") indicating that "Mohammed Syed" has all the rights of a "James Monroe Alumni" including "event discounts". The "degrees" and "transcripts" bore "official seals" represented as the true seal and or embossment of the "university", stating that the documents would be illegitimate without those "seals".

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Marketrends Internet Service Provider Search Warrant

61. On 3/7/05 and 3/8/05 SA Paul Kemppainen, USSS, determined there to be at least three related websites (www.jamesmonroeuniversity.ac, www.robertstownuniversity.ac, and www.saintregisedu.org) which claim to be online "universities". SA Kemppainen subsequently used www.Arin.net's 'Whois' tool and determined the aforementioned web sites correspond to the following internet provider (IP) addresses.

216.171.217.28 (jamesmonroeuniversity.ac)
216.171.217.187 (robertstownuniversity.ac)
216.171.216.203 (saintregisedu.org)

62. To receive payment for the sale of fraudulent "degrees," the suspects caused accounts to be set up at PayPal. Records received from PayPal on 2/3/05, indicate the flow of money going into and out of various PayPal accounts. The following e-mails provided by PayPal indicate the e-mail addresses attached to the accounts as being used to contact the account holders.

payments@saintregisedu.org
admissions@university-services.net
FR.James@advancedu.org
info@saintregisedu.org
info@advancedu.org
info@aplusnow.com
stephen@advancedu.org

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info@robertstownuniversity.ac

63. www.Arin.net's 'Whois' lookup tool showed that all of the domains listed above, either in conjunction with a web address or an e-mail address, were hosted by Marketrends Productions, 5555 Joanway, Loomis, CA 95650.

64. A search warrant was executed on May 6, 2005 at Marketrends for e-mails, records and logs associated with these domain names and e-mail addresses.

Accompanying these e-mails were logs of IP addresses captured by Marketrends from remote users accessing the corresponding mailboxes. Marketrends owner Matt Tourtillott provided an accompanying statement in which he wrote that e-mails from payments@saintregisedu.org were collected in a folder titled 'payments'.

When looking at the IP logs for the 'payments' folder, the IP address 65.101.109.164 was captured 3/10/05 at 10:52:18 PST. An Arin 'Whois' lookup showed that this IP address is owned by the Qwest Corporation. When subpoenaed 6/13/05, Qwest stated that the IP address was leased 3/10/05 from 00:01 – 23:59 PST by client Steve Randock and provided a billing address of 14525 N. Newport Hwy, Mead, WA 99021. In addition they stated that the physical location of the modem was 3127 E. River Glen Dr., Colbert, WA.

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65. Marketrends was subpoenaed again on 6/13/05 for connection records (captured IP addresses) in conjunction with the following e-mail accounts:

info@advancedu.org
info@saintregisedu.org
info@aplusnow.com
info@robertstownuniversity.ac
payments@saintregisedu.org
admissions@university-services.net
Stephen@advancedu.org
frjames@advancedu.org

When looking at the IP logs captured in conjunction with access to the info@advancedu.org mailbox, the IP address 63.227.100.226 was captured several times between June 21, 2005 18:26:37 PST and June 22, 2005 00:49:27 PST. Additionally, the IP address 63.227.103.140 was captured several times between June 23, 2005 15:00:04 PST and June 27, 2005 22:14:13 PST. An Arin 'Whois' lookup showed that both of these IP addresses are 'owned' by the Qwest Corporation. When subpoenaed 6/29/05 Qwest stated that the IP addresses at these times were again leased to client Steve Randock and provided a billing address of 14525 N. Newport Hwy, Mead, WA 99021. In addition they stated that the physical location of the modem was 3127 E. River Glen Dr., Colbert, WA.

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66. A summary of some of the e-mails received from the May 6, 2005,

Marketrends search warrant included the following:

Message ID#

1581.172.199.33.95.1096741871.squirrel@mymail.marketrends.net

Date: Sat, 2 Oct 2004 11:31:11 - 0700 (PDT)

Subject: Liberia and India and Panama

From: "University Services" <forwardinfo@university-services.net>

To: Stephen@advancedu.org,degrees@university-services.net

Message from "Dixie" to "Rick" describing that Canyon College and Breyer State are willing to send him to other "countries". She states that "Prince Porte is involved". She tells "Rick" that she would like to set up a new "school" without a "history". She requests that "Rick" and "Steve" discuss a name for the new "university". Message was signed "Dixie".

Message ID#

2170.209.126.206.86.1111606670.squirrel@209.126.206.86

Subject: Re: "Credti card and blank check signed"

From: "University Services" <forwardinfo@university-services.net>

To: "ans credit card needs to be in VEDMURTHY SARVOTHAM"
anved@hotmail.com

Message from "Dixie" to "Ved" stating that she needs credit and debit cards that are not in "our" names. The cards are needed to make "purchases, transfers, payments, etc." "Dixie" states that she must be able to use cards and checks in "Ved's" name. She is requesting that only "Ved's" name appears, but that "Ved" pre-signs the checks for her use. She states that she has never paid more than 10%, but is willing to pay "Ved" 20% in order to use "Ved's" identity. "Dixie" states that the reason is for "privacy" for the purposes of registering domains or purchasing items for the "schools".

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Message ID# 200503121815.j2CIFBVm021290@svr4.marketrends.net

Original Message:

From: University Admin

To: degrees@uiniversity-services.net

Sent: Friday March 11, 2005 10:38 PM

Subject: "no more porch monkey"

Message believed to be from Dixie, to "Rick" using obscene language to describe her anger at Dr. George Gollin due to the "saintregis.edu.lr" domain being shut down. She expressed that she felt that she deserves protection from Dr. Gollin and that if the domain is not restored, "they" will not receive any further compensation.

Message ID# 200503150509.j2F59PZK091143@relay.marketrends.net

To: forwardinfo@university-service.net

Final-Recipient: RFC822; brad@edwardjblakejr.com

The message, signed by "Steve and Dixie Randock, (509) 466-8829", to "Brad" references the issuance of "44 blank degrees to Shafiq's fake St. Regis University".

03/10/05 From: "University Admin" forwardinfo@university-service.net; to John McLaughlin regarding her "reference to the already "chartered" medical college that is a front for other schools...". In an earlier e-mail exchange between the two on 03/05/05, "Dixie", signor of the message, states, "I don't think you need to mention the medical school as any kind of "front" or it may sound as though we are trying to exploit this country as well".

03/12/05 From: "University Admin" forwardinfo@university-service.net; to "Rick" sending a message to "Porte" regarding the

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revocation of their ".lr" extension website by Randy Bush, top level domain registrar of Liberian domain extensions. The message is signed by Steve Randock.

03/12/05 From: "Icorreia" (Luis Correia, Atrium Incorporators); to "Steve" at "University Admin" forwardinfo@university-service.net regarding confirmation of an organization in France authorized to bestow degrees. In the message, it is explained that Mr. Correia will assist in the search for officers, instructions for incorporation of their US LLC company in Delaware (Collines de Fontaine, LLC), the opening of an offshore bank account, and dedicated phone numbers.

03/24/05 From: "University Admin" forwardinfo@university-service.net; to Jallah Faciann and Prince Porte, asking them to use their influence to restore their presence in Liberia.

67. In addition to the e-mails and IP logs obtained from the search warrant 5/6/05, Marketrends also provided customer records to indicate the following customer,

A Plus Institute
Dixie Randock
14525 N. Newport Highway
Mead, WA 99021-9636
509-468-2728

had paid for a number of services. Among them, the hosting of the domain www.advancededu.org on 3/15/01 with additional servicing on 10/11/2001, and an invoice charge for web hosting of www.saintregisedu.org on 11/17/01.

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68. SA Kemppainen performed a www.samspace.org 'who-is' query on 8/5/05, and both www.advancedu.org and www.university-services.net show some of the same contact information for the registrant. In particular:

FF Private
432 Main
Washington, DC 20003
e-mail address: info@abcdegree.com

Customer records from the 5/6/05 Marketrends Search Warrant also indicate that client: "A+ Institute, 14525 N. Newport Highway, Mead, WA 99021-9636" was sent an invoice for maintenance on the domain abcdegree.com on 9/23/2002.

A www.samspace.org 'who-is' query on 8/5/05 of jamesmonroeuniversity.ac shows registrant information as "Jallah Faciann, Mechlin Street Behind Ministry of Education Monrovia na na Lr."

A www.samspace.org 'who-is' query on 8/5/05 of robertstownuniversity.ac also shows "Jallah Faciann, Mechlin Street Behind Ministry of Education Monrovia na na Lr," as its registrant information.

When communicating with info@university-services.net on 4/5/05 in regards to a partnership with "James Monroe University" (described in more detail later in this affidavit), SA Greg Ross discussed said partnerships with someone who called

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him/herself "Jallah Faciann." (It should be noted that Richard Novak made statements to U/C SA Ross that "Jallah Faciann" is a Liberian employee working for Richard Novak and the group operates "St. Regis University" and "James Monroe University".) This indicates a direct link between the jamesmonroeuniversity.ac, robertstownuniversity.ac, and university-services.net domains.

A www.samspace.org 'who-is' query on 8/5/05 of the www.nationalboardedu.com domain shows an e-mail administrative contact address as admin@webmarche.com. In the customer records provided by Marketrends 5/6/05, an invoice on 9/12/2002 shows hosting for the domain webmarche.com as billed to "A+ Institute, 14525 N. Newport Highway, Mead, WA 99021-9636."

Mailbox Forwarding Services

69. On 3/11/05, Your Affiant interviewed Michael Phillips, owner, The UPS Store (formerly Mail Boxes Etc.), 611 Pennsylvania Avenue, SE, Washington, D.C. 20003, 202/543-0850, regarding mail box #211 at that same address (It should be noted that box #211 has been linked to not only the "Official Transcript Archive Center", but also the "Children's Future Trust"). Phillips stated that box #211 has been used strictly as a mail forwarding box since it was opened by Steve

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Randock, and that the majority of the mail pertained to "official transcripts."

Phillips stated he closed the mailbox on 10/17/04 when he suspected something illegal was taking place with the mailbox after not being able to contact Steve Randock.

70. Also on 3/11/05, Your Affiant personally reviewed the records for mailbox #211, UPS Store, 611 Pennsylvania Avenue, SE, Washington, D.C. 20003.

Records indicate that the mailbox was opened on 1/18/01 under the name of Steve Randock, 3127 E. River Glen, Colbert, WA 99605, 509/468-2728. The

identification used to open the mailbox was a Washington State driver's license (#RANDOSK615L8) in the name of Steven Karl Randock, and a United States Passport (#072790117) in the name of Steven Karl Randock, date of birth 6/28/39.

The mailbox application indicates that "Official Transcript Verification Center" and "Steve Randock" are the authorized recipients of mail for box #211. Also

listed on the mailbox application was the business address for the "Official Transcript Verification Center" as being 14525 Newport Highway, Mead, WA,

509/468-2728. Another record located in the file for mailbox #211 included a copy of Airborne Express airbill #18087398652 addressed to "Jeff" at 611 Pennsylvania

Ave., Washington, D.C., from "A. Hensley, A+ Institute, 14525 N. Newport Hwy,

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Mead, WA, 509/465-4343."

71. On 3/10/05, Your Affiant personally interviewed Valdez Ray, Owner, PakMail, 1812 Marsh Road, Suite #6, Wilmington, DE, regarding box #242 at that business. (Box #242 at the aforementioned address is listed on the "James Monroe University" school transcript received by SA Ross for the U/C alias Jeffery Rowley. This "school transcript" also indicates that box #242 is the "Digital Archive Administration" office for "Transcript Verification."). Valdez Ray explained that PakMail is a shipping business that also maintains individual mailboxes. Ray stated that box #242 is one of the individual mailboxes at his business location that was set up purely as a mail forwarding mailbox. Ray stated mailbox #242 was opened on 10/2/03, under the name of Steve Randoek, 3127 E. River Glen, Colbert, Washington, and that according to the mailbox application, the persons/businesses entitled to receive mail at that box are "Official Transcript Verification Ctr" and "Saint Regis Educational Services." Ray stated he checked mailbox #242 for any mail he had yet to forward to Steve Randoek, and in mailbox #242 were two pieces of mail; one addressed to "Official Transcript Archive Center" and one addressed to "AEIT."

72. Between 3/10/05 and 7/15/05, numerous other letters addressed to "AEIT,

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~~1812 Marsh Rd., 6-292, Wilmington, DE~~ have been received at PakMail, and according to employee Janice Steffin, have been subsequently forwarded to 14525 Newport Hwy, Mead, WA.

73. Records received from Federal Express revealed that between 12/31/02 and 3/25/05, there were forty-one (41) shipments received at 14525 Newport Highway, Mead, WA from either 611 Pennsylvania Avenue #211, Washington, D.C. (address of "Official Transcript Verification Center"), or 1812 Marsh Road, Suite 6-242, Wilmington, DE (address of the "Official Transcript Archive Center"). Records indicate that numerous different individuals signed for the receipt of the shipments to include: "S. Randock," "L. Randock," "A. Hensley," and "R. Markishtum."

Undercover Negotiation For The Purchase of School or Accreditation

74. On 4/5/05, SA Ross visited the "James Monroe University" website at www.jamesmonroeuniversity.ac. SA Ross linked to the "contact us" section of the site in which he was able to create and send an e-mail via "James Monroe University's" own template. SA Ross, utilizing a U/C of "Gregory Roberts", created and sent a message to the "James Monroe University" administration. The message from "Gregory Roberts" was sent as follows:

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Hello,

> My name is Greg Roberts, and I am very impressed and interested in what you have established here in James Monroe U. I am the President and one of the Proprietors of Randolph Addison Davis Technical University online (www.radtu.net) We are in the process of researching the industry and establishing our presence appropriately. Your school and internet presence is very well done and yours is one of a few schools I'm interested in learning from or perhaps partnering with. Do you engage in any such partnerships or would you be willing to negotiate for information pertaining to accreditation in Liberia and/or through the other accrediting organizations listed in your site? Thank you for your consideration,

>

> Gregory Roberts

> President

> Randolph Addison Davis

75. On 4/6/05, SA Ross received an e-mail reply from info@university-services.net to his U/C e-mail account as established for "Gregory Roberts", gregonthedesert@hotmail.com. The reply from "James Monroe University" was sent from "Jallah Faciann" who is listed on the "James Monroe University" site as one of their administration officials. The reply from "Jallah Faciann" was as follows:

Dear Gregory,

We may be interested in some sort of partnering. As you know it takes many years and a huge financial and commitment investment to become accredited by a Minister of Education, and also many connections and loads of work to get the ancillary and support services one needs to effectively offer a great online school.

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Regardless of the quality of your programs your students will still expect and need to be able to have their degrees evaluated by Members of AACRAO and NAFSA as equivalent to US regionally accredited degrees. Our schools have this advantage. Many may also require apostilles and authentication services for transfer to other schools, immigration and to use their degrees in other countries. You will also need quality printing services, certified PLA evaluators (if you are going to offer credit for Prior Learning) and many other services). Please tell us more about your school faculty, programs, location, etc. Once we have a good picture of what you are doing we will offer you options that may be helpful to your particular need. Best of luck to you! Please contact us anytime for assistance. You will find our staff very accommodating and helpful.

Sincerely,
Jallah Faciann

76. On 4/6/05, SA Ross provided additional information to "Jallah Faciann" about "Gregory Roberts" and the non-existent "team" purported to be interested in a partnership with "James Monroe University". SA Ross indicated that Randolph Addison Davis University (USSS U/C web site created by SA Paul Kemppainen) will be an online technical "university" providing "degrees" based upon "life experience" and the student's willingness to pay the fee.

77. On 4/7/05, SA Ross received another e-mail reply from "Jallah Faciann" at info@university-services.net to his U/C e-mail account for "Gregory Roberts." "Faciann's" e-mail expressed further interest, additional information about online "university" establishment, and a proposal for a meeting. The message was as

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follows:

Thank you for the information. I personally feel that you have a good basis to begin an excellent school. You have contacted us at a very good time, as the head of our Board has expressed a desire to at least partially retire and is discussing selling or partnering or turning over operations or affiliation with a stable organization to allow some freedom from a demanding position.

Please tell me where your school will be located and licensed. This is a very important factor and I may be able to give you some helpful advice to help you deal with and overcome the many limitations of laws regarding higher education regulations.

One university we are currently talking with (for a possible similar arrangement) is 100% online but based in one State that is accommodating. They too are in need of the many benefits we can offer such as government recognition, accreditation by a Minister of Education, reports of equivalency by Members of AACRAO and/or NAFSA, apostilles and authentications by US Secty of State and all foreign Embassies, a complete line of Challenge exams whereby a candidate may test out for an entire curriculum of courses resulting in a degree (upon passing), Certification of your PLA evaluators, and in addition we can get French Minister of Education approval as a legitimate VAE university with headquarters in Paris, many international connections and relationships (crucial to this business) and years of experience which you may draw upon at all times.

Of course your school is brand new and has no history, so it would be impossible to turn over our school to one that is untested. But, you do have some very good features and I have faith your school will be well run and successful if you have accreditation, equivalency by recognized agencies, ability to get apostles and embassy seals, and the other services we provide. So, we can work with you by providing these services if we can work out a mutually beneficial arrangement, or you may want to consider buying one of our schools which of course would give you instant accreditation and all services without years of applications and red tape. If you'd like to meet in person we

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can certainly make arrangements to come to you or meet in some prearranged setting. Of course we can give you non-disclosure agreements and everything discussed would be confidential. Please give me your thoughts on the above points and reply after you have had time to discuss possibilities with your team.

Respectfully,
Jallah

78. Also on 5/3/05, SA Ross received an e-mail to his U/C e-mail account for "Greg Roberts" at greginthedesert@hotmail.com, from "Jallah" via info@university-services.net. "Jallah" stated in an e-mail to "Greg Roberts" (SA Ross) that the group was "willing and eager to work" with Roberts. "Jallah" stated in an e-mail that the group is willing to sell one of their existing "schools", and/or help "Greg Roberts" in any number of ways. "Jallah" asked "Greg Roberts" to telephonically contact "Rick" (previously established to be Rick Novak) at (602) 524-8785.

79. On 5/13/05, SA Ross placed a recorded telephone call to Rick Novak at (602) 524-8785. SA Ross, assuming the U/C role of "Greg Roberts", referenced his communications with "Jallah" and informed that he was calling to discuss potential options for partnership with Novak, "Jallah" and "James Monroe University". Novak confirmed that he is the primary international consultant for James Monroe University, and he stated that he has full authority to negotiate for

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"James Monroe". Novak stated that they would be interested in helping "Greg Roberts" and his business group in establishing a new online technical "university". Novak indicated that he was currently engaged in another activity and asked "Greg Roberts" to call him at home late that day. Novak provided a home telephone number of (623) 583-7722.

80. On 5/13/05, SA Ross placed another recorded telephone call to Rick Novak at (602) 524-8785 (Novak's cell phone). SA Ross, as U/C alias "Greg Roberts", engaged Novak in communication about potential "business deals". Novak confirmed that he represents a "group" of online "university" owners who own and receive the profits from three primary online schools: "James Monroe University", "St. Regis University", and "Robertstown University." Novak stated that the ownership group of these schools has made "millions" of dollars over recent years with these online schools. Novak stated that despite some recent negative press, "James Monroe" and the other "schools" are still fully recognized and accredited by the Liberian government. Novak indicated that he recently received a verification letter from Dr. Isaac Roland of the Liberian Education Ministry confirming the recognition of the "schools" by Liberia. SA Ross, as "Greg Roberts", asked Novak about the possibility of purchasing the ability to

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become accredited and recognized by all of the same entities represented on the "James Monroe University" web site, including AACRAO, NAFSA, and the Liberian Education Ministry. Novak confirmed that his group would be able to accommodate, and would likely want to meet with, us to discuss further options. Novak asked "Greg Roberts" to send him an e-mail at degrees@university-services.net, including the options that "Greg Roberts'" business group would like to pursue.

81. On 5/14/05, SA Ross sent an e-mail to Rick Novak at degrees@university-services.net from the U/C e-mail account for "Greg Roberts", greginthedesert@hotmail.com. SA Ross indicated that he would like to meet with the ownership group of "James Monroe University" to discuss the possible purchase of one of their "schools", or to perhaps simply purchase the rights to use some of the same "accreditations" that are represented on the James Monroe University web site.

82. On 5/17/05, SA Ross received an e-mail from Rick Novak at degrees@university-services.net. Novak e-mailed "Greg Roberts" to state that he had discussed the proposals with the "ownership group" of "James Monroe University" and the other "schools". Novak stated that the "group" wishes to

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remain anonymous in any proposed transactions. Novak stated in the e-mail that he has been granted full power of attorney to represent them in any business pertaining to the "schools". Novak further indicated in the e-mail that the group would be interested in selling "Greg Roberts" the rights to "Robertstown University."

83. On 5/17/05, SA Ross replied to Rick Novak's e-mail at degrees@university-services.net. SA Ross stated that he believed the anonymity in a possible business deal might be an issue, but that he would "discuss the deal" with his team and would telephone Rick Novak later in the week.

84. On 5/19/05, SA Ross received another e-mail from Rick Novak at degrees@university-services.net to SA Ross' U/C "Greg Roberts account at greginthedesert@hotmail.com. Novak's e-mail indicated that he was still conversing with "the board" regarding our possible deal; he stated that he was also working on getting his letter from Liberia "apostilled" and notarized. Novak suggested that "Greg Roberts" contact him further in a few days.

85. On 6/16/05, SA Ross received an e-mail to his U/C e-mail account at greginthedesert@hotmail.com, from Richard Novak via degrees@university-services.net. In his e-mail message, Novak informed "Greg Roberts" (SA Ross)

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that he was forwarding an "exact e-mail I received from the Board." Novak's e-mail further stated that he recommended that "the Board" was offering their "online university" for sale and that SA Ross would be "getting a very good deal". The e-mail message forwarded to SA Ross by Novak, purportedly from "the Board", indicated that SA Ross was being offered the option to purchase "Robertstown University" for \$100,000. Within this offer, "the Board" stated in their e-mail that SA Ross would also receive "Dr. Roland's apostilled recognition letter", as well as "templates to create RU documents". The e-mail message from "the Board" also made reference to "problems from the past with Gollin and his crew," urging Richard Novak to help SA Ross avoid such problems.

86. On 6/20/05, SA Ross sent a reply e-mail from his U/C e-mail account as "Greg Roberts", to Richard Novak at degrees@university-services.net. SA Ross indicated in his e-mail message that he was not interested at that time in further pursuing a purchase of "Robertstown University" from "the Board". SA Ross instead made inquiries of Richard Novak regarding the possibility of acquiring separate "accreditation" and "recognition" from the Liberian government for the U/C online university "Randolph Addison Davis Technical University." SA Ross also inquired about Richard Novak's willingness to work for him directly in a

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~~capacity of "consultant" to help him establish this new "online school".~~

87. On 6/22/05, SA Ross received an e-mail to his U/C "Greg Roberts" e-mail account from Richard Novak at degrees@university-services.net. Novak informed SA Ross that "the Board" has been "having problems with George Gollin". Novak indicated that he would indeed be open to assisting in providing help and information in setting up the new "online school". Novak stated that he would highly recommend "doing business" with Liberia, and that he (Novak) "know(s) everyone in the Government". Richard Novak also informed SA Ross that he does "all of the D.C. document work. Which includes Notaries, Apostilles, and all Embassy Authentications."

88. On 6/23/05, SA Ross received an e-mail to his U/C "Greg Roberts" account from Richard Novak at degrees@university-services.net. Novak's e-mail stated that "I believe the first thing to do is to sit down and have a meeting in person." Novak asked SA Ross to "make arrangements" for him to travel "where ever you would like to have the meeting."

89. On 6/27/05, SA Ross received and recorded a telephone call from Richard Novak. Novak called SA Ross at his (Ross') U/C cellular telephone number. SA Ross informed Novak that his "team" was planning to continue with "Randolph

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Addison Davis University.” SA Ross told Novak that he agreed with his e-mail message suggesting that an in-person meeting would be a good idea. Novak informed SA Ross that he has a contact “with the Liberian Embassy” with whom SA Ross should also meet. SA Ross and Novak agreed that SA Ross would arrange the logistics and details involved in having a meeting in Washington D.C. It was agreed by Novak and SA Ross to have a meeting in Washington D.C. also involving Novak’s “Liberian” contact. During this same telephone conversation, SA Ross inquired about the fact that “James Monroe University” now has an “Italian connection”, listing “accreditation” in Seborga, Italy. Novak stated that he believed that Liberia was “an excellent place to do business”, and he recommended it over “Seborga” because Liberia is a “real government”. Novak stated that Seborga, Italy, is a separate principality, and not as “good” as a Liberia for the purpose of setting up the online businesses. SA Ross informed Novak that he would contact him again shortly to discuss and arrange the details of having a meeting.

90. On 6/28/05, SA Ross conducted a recorded telephone call to Richard (Rick) Novak at his home telephone number of (602) 524-8785. SA Ross and Rick Novak agreed to have a personal meeting in Washington D.C. on Thursday, July 7.

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~~SA Ross agreed to Novak's request to arrange his travel, and stated that he (SA Ross) would contact Novak in the near future to provide travel and flight information.~~

91. On 6/29/05, SA Ross purchased an airline ticket for Richard Novak to travel from Phoenix, AZ to Washington, D.C. on 7/6/05, returning 7/8/05. SA Ross purchased the airline ticket through Delta Airlines utilizing funds in his U/C Mastercard account for "Greg Roberts."

92. On 6/30/05, SA Ross e-mailed the details of Richard Novak's flight/ticket information to Novak at degrees@university-services.net. On this same date, SA Ross received an e-mail reply from Rick Novak confirming his receipt of the information. In his e-mail, Rick Novak also asked "what Hotel will I be staying at?", implying that he expected SA Ross to additionally arrange and pay for his hotel room in Washington, D.C.

~~93. On 7/5/05, SA Ross, SA Paul Kemppainen and Your Affiant traveled to Washington, D.C. in order to conduct a U/C meeting with Richard Novak. SA Ross checked into the Mayflower Hotel, 1127 Connecticut Ave NW, Washington D.C, under the U/C alias of "Greg Roberts."~~

94. On 7/5/05, SA Ross telephonically contacted Richard Novak at his cellular

telephone number of (602) 524-8785. Novak confirmed that he would be traveling the following day from his home in Phoenix to the Mayflower Hotel in Washington, D.C.

95. On 7/7/05, SA Ross, SA Kemppainen and Your Affiant conducted a surveillance and undercover operation in which we met in a U/C capacity with suspect Richard Novak using video and audio recording equipment. SA's Ross, Kemppainen and Your Affiant met with suspect Richard Novak beginning upon his arrival at approximately 1:00 p.m. in the Mayflower Hotel Suite 230.

96. Shortly after meeting Richard Novak upon his arrival to the U/C meeting, SA's Ross, Kemppainen and Your Affiant engaged Mr. Novak in a "business meeting" in which we continued SA Ross' previously established undercover story that we are a business group who is attempting to establish a new "online university". Because Novak had previously offered to "consult" and "help" SA Ross in this regard, we indicated to Mr. Novak that we would first like to ask him numerous questions about the "business" of online schools, and specifically about his role working for "the Board" who, Novak had already told SA Ross, is the owner of "St. Regis University", "James Monroe University", and "Robertstown University." During the initial hour of the U/C meeting, Novak re-confirmed his

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previous statements to SA Ross that he is the individual who does "all of the international work" in reference to establishing "accreditation" and "recognition" from foreign governments for Novak's clients, "the Board" and their "online universities". Mr. Novak indicated that "the Board" who owns the aforementioned "St. Regis, JMU, and Robertstown", were originally responsible for paying to send him to Liberia to establish a presence there and to arrange "accreditation". Further, Novak indicated early in our meeting that his "Liberian contact" is in fact the Deputy Chief of Mission to the U.S. for Liberia, and works out of the Liberian Embassy. When describing the key to successfully doing business with Liberia, Novak referenced the fact that one needs to make sure that money finds its way "into pockets" in order to succeed. Mr. Novak indicated to our U/C group that he believed that he could coordinate with the appropriate Liberian government officials, in terms of both payments and "paperwork", to help our group.

97. Continuing in our U/C meeting, SA Ross provided paperwork to Richard Novak. SA Ross indicated that our group wanted him to sign a "Non-Disclosure contract" before further discussing our business plans. Richard Novak agreed, and signed the document as provided by SA Ross at approximately 2:30 p.m. The real

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purpose for the "Non Disclosure document" was two-fold: to obtain two signature samples from Mr. Novak; and, to further add to the perceived "legitimacy" of our U/C "business group". It should be noted that the signatures provided by Richard Novak on our U/C "Non-Disclosure" document appear similar to the "Richard Novak" signatures on three notarized documents previously obtained in this investigation: the Diploma Authentication Attestation, Transcript Authentication Attestation, and Degree Authentication Attestation, each sent in the document packet from "James Monroe" to S/A Ross' U/C "student" alias of Anthony Gwynn. At that time, Mr. Novak further discussed with our U/C group the details of his historical relationship with "the Board" or "the SRU (St. Regis University) group". Novak informed us that St. Regis "was huge", but eventually became too high profile and became the focus of such individuals as John Bear, George Gollin, and Alan Contreras, who worked to attack "the SRU group". Novak stated that eventually, because of the efforts of Bear, Gollin et al, the media attention combined with the pressure on the U.S. government to take action against "St. Regis" was too high. Novak said that St. Regis then lost their "accreditation" because of financial pressure placed upon the Liberian government from the U.S. government. Thereafter, "the Board" was forced to transition their primary

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“online university” resources from “St. Regis” to “James Monroe University”.

Novak stated that he at one point received a letter on behalf of “the Board”, from Isaac Roland, the Deputy Minister of Education for Liberia. This letter from Roland reportedly stated that official Liberian recognition of “James Monroe University” and “Robertstown University” will continue.

98. As the U/C meeting with Richard Novak progressed, Novak continued to provide details of “St. Regis University’s”(SRU) historical relationship with Liberia. Novak stated that “SRU” operated a small office in Monrovia, set up by Novak himself, for the purpose of appearing to have a real presence there. However, Novak stated that the office was basically there simply for appearances, and that “the Board” ran all of the “school’s” operations from the U.S., specifically from Washington State and Idaho. Novak stated that a “key” to operating as an “online school” is the governmental accreditation. He indicated that the only thing separating an “online university” from a “degree mill” is the formal accreditation. However, Novak was clear throughout the meeting that a “school” does not need to meet any formal requirements to obtain that “accreditation” other than meeting and providing payment to the right people within a government, and then setting up a small office in that country to look as though business is being done there.

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Novak also advised at one point that the primary legal concern in engaging in this form of "online school", would be a possible prosecution for fraud. However, he assured our U/C group that no law enforcement authorities have ever attempted to investigate "the Board" or their involvement with SRU/JMU/etc. When questioned about the income tax implications of running one of these "schools", Novak stated that it is important to devise a method of "beating" the IRS. He advised that foreign bank accounts are a good method for processing and holding payment funds as collected from "students" via credit card and "PayPal" accounts. Novak said that "the Board" specifically used an account in Dominica, but he said that they lost that money because the Dominican bank was closed down due to money laundering. Novak indicated that he does not believe that "the Board" has ever declared any of their online income for tax purposes. Novak stated that he has not handled any of the foreign banking issues for "the Board", but that he does all of the other "international work". As an example, Novak indicated that he was the first to establish a "faculty" for "the Board" and "SRU". Novak stated that he approached ten legitimate faculty from a campus-based college in Liberia, AMEU, and offered them each \$75.00/month to answer e-mail questions about their fields, and provide approval to use their resumes and names on the web site as "faculty".

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Novak made it clear that a key to operating an "online school" is to represent the existence of multiple "faculty", even though the "faculty" do not really engage in any instruction or course work with any "students". He stated that a good web site needs to have "accreditation" and "faculty" for credibility purposes only, and need not be genuine. He also spoke to our U/C group extensively about "documents" and the need for credible-looking documents such as degrees, transcripts and supporting documentation. Novak confirmed that "the Board" uses their printing office in Idaho to create the "official" degrees and other core documents with seals, embossments, etc. However, Novak stated that he was the one responsible for generating and coordinating the supporting documents such as "authentications". Novak stated that he has all of the connections at the foreign embassies in Washington D.C., so he has been able to obtain official-looking documents with "apostilles" in support of the "SRU/JMU degrees." However, Novak made clear that these supporting documents "say nothing" and are essentially meaningless. Yet, he said that "the Board" would offer them for sale at around \$1800 in support of their bogus degrees, and that these worthless documents being sold for \$1800 were an extremely profitable offering to "students". Novak informed us that at one time he was making approximately

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\$10,000/month in profit from his "documents", separate from the profit being made by "the board". He also stated that the majority of his documents were for foreign countries, a majority of which were for "students" from Saudi Arabia.

When asked about his requirements for payment if he were to work for our U/C group, Novak stated that we could pay him in whatever manner we prefer. He highlighted the fact that if our group were to pay him and not declare anything for tax purposes, then he would also not declare the income, and that is what he prefers. He stated that when you make that much money, you don't want to give it to the U.S. government.

99. Continuing in our U/C meeting with Richard Novak, at approximately 5:10 p.m., Abdullah Dunbar arrived at our suite at the Mayflower Hotel to join the meeting with Richard Novak. Reports from the surveillance team later confirmed that Dunbar had come directly to our meeting from the Liberian Embassy. After a brief introductory discussion, Dunbar confirmed that he could help our U/C group obtain "accreditation" with his Liberian government, specifically the Ministry of Education. Dunbar agreed that he would travel to Liberia with Richard Novak in order to acquire our "accreditation" and the documents for proof of such. Dunbar stated that the only firm requirement that we really need, in order to get an

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accreditation, is to establish a physical office with a staff in Liberia and pay a several hundred dollar permit fee. Dunbar confirmed Novak's statements that the two of them could travel to Liberia, meet with the top officials from the Ministry of Education and Justice, make "payments" to the appropriate parties, and return to the U.S. with "official" documents representing our U/C "school" as being officially accredited and recognized in Liberia. Dunbar and Novak each informed us that the key to their trip will be to secure a meeting with the Minister of Education, Evelyn Kandakai (spelling unconfirmed). They also said that a meeting will be needed with the Minister of Justice. Dunbar stated that he will make some telephone calls and figure out the total cash requirement for "payments" to be made on their trip. Additionally, Dunbar agreed that he would accept a payment of \$5,000, plus all expenses paid, to travel with Dunbar to Liberia and coordinate the successful "accreditation" process for our U/C "school", (Randolph Addison Davis Technical University). When Your Affiant asked Dunbar if there were any laws being violated by directly paying him for these services, Dunbar responded "nah, I'm a diplomat."

100. At approximately 6:00 p.m., our U/C meeting concluded. Both Novak and Dunbar left our suite #230, and the operation, including all ongoing audio and

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video recordings, was terminated.

101. On 7/9/05, SA Ross received a telephone call to his U/C cellular telephone from Richard Novak. Novak informed SA Ross that he had been contacted by Abdullah Dunbar, and that Dunbar had called to confirm that "things looked very good", in reference to meeting with and making payments to the Liberian Officials discussed previously in our 7/7/05 U/C meeting. Further, Novak informed SA Ross that he would contact "the Board" regarding the potential for our U/C group to meet with them and view the Idaho printing office for document processing.

102. On 7/10/05, SA Ross received and reviewed a Grand Jury Subpoena return of information from Verizon Wireless (Cellco Partnership), 51 Inclone Drive, Branchburg, NJ 08876. Verizon's subpoena return confirmed that cellular telephone number of (602) 524-8785 was assigned to Rick Novak, effective 3/2/2004. Their records provided Rick Novak's address as 14628 N. 90th Dr., Peoria, AZ 85381. Their records also provided a secondary telephone number of (623) 583-7722, listed as both a home and work number.

103. On 7/10/05, SA Ross received and reviewed a Grand Jury Subpoena return of information from McLeod USA Telecommunications, Illinois. McLeod's subpoena return confirmed that telephone number (623) 583-7722 is a

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home/residential telephone number assigned to Richard Novak at 14628 N. 90th Dr., Peoria, AZ 85381.

104. A review of the telephone toll records for these two Novak numbers from 2/05 to 6/05 show that the Randock residence at (509) 466-8829 was called 17 times, the Blake Carlson cell phone (509) 710-0215 was called 15 times, and the Post Falls suite 8B (208) 777-9704 and (208) 777-9707 was called 6 times.

105. On 7/12/05, SA Ross received an e-mail from Richard Novak via Novak's e-mail of degrees@university-services.net to SA Ross' U/C account of greginthedesert@hotmail.com. Novak informed SA Ross that he has recently been in communication with "the Island of Vanuatu", and that "they would also be open to business."

106. On 7/14/05, SA Ross received an e-mail from Richard Novak in reply to a previous e-mail sent to Novak by SA Ross as U/C alias Greg Roberts. Novak stated in his e-mail that he would agree to SA Ross' proposed terms of \$10,000 as payment for his role in traveling to Liberia and coordinating meetings and payments to key Liberian officials to obtain "accreditation" for SA Ross' illegitimate "online university", plus an additional \$10,000 bonus for successfully getting the "accreditation" accomplished with nothing more than monetary

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payments to officials and a bogus curriculum and business plan. Also in this e-mail, Novak provided his Bank of America bank account number of 122101706000026825537, into which he asked SA Ross to deposit \$1000 as payment for work being done by Novak for "Randolph Addison Davis Technical University". SA Ross had previously informed Novak via e-mail that his group would pay Novak \$1000 in exchange for the following: set up a meeting with "the Board", as well as a tour of the reported Idaho printing shop where Saint Regis University/James Monroe University/Robertstown degrees and other documents are created; provide to SA Ross' group some "samples" of the original illegitimate "curriculum" created by the "St. Regis Group/Board" to obtain Liberian "accreditation", as well as a copy of the letter from Liberian Deputy Minister of Education Isaac Roland, confirming the continued "recognition" of "James Monroe University" by the Liberian government. Novak agreed to provide these documents and arrange a meeting for SA Ross' group with "the Board".

107. On 7/15/05, SA Ross received an additional reply e-mail to his U/C account of greginthedesert@hotmail.com, from Richard Novak at Novak's secondary e-mail account of panamarick@highstream.net. In his e-mail to SA Ross, Novak instructed as to the proposed events of the proposed upcoming meeting between

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SA Ross' "business group" and "the Board". Novak stated that SA Ross' team would fly into Spokane, rent a car, and drive to the Idaho border. Novak also informed SA Ross that he will be further working on the proposal with "the Board" for SA Ross' team to possibly purchase "James Monroe University".

108. On 7/16 and 7/21/05, SA Ross received additional e-mails from Richard Novak's panamarick@highstream.net e-mail account. Novak informed SA Ross that he was continuing to discuss matters with "the Board" and continuing to work on our multiple proposed deals involving his trip to Liberia with Abdullah Dunbar, as well as our possible trip to "the Board's" Idaho printing site.

AEIT and A+ Institute Monies Wire Transferred to Abdullah Dunbar's Account

109. Financial records received from the Bank of Fairfield indicate that between 10/8/02 and 9/3/04, a total of \$23,900 was wired from either the account of "AEIT" or "A+ Institute" into the personal account of Adbulah K. Dunbar (The Deputy Chief of Mission for the Liberian Embassy in Washington, D.C.). Records indicate twenty-one of the aforementioned wire transfers list the Origin of Deposit Address as "14525 N. Newport Hwy".

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Search Warrant Seizes Eleven Boxes From Common Hallway at 601 E. Seltice Way, Post Falls, Idaho

110. On 3/29/05, a federal search warrant was executed in a common hallway at the business building located at 601 E. Seltice Way, Post Falls, Idaho.

111. Contained within those boxes was a copy of an e-mail from "Dixie" to "Amy" dated 4/28/03 which request Amy to fax the details of the e-mail to Rick Novak in Monrovia, Liberia. "Dixie" wrote:

"Hi Rick I never did receive those temporary permits for James Monroe, Robertstown, Canyon College or Southern Pacific even though we paid for accreditation, So I at least need those permits (mainly ours, I don't care that much about Canyon and Southern but they may come after me if I don't; give them Something, they have not asked but who knows)." "If the higher education guy can give us those permits (not temporary though – real ones) and if we can get a letter form Dr Roberts saying U of Liberia will accept credits and degrees from SRU, James Monroe and Robertstown for transfer to their school that will be very good. It will be Excellent for SRU and just okay for James Monroe and Robertstown because we really need accreditation for those two." "You can offer money to back date or whatever to get accreditation for James Monroe and Robertstown." "I'd like to have a physical location for all 3 but with slightly different addresses."

"We need three phone numbers for them and someone to answer to damn phones and say we are fully accredited." "I'd like to hire about 10-20 Liberian professors at \$50-\$100 per month each- they must be real and available by phone or e-mail. The first time they do not say the right thing their money gets cut off permanently."

"I don't even care if the Ed Minister does nothing but the Higher Education guy makes something up and accredits us and verifies it by

phone. Just something saying "accreditation." I think it will work for our purposes if we can get him to do that.."

"That Philippine university does not appear to be accredited. I can't find anyplace at their site about U of Liberia – anywhere. Also on the edu.ph works (not edu.lr). Their website is hideous too but the school building is okay and we can use the same one if that is the one you mentioned."

"Also, can you get a real "permit" from this higher education guy for SRU. SRU is already accredited but to have the permit for it as well would be very Good. He should have no problem issuing that."

112. Also contained within the boxes was an e-mail from "Thomas Carper" (this is believed to be one of Dixie Randock's aliases) to Amy and Steve on 5/7/03, discussing paper and printing of degrees. The e-mail indicates they are phasing out all branch schools in a few days, and "Here is what to tell all inquiring Branch School degree holders." The e-mail further states:

"The schools below have been acquired by the National Board of Education, Inc and are now officially closed. All records are now archived with the Official Transcript Records (OTAC) www.transcriptrecords.com. Closure does not invalidate your degrees. All degrees will continue to be verified as they were prior to acquisition."

Nation State University
Hartland University
New Manhattan University
St. Lourdes University
Blackstone University
North United University
Capital American University
InTech University

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Port Rhode University
Hampton Bay University
Van Ives University
Americana University
All Saints American University
Stanley State University
Saint Renoir University
American Capital University

"If you would prefer to have your degree transferred to an open school, St Regis University has agreed to accept degrees from the above schools for automatic conversion to equal Saint Regis University degrees. The fee for conversion is \$500 per degree.

Heidi Lorhan

113. According to Pay Pal records, Heidi Lorhan lists her primary e-mail address as admissions@university-services.net and the business address of Kaching Kaching, Inc. as 14308 E. 22nd Avenue, Veradale, Washington, and her work telephone number as (509) 362-2067. On 5/2/05, a domain name inquiry conducted via www.whois.com revealed that the "Administrative Contact" and the "Technical Contact" for the website usdegrees.com is "H. Lorhan, CFT, 611 Pennsylvania Avenue, SE #211, Washington, D.C. (202) 478-0699" (It should be noted that on 7/27/05, Your Affiant called the aforementioned telephone number, and a voice message machine answered with the following message:

"You have reached the Washington D.C. office of OTAC. Please

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listen for directions to leave a voice message or to send a fax. Thank you").

114. Also on 5/2/05, a domain name inquiry conducted via www.whois.com revealed that "Administrative Contact" and the "Technical Contact" for the website www.transcriptrecords.com is "L,H request@transcriptrecords.com, 611 Pennsylvania Avenue SE #211, Washington, D.C., (202)478-0699". The www.whois.com inquiry also revealed details of the web site www.transcriptrecords.com, which indicates the website title is "Official Transcript Archive Center".

115. Located within the eleven boxes of documents seized with a federal search warrant on March 29, 2005, on a common hallway at 601 E. Seltice Way, Post Falls, ID, was a letter instructing the Bank of Fairfield to make Heidi Lorhan the sole signature authority for "AEIT", "A+ Institute", and "Children's Future Trust" accounts at Bank of Fairfield as of January 31, 2001 (It should be noted that a review of documents received from Bank of Fairfield appears to confirm that between 2001 and 2004, Heidi Lorhan held signature authority for these accounts as she appeared to signed most of the checks and authorize most of the wire transfers from these accounts).

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Amy Hensley Removes Computer from Suite 8B to Her Residence

116. On 4/28/05, SA Neirinckx re-interviewed Pam Leibel, High Wing Construction, 601 E. Seltice Way, Suite 7B, Post Falls, Idaho, regarding the individuals she has seen working in Suite 8B at 601 E. Seltice Way, Post Falls, Idaho. Leibel positively identified Amy Hensley and Roberta Markishtum from photo line-ups as the two individuals she has seen routinely working in Suite 8B. Leibel stated both Hensley and Markishtum had previously claimed to work in Suite 8B as graphic designers and printers, but that around early April 2005, Markishtum informed Leibel that Hensley had obtained a second job in Spokane, Washington. Leibel stated that according to Markishtum, shortly after Hensley obtained the second job, Hensley brought home a computer from Suite 8B so she could continue to work at home on the business she would have usually worked on while in Suite 8B.

117. On 5/26/05, Roberta Markishtum made a report with the Post Falls Police Department regarding boxes of business records that were missing from an area adjacent to Suite 8B. As mentioned previously in this affidavit, pursuant to a federal search warrant executed on 3/29/05, and served on the owner of the building where the boxes were located, 11 boxes of documents were seized from

a common hallway adjacent to Suite 8B. On 5/31/05, Sgt. Dave Beck of the Post Falls Police Department, accompanied by Det. Tafoya of the Spokane Police Department, contacted Dixie Randock and Steve Randock, Sr. at 601 E. Seltice Way, B-8, Post Falls, Idaho, regarding Roberta Markishtum's police report. During that meeting, Detective Tafoya was told that Amy Hensley had worked there for six years and that she had gone from being a full-time employee to a commissioned employee who did evaluations at home but that business had slowed down and that she was not doing much lately.

118. On 6/8/05, Amy Hensley told Detective Tafoya that she had worked for Dixie and Steve Randock for six-plus years as a business manager/office manager. Amy Hensley said that she left full time employment in mid-April due to business slowing down and her having to sit on her paychecks for several days before cashing them. Amy Hensley told Detective Tafoya that she continues to do some work on a commission basis for AEIT. Amy Hensley would only say that she was doing some support work for the business and would occasionally help Roberta Markishtum with some office questions.

119. Between 7/25/05 and 7/26/05, Investigator James Tilley, USAO, conducted a review of telephone records for phone numbers (208)777-9707 and (208)777-

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9704 for the period 12/04 to 3/05. According to telephone company records, the billing address associated with those numbers is AEIT, 601 E Seltice Way, Suite 8B, Post Falls, Idaho, 83854. The AEIT account also has a toll free number, (866)312-2348, for incoming calls. A review of AEIT's telephone records and other documents show Amy Hensley's residence at (509)921-7806 was called 84 times by these numbers.

120. On 04/15/05 Investigator Collins, WA AGO, determined that Amy Hensley, (acting as a notary public) had notarized the signature of Richard Novak on a "Degree Authentication Attestation" dated 3/14/05. The "Degree Authentication Attestation" was obtained as a result of an undercover "degree" purchase, made by SA Ross, using the name of Anthony Gwynn. The document identifies Richard Novak as "Director of the University Services, Inc." and the "Registrar of the James Monroe University."

Blake Carlson and Northwest Business Stamp, Inc.

121. A www.google.com search conducted on 5/10/05 revealed that Blake Carlson is the Vice President of Northwest Business Stamp, Inc, 5210 N. Market Street, Spokane, WA, (509) 483-0308. Inquiries conducted on 7/28/05 with the Washington State Master Licensing System revealed that Blake Carlson is the

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President of Northwest Business Stamp, Inc, 5210 N. Market, Spokane, WA, telephone number (509) 483-0308. The company description is listed as pre-inked and rubber stamps, name tags, interior engraved signs, corporate awards/recognition & membership plaques. The investigation reveals that Carlson has provided several stamps and other seals to further the scheme to defraud. On March 29, 2005, Your Affiant executed a federal search warrant on 11 boxes located in a hallway adjacent to Suite 8B, 601 E. Seltice Way, Post Falls, Idaho. Some of the documents pertaining to Blake Carlson contained in the 11 seized boxes include a typed letter bearing an illegible signature from the "Dean of Studies" of "Roberstown University", and the signature of "B Carlson" as "Chief Provost", regarding the graduation of Fathima Riswana S. on 8/9/04. The "B Carlson" signature on the document appears to be a stamp. According to Investigator Tilley, this same stamped signature can be found on an invoice for a rubber stamp, dated 9/19/03 from Northwest Business Stamp in Spokane, Washington. On 7/13/05, Investigator Tilley reviewed documents that were provided to Dr. Gollin by Abul Kalaam Azad from India. Bank records reveal that AEIT issued over \$10,000 in payments to Azad during the period 1/1/03 to 12/1/04. Investigator Tilley compared the Azad documents with documents

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obtained from the 3/29/05 search warrant. For example, the Azad documents included a typed verification for degree from the "Official Transcript Archive Center" for Fathima Riswana with a stamped signature of Jayne W. Johnson, "Chairman of the Official Archive Registry." Investigator Tilley observed the same stamped signature on a Northwest Business Stamp invoice for soft- stroke pre-ink, dated 2/13/01. The Azad documents revealed a fraudulent "Robertstown University" degree for Fathima Riswana, Master of Business Administration in Information Technology, dated 8/9/04 with an illegible signature as Dean of Studies and a stamped signature of "B Carlson" as "Chief Provost." Investigator Tilley observed the same stamped signature on a Northwest Business Stamp invoice for a rubber stamp, dated 9/19/03. The Azad documents included a United States of America, Department of State document bearing a signature of Colin L. Powell, Secretary of State, and a signature of Annie R. Maddux, Assistant Authentication Officer, Department of State certifying that the "attached documents are under the Seal of the District of Columbia and entitled to full faith and credit." The attached documents include an "Authentication Attestation" from Richard Novak, "Director of University Services", regarding an Official Student Transcript for Fathima Riswana. The "Attestation" is dated

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8/8/04, one day before the “degree” for Fathima Riswana was issued. The “Official Student Transcript” document regarding Riswana reveals a stamped signature of Rick Novak as “Registrar of Academic Records.” Investigator Tilley observed the same stamped signature on two Northwest Business stamp invoices, dated 2/16/02 and 11/6/03. The Azad documents include a typed verification for degree from the “Official Transcript Archive Center” for Abul Kalaam Azad bearing a stamped signature of Jayne W. Johnson, Chairman of the Official Archive Registry, dated 9/18/02. Investigator Tilley observed the same stamped signature on a Northwest Business Stamp invoice for soft-stroke pre-ink, dated 2/13/01. The Azad documents also include official-looking educational documents bearing the stamped signatures of Patrick O’Brien, Dean of Studies; Patrick Sullivan; Stephen Frendock, Chairman of the Endorsement Advisory Regents; William Johnson; Richard J. Hoyer, Chief Provost of Saint Regis University.

The Name Blake Carlson or B. Carlson Appears on Numerous Fraudulent Degrees and other Related Documents Purchased by a Secret Service Agent Acting in an Undercover Capacity

122. As set forth previously in this affidavit, one (1) high school “diploma” and six (6) fraudulent “degrees” were purchased in an undercover capacity from “James Monroe University.” Various documents accompanied the fraudulent

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“degrees” to include fraudulent transcripts, apostilles, authentication attestations, alumni cards, etc. On four of the “Diploma of Graduations” purchased, the signature “Blake Carlson” appears as the “President” of “James Monroe University.” The signature “B Carlson” appears as the “Chief Provost” on four fraudulent “degrees,” one fraudulent “Dean’s List” certificate, and on four fictitious congratulatory letters.

James Monroe University Is Not Recognized In The United States and It Is Considered By One State Agency As a “Degree Mill”

123. A records inquiry with the United States Department of Education by Detective Bryan Tafoya on 7/26/05, showed “James Monroe University” is not a recognized university in the United States. A records inquiry by Detective Tafoya on 7/26/05 with the Oregon State Office of Degree Authorization revealed that “James Monroe University” was described as a:

“Degree mill. This is the new home of the St. Regis University scam using supposed Liberian approval. Oregon does not recognize this approval as valid under ORS 348.609.”

The Oregon State Office of Degree Authorization website further listed “James Monroe University” as a “front name for the St. Regis fake university” which it describes as:

“Closed by court order, June 2005. Degree mill. Falsely asserts Liberian government approval. Falsely asserts Indian government

approval. Appears to operate mainly from State of Washington but may have operations elsewhere.”

Blake Carlson's Use of E-mail

124. On 5/6/05, a federal search warrant was conducted on the computer servers for Marketrends Productions to obtain any e-mails saved on the servers, as well as determine the physical locations of originating and received e-mails in this investigation. One of these e-mails contained an e-mail string containing numerous forwarded e-mails. On this e-mail string, “Blake Carlson” appears to be having trouble obtaining a “UAE authentication” that is dated to match a fraudulent degree for one of his “clients.” Carlson mentions the following options to resolve the situation:

-“Have the documents printed for February 2004 to go along with the UAE authentications available for that date.”

-“Receive the documents as is and then go to the UAE embassy in Greece to obtain your own authentication.”

-“Wait for six months until Novak returns to WDC.”

-“Make funding arrangements for Novak to return to WDC on a special trip for your student.”

Further along in the e-mail string, Blake Carlson received an e-mail from John Dovelos stating: “Blake, OK, it took a lot of persuasion but finally Rashed

agreed to have the February apostillation for half price and all his documents backdated to that date. I had to hear things like that my service is unreliable, we are a 'Mickey Mouse' outfit, etc., but I'm relieved this is over."

125. The next e-mail in the e-mail string is from Blake Carlson to "Berta" (likely Roberta Markishtum who works at the fraudulent diploma mill printing shop in Post Falls, ID). The e-mail reads: "I think we finally have this deal put to bed. Please print the Ahmed Rashed Ahmed documents and transcript with the February 2004 graduation dates. Be sure to print Liberian Ministry accreditation document on the back of the transcript. Student will received the February dated: UAE Authentication, WDC Apostillation whatever? Please print the dates to match up. Charge his credit card 50% of the normal price, I have carbon copied this message to John Dovelos who will respond to you with the exact shipping address and phone number."

"Berta" replies to the aforementioned e-mail with: "Please send the new documents to me and I will print them. What are you talking about on the back of the transcript??"

Blake Carlson's Reno, Nevada Bank Account reveals deposits from AEIT

126. Records received from Wells Fargo Bank, account #201/7501160, in the name of "Education Services, Inc.," reflect that the account was opened in Reno, Nevada, and that the signature authority for the account is Blake Carlson and

Carrie Carlson. Records further indicate that on Blake Carlson's account application, he listed his cellular telephone number of (509) 710-0215, and a business telephone number for Northwest Business Stamp as (509) 483-0308. Records further indicate that for the time period of April 2003 through January 2005:

-Deposits for the time period of April 2003 through December 2004 were reviewed, and included in these deposits were checks from "AEIT" to "Educational Services". Records indicate that over \$30,000.00 in checks were deposited to the account. According to a letter addressed to the Bank of Fairfield, dated March 20, 2002, and bearing the signature of Heidi Lorhan, "Saint Regis University", "AdvancedU", "OTVC" (i.e., "Official Transcript Verification Center"), and "Evaluation and Endorsement" are subsidiaries of AEIT.

Blake Carlson is listed as the Provost of Saint Regis University

127. On 3/21/05, Investigator James Tilley, USAO, reviewed the records received from Martha Hennebry, Director of Membership, American Association of Collegiate Registrars and Admissions Officers (AACRAO). Records indicate

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“Saint Regis University” applied for AACRAO Institutional membership in May 2003 with credit card payment of \$350. The name on the credit card was “A+ Institute.” The application was denied because “Saint Regis University” did not qualify for AACRAO Institutional membership due to the requirement that institutional membership into AACRAO is only open to post-secondary degree-granting institutions accredited by an accrediting agency recognized by the Council for Higher Education Accreditation (CHEA). One of the contact persons on the application for “Saint Regis University” was “Blake Carlson, Provost, 73 Carey Street, West Wing S&G Building, 1000 Monrovia 10 Liberia, West Africa, info@saintregisedu.org.”

Blake Carlson and Richard Novak

128. As previously described, on 7/7/05, Your Affiant and other Special Agents met in a U/C capacity with Richard Novak in Washington, D.C. Richard Novak had previously agreed to meet with Your Affiant’s U/C “business group,” representing themselves as a fictitious “diploma-mill.” During this U/C meeting and surveillance operation, Richard Novak confirmed previous statements that he had made to U/C SA Ross indicating that he has an extensive history of “consulting” for other “diploma-mills.” Novak indicated that he has worked for

numerous “diploma-mills,” providing services including the creation of fictitious documents, as well as coordination of illegitimate foreign government “recognition” and false “accreditation” documents.

129. Telephone records received from Verizon Wireless indicate there were fourteen (14) telephone calls between 2/10/05 and 6/16/05 from Richard Novak’s cellular telephone number (602) 524-8758 to Blake Carlson’s cellular telephone number (509) 710-0215.

130. Copies of archived computer records from a previously active web site for “St. Regis University” were provided to the USSS Spokane RO on 5/10/05 by Dr. George Gollin. One of the archived documents lists both “Dr. Blake Carlson” and “Dr. Richard Novak” on the “Faculty” web page. “Dr. Blake Carlson” is listed as “Saint Regis University’s Provost and Chief Academic Officer”. The same “Faculty” web page indicates that Carlson “has earned a bachelor’s degree in business, and the master’s and doctorate degrees in business and organizational management. “Dr. Carlson” is further described as “co-founder of World Chapel Ministries dedicated to the mission of helping Christians through their life experiences, missions and ministry attain valid, government recognized degrees, ordinations and certifications.”

131. Record inquiries conducted on 5/10/05 via www.PKNIC.net, revealed the domain of www.distancedegree.edu.pk is registered to "Saint Regis University", and that the "Main Contact" for the domain is "Dr. Blake."

Meetings at The Davenport Hotel Between Blake Carlson, Steve Randock, Richard Novak and Others

132. Records obtained from The Davenport Hotel, 10 S. Post Street, Spokane, WA, revealed that on 12/31/03 and 1/1/04, Steve Randock, 3127 River Glen, Colbert, WA, was a guest at the hotel in room #1006. The records also reflect that additional charges to Steve Randock's room bill included charges for room #1002 which records reflect was assigned to "Rick Novak", and also room #1009 which records reflect was assigned to Doug Lorhan. Hotel records further indicate that in the "Comments" section, there is a notation that reads: "Needs to have a room with tub. Would like as close as possible to Lorhan, Carlson, and Randock party."

Academic Credential Assessment Corporation (ACAC)

133. On 2/23/05, Investigator James Tilley, United States Attorneys Office, requested a business report from Lexis Nexis on "Academic Credential Assessment Corporation" (It should be noted that during a U/C purchase of a

fraudulent "degree" from "James Monroe University," an accompanying document received with the fraudulent "degree" was a letter from "Academic Credential Assessment Corporation, 123 W. 1st Street, Suite 675, Casper, WY, and P.O. Box 2264, Casper, WY, indicating that the accompanying "degree" is certified as being "Equivalent to a US Regionally Accredited Bachelor of Arts" degree). The report revealed "Academic Credential Assessment Corporation" was incorporated on 4/12/04 in Wyoming, incorporation number 2004004649521 as a for profit corporation. The registered agent is identified as 4Gusta Inc., 123 W. First St, Suite 675, Casper, WY 82601. The corporation address is listed as G.D. Jalil, 123 W First St, Suite 675, Casper, WY 82601.

134. On 2/25/05, Your Affiant contacted SA Corbin Rowe, USSS (Cheyenne Domicile), regarding any information he may have regarding the "Academic Credential Assessment Corporation", 123 W. First Street, Suite 675, Casper, Wyoming and P.O. Box 2264, Casper, Wyoming. SA Rowe stated he made an inquiry with a local postal employee who advised that P.O. Box 2264 is rented by Guillermo B. Jalil, President of 4Gusta Incorporated, 4962 Apple Drive, Redding, PA 19626, (610) 404-0406 and (307) 235-2580.

135. SA Rowe stated that he had also spoken with Ken Gassen, Investigator,

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Wyoming State Secretary of State's Office, 200 W. 24th Street, Cheyenne, WY 82002, (307)777-5349, regarding the office space at 123 W. First Street, Suite 675, Casper, Wyoming. SA Rowe stated Gassen is very knowledgeable about that office space as he has been in the office on prior occasions. SA Rowe stated Gassen informed him that 4Gusta Corporation is the business at that suite, and that 4Gusta Corporation is simply a registered agent business for approximately four hundred (400) other corporations wishing to have a business address in the state of Wyoming. SA Rowe stated Gassen also informed him that the "Academic Credential Assessment Corporation" is likely one of the 400 aforementioned businesses, and that 4Gusta Corporation would likely only have minimal amount of records on "Academic Credential Assessment Corporation," which would likely only contain a list of "Academic Credential Assessment Corporation's" officers and an address where 4Gusta Corporation should forward any of "Academic Credential Assessment Corporation's" mail.

Mail Cover at 3127 E. River Glen, Colbert, Washington Reveals ACAC Sent Letters to Steve Randock

136. A mail cover established on 1/20/05 at the residence of 3127 E. River Glen, Colbert, WA, revealed the following items of mail: multiple letters from GD Jalil,

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123 W. 1st St., Suite 675, Casper, WY (The mail forwarding location and registered agency for the fraudulent accreditation agency of "Academic Credential Assessment Corporation"). These letters were addressed to Steve Randock at 3127 E. River Glen, Colbert, WA.

Offshore Account Lists Address of 3127 E. River Glen, Colbert, Washington

137. On 6/23/05, the USSS Spokane Resident Office received records from PriceWaterhouseCoopers, 1809 Barrington Street, Suite 600, Halifax, Canada, regarding two overseas bank accounts at Banc Caribe set up in the name of "St. Regise University (AEIT Peer Degree Program) Graduate School." Records indicate that Dixie E. Randock and Steven K. Randock, E. 3127 River Glen, Colbert, WA are listed as the "Account Owners." Records also indicate the accounts were opened using Dixie and Steven Randock's United States passports as identifications.

138. Another document received from PriceWaterhouseCoopers regarding the bank accounts "St. Regise University (AEIT Peer Degree Program) Graduate School", was a notarized "Affidavit of Indebtedness" signed by Steven K. Randock on 11/12/04. In the notarized Affidavit, Steven Randock stated he was the "President of St. Regis University," and that the checking account balance

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was \$104,290.00 with deposits in transit of \$91,255.31 as of 9/16/03.

Details of Money Laundering Investigation

139. SA David Bencoter, United States Department of Treasury, Internal Revenue Service, Criminal Investigations, has advised Your Affiant that he has been conducting a financial investigation of Steven and Dixie Randock. Your Affiant is aware that SA Bencoter is a trained and experienced financial investigator who has worked on numerous tax fraud and money laundering investigations during his fifteen-plus year career with the IRS. SA Bencoter has advised Your Affiant that he has reviewed and analyzed thousands of bank records during the course of his IRS career. SA Bencoter has advised Your Affiant that individuals who are involved in criminal activity frequently open and maintain accounts in nominee names, use nominees to conduct their financial transactions, conduct their financial transactions in a manner to conceal the source, nature, and disposition of the proceeds derived from their criminal activity, and open and maintain domestic and offshore bank accounts. SA Bencoter has advised Your Affiant that he has identified at least ten (10) domestic and foreign financial accounts, which are controlled by the Randocks and Heidi Lorhan. Heidi Lorhan is an employee of Dixie and Steve Randock and

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is believed to be the daughter of Dixie Randock. SA Bencoter has advised Your Affiant that he has reviewed all available financial records for the known Randock-controlled accounts, including signature cards, wire transfer, deposit items, cancelled checks, and monthly statements.

140. SA Bencoter advised Your Affiant that Steve and Dixie Randock have created a trust known as "Childrens Future Trust." SA Bencoter advises that his analysis of the accounts reveals that Dixie and Steven Randock are using Children's Future Trust as a nominee account to place assets and pay personal living expenses (for example, the Randock's personal residence is held in the name of the trust and their mortgage is paid from a bank account held in the name of the trust).

141. Documents reveal that Heidi Lorhan and Steven K. Randock have signature authority over three accounts at the Bank of Fairfield located in Fairfield, WA. These three accounts are held in the name of AEIT, A+ Institute, and Children's Future Trust.

Analysis of AEIT's Domestic Bank Account 60118759 at Bank of Fairfield

142. SA Bencoter stated that he has reviewed account # 60118759 at the Bank of Fairfield held in the name of AEIT from the time period 1/1/01 through

12/31/04, and determined that Heidi Lorhan and Steven K. Randock have sole signature authority over this account. The Randocks appear to be using this bank account to deposit receipts generated from the internet sale of "degrees" and related merchandise. According to SA Bencoter's review of the deposit items (other than transfers) to this AEIT account, beginning on 1/5/01, deposits items appear to be exclusively from the sale of diplomas and diploma-related documents (such as transcripts). SA Bencoter explained that it appears that the "degree" purchasers frequently paid for the "degrees" by check. A representative sample of some of the items deposited into the AEIT account include:

-On 9/13/02, a check from Stokely Hall for \$691 payable to "St.

Regis University" was deposited. According to the "for" section of the check, it was for payment of "tuition."

-On 8/1/02, a check for \$1,100 from William Beana payable to

"Saint Regis University" was deposited. According to the "for" section of the check, it was for payment of "bachelors/masters degrees."

-On 10/31/02, a check for \$1,395 from Alice Basnight was

deposited. According to the "for" section of the check, it was for

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payment of "combo bachelors/master" degrees.

-On 11/2/04, a check for \$35 from George Lucey was deposited.

The check bore the notation that it was for the payment of "transcripts."

- On 12/24/04 a cashier check for \$451 was deposited. It contained the notation "Valery Walker HS & Assoc W/ report of equiv to US Diploma."

143. SA Benscoter advised that the foregoing items were only a few examples of the numerous check items that were deposited into the account and which appear to constitute payment for the purchase of "diplomas" and associated fees charged by the Randock-controlled internet entities. He advised there are numerous other check deposits similar to the above examples.

Analysis of AEIT's Account (# 267123402880) at Cardservice International

144. SA Benscoter also reviewed financial records for account # 267123402880 held in the name of "AEIT," at Cardservice International, also known as First Data. SA Benscoter advised that according to Paula Carrasco, of Cardservice International, First Data is the parent company of Cardservice International. Ms. Carasco stated that merchants contract with Cardservice

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International to process their credit transactions. Ms. Carasco said stores and internet merchants use Cardservice International to accept credit transactions from buyers of merchandise or services. She stated that Cardservice International accepts money on behalf of merchants who have opened an account with them, routes the money through Cardservice International's own bank account, and then transfers the money to the merchant's account. According to AEIT's account application, Dixie and Steven Randock are the signers for the Cardservice International AEIT account. The Randocks directed Cardservice International to send any receipts it receives on AEIT's behalf to an account held in the name of AEIT (account # 60118759) at the Bank of Fairfield. SA Benscoter advised that he compared several months of Cardservice International monthly statements for the AEIT Cardservice International account (# 267123402880) with deposits made to AEIT's Bank of Fairfield account (account # 60118759) and confirmed that the transfers from the Cardservice International account were made, as indicated. The transfers from Cardservice International appeared on AEIT's Bank of Fairfield account monthly statements under the name "merchant Bnkcd BC deposit 267123402880." In addition, Cardservice International provided correspondence to investigators that was sent from AEIT when "charge backs"

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(disputed charges) were made. AEIT provided documentation to Cardservice International that the charges were accurate. SA Bencoter has reviewed the documentation which includes invoices and copies of e-mails regarding the sale of diplomas and diploma charges. Such words as "BA/Master Combo," "Master/Business Management Accounting," etc., appear on the invoices and e-mails. SA Bencoter advised that it is his belief that all deposits to the Cardservice International account are from the sale of "diplomas" and "diploma" products (transcripts, etc.).

\$1.6 million Deposited into AEIT's Account #60118759 at Bank of Fairfield

145. SA Bencoter advised that during the period 1/1/01 through 12/31/04, over \$1.6 million were deposited to AEIT's account (# 60118759) at the Bank of Fairfield. SA Bencoter further advised that approximately half of the deposits appear to come from income from the sale of fraudulent "diplomas" and "diploma" products and the other half of the deposits are transfers from another Randock-controlled account, held in the name of "A+ Institute."

Analysis of Additional Offshore and Domestic Accounts Being Used By the Randocks

146. SA Bencoter's financial investigation revealed that other bank accounts

controlled by the Randocks include account # 3286282052 at Wells Fargo Bank in the name of "AEIT" located in Las Vegas, Nevada, and two offshore accounts, # CK-100941 and #SV-200084, at Banc Caribe, located in Roseau, Dominica, in the name of "Saint Regise University (AEIT Peer Degree Program) Graduate School."

147. SA Benscoter advised that he reviewed records obtained from Banc Caribe located in Roseau, Dominica regarding two accounts held in the name of "Saint Regise University." Dominica is located in the Caribbean, southeast of the Dominican Republic. The records reveal that Dixie and Steven Randock have sole signature authority for two offshore accounts held in the name of "Saint Regise University (AEIT Peer Degree Program) Graduate School" at Banc Caribe. In addition, both Dixie and Steven K. Randock used their U.S. passports as identification to open the Banc Caribe accounts because copies of each individual's passport was contained in the bank records. According to the bank statements, over \$250,000 was deposited to these accounts during 2002. SA Benscoter stated that it is his understanding, after speaking with an IRS agent stationed in the Carribean and FBI agents familiar with Banc Caribe, that the bank has been closed by the Government of Dominica because it was suspected

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of laundering money, and over \$250,000 currently in the Randock's accounts has been frozen. According to the bank statements, nearly all the money sent to the Randocks' Banc Caribe accounts came from Worldpay, a "gateway" company that transfers money from internet buyers and sellers. In addition, Banc Caribe records indicate that on September 24, 2002, a \$50,000 wire transfer from Randock account CK100941 was made to an another offshore account (104000602405) held in the name of Steven and Dixie Randock at Loyal Bank located in St. Vincent, West Indies.

Analysis of AEIT's Worldpay Account

148. On 4/20/05, SA David Benscoter reviewed records obtained from Worldpay (21355 Ridgetop Circle, Suite 250, Dulles, Virginia, 20166) account 10604197 in the name "AEIT" for the time period April, 2002 through February 2005. Worldpay is a gateway company that accepts internet credit card payments from the buyers of a product or service and sends them to the sellers of a product or service. The signature card indicates Steve and Dixie Randock are the signers for the AEIT Worldpay account. According to Worldpay records, Worldpay transferred monies from the AEIT account at Worldpay to account number CK-100941 at Banc Caribe from 2002 until early 2003. As stated previously,

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documents obtained from Banc Caribe reveal that Steve and Dixie Randock have signature authority over account number CK-100941. It is also known, from Banc Caribe bank statements, that Worldpay deposits appear in the Banc Caribe account beginning July 23, 2002. The last Worldpay deposit to the Randock's Banc Caribe account occurred on January 31, 2003. Worldpay records indicate that over \$250,000 was received and sent to the Randock's Banc Caribe account in 2002. In August 2003, the Randock's changed their Worldpay receiving bank from Banc Caribe to Wells Fargo Bank, account #3286282052, located in Las Vegas, Nevada.

149. SA Bencoter advised that from his financial investigation he believes that deposits to the AEIT Worldpay account are from the sale of fraudulent "diplomas" and "diploma" products from "St. Regis University" and other similar Randock-controlled internet "schools" which sell fraudulent degrees. A review of the records reveals that many of the sales are to individuals located outside the United States. SA Bencoter advised that he believes these sales constitute payment to the Randocks for the sale of fraudulent "degrees." It is known from the review of other financial account records that many "degree" purchasers have addresses outside the United States. Second, although none of the individuals

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making purchases through Worldpay have been contacted, some of the names of purchasers were found on the internet. One such individual was Anne Cronvich. When her name was run through an internet search, a resume was found at www.privatelessons.com. Cronvich lists on her resume that she has an "M.F.A. Musical Theater, St. Regis University- Life/Work Experience Degree." She also lists "D.M.A. Vocal Pedagogy, St. Regis University- Life/Work Experience Degree." Worldpay records indicate Anne Cronvich paid \$2,996 to "AEIT" through Worldpay. Another name researched through the internet was Harris Crumpton. According to Worldpay records, Harris Crumpton paid "AEIT" \$1,220. On 5-13-05, SA David Bencoter spoke with Tom Justus. Justus is the Superintendent for the school district in Virginia that employs Harris Crumpton. Justus stated that during the summer of 2004, Crumpton was hired to be a principal at one of the public schools Justus oversees. Mr. Justus stated that the Commonwealth of Virginia has not recognized the certificate that Crumpton provided when he became principal. Mr. Justus said this "degree" was issued to Crumpton by "St. Regis University." Justus said the degree Crumpton submitted was apparently recognized by Liberia. SA Bencoter stated that based on the above evidence he believes the Worldpay account is being used substantially to

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transfer money from "degree" purchasers to the Randocks.

Analysis of AEIT's Wells Fargo Account

150. SA Bencoter advised that he has reviewed records for a Wells Fargo account (#328-6282052) held in the name of "AEIT, Inc." The account is located in Las Vegas, Nevada. The account is being used by Steve and Dixie Randock as a repository for proceeds collected from the sale of fraudulent "degrees" and "diploma" products. Signature authority for this account is held by Dixie and Steven K. Randock. SA Bencoter advised that over \$330,000 was deposited into this account during the period September 23, 2003 to March 3, 2005. The records reveal that nearly all the monies deposited into this Las Vegas account came from the AEIT Worldpay account.

Analysis of Paypal Records Regarding Dixie Randocks's Account

151. SA Bencoter reviewed records for Paypal account 1714368473394202564 held in the name of Dixie Randock (using the e-mail address of: payments@saintregisedu.org). Paypal is a company that transfers money over the internet, usually from buyers of products or services to the sellers. SA Bencoter stated that, according to the "Account Home" file supplied by PayPal, over \$187,000 has been deposited into this account since inception. The

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"Transaction Logs" file, supplied by PayPal, indicates these transactions occurred between December 12, 2001 to January 2, 2005. SA Bencoter noted that the bank account associated with this PayPal account is "AEIT" at Bank of Fairfield, account #60118759. Signature authority for the PayPal account is Dixie Randock. SA Bencoter stated that he reviewed the "Subject" column in the transaction log for this account. This column indicated numerous payments to Dixie Randock were for the purchase of "diplomas" and other academic credentials. For example, on December 29, 2004, a payment was received with the notation "AA degree"; on January 1, 2005, a payment was received with the notation "MBA 3.5"; and on January 2, 2005, a payment was received with the notation "High School diploma 3.8." SA Bencoter stated that in reviewing the withdrawals from this account regularly he realized that Dixie Randock did not have the money from this account transferred to AEIT's Bank of Fairfield account. Instead, withdrawals from Dixie Randock's PayPal account were apparently linked to a debit card. This debit card was used in three ways: (1) payment for goods and services such as hotel rooms (i.e. Davenport Hotel in Spokane, WA) or shoe purchases (i.e. www.shoes.com); (2) taken as cash from ATM machines, or (3) used to pay bills (Google adwords, Crystal Graphics, Inc,

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etc.).

Suspected Money Laundering Transactions

152. Subpoenaed bank records show that on May 24, 2004, check #1161 made payable to Dixie Randock in the amount of \$20,250 for "commission" was debited from AEIT's Bank of Fairfield account. The back of the check indicates it was cashed or deposited at US Bank. It is known that Dixie and Steven K. Randock have account # 1-535-0234-5942 at US Bank. A deposit of \$20,250 was made to this account on May 21, 2004. On August 10, 2004, a check for \$18,000 from "Canyon College" of Idaho was deposited into the AEIT account. According to the memo line on the face of the check, it was for "renewal of NBOE accreditation."

153. Regarding the Randocks' Banc Caribe account, the Randocks conducted financial transactions, in their checking and savings accounts, in amounts over \$10,000 on four occasions, as follows:

- on 7/23/02 there was an incoming wire of \$52,000 from Worldpay;
- on 8/2/02 there was a transfer of \$50,000 from checking to savings account;
- on 1/2/03 there was a transfer of \$100,000 from checking to savings account;
- In addition, it is known that the aforementioned \$50,000 was sent to the

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Randocks from their Banc Caribe account, via "outgoing wire" on 9-24-02.

According to Banc Caribe records, this \$50,000 was wire transferred to account # 104000602405 held in the name of Steven and Dixie Randock at Loyal Bank in St. Vincent, West Indies.

154. Not all records regarding the Randocks' Wells Fargo account have been received as of this day. However, the bank statements which have been reviewed reveal there were at least nine transactions, over \$10,000, involving the Randocks' Wells Fargo account. The following are the known monetary transactions by the Randocks which are over \$10,000:

- wire transfer deposit of \$194,638.88 on 11/13/03 from Worldpay Inc.
- wire transfer deposit of \$12,495.92 on 11/28/03 from Worldpay Inc.
- check #1003 withdrawal of \$32,300 on 3/22/04 written to Wells Fargo

Bank

- purchase of \$30,000 Cashiers Check # 0699904031 on 3/22/04 and made payable to Adept Escrow
- wire transfer withdrawal of \$15,000 on 5/4/04 to Wachovia Bank
NA BNF = "Academic Credential Assessment Corp"
- purchase of Cashiers Check # 0699904031 on 7/12/04 for \$30,000

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payable to Internal Revenue Service

- wire transfer withdrawal of \$31,119.56 on 7/13/04

- check #1009 withdrawal of \$30,000 on 7/13/04 payable to Wells

Fargo Bank

- wire transfer withdrawal of \$20,000 on 10/4/04 to "Union Bank of

California BNF = Abdul Kalaam Azad

- check #1018 withdrawal of \$60,000 on 11/10/04 PAYABLE TO

Wells Fargo Bank

- purchase of Cashiers Check # 0171502756 on 11/10/04 for \$60,000

payable to Internal Revenue Service

- wire transfer withdrawal of \$17,500 on 11/16/04 to Ecobank

Liberia BNF = S. Prince Porte

155. The financial investigation reveals that the Bank of Fairfield AEIT account, Banc Caribe "Saint Regise" checking and savings accounts, and Wells Fargo AEIT, Inc. account were utilized to directly receive proceeds from the internet sale of fraudulent degrees and other academic credentials, (thus money representing the proceeds of a specified unlawful activity, i.e., wire fraud acts).

Therefore, Your Affiant believes there is probable cause to believe that these

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financial transactions, in excess of \$10,000, constitute violations of 18 U.S.C. § 1957 (Money Laundering).

Details of Criminal Tax Investigation

156. SA Bencoter stated that he has reviewed checks from the Steve and Dixie Randock's AEIT account at Bank of Fairfield in 2001 and 2002. SA Bencoter determined that over \$33,000 in checks had been written to Heidi Lorhan from that account in 2001 and 2002. SA Bencoter further advised that she received over \$4,900 in 2001 and \$28,000 in 2002. Some of the checks had notations on them such as "comm" and "15%.." Based on his experience, SA Bencoter believes that "comm" is a shorthand way of designating that the purpose of the checks was for the payment of "commission" to Heidi Lorhan and that "15%" indicates her percentage of "commission."

157. SA Bencoter conducted trash pickups at Heidi Lorhan's residence located at 14308 East 22nd, Veradale, Washington (now known as Spokane Valley, Washington). On February 24, 2005, and March 17, 2005, SA Bencoter found envelopes from "AEIT, 601 East Seltice Way, B-8, Post Falls, Idaho, 83854" which were addressed to "Heidi Lorhan, 14308 East 22nd, Veradale, WA. 99037." On March 17, 2005, SA Bencoter also discovered in the trash an

invoice that appears to represent commissions paid to Heidi Lorhan. SA Bencoter believes that the envelope from AEIT contained the invoice.

Randock's Loyal Bank Account

158. SA Bencoter noted that Steve and Dixie Randock wire transferred \$50,000 in income from their Banc Caribe account to Loyal Bank in St. Vincent, West Indies, on September 24, 2002. SA Bencoter reviewed the Loyal Bank website and learned that one of the advertised benefits in having an account with Loyal Bank is the account-holder's ability to use an offshore debit card. SA Bencoter is familiar with the use of offshore debit cards by individuals who attempt to hide income from the IRS. Having an offshore debit card enables the account-holder to route pre-taxed income to an offshore account and then use the debit card to access (spend) the money. As a result, such an offshore debit card account-holder will not have unexplained income flowing through his/her domestic bank accounts in the event that he/she would ever be audited by the IRS. According to an e-mail dated 3/23/05 from "Dixie" of forwardinfo@university-services.net and sent to Vedmurthy Sarvotham at amved@hotmail.com, Dixie Randock instructed "Ved" that the credit card, debit card, and checks must not be in she and Steve Randock's name but must be in

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"Ved's" name and the cards must be given to Dixie and Steve Randock to use.

Dixie Randock also instructs "Ved" that she and Steve Randock "make the money decisions and should be the only ones to make purchases, transfers, payments, etc., unless [Steve and Dixie Randock]. . . have authorized them to be made" by Ved. Dixie Randock further explains that she and Steve Randock "[s]ometimes need to register a domain or buy something for the schools and we do not want our name on it." Stephen@advancedu.org was copied on the e-mail to "Ved."

The Internet

159. As part of Your Affiant's training and experience, Your Affiant has become familiar with the Internet, which is a network of computers that individuals and entities can use to gain access to a wide variety of information; to send information to, and receive information from, other individuals; to conduct commercial transactions; and to communicate via electronic mail ("e-mail"). An individual who wants to use Internet e-mail must first obtain an account with a computer that is linked to the Internet - for example, through a university, an employer, or a commercial service - which is called an "Internet Service Provider" or "ISP." Many ISPs assign each subscriber an account name, known as an "e-mail address," an e-mail mailbox, and a personal password selected by

the subscriber. By using a computer equipped with a telephone or cable modem, the subscriber can establish communication with an ISP over a telephone line or through a cable system, and can access the Internet by using his or her account name and personal password. Once the individual has accessed the Internet, he or she can use Internet mail services, including sending and receiving e-mail. In addition, the individual can visit web sites, which are locations on the Internet that offer information, services, or goods.

Searching and Seizing Computers

160. Based upon Your Affiant's training and experience, consultations with experts in computer searches, and Your Affiant's communications with other law enforcement agents who have been involved in the search of computers and retrieval of data from computer systems, Your Affiant knows that searching and seizing information from computers often requires agents to seize all electronic storage devices (along with related peripherals, software, documentation, data security devices and passwords) so that qualified computer expert in a laboratory or other controlled environment can more accurately analyze such evidence. This is true because of the following:

Volume of evidence: Computer storage devices (such as hard disks,

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diskettes, tapes, laser disks, CD-ROMs, DVDs, and Bernoulli drives) can store the equivalent of hundreds of thousands of pages of information. Additionally, a suspect may try to conceal criminal evidence by storing it in random order with deceptive file names or deceptive file extensions. This may require searching authorities to examine all the stored data to determine which particular files are evidence or instrumentalities of a crime. This sorting process can take weeks to months, depending on the volume of data stored. It would also be impractical to attempt this type of data search on site.

Technical requirements: Searching computer systems for criminal evidence is a highly technical process, requiring expert skill and a properly controlled environment. The vast array of computer hardware and software available requires even computer experts to specialize in some systems and applications, so it is difficult to know before a search which expert is qualified to analyze the system and its data. In any event, data search protocols are exacting scientific procedures designed to protect the integrity of the evidence and to recover even hidden, erased, compressed, password-protected, or

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encrypted files. Since computer evidence is extremely vulnerable to inadvertent or intentional modification or destruction (both from external sources or from destructive codes embedded in the system, such as a "booby trap"), a controlled environment is essential to its complete and accurate analysis.

Search techniques: The analysis of electronically stored data may entail any or all of several different techniques. Such techniques may include, but are not limited to, surveying various file "directories" and the individual files they contain (which is analogous to looking at the outside of a file cabinet for the pertinent files in order to locate the evidence and instrumentalities authorized for seizure by the warrant); "opening" or reading the first few "pages" of such files in order to determine their precise contents; "scanning" storage areas to discover and possibly recover recently deleted data; scanning storage areas for deliberately hidden files; or performing electronic "keyword" searches through all electronic storage areas to determine whether occurrences of language contained in such storage areas exist that are intimately related to the

subject matter of the investigation.

Peripheral devices: The peripheral devices, which allow users to enter or retrieve data from the storage devices, vary widely in their compatibility with other hardware and software. Many system storage devices require particular input/output (or "I/O") devices in order to read the data on the system. It is important that the analyst be able to properly re-configure the system as it now operates in order to accurately retrieve the evidence contained therein. In addition, the analyst needs the relevant system software (operating system, interfaces, and hardware drivers) and any applications software, which may have been used to create the data (whether stored on hard drives or on external media), as well as all related instruction manuals or other documentation and data security devices. If the analyst determines that the I/O devices, software, documentation, and data security devices are not necessary to retrieve and preserve data after inspection, the government will return them within a reasonable amount of time.

Magnetic storage devices and CPU: In order to fully retrieve data

from a computer system, the analyst also needs all magnetic storage devices as well as the central processing unit (CPU). Further, the analyst needs all the system software (operating system or interfaces, and hardware drivers) and any applications software that may have been used to create the data (whether stored on hard drives or on external media) for proper data retrieval.

161. Based upon Your Affiant's knowledge, training, and experience; as well as the knowledge, training, and experience of SA Paul Kemppainen; that individuals who are engaging in fraudulent activities over the internet, utilize computer systems to receive, send, and store e-mail messages, communicate with associates, store billing, expense and asset information, and store information about degree purchasers and other related business information, it is my belief that any number of documents sought in this affidavit may be found stored electronically.

In this investigation, the warrant application requests permission to search and seize files, including those that may be stored on a computer. This affidavit also requests permission to seize the computer hardware that may contain any such files if it becomes necessary for reasons of practicality to remove the hardware

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and conduct a search off-site.

162. Your Affiant knows that computer hardware, software, and electronic files may be important to a criminal investigation in two distinct ways: (1) the objects themselves may be contraband, evidence, instrumentalities, or fruits of crime, and/or (2) the objects may be used as storage devices that contain contraband, evidence, instrumentalities, or fruits of crime in the form of electronic data. Rule 41 of the Federal Rules of Criminal Procedure permits the government to search for and seize computer hardware, software, and electronic files that are evidence of crime, contraband, instrumentalities of crime, and/or fruits of crime. Your Affiant believes that, in this case, the computer hardware is a container for evidence and also itself an instrumentality of the crimes under investigation.

Items To Be Seized

163. Your Affiant respectfully requests authority to seize the following items which constitute evidence of violations of 18 U.S.C. § 371 (Conspiracy); 18 U.S.C. § 1341 (Mail Fraud); 18 U.S.C. § 1343 (Wire Fraud); and 18 U.S.C. §§ 1956 and 1957 (Money Laundering); 15 U.S.C. § 78dd-2 (Prohibited Foreign Trade Practices):

Documents, records, and physical evidence for the period August 14, 1999,

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to the present, created by, sent to, or related to Dixie Ellen Randock,
Steven Karl Randock (also known as Steven Randock, Sr., Steven Randock, and
Steve Randock), Heidi Kae Lorhan, Amy Leann Hensley (also known as A.
Hensley), Richard John Novak (also known as Rick Novak), Blake Alan Carlson
(also known as B. Carlson), Roberta Lynn Markishtum, Kenneth Pearson,
Richard Hoyer, Sheila Danzig, Adbulah K. Dunbar, Fathima Riswana,
Abul Kalaam Azad, John Dovelos, G.D. Jalil (also known as Guillermo B. Jalil),
Stephen Frendock, Ahmed Rashed Ahmed, Abul Kalaam Azad, Dr. Gollin,
Mohammed Syed, James Hunter, Jallah Faciann, Thomas Carper, Jennifer
Greene, John McLaughlin, Randy Bush, Luise Correia (also known as Icorreia),
Prince Porte, L. Randock, R. Markishtum, Isaac Roland, Jayne W. Johnson,
Annie R. Maddox, Patrick O'Brien, William Johnson, Vedmurthy Sarvotham,
Monrovia Embassy, Liberian Embassy, Official Transcript Verification Center,
AEIT Peer Degree Program, Saint Regise, Children's Future Revocable Trust
(also known as Children's Future Trust), A+ Institute (also known as A+ Institute
and Printing), Northwest Business Stamp, Saint Regis University (also referred to
as St. Regis University and SRU), Robertstown University, James Monroe
University (also referred to as "JMU"), James Monroe University High School,

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Trinity Christian School, AEIT (Advanced Education Institute Trust),
Nation State University, Hartland University, New Manhattan University,
St. Lourdes University, Blackstone University, North United University,
Capital American University, InTech University, Port Rhode University,
Hampton Bay University, Van Ives University, Americana University,
All Saints American University, Stanley State University, Saint Renoir
University, American Capital University, United Auto Workers,
Atrium Incorporations, Collines De Fontaine, LLC, Ministry of Education,
The UPS Store, Mailboxes, Etc., PakMail, Saint Regis Educational Services,
AACRAO (also known as American Association of Collegiate Registrars and
Admissions Officers), NAFSA, Office Archive Registry, 4Gusta, Inc.,
UAE Embassy, Seborga, Italy, Advanced U, Kaching Kaching, Inc. (also known
as Kaching Kaching), When Pigs Fly, Inc. (also known as When Pigs Fly),
American Coastline University, National Board of Education (NBOE),
Career Consultants International (CCI), Academic Credential Assessment
Corporation (ACAC), International Commission for Higher Education (ICFHE),
Ameritech University, Fort Young University, Panamerica University,
Educational Services, INSYNC, LLC, AdvancedU, OTVC, Academic Credential

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Assessment Corporation, St. Regise University (AEIT Peer Degree Program)
Graduate School, Canyon College, US Documents, Inc., St. Regis Accounting,
DHL Delivery Company (also known as DHL), ThankyouPayment, Digital
Archive, Degree Authentication Attestation, University Services, Inc.,
Randolph Addison Davis Technical University, Degree Authentication
Attestation, University Services, Inc., World Chapel Ministries,
forwardinfo@university-services.net, www.Liberianembassy.com,
amved@hotmail.com, www.usdegree.com, www.saintregisedu.org,
www.e-grads.com, www.jamesmonroeuniversity.ac/jmu_admissions.html,
rowleygolf@yahoo.com, forward1@university-services.net, www.university-
services.net/james_sre/high_school/test.html, www.jamesmonroeuniversity.ac,
forward1@university-services.net, Agonthebeach@hotmail.com,
www.university-services.net/jamesmonroe/rev/worldpay_ja.html,
masyedholland@juno.com, www.university-services.net/jamesmonroe/fp_ja.html,
mymail.marketrends.net/src/compose.php?send_to=james%40university-
services.net, www.jamesmonroeuniversity.ac, james@university_services.net,
www.robertstownuniversity.ac, www.saintregisedu.org,
payments@saintregisedu.org, admissions@university-services.net,

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info@aplusnow.com, stephen@advancedu.org, info@robertstownuniversity.ac,
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info@aplusnow.com, info@robertstownuniversity.ac,
payments@saintregisedu.org, admissions@university-services.net,
Stephen@advancedu.org, frjames@advancedu.org, www.advancedu.org,
www.university-services.net, abcdegree.com, jamesmonroeuniversity.ac,
info@university-services.net, www.nationalboardedu.com,
admin@webmarche.com, degrees@university-services.net,
panamarick@highstream.net, admissions@university-services.net,
usdegrees.com, greginthedesert@hotmail.com, www.transcriptrecords.com,
www.distancedegree.edu.pk, Stephen@advancedu.org, (509) 466-8829,
(866) 312-2348, (208) 318-0568, (208) 777-9704, (208) 777-9707,
(610) 404-0406, (307) 235-2580, (509) 468-2728, (202) 318-0568,
(202) 543-0850, (602) 524-8785, (623) 583-7722, (509) 466-8829,
(509) 710-0215, 216.171.217.28, 216.171.217.187, 216.171.216.203,
65.101.109.164, 63.227.100.226, H1B Visa to wit:

a. Papers, records, documents, files, notes, memos, or materials, in handmade

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or mechanical form (such as printed, written, handwritten, or typed); "diplomas"; school "transcripts";

b. E-mail correspondence in electronic and written form;

c. Computer or data processing hardware, software or data including, but not limited to: hard drives and disks, floppy disks, diskettes, compact disks, CD-ROMs, DVDs, optical discs, Zip cartridges, magnetic tapes, integral RAM or ROM units, electronic notebooks, smart cards, and any other permanent or transient storage device(s) or medium;

d. Computer passwords and other data security devices designed to restrict access to or hide computer software, documentation, or data, including any hardware, software, programming code, or passwords designed to restrict access to or hide computer software, documentation, or data;

e. Stored images or partial images of school "degrees", seals, stamps, signatures, identification documents, or scanned images or partial images of the same;

f. Embossing devices, rubber ink stamps, ink pads;

g. Foil or other manufactured seals including those seals of "schools", educational institutions, "accreditation" institutions, and embassies; equipment

and supplies capable of manufacturing school “degrees”, school “transcripts”, “Diploma Attestations”, or other documents related to “degrees”;

h. Ink pens or other writing utensil capable of signing documents related to degrees; laminating equipment and supplies capable manufacturing “Alumni ID cards”;

i. Records or materials relating to mailing or shipping of school “degrees” and related academic documents to “degree buyers”;

j. Personal and business telephone and address books, both written and electronic;

k. Any financial and business records, including: receipts and invoices for income and expenditures, financial statements, business income and expense records, bank account records, manually or computerized listings of payment schedules, ledgers and journals reflecting receipt or distribution of funds, correspondence or notes reflecting income or expenses, loan applications, contracts, pledges of collateral, stock certificates, records regarding payments of loans, records of business and travel expenses, credit cards and credit card records, telephone toll and usage records;

l. Records relative to expenditures for the acquisition, ownership, transfer,

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maintenance, deposit, withdrawal or disposition of any assets, including: payment receipts, bills of sale, promissory notes, mortgages, deeds, vehicle licenses, titles or registrations, insurance policies, and related files, notes, memoranda, and correspondence;

- m. Tax information including tax returns;
- n. Safety deposit box keys;
- o. Currency, money orders, cashier's checks, precious metals;
- p. Passports and other identification documents;
- q. Airline tickets and itineraries;
- r. Business diaries and day planners;
- s. Shipping records;
- t. Customers and degree purchaser lists;
- u. Debit cards, credit cards, and checks in the names of Dixie and Steven

Randock; and

- v. Debit cards, credit cards, and checks in the names of nominees, including Vedmurthy Sarvotham.

Conclusion

171. SA Ross, acting in an undercover capacity, was able to purchase several

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“degrees” from the Dixie and Steve Randock-controlled web sites without ever attending any classes or lectures, purchasing any books, physically meeting with any faculty, or doing any homework assignments. Based on all the above, there is probable cause to believe that Dixie Randock, Steven K. Randock, Amy Hensley, Roberta Markishtum, Blake Carlson, Richard Novak, Ken Pearson, and others engaged in violations of 18 U.S.C. §§ 1341 (Mail Fraud), 1343 (Wire Fraud), 371 (Conspiracy), 1956 (Money Laundering) and 1957 (Money Laundering), and 15 U.S.C. 78dd-2 (Prohibited Foreign Trade Practices).

172. It has been Your Affiant’s experience, based on previous investigations, that evidence of violations of 18 U.S.C. §§ 1341 and 1343 are often located in written and electronic record form.

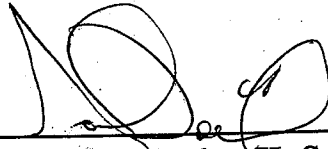
In light of the significant payments to Abdullah Dunbar, Steve and Dixie Randock’s internet representations of accreditation from a foreign government, and the statements of Richard Novak during the 7/7/05 U/C meeting with Secret Service agents, and Steve and Dixie Randock’s use of e-mail, evidence of violations of 15 U.S.C. § 78dd-2 are in electronic and written form. It is also the experience of SA Bencoter, IRS, that evidence of violations of 18 U.S.C. §§ 1956 and 1957 are also often located in written and electronic record form. This

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affidavit is being submitted in support of an application for a Search Warrant for not only the items but for the content of the items seized even if in electronic form.



John E. Neirinckx, II, Special Agent
United States Secret Service

SUBSCRIBED AND SWORN to before me this 10th day of August, 2005.



Cynthia Imbrogno
United States Magistrate Judge