

STATE OF NORTH CAROLINA

COUNTY OF WAKE

AFFIDAVIT OF DETECTIVE RICHARD C. BARGFREDE

I, Richard C. Bargfrede, being first duly sworn, state as follows:

1. I am a resident of Wake County, North Carolina, and I have personal knowledge of the facts set forth in this affidavit.

2. I am currently a Detective with the Raleigh Police Department (“RPD”) in its Financial Crimes Unit. I have been a Detective for approximately five years and have worked in law enforcement for over twelve years. I am currently assigned to the Southwest District, and my office is located at 601 Hutton Street in Raleigh.

3. In my position as Detective in the Financial Crimes Unit, I regularly investigate crimes involving fraudulent activity being perpetrated against the public.

4. On February 24, 2011, Captain Niemann of the RPD was contacted by Mr. Michael Banks and Mr. David Parker of the North Carolina State Employees Credit Union (“SECU”), regarding suspected fraudulent police reports that had been submitted to the credit reporting agency Equifax by or on behalf of a number of SECU customers.

5. Mr. Parker, SECU’s Credit Reporting Manager, reported that, at his request, Equifax had sent him copies of purported police reports that had been submitted to Equifax by or on behalf of some SECU customers. In reviewing the reports, Mr. Parker observed that the reports contained unusual similarities. For example, the form used for each report was the same, even though they were purportedly prepared by different police departments across North

Carolina. In addition, in many instances, the name of the reporting officer was the same; many of the officers' ID numbers were the same; and many of the reports contained identical case numbers. Further, in all of the reports, in virtually identical language, the purported reporting officer reported that the SECU customer stated that he or she had been a victim of identity theft – that is, that someone had stolen their identifying information and used it to obtain credit in their name without their knowledge or authorization. In turn, these purported police reports had been submitted by, or on behalf of, the customers to Equifax, in support of the customers' contentions that the payment history or other information supplied by SECU to Equifax was incorrect because the accounts allegedly did not belong to them due to fraud, and therefore should be removed from their credit reports.

6. In my review of several police reports purportedly prepared by RPD, I confirmed that the reports were, in fact, false, as the forms were not RPD forms; no reports had been filed with RPD by the customers listed; the officers named in the reports did not exist or were not employed by RPD; and the report numbers used were not RPD case numbers.

7. In conducting subsequent investigation, I contacted two SECU customers whose names appeared in RPD reports that I determined were fraudulent. The first customer stated he had filed a report with RPD about a year earlier regarding a breaking and entering, but that he had never filed a police report with RPD regarding fraud. The customer acknowledged that he had recently submitted paperwork to Equifax regarding several items on his credit report that he believed were not his, but the customer claimed that he had done this by himself and that he not received any assistance from any third parties.

8. I contacted a second SECU customer who was the subject of a similar fraudulent RPD police report. In response to my questions, the individual stated that he had not filed a police report with RPD, but that he was working with a “credit repair” company whose name he could not recall. Although the individual could not remember the name of the business, I asked him to describe the location of the business where he had made payments. He described the office building located at 3737 Glenwood Avenue in Raleigh. I asked him where the office was located in the building, and he instructed me to just go in the front door and ask the receptionist for “the guy that helps you out with credit.”

9. The following day, which was in March 2011, I went to the office building located at 3737 Glenwood Avenue in Raleigh. I entered the building through the front door, entered Suite 100, and spoke to a receptionist. I asked the receptionist if there was someone who could help me out with my credit. She responded that there was, and that the business was “M&M Business Concepts.” After obtaining this information, I left.

10. Upon returning to my office I conducted some Internet research and found a listing under the Better Business Bureau for M&M Business Concepts (“M&M”) at the Glenwood Avenue address. The listing reported that M&M had been incorporated in December 2010, and the principal was a Monterrio Adams.

11. On March 21, 2011, I attempted to contact a third person who was the subject of a fraudulent RPD report. When I called the person, who was a woman, a male answered and said that he was the woman’s husband. I identified myself as an RPD detective, and the husband offered to answer my questions, saying his wife wasn’t home. He stated that his wife had not filed a fraud report with RPD, but that she was working with a credit repair agency. He said he

did not know the name of the agency, but that his wife was working with “Monterrio.” I asked him if Monterrio’s office was located near Glenwood Avenue and Interstate 440 and he said “yes.”

12. The following day, on March 22, 2011, I obtained a search warrant to search the office of M&M Business Concepts at 3737 Glenwood Avenue, Suite 100 in Raleigh. Sergeant Dunmyre and Detective Embler assisted with the search and recording of the evidence collected. We entered Suite 100, and I asked for Monterrio Adams. The receptionist called him on the phone, and a moment later a male walked out and identified himself as Monterrio Adams. I identified myself, and told Mr. Adams that I wanted speak with him. Mr. Adams asked that we step out into the lobby, since he had a client in his office.

13. I asked Mr. Adams if he could explain the nature of his business. Mr. Adams said that he “helped people with their credit,” but he was vague as to the specifics of how his business worked. On further questioning, Mr. Adams admitted that he prepared police reports on behalf of clients, that he subsequently sent the reports to Equifax, but that he had not filed these reports with any police departments. Mr. Adams claimed that he did not realize he was doing anything wrong, and that he was “just trying to help people out.”

14. I asked Mr. Adams for permission to look around his office. Mr. Adams refused, so I showed Mr. Adams the search warrant, and I read it to him. At that time, Mr. Adams allowed us to conduct a search.

15. Our search of M&M’s office yielded over 250 individual client files that had manufactured or fraudulent police reports inside of them. We discovered an additional 104 client files also relating to credit repair services that did not contain any police reports, but

contained some paperwork, such as copies of the client's driver's license, e-mail correspondence, or payment records. As part of our search, we seized these two groups of files. Finally, there were approximately 114 additional files that contained only the client's contact information but contained no other paperwork or information. We did not take these files as part of our search, but I wrote down the names of the clients.

16. As part of our search, we inspected the computer files on Mr. Adams' computer. On the computer were form templates to prepare police reports, as well as facsimile forms for use in submitting documents, including falsified police reports, to Equifax. Mr. Adams acknowledged to us that he had faxed and mailed documents to Equifax contesting items on clients' credit reports, and that those documents included false police reports that he or his employees had prepared for purposes of making it appear that clients had filed actual police reports contending they were victims of identity theft. Mr. Adams also admitted to filling out identity theft affidavits online on behalf of his customers.

17. I subsequently contacted the North Carolina Attorney General's Office regarding this matter. On March 30, 2011, I met with Consumer Specialist David Evers and Assistant Attorney General Lynne Weaver of the Consumer Protection Division, and turned over to them for their office's review, the client files we had seized from M&M's business premises. Our investigation into this matter continues.

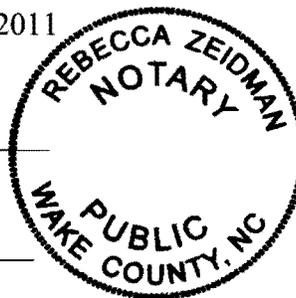
R.C. Bargfrede
Richard C. Bargfrede

7-13-11
Date

Sworn to and subscribed before me

This the 13th day of July, 2011

Rebecca Zeidman
(Notary Public)



My Commission Expires: 3-3-2012

Expiration Date ↑
County of Wake, State of NC