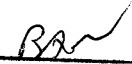


CLERK US DISTRICT COURT
NORTHERN DIST. OF TX
FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS 2015 DEC 21 PM 2:56
DALLAS DIVISION

ORIGINAL

DEPUTY CLERK



UNITED STATES OF AMERICA

v.

No. 3:14-CR-113-N

WILLIAM LAURENCE STANLEY (1)

FACTUAL RESUME

Defendant William Laurence Stanley, the defendant's attorney Joseph J. Padian, and the United States of America (the government), agree that the following is true and correct:


Essential Elements:

In order to prove that William Laurence Stanley (Stanley) was guilty of Count Two of the Indictment, the government would be required to prove beyond a reasonable doubt the following essential elements of a violation of 18 U.S.C. §1951(a) (Hobbs Act - Extortion):

First: Stanley obtained property from the victim with the victim's consent by the actual or threatened use of fear, including fear of economic loss;

Second: Stanley did so by the wrongful use of threats to induce fear; and

Third: Stanley obtained the victim's property in a manner that affected interstate or foreign commerce.


Stanley's Initials

Factual Stipulations:

Defendant Stanley stipulates and agrees to the following facts in support of his plea of guilty:

1. SEO stands for search engine optimization. A legitimate SEO business engages in standard practices such as optimizing the underlying HTML code on a website for certain keywords that a search engine indexer (e.g., a web crawler for Google, Bing, etc.) would associate with a given search query. Additional methods would include things such as increasing "backlinks" or links that go to the website, as that often indicates the popularity of any given site. An example of this would be if a SEO company caused a lot of different websites to link to the ABC's website at www.ABC.com, the www.ABC.com website likely would climb naturally to the top of search results for "ABC." The rankings and mere number of results can drastically affect an individual's or a company's reputation. A negative reputation can result in an economic loss for a company.

2. An illegitimate SEO business engages in deceptive tactics to affect search engine rankings and the volume of results. Such deceptive tactics include creating fraudulent reviews (good or bad), creating fictitious websites, or hiding text on websites.

3. While Stanley engaged in some legitimate SEO work, he also engaged in illegitimate and illegal SEO activities. Stanley also extorted individuals and companies, by threatening to engage in the illegitimate SEO work, that being posting fraudulent comments and creating negative reviews online, if the victim did not pay him a certain

amount of money.

4. Prior to the extortionate conduct alleged in the Indictment, Stanley and GE had a prior relationship. The prior relationship ended with demands by Stanley for GE to pay him a sum of money to stop Stanley from posting disparaging remarks about GE's reputation. The prior relationship can be summarized as follows:

On November 4, 2009, GE entered into a contractual arrangement with Stanley for search-engine-optimization (SEO) services and reputation management. After approximately one year, GE sought to terminate its relationship with Stanley. Stanley had created websites that had the ability to damage GE's reputation by associating GE with a scam. Stanley demanded additional payments to end his contractual relationship with GE, and to surrender the administrator rights to the websites to GE. GE agreed to pay Stanley, and between November 2010 and January 2011, GE made four payments to Stanley totaling \$80,000 to terminate its relationship with Stanley.

5. On December 13, 2013, Stanley posing as "William Davis" sent an e-mail to a representative of GE from from the e-mail address reputationrewards@gmail.com. In the e-mail, Stanley demanded money from GE and alluded to a debt purportedly incurred by the then defunct merger-and-acquisitions firm known as MG. Specifically, the e-mail stated: "I have just learned that the people I made a deal with at [MG] now work for [GE] which means that you basically bought [MG] out [*names of MG employees omitted*]. They owe me \$28k so now you owe me that \$28k." The e-mail also threatened that GE's failure to pay would result in its company name being placed on 50 complaint websites.

6. On December 14, 2013, Stanley posing as "William Laurence" sent an e-mail to GE, again from the e-mail address reputationrewards@gmail.com. In this email Stanley

stated that he had been “chasing these guys for years to get the money they owe me for my reputation work. . . . Now they are doing business with your company and I hold your company responsible for the money they owe me.” After stating that GE was now in his “sights,” Stanley stated:

I am sorry if you don't feel comfortable with this but you should have asked them if they have any liabilities that might follow them to your firm. I have done business with your company in the past so I am well aware of how things work. . . I am a reputation expert and probably the best in the business. I assure you it is in your best interest to make sure I am not unhappy.

7. On December 17, 2013, Stanley e-mailed GE's Chief Legal Officer (CLO) from his reputationrewards@gmail.com account and acknowledged his true identity. In a second e-mail, Stanley stated, “now that I have found them I do not care how I get paid. . .but I am not going without getting paid. They have avoided payment and stayed in hiding long enough.”

8. On January 3, 2014, Stanley posing as “William Davis” sent another e-mail to GE's CLO using the e-mail account reputationrewards@gmail.com, and threatened to “start posting Monday at 5:00 p.m. if [he did] not hear from [GE] or receive payment of the invoice below.” Stanley intended the deadline date to be Monday, January 6, 2014.

9. On or about January 6, 2014, GE's CLO e-mailed Stanley attempting to delay Stanley's deadline date. In that e-mail, GE's CLO claimed that GE had made final payment to Stanley (meaning the payments referenced in paragraph 1.b. above) and that GE could “find no legal basis for this liability, yet [was] looking at that matter closely in light of the seriousness of [Stanley's] threat.” GE's CLO requested supporting

documentation from Stanley for the alleged debt. That same day, Stanley responded by e-mail, stating:

I am not saying this debt is for past work done for GE. This is work I did for [MG] and now you are [MG]. When you acquired all the talent and assets from [MG], I am sure you considered how to legally obtain the assets without the debts; however this is a debt that must be paid.

Stanley provided a phone number to discuss the matter further.

10. On or about January 12, 2014, after GE's CLO unsuccessfully attempted to reach Stanley at the telephone number provided by Stanley, Stanley responded by e-mail stating that he appreciated the efforts to contact him by telephone but that he did not "want to spend a lot of time playing phone tag." Stanley continued, saying:

You know me and I know you. You know that I know that you have the assets of [MG] and that I hold their 28K debt. I do not want this to turn into a pissing contest over this money and I really do not want to start posting a bunch of stuff that you are going to just ask me to take down later (which I will not be able to do once posted). So just pay me the money and call it a day. Take it from [MG] and just suck it up. The one thing I do know is if I have to spend a lot of time on this the number is going to increase. Do your company a favor and just pay it while it is cheap and easy.

11. On or around January 14, 2014, Stanley directed his sister and codefendant Lynn Faust to contact GE. Faust sent an e-mail from Stanley's reputationrewards@gmail.com account stating:

My name is Lynn Michaels. I work with Bill. He asked [me] to contact you to see when a good time to call you tomorrow would be. Please let me know as soon as possible. My email address is reputationlynn@gmail.com."

The email was signed by an individual identifying herself as "Lynn Michaels."

12. Stanley directed Faust to continue to communicate with GE by telephone. Faust

telephoned GE's CLO and informed him that GE did not have much time before Stanley did "whatever it is that he does." Faust confirmed that Stanley intended to follow through with posting negative comments about GE on the Internet, stating that he *would* do "what he sa[id]" he would do. GE's CLO insisted on speaking with Stanley on the telephone, stating that GE would need to know exactly with whom it was dealing before any payments could be made.

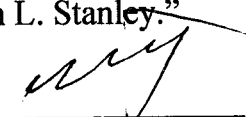
13. On or about that same day, Stanley telephoned GE's GLO and confirmed his true identify. When GE's CLO questioned Stanley's ability to collect an alleged debt of MG from GE, Stanley became irate and terminated the call, stating, "now you know it's me mother fucker, so you better fucking pay the goddamned money. Go fuck yourself."

14. On or about January 22, 2014, Stanley posing as "William Harris" and using the e-mail address postingshowcase@gmail.com sent GE's CLO an email stating:

Ok here is the Deal. I am going to start posting now. I guess you don't [sic] take this serious enough but I have been chasing this payment for years and am not in the mood to play games. What I should and will do if it is not paid this week is add my collection fee to the invoice which will be at least 5K. I have put a lot of time and effort into this account and I'm tired of this shit. Here is the first of many posts. I will start the SEO on this post and as you can see this one on the [MG] it will not take long to be page 1 in google." Below the above statements were the following two links: *[links omitted]*.

15. On or about January 29, 2014, GE gave in to Stanley's extortion and agreed to pay Stanley a total of \$29,556.20 via MoneyGram in four equal installments of \$7,389.05.

That day, Stanley posing as "William Harris" sent an email to GE's CLO from the e-mail address postingshowcase@gmail.com instructing GE's CLO to send the payment to a MoneyGram location in Brasov, Romania payable to the name "William L. Stanley."


Stanley's Initials

Stanley requested a check for the full amount but GE would only make payments via MoneyGram despite Stanley's repeated objection to using MoneyGram and structuring payments.

16. On or about January 30, 2014, GE wired the first installment of approximately \$7,389.05 to Stanley using MoneyGram. Stanley picked up the payment on or about February 1, 2014, at an authorized-agent location for MoneyGram in Brasov, Romania.

17. On or about February 3, 2014, GE wired the second installment of approximately \$7,389.05 to Stanley using MoneyGram. Stanley picked up the payment on or about February 4, 2014, at the same Brasov authorized-agent location.

18. On or about February 7, 2014, GE wired the third installment of approximately \$7,389.05 to Stanley using MoneyGram. Stanley picked up the payment on or about February 9, 2014, at the same Brasov authorized-agent location.

19. On or about February 13, 2014, GE wired the fourth and final installment of approximately \$7,389.05 to Stanley using MoneyGram. Stanley picked up the payment on or about February 14, 2014, at the same Brasov authorized-agent location.

20. By his communications above, Stanley threatened to engage in conduct to damage GE's reputation and cause GE economic harm, if GE did not pay the requested amount of money. Stanley knew GE to pay the money causing GE to fear economic harm. Stanley knew GE feared that Stanley would inflict severe economic harm on GE if GE did not pay.

21. Stanley understands that the government can readily prove that Stanley's 2013-2014 extortive conduct with GE resulted a revenue loss of four payments totaling

\$29,556.20 which GE sent to Stanley in Romania via MoneyGram.

22. Stanley understands that the government contends that as of May 2014 it could readily prove that Stanley engaged in similar extortionate conduct with approximately 40 to 45 victims (including GE) (i.e. less than 50 victims), and that the loss associated with those victims and attributed to Stanley was approximately \$64,190.46.


C:SH

JOHN PARKER
UNITED STATES ATTORNEY

CANDINA S. HEATH
Assistant United States Attorney
Texas Bar No. 09347450
1100 Commerce Street, Third Floor
Dallas, Texas 75242-1699
Tel: 214.659.8600
Fax: 214.767.2846
candina.heath@usdoj.gov


Date

I have read (or had read to me) this Factual Resume and have carefully reviewed every part of it with my attorney. I fully understand it and voluntarily agree that the facts recited herein are true and correct.



WILLIAM LAURENCE STANLEY Date 11/9/15
Defendant

I am the defendant's counsel. I have carefully reviewed every part of this Factual Resume with the defendant. To my knowledge and belief, my client's decision to sign the Factual Resume is an informed and voluntary one, and that according to my client the facts recited herein are true and correct.



JOSEPH J. PADIAN Date 11/9/15
Attorney for Defendant