

OUR TOWNS

Man admits fraud, money laundering

David Fleisher tried to bilk 4,000 companies in a telemarketing scam run out of his Huntingdon Valley offices.

By RICK MARTINEZ
Staff Writer

PHILADELPHIA — The scam worked something like this, authorities said.

Richboro resident David Fleisher or an employee would call a church, school, hospital or other business and say his company could save it a lot of money through bulk buying.

Authorities said the telemarketers would often lie about the price of the merchandise and tell the buyer the two companies (his and theirs) had a long business relationship, when in fact they didn't.

Once a sale was made, Fleisher would send an extraordinarily inflated bill, offi-

cial said. For example, in one case he charged a company \$420 for a case of lubricant he had bought for \$30.

If a company employee questioned a bill, he would say the product was worth the extra money or blame a clerical error and promise to take the excess charges off the next bill. And the bogus bills would keep on coming, officials said.

Fleisher also tried to bribe purchasing agents, officials said.

If you think this was a nickel-and-dime scam, then think \$12 million worth of nickels and dimes.

That's how much Fleisher and his firm tried to scam from 4,000 companies and institutions around the country, officials said. Fleisher's company sold industrial and commercial supplies, including lubricant and trash can liners.

In U.S. District Court in Philadelphia Tuesday afternoon, Fleisher, 52, pleaded guilty to three counts of mail fraud and one count of money laundering. When sentenced by Judge Curtis Joyner on July 12, he faces up to 35 years in prison and \$400,000 in fines.

When the judge asked Fleisher at Tuesday's hearing what he did with his "ill-got-

ten gains," a soft-spoken Fleisher said he lived the good life.

"We went on vacations, bought nice cars, bought nice clothes and got carried away with the money, with the greed," said Fleisher, a resident of the first block of Misty Meadow Drive in Richboro.

Assistant U.S. Attorney Mitchell Goldberg would not reveal how much of the \$12 million in fraudulent billings Fleisher actually collected through the scam. He said some of the companies were local, but he did not have their names.

Goldberg said he couldn't discuss how investigators snared Fleisher. He did say Fleisher's firm is only one of an unspecified number of companies being investigated in a large-scale, ongoing probe of telemarketing by the Federal Bureau of Investigation, the U.S. Postal Inspection Service and the Internal Revenue Service.

Even before Tuesday's guilty plea, Fleisher agreed to liquidate some assets and forfeit \$1.3 million as part of his plea bargain on the money-laundering charges, Goldberg said.

The money-laundering charge stemmed from Fleisher using the money he obtained through fraud to promote and operate his

telemarketing business.

According to court records, Fleisher worked his scam under many names as well as many guises.

Sharp Industries, Saturn Industries, Polaris Industries, TransAmerica and Chem Tech were just some of the names he and his partner called their Huntingdon Valley-based company at 1458 County Line Road.

That business partner has not been charged, said Goldberg. The newspaper is withholding his name. No other employees have been arrested either.

In addition to inflated product prices and bogus bills, authorities said Fleisher sometimes attempted to bribe company purchasing agents. He would offer them gifts or financial kickbacks to be sent to their home addresses as an inducement for the agents to pay the exorbitant prices listed on the sales invoices, prosecutors said.

Asked whether any purchasing agents accepted kickbacks and, if so, had been charged, Goldberg said only that the investigation is ongoing.

Referring to the scope of the scam, Goldberg said, "They threw as many darts as they could on the board to see which ones stuck."