ORIGINAL

Presented to the Court by the foreman of the Grand Jury in open Court, in the presence of the Grand Jury and FILED in The U.S. DISTRICT COURT at Seattle, Washington.

AUGUST 13 20 03

BRUCE RIFKIN, Clerk

By Deputy

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA, Plaintiff, v. NATIONWIDE MOVING & STORAGE, LLC, aka NORTHSTAR MOVING & STORAGE, aka AMERICAN STAR MOVING & STORAGE, ERIK DERI, TANYA DERI, aka TANYA MARTIN, aka TANYA DEREI, YUVAL DEREI, JOE NAHAM, aka YOSI DEREI, MICHAEL AIRGOOD, and KRISTEN KLEIN, Defendants	NO. CR03 0343 FDB(BAR) INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNT 1
(Conspiracy to Commit Wire Fraud and Interfere with Commerce by Extortion)

A. The Offense

1. Beginning at a time uncertain, but in or about May 2002, and continuing until on or about July 15, 2003, within the Western District of Washington, and

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elsewhere, NATIONWIDE MOVING & STORAGE, LLC, (aka NORTHSTAR MOVING & STORAGE, aka AMERICAN STAR MOVING & STORAGE), ERIK DERI, TANYA DERI, (aka TANYA MARTIN, aka TANYA DEREI), YUVAL DEREI, JOE NAHAM, (aka YOSI DEREI), MICHAEL AIRGOOD, and KRISTEN KLEIN did knowingly and willfully conspire, combine, confederate, and agree together with others, known and unknown, to commit offenses against the United States, to wit: wire fraud, in violation of Title 18, United State Code, Section 1343, and interference with commerce by extortion, in violation of Title 18, United States Code, Section 1951, and committed acts in furtherance of that conspiracy.

B. <u>Background</u>

At all times material herein,

2. NATIONWIDE MOVING SYSTEMS, LLC ("NATIONWIDE"), (aka NORTHSTAR MOVING & STORAGE, aka AMERICAN STAR MOVING & STORAGE), was a moving company that operated from offices in the Western District of Washington (Kirkland and Woodinville, Washington), and engaged in the interstate transportation of household goods ("goods") for members of the public, an industry that affects interstate commerce;

3. ERIK DERI was a resident of the Western District of Washington, and was an owner, officer, and manager of NATIONWIDE, who exercised management authority and control over NATIONWIDE and its employees;

4. TANYA DERI was a resident of the Western District of Washington, and was an owner, officer, and manager of NATIONWIDE, who exercised management authority and control over NATIONWIDE and its employees;

5. YUVAL DEREI was a resident of the Western District of Washington, and was a manager and supervisor for NATIONWIDE, who provided estimates to NATIONWIDE customers and direction to NATIONWIDE employees;

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6. JOE NAHAM was a resident of the Western District of Washington, and was a manager and supervisor for NATIONWIDE, who provided estimates to NATIONWIDE customers and direction to NATIONWIDE employees;

7. MICHAEL AIRGOOD was a resident of the Western District of Washington, and was a packer and occasional foreman on NATIONWIDE moving jobs, who participated in packing and loading customers' goods onto and in the trucks used by NATIONWIDE to move customers' goods; and

8. KRISTEN KLEIN was a resident of the Western District of Washington, and was a secretary, office manager, and "estimator" for NATIONWIDE, who provided estimates to NATIONWIDE customers and handled customer complaints.

C. Object of the Conspiracy

9. It was the object of the conspiracy for the defendants to unjustly enrich themselves by luring customers into doing business with NATIONWIDE by offering them low moving estimates, subsequently inflating the price of the move, and thereafter withholding delivery of their goods until customers paid an inflated price to NATIONWIDE.

D. Manner and Means of the Conspiracy

10. It was part of the conspiracy that NATIONWIDE represented itself to the public as a reputable and authorized moving company.

11. It was further part of the conspiracy that ERIK DERI, TANYA DERI, YUVAL DEREI, JOE NAHAM, KRISTEN KLEIN, and other NATIONWIDE employees intentionally provided low moving estimates to customers to induce them to hire NATIONWIDE to move their goods. These estimates were conveyed by telephone, facsimile or electronic mail ("e-mail").

12. It was further part of the conspiracy that ERIK DERI, TANYA DERI, YUVAL DEREI, and JOE NAHAM supervised NATIONWIDE employees who conducted the actual moves, and instructed those employees in techniques designed to

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extort NATIONWIDE customers to obtain payments far in excess of the estimates previously provided to the NATIONWIDE customers by telephone, fax, or e-mail.

13. It was further part of the conspiracy that NATIONWIDE moving crew members, including MICHAEL AIRGOOD and others, attempted to obtain the signatures of NATIONWIDE customers on blank or incomplete bills of lading and other documents when they arrived to load the goods, in order later to "document" falsely the increases in moving costs to the NATIONWIDE customers.

14. It was further part of the conspiracy that, once the NATIONWIDE moving crew members, including MICHAEL AIRGOOD and others, had loaded the customer's goods onto the moving trucks, MICHAEL AIRGOOD and others employed by NATIONWIDE would notify the customer of a falsely inflated price for the move, by claiming, among other things, that the customer's goods occupied more cubic feet than had been originally estimated by NATIONWIDE and/or by overcharging the customers for unnecessary packing materials.

15. It was further part of the conspiracy that NATIONWIDE moving crews, including MICHAEL AIRGOOD and others, would threaten to unload the goods of the NATIONWIDE customer onto the street at the pick-up location, and impose a charge for the same, if the customer did not agree to pay the inflated price demanded by the NATIONWIDE moving crew.

16. It was further part of the conspiracy that once a customer's goods were in the possession of NATIONWIDE, officers and employees of NATIONWIDE, including ERIK DERI, TANYA DERI, YUVAL DEREI, JOE NAHAM, KRISTEN KLEIN, and MICHAEL AIRGOOD, and others, would threaten NATIONWIDE customers during telephone conversations with the loss of their goods unless they paid the inflated moving price demanded by NATIONWIDE.

17. It was further part of the conspiracy that ERIK DERI, TANYA DERI, YUVAL DEREI, JOE NAHAM, and KRISTEN KLEIN ignored customers' repeated

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complaints about the inflated price and/or lied to the customers about the delivery of their goods, often using false names when dealing with customers over the telephone.

E. Overt Acts

In furtherance of the conspiracy and to achieve the objects thereof, at least one of the co-conspirators committed or caused to be committed, in the Western District of Washington, and elsewhere, at least one of the following overt acts, among others:

18. On or about September 14, 2002, a NATIONWIDE moving crew loaded the goods of K.G. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, and others, inflated the price of the interstate move from the original fraudulent estimate of $1,275.00 to an inflated price of $2,550.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

19. On or about October 21, 2002, a NATIONWIDE moving crew loaded the goods of J.J. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, and others, inflated the price of the interstate move from the original fraudulent estimate of $3,931.00 to an inflated price of $16,000.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if he did not.

20. On or about November 15, 2002, a NATIONWIDE moving crew loaded the goods of R.B. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, and others, inflated the price of the interstate move from the original fraudulent estimate of $1,498.75 to an inflated price of $3,473.75, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

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21. On or about December 28, 2002, a NATIONWIDE moving crew loaded the goods of L.B. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, and others, inflated the price of the interstate move from the original fraudulent estimate of $1,406.00 to an inflated price of $3,784.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

22. On or about December 31, 2002, NATIONWIDE intentionally provided by e-mail an initial low estimate of $1,316.00 to C.M. in Oregon, intending to entice her thereby to hire NATIONWIDE to conduct an interstate move for which she would later be charged an inflated price.

23. On or about January 1, 2003, KRISTEN KLEIN intentionally provided by telephone an initial low estimate of $1,300.00 to B.C. in Oregon, intending to entice her thereby to hire NATIONWIDE to conduct an interstate move for which she would later be charged an inflated price.

24. On or about January 3, 2003, a NATIONWIDE moving crew loaded the goods of G.B. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, and others, inflated the price of the interstate move from the original fraudulent estimate of $1,100.00 to an inflated price of $2,533.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

25. On or about January 27, 2003, a NATIONWIDE moving crew loaded the goods of B.C. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, YUVAL DEREI, and others, inflated the price of the interstate move from the original fraudulent estimate of $1,300.00 to an inflated

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price of $3,476.10, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

26. On or about January 31, 2003, a NATIONWIDE moving crew loaded the goods of C.M. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, YUVAL DEREI, and others, inflated the price of the interstate move from the original fraudulent estimate of $1,316.70.00 to an inflated price of $5,000.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

27. On or about February 7, 2003, ERIK DERI, using the name "Matthew", told NATIONWIDE customer G.B. by telephone in Colorado that NATIONWIDE would not deliver G.B.'s goods unless she paid the inflated price of $2,533.00 that NATIONWIDE had demanded.

28. On or about February 26, 2003, a NATIONWIDE moving crew loaded the goods of S.D. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, and others, inflated the price of the interstate move from the original fraudulent estimate of $800.00 to an inflated price of $964.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

29. On or about February 27, 2003, a NATIONWIDE moving crew loaded the goods of J.M. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, JOE NAHAM, and others, inflated the price of the interstate move from the original fraudulent estimate of $800.65 to an inflated price of $3,132.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

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30. On or about March 1, 2003, KRISTEN KLEIN intentionally provided by telephone an initial low estimate of $3,696.00 to A.B. in California, intending to entice her thereby to hire NATIONWIDE to conduct an interstate move for which she would later be charged an inflated price.

31. On or about March 3, 2003, ERIK DERI initially told NATIONWIDE customer J.M. by telephone in Louisiana that NATIONWIDE would take J.M.'s goods to an undisclosed location unless she paid the inflated price of $3,132.00 that NATIONWIDE had demanded, and subsequently told her by telephone in Louisiana that she must pay a "discounted price" of $1,600.00 to receive her goods from NATIONWIDE.

32. On or about March 14, 2003, a NATIONWIDE moving crew loaded the goods of A.B. onto a moving truck for an interstate move, and, once the goods were so loaded, the NATIONWIDE crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, YUVAL DEREI, and others, inflated the price of the interstate move from the original fraudulent estimate of $3,696.00 to an inflated price of $8,640.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

33. On or about June 27, 2003, an AMERICAN STAR moving crew, with MICHAEL AIRGOOD as foreman, loaded the goods of N.K. onto a moving truck for an interstate move, and, once the goods were so loaded, the AMERICAN STAR crew, at the direction and under the supervision of ERIK DERI, TANYA DERI, YUVAL DEREI, and others, inflated the price of the interstate move from the original fraudulent estimate of $1,595.00 to an inflated price of $2,830.00, and attempted to induce the customer to pay the inflated price, based upon threats of economic harm if she did not.

All in violation of Title 18, United States Code, Section 371.

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COUNTS 2-6
(Wire Fraud)

A. The Scheme to Defraud and to Obtain Money and Property

34. Paragraphs 1 through 17 are realleged and incorporated as though fully set forth herein.

35. Beginning at a time uncertain, but in or about May 2002, and continuing until the present, within the Western District of Washington, and elsewhere, NATIONWIDE MOVING & STORAGE, LLC, (aka NORTHSTAR MOVING & STORAGE, aka AMERICAN STAR MOVING & STORAGE), ERIK DERI, TANYA DERI, (aka TANYA MARTIN, aka TANYA DEREI), JOE NAHAM, (aka YOSI DEREI), MICHAEL AIRGOOD, and KRISTEN KLEIN knowingly and willfully devised and executed a scheme and artifice to defraud customers of NATIONWIDE, and to obtain money belonging to those customers by means of false and fraudulent pretenses, representations, and promises, by luring customers into doing business with NATIONWIDE by offering them low moving estimates, subsequently inflating the price of the move, and thereafter withholding delivery of their goods until they paid the inflated price to NATIONWIDE.

B. Execution of the Scheme to Defraud

36. On or about the dates set forth below, within the Western District of Washington and elsewhere, ERIK DERI, TANYA DERI, (aka TANYA MARTIN, aka TANYA DEREI), JOE NAHAM, (aka YOSI DEREI), MICHAEL AIRGOOD, and KRISTEN KLEIN, for the purpose of executing and attempting to execute the scheme and artifice to defraud and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises, did knowingly transmit and cause to be transmitted in interstate commerce by means of wire communications, certain writings, signs, signals and sounds, as more specifically described below:

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COUNT	DATE	WIRE COMMUNICATION
2	12/31/02	e-mail from NATIONWIDE to C.M. in Oregon with initial estimated price of $1,316.00
3	1/1/03	telephone call from KRISTEN KLEIN to B.C. in Oregon with initial estimated price of $1,300.00
4	2/7/2003	telephone call from ERIK DERI to G.B. in Colorado demanding payment of $2,535.00, rather than initial estimated price of $1,100.00
5	3/1/03	telephone call from KRISTEN KLEIN to A.B. in California with initial estimated price of $3,696.00
6	3/3/2003	telephone call from ERIK DERI to J.M. in Louisiana demanding $3,132.00, rather than initial estimated price of $800.65

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS 7-15
(Interference with Commerce by Extortion)

37. Paragraphs 1 through 17 are realleged and incorporated as though fully set forth herein.

38. On or about the dates set forth below, in the Western District of Washington, and elsewhere, NATIONWIDE MOVING & STORAGE, LLC, (aka NORTHSTAR MOVING & STORAGE, aka AMERICAN STAR MOVING & STORAGE), ERIK DERI, TANYA DERI, (aka TANYA MARTIN, aka TANYA DEREI), JOE NAHAM, (aka YOSI DEREI), MICHAEL AIRGOOD, and KRISTEN KLEIN did knowingly and unlawfully obstruct, delay and affect, and attempt to obstruct, delay and affect interstate commerce and the movement of articles and commodities in such commerce by means of extortion, in that defendants unlawfully received money for interstate moving services from customers, with their consent induced by the wrongful use of fear of economic harm, in that defendants threatened to withhold delivery of customers' goods unless they paid money that NATIONWIDE claimed it was owed.

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COUNT	DATE	VICTIM	INTERSTATE MOVE AFFECTED
7	9/14/02	K.G.	goods loaded onto truck in Seattle, WA. by NATIONWIDE moving crew; delivery destination: Knoxville, TN.; NATIONWIDE demanded payment of $2,550.00, instead of $1,275.00
8	10/21/02	J.J.	goods loaded onto truck in Seattle, WA. by NATIONWIDE moving crew; delivery destination: Boynton Beach, FL.; NATIONWIDE demanded payment of $16,000.00, instead of $3,931.00
9	11/15/02	R.B.	goods loaded onto truck in Palouse, WA. by NATIONWIDE moving crew; delivery destination: Wilmington, N.C..; NATIONWIDE demanded payment of $3,473.75, instead of $1,498.75
10	12/28/02	L.B.	goods loaded onto truck in Omaha, NE. by NATIONWIDE moving crew; delivery destination: Seattle, WA.; NATIONWIDE demanded payment of $3,784.00, instead of $1,406.00
11	1/3/2003	G.B.	goods loaded onto truck in Issaquah, WA. by NATIONWIDE moving crew; delivery destination: Denver, CO.; NATIONWIDE demanded payment of $2,535.00, instead of $1,100.00
12	1/27/03	B.C.	goods loaded onto truck in Portland, OR. by NATIONWIDE moving crew; delivery destination: Sherman Oaks, CA.; NATIONWIDE demanded payment of $3,476.10, instead of $1,300.00
13	1/31/03	C.M.	goods loaded onto truck in Gresham, OR. by NATIONWIDE moving crew; delivery destination: Mesa, AZ.; NATIONWIDE demanded payment of $5,000.00, instead of $1,316.70
14	2/26/03	S.D.	goods loaded onto truck in Seattle, WA. by NATIONWIDE moving crew; delivery destination: Antioch, IL.; NATIONWIDE demanded payment of $964.00, instead of $800.00
15	2/27/03	J.M.	goods loaded onto truck in Federal Way, WA. by NATIONWIDE moving crew; delivery destination: Bossier City, LA.; NATIONWIDE demanded payment of $3,132.00, instead of $800.00

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COUNTS 16-17
(Interference with Commerce by Extortion)

39. Paragraphs 1 through 17 are realleged and incorporated as though fully set forth herein.

40. On or about the dates set forth below, in the Western District of Washington, and elsewhere, NATIONWIDE MOVING & STORAGE, LLC, (aka NORTHSTAR MOVING & STORAGE, aka AMERICAN STAR MOVING & STORAGE), ERIK DERI, TANYA DERI, (aka TANYA MARTIN, aka TANYA DEREI), YUVAL DEREI, MICHAEL AIRGOOD, and KRISTEN KLEIN did knowingly and unlawfully obstruct, delay and affect, and attempt to obstruct, delay and affect interstate commerce and the movement of articles and commodities in such commerce by means of extortion, in that defendants unlawfully received money for interstate moving services from customers, with their consent induced by the wrongful use of fear of economic harm, in that defendants threatened to withhold delivery of customers' goods unless they paid money that NATIONWIDE claimed it was owed.

COUNT	DATE	VICTIM	INTERSTATE MOVE AFFECTED
16	3/14/03	A.B.	goods loaded onto truck in San Jose, CA. by NATIONWIDE moving crew; delivery destination: Wausheka, WI.; NATIONWIDE demanded payment of $8,640.00, instead of $3,696.00

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17	6/27/03	N.K.	goods loaded onto truck in Seattle, WA. by AMERICAN STAR moving crew, MICHAEL AIRGOOD, foreman; delivery destination: Las Vegas, NV; AMERICAN STAR crew demanded payment of $2,830.00, instead of $1,595.00; YUVAL DEREI and ERIK DERI both demanded payment of inflated price before goods would be delivered

All in violation of Title 18, United States Code, Sections 1951 and 2.

A TRUE BILL:

FOREPERSON 8-13-03 DATE

for

JOHN McKAY
United States Attorney

FLOYD G. SHORT
Assistant United States Attorney

KATHRYN A. WARMA
Assistant United States Attorney

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