

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

08-464-M-01

AFFIDAVIT IN SUPPORT OF SEIZURE WARRANT

I, Roy Dotson, being duly sworn, depose and state as follows:

1. I am a Special Agent ("SA") of the United States Secret Service ("USSS"), and have been so employed for approximately five years. I am currently assigned to the Orlando Field Office. Among my duties as an SA, I am charged with the investigation of financial crimes, including check fraud, identity fraud, credit card fraud, bank and wire fraud and the manufacturing, possession and passing of counterfeit United States currency. Prior to my employment with the USSS, I was employed by the Brevard County Sheriff's Office for nine years. My last assignment was that of a Federal Task Force Agent with the Drug Enforcement Administration. Among my duties as a Task Force Agent, I was charged with investigating large criminal organizations that distributed and sold controlled substances and financial crimes involving money laundering. Several of the investigations resulted in the seizures of criminally derived property, including, but not limited to, monetary instruments.

2. This investigation is being conducted jointly by the United States Secret Service and the St. Cloud IRS-USSS Financial Task Force. Information obtained as a result of the investigative efforts of each agency is being shared with agents from the other agency and has been incorporated into this affidavit. The facts set forth in this affidavit are based on my own personal knowledge, knowledge obtained from other law enforcement officers, review of documents and computer records related to this investigation, communications with others who have personal knowledge of the events and circumstances described herein (including

participants), and information gained through my training and experience and the training and experience of others.

3. This affidavit is being submitted in support of an application for a seizure warrant, based upon 18 U.S.C. § 981(b), for all funds held on deposit in the Bank of America ("BOA") accounts listed below. The BOA accounts listed below contain property of an individual who is operating nothing but a wide-spread Ponzi fraud, over the Internet, and the funds in these accounts therefore constitute the proceeds of a wire fraud scheme and a wire fraud conspiracy, making such property subject to forfeiture under 18 U.S.C. § 981(a)(1)(C). The forfeitable property at issue here is:

- a. All funds on account #005483933650 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- b. All funds on account #005483933016 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- c. All funds on account #005483933553 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- d. All funds on account #005483933605 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- e. All funds on account #005483933634 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- f. All funds on account #005562565949 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- g. All funds on account #005562566896 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- h. All funds on account #91000116796961 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- i. All funds on account #91000116797038 at Bank of America, in the name of

Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;

- j. All funds on account #9100011679707 at Bank of America, in the name of Thomas A. Bowdoin, Jr., Sole Proprietor, DBA ADSURFDAILY;
- k. All funds on account #334011130192 at Bank of America, in the name of Clarence Busby Jr. and Dawn Stowers, DBA Golden Panda Ad Builder Deposit Account;
- l. All funds on account #334011130200 at Bank of America, in the name of Clarence Busby Jr. and Dawn Stowers, DBA Golden Panda Ad Builder Operating Account; and
- m. All funds on account #334015765704 at Bank of America, in the name of Clarence Busby Jr. and Dawn Stowers, DBA Golden Panda Ad Builder Cashout Account.

Based upon the evidence uncovered, there is probable cause to believe that all of the property contained in the above-identified BOA accounts constitutes proceeds of an Internet-based Ponzi scheme operating in violation of Title 18, United States Code, Section 1343 (wire fraud). Such property is therefore subject to seizure pursuant to 18 U.S.C. § 981(b) and forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C).

4. Because this affidavit is being submitted for the limited purposes of establishing probable cause, I have not included every detail of every aspect of the investigation for this affidavit. Rather, it only includes the information necessary to prove that probable cause exists for a seizure warrant to be issued for property constituting proceeds of a wire fraud scheme in violation of Title 18, United States Code, Sections 1343 and 371.

Background

5. As part of my training and experience as well as information obtained from discussions with other law enforcement officers with experience in cases involving

computer use, I have become familiar with the Internet, which is a global network of computers and other electronic devices that communicate with each other using various means, including standard telephone lines, high speed telecommunications links (e.g., copper and fiber optic cable), and wireless transmissions including satellite. Due to the structure of the Internet, connections between computers on the Internet routinely cross state and international borders, even when the computers communicating with each other are in the same state. Individuals and entities use the Internet 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 (called an "Internet Service Provider" or "ISP" (see definition of "Internet Service Provider" below)). Once the individual has accessed the Internet, that individual can do a variety of things including visiting websites (see definition of "website" below), and make purchases from websites.

6. Set forth below are some definitions of technical terms used within this Affidavit, pertaining to the Internet and computers more generally:

- a. Internet Service Providers ("ISPs") and the Storage of ISP Records: Internet Service Providers are commercial organizations that are in business to provide individuals and businesses access to the Internet. ISPs may provide a range of functions for their customers including access to the Internet, web hosting, e-mail, remote storage, and co location of computers and other communication equipment.
- b. Website: A website consists of textual pages of information and associated graphic images. The textual information is stored in a specific format known as Hyper Text Mark Up language ("HTML") and is transmitted from the web servers to various clients via the Hyper Text

Transport Protocol ("HTTP").

- c. **Website Hosting:** Website hosting provides the equipment and services required to host and maintain files for one or more websites and to provide rapid Internet connections to those websites. Hosting can be "shared," which means that multiple websites of unrelated companies are on the same server in order to reduce associated costs. When a client develops a website, the client needs a server and perhaps a web hosting company to host it. "Dedicated hosting" means that the web hosting company provides all of the equipment and assumes all of the responsibility for technical support and maintenance of a website. "Co location" means a server is located at a dedicated hosting facility designed with special resources, such as a secure cage, regulated power, a dedicated Internet connection, online security and online technical support. Co location facilities offer customers a secure place to physically house their hardware and equipment.
- d. **Domain Name:** Domain names are typically strings of alphanumeric characters, with each level delimited by a period that are associated with a unique Internet Protocol ("IP") addresses (defined below). For example, a domain name of "www.usdoj.gov" refers to the IP address of 149.101.1.32. Each level, read backwards from right to left, further identifies parts of an organization. Examples of first level or top level domain are typically .com for commercial organizations, .gov for the United States government, .org for organizations, and .edu for educational organizations. Second level names will further identify the organizations, for example usdoj.gov further identifies the United States governmental agency to be the Department of Justice. Additional levels may exist as needed until each machine is uniquely identified. For example, www.usdoj.gov identifies the world wide web server located at the United States Department of Justice, which is part of the United States government.
- e. **Internet Protocol Address:** Every computer or device on the Internet is referenced by a unique IP address the same way every telephone has a unique telephone number. An IP address is a series of four numbers separated by a period, and each number is a whole number between 0 and 254. An example of an IP address is 192.168.10.102. Each time an individual accesses the Internet, the computer from which that individual initiates access is assigned an IP address. A central authority provides each ISP a limited block of IP addresses for use by that ISP's customers or subscribers. ISP's can employ dynamic IP addressing, that is they allocate any unused IP address at the time of initiation of an Internet session each

time a customer or subscriber accesses the Internet. A dynamic IP address is reserved by an ISP to be shared among a group of computers over a period of time. The ISP logs the date, time and duration of the Internet session for each IP address and can identify the user of that IP address for such a session from these records. Typically, users who sporadically access the Internet via a dial up modem will be assigned an IP address from a pool of IP addresses for the duration of each dial up session. Once the session ends, the IP address is available for the next dial up customer. On the other hand, some ISPs employ static IP addressing, that is a customer or subscriber's computer is assigned one IP address that is used to identify each and every Internet session initiated through that computer. In other words, a static IP address is an IP address that does not change over a period of time and is typically assigned to a specific computer.

- f. Log file: Log files are records automatically produced by computer programs to document electronic events that occur on computers. Computer programs can record a wide range of events including remote access, file transfers, logon/logoff times, and system errors. Logs are often named based on the types of information they contain. For example, web logs contain specific information about when a website was accessed by remote computers; access logs list specific information about when a computer was accessed from a remote location; and file transfer logs list detailed information concerning files that are remotely transferred.

7. Based on my training and experience, I know that computers are frequently used to perpetrate fraud schemes and that several fraud schemes have successfully been implemented over the Internet, including (1) advance fee schemes, (2) chain letters schemes and (3) Ponzi schemes. Advance fee schemes occur when an offender advertises the availability of goods or services and requires payment in advance. Only after paying do victims discover that the goods and services are defective, inferior, or nonexistent. With chain letters, victims may receive, either via postal mail or now by email, a letter containing a list of names and addresses to whom the recipients are urged for various reasons to send money. Recipients may add their names to the list (sometimes removing the topmost name to keep the number of participants constant) before redistributing the updated letter. Ponzi schemes promote allegedly lucrative business

opportunities, often involving foreign currency exchange, precious metals trading, or other high-return investments. But, in a Ponzi scheme, there is in fact no underlying profitable business to support the payments promoters say they will make to the investors. Instead, the promoters simply use the money obtained from a growing base of later investors to pay so-called "profits" to earlier investors. Such schemes that depend on growing the base of new victims to support payments to prior participants are also referred to as pyramids. The Internet is increasingly used as a vehicle to promote each of these types of frauds.

8. Ponzi schemes have evolved with the development of the Internet, but their basic premise remains the same: later investors' funds are used to pay the earlier investors. A version of the Ponzi scheme that law enforcement officials have encountered in recent years and that has been replicated in the instant case is referred to as an "auto-surf program." "Auto-surf" claims to be a form of online advertising program that generates revenue from so called "advertisers" who pay a membership fee to have their website displayed on the "host's" webpage. As part of the program and to encourage more "advertisers" to pay the membership fee, the "host" pays the "advertisers" a "rebate" each time they view fellow "advertisers'" webpages. Moreover, the "host" encourages "advertisers" to recruit new "advertisers" by paying existing "advertisers" a referral fee. In this model, the "host" generates most, if not all, of its funding from membership fees, and therefore must use money received from later "advertisers" to pay "rebates" and referral fees to earlier "advertisers." These programs collapse when new "advertisers" membership fees fail to cover the payouts promised to existing "advertisers."

9. In early 2006, for example, the United States Securities and Exchange Commission ("SEC") successfully prosecuted a lawsuit against an Internet-based auto-surf Ponzi

operation identified as "12daily Pro." According to the SEC's Complaint, 12daily Pro purported to be a "paid Autosurf program" whereby members would earn money for "viewing the websites owned or promoted by other online professionals." As described by the SEC in its Complaint, members purportedly paid money (membership fees) to 12daily Pro as the host, in return for which 12daily Pro promised to pay its members to view advertisers' rotating websites. Although the operators of 12daily Pro purported to be paying members from earnings that were "financed by multiple income streams, including advertising and off-site investments," the SEC's investigation determined that almost all of the funds that the operators paid to members came from new investments (in the form of additional fees paid by upgraded memberships and newly-referred members). The operators of 12daily Pro did not generate any significant independent revenue to support the payouts it promised to its membership. Instead, it operated as a pure Ponzi scheme that could not sustain its promised payments absent an ever-increasing number of upgraded members, or investors. The SEC estimated that before it successfully intervened the operators of the 12daily Pro website took in over \$50 million from approximately 300,000 "investors" nationwide and overseas. A copy of the SEC's Complaint against 12daily Pro and its operators is attached. *See Exhibit 1.*

10. In July 2007, the SEC successfully prosecuted another securities fraud lawsuit against the operators of a similar Internet-based auto-surf Ponzi scheme, known as "Phoenixsurf," that offered "investors" a 120% return in just 8 days on investments ranging from \$8 to \$6,000. To receive the promised returns, the investors had to purchase advertising and view at least 15 webpages of advertising per day during the 8-day period. Although the website operators represented that they would pay the promised returns with funds received from other

businesses and programs within its network, the SEC charged the operators with operating Phoenixsurf.com “primarily as a pure Ponzi scheme – using for the most part only new investor funds to pay the promised returns to existing investors.” In its Complaint, the SEC alleged that, during its operation, this Ponzi scheme paid to the earlier investors \$36.7 million of the \$41.9 million it raised. A copy of the SEC's Complaint against Phoenixsurf.com and its operators is attached. **See Exhibit 2.**

11. During the course of this task force investigation, it has become apparent that another entity is operating an auto-surf Ponzi scheme that is, in all material aspects, no different from 12daily Pro and Phoenixsurf. That entity has been known as “Ad Surf Daily” and “Ad Surf Daily Cash Generator” (hereinafter, “ASD”).

Introduction

12. On or about July 3, 2008, I received information from a reliable source regarding ASD. The source believed that ASD was a pyramid or Ponzi scheme operating via the Internet. The source indicated that ASD also operates a Spanish version of its “paid autosurfing” program at a website called “La Fuente Dinero” (The Fountain of Money).

13. I confirmed that ASD operates over the Internet at www.asdcashgenerator.com, that related persons operate La Fuente Dinero over the Internet at www.lafuentedinero.com and that related persons operate at least one more auto-surf Internet site, Golden Panda Ad Builder, at www.goldenpandaadbuilder.com. All three sites claim that members can earn large profits simply by paying fees to advertise webpages, by surfing other members’ webpages, and by recruiting more members to do the same.

14. Further investigation revealed that there is probable cause to believe that ASD is

in fact operating a paid auto-surfing program and that the program is, in reality, merely a Ponzi scheme. Although ASD appears to be carefully avoiding calling its members "investors," in an apparent effort to avoid regulatory scrutiny, ASD promotes paid membership by claiming that its members can earn 125% of their membership fees. In addition, ASD encourages members to recruit new members by paying commissions for referrals. ASD pays the source of a referral a percentage of each newly referred member's fees. ASD's webpage proclaims that each weekday in May and June it "rebated" to its members at least 1% of the money they had paid to ASD, and each weekend day it "rebated" at least .50%.

15. Our task force investigation revealed that ASD appears to sell no independent products or services sufficient to generate an income stream needed to support the rebates and commissions that it promises its members. We also have determined that most of the so-called advertisers are not paying ASD for advertising services; instead, they are paying ASD with the expectation that ASD will provide a full rebate and additional revenue. Thus, absent continuous membership growth ASD has no means to generate the returns it represents. Therefore, based on the preceding, I believe that there is probable cause that ASD is a sophisticated Ponzi scheme that will, by its very nature, result in the loss of millions of dollars from its participants. ASD boasts that its Internet operation provides income to individuals across the United States. According to its promoters, ASD is in several other countries and is continuing to grow worldwide.

Thomas Anderson Bowdoin, Jr.

16. Thomas Anderson Bowdoin, Jr., "Andy," (hereinafter "Bowdoin") appears to have filed or caused to be filed papers to incorporate AdSurf Daily, in Nevada, on December 14, 2006.

From October 2006 through March 2007, Bowdoin was the CEO and President of AdSurf Daily and from March 2007 to the present he is the CEO and President of AdSurf Daily Cash Generator. Bowdoin has operated both ASD iterations from 13 S. Calhoun Street, Quincy, Florida, and continues to use the same BOA accounts to support his operation.

17. A criminal history check for Bowdoin revealed that he was arrested in Alabama for felony violations related to Fraud in Connection with the Offer and Sale of Securities by an Unregistered Agent. Bowdoin and several co-defendants were charged with having been promoters of a company called "Mobile International, Inc." According to case-related documents, the defendants said they had developed a mobile telephone system that was a cheaper alternative to the then-current cellular systems. Bowdoin and the co-defendants were charged with having sold unregistered securities to investors and with failing to state material facts to the investors that would have impacted the victims' decisions to invest. In particular, the State of Alabama asserted that Bowdoin was behind a scheme where he took money from victims that he used to pay off prior investors. Bowdoin resolved this criminal matter by agreeing to enter Pre-Trial Diversion and to pay a fine of \$20,000. A Pre-Trial investigator determined, after interviewing Bowdoin, that Bowdoin was the "mastermind and instigator" of the Alabama fraud. Bowdoin completed his Pre-Trial requirements in 2007 and the charges were dismissed.

18. A public search on the Florida Department of State, Division of Corporations' website of registered corporations revealed that from November 14, 1983, to September 14, 2007, Bowdoin was a Registered Agent ("RA"), President, Chief Executive Officer ("CEO") or Director of the following defunct corporations: (1) RA for ReTube-Lite International, Inc., incorporated from 9/14/83 to 11/21/84 (involuntary dissolved); (2) RA for Crosby Enterprises of

Lakeland, incorporated from 2/23/84 to 11/1/85 (involuntary dissolved); (3) RA for KDJ Enterprises, Inc., incorporated from 2/23/84 to 11/1/85 (involuntary dissolved); (4) RA for South Polk Investors, Inc., incorporated from 4/2/84 to 11/1/85 (involuntary dissolved); (5) RA for Ridge-Tec, Inc., incorporated from 4/2/84 to 11/1/85 (involuntary dissolved); (6) RA for MI-Com, Inc., incorporated from 4/2/84 to 11/1/85 (admin. dissolved); (7) President of Creative Retailing Services, Inc., incorporated from 3/5/98 to 9/19/03 (admin. dissolved); (8) CEO of Global Tech Marketing, Inc., incorporated from 6/26/00 to 9/13/0 (admin. dissolved); (9) Director of GPS Tech, Inc., incorporated from 3/26/04 to 9/15/06 (admin. dissolved); (10) RA for GPS Development & Manufact., incorporated from 11/12/04 to 9/16/05 (admin. dissolved); (11) Director of EADNetwork, Inc., incorporated from 12/1/06 to 9/14/07 (admin. dissolved); and (12) Director of World Payment Systems, Inc., incorporated from 12/1/06 to 9/14/07 (admin. dissolved). None of this information about Bowdoin is mentioned on ASD's website, nor was it mentioned to prospective members during the ASD rally I attended (further discussed below) or the conference call that I participated in (further discussed below).

ASD's Original Website

19. On or about October 2006, shortly after 12daily Pro collapsed, Bowdoin launched the original ASD website and it became operational on the Internet at <http://www.adsurfdaily.com>. This original ASD website was operational until March 2007. In its initial iteration, ASD offered to repay 150% of the membership fee a member paid to purchase an "ad package." ASD referred to the repayment to "members" as "rebates." ASD agreed to reserve 60% of the gross revenue it received from each day's advertisement sales (additional member money and new member money) to pay member rebates. Additionally ASD claimed

that it would pay 10% for each "1st level" referral (whereby members would receive a 10% commission on the funds paid to ASD by any new member they had sponsored) and an additional 5% for each level "2nd level" referral (whereby members would receive a smaller commission for members brought in by those for whom they had been the initial sponsor).

20. The original website accepted e-Gold and Virtual Money as payment. e-Gold and Virtual Money are online digital currency payment systems. e-Gold was once a highly-favored method of payment by operators of investment scams, including pyramids, Ponzis, auto-surf programs, high yield investment programs, and other "get rich quick" schemes because of its relative anonymity and refusal to engage in chargebacks (where payment to a vendor is disallowed or reversed). Indeed, 12daily Pro and Phoenixsurf utilized e-Gold as their primary payment method before those Ponzi schemes collapsed. The operators of the e-Gold system were indicted in April 2007, by a Grand Jury sitting in the United States District Court for the District of Columbia, for money-laundering and for operating an unlicensed money transmitting business. Publicity about the government's scrutiny of the e-Gold system's operation began in December 2005, after federal agents participated in the execution of warrants to search e-Gold's offices and seize (for forfeiture) funds from its bank accounts. Shortly after publicity surrounding the investigation into e-Gold appeared, ASD discontinued using the e-Gold system as a means for receiving member funds. In July 2008, e-Gold defendants pled guilty to various criminal charges that, in some cases, included money laundering.

ASD's Current Website

21. On or about March 2007, after 12daily Pro was sued and just prior to e-Gold's indictment, Bowdoin and ASD moved their operations to a new website:

www.asdcashgenerator.com. The only significant change to this second version of ASD was to the rebates that members would receive. Now, ASD offers to repay 125% of the membership fee. Further, ASD agrees to reserve only 50% of the gross revenue it receives from each day's advertisement sales to pay member rebates. ASD did not, however, change its referral fee structure. It continues to claim that it will pay up to 10% for each level one referral and up to an additional 5% for each level two referral. Although the website was new, the auto-surf operation that had been deployed as Ad Surf Daily continued to be conducted by Bowdoin, from 13 S. Calhoun Street in Quincy, Florida, using the same BOA accounts that Bowdoin opened. A query of the Gadsden County Property Appraiser's website revealed that there is no 13 South Calhoun Street recorded as being a legal address. Further investigation showed that the actual address of ASD operations is 11 S. Calhoun Street. The structure is a single story three bedroom, two bath residence being used for business purposes. According to the property appraiser's site, the property is owned by Faye's (Faye Harris, Bowdoin's spouse) Florist, Inc. Based on surveillance conducted during this investigation, it appears that the entire structure is being utilized by ASD to conduct business.

22. On its website, ASD claims that it enables its members to "sell more products and recruit more Distributors" because the operation:

is a generator of internet traffic to web site owners. Web site owners purchase ad packages and place their web site in rotation for consumers and business owners to view. ASD pays its advertisers a rebate to view a minimum number of sites each day, therefore, insuring that prospects will be viewing each site.

A printout of the ASD webpage containing these representations is attached. **See Exhibit 3.**

23. ASD offers two different types of memberships that are also referred to as

"participantships": (1) a free membership (during which the member's account is referred to as a "training" account); and (2) an "upgraded" membership, which requires the purchase of "ad packages." "Ad packages" consist of credits and each credit is worth \$1. ASD imposes a minimum "ad purchase" of \$10 and a maximum "ad purchase" of \$12,000, but the website indicates that by contacting Bowdoin, larger purchases are possible. ASD claims that an upgraded member receives one showing of their advertisement per "credit." ASD explains that if an upgraded member uses an ad package to advertise a website, for each \$1 ad package purchased, ASD directs one member to visit that purchaser's website by means of ASD's rotator program.

24. Upgraded (paid) memberships are further divided into four categories. The first category is "Trainee," this member pays no monthly dues. A "trainee" receives a 5% commission for "1st level" referrals (a new member the trainee sponsors) and 0% commission for "2nd level" referrals (new members sponsored by a trainee's 1st level sponsor). A "trainee" must pay a 2% withdrawal fee on "rebate" earnings and withdrawals from the system can only occur on Mondays. The second category of upgraded membership is termed an "Executive participantship," this member must pay a \$10 monthly fee. In return, the "executive" member receives a 5% commission on 1st level referrals and 3% commissions on 2nd level referrals. There are no withdrawal processing fees, and withdrawals can only be made on Mondays. The third category of upgraded membership is termed a "VIP participantship." To qualify for this membership a member must pay a \$25 monthly fee, in return for which the "VIP" member receives a 7% commission on 1st level referrals and a 4% commission on 2nd level referrals. There are no withdrawal processing fees and withdrawals can be made on Mondays, Wednesdays

and Fridays. The fourth category of upgraded membership is "Executive VIP participantship". These members pay a \$100 monthly fee that earns the Executive VIP member a 10% commission on 1st level referrals and a 5% commission on 2nd level referrals. The Executive VIP pays no withdrawal processing fees and can withdraw funds on any weekday.

25. ASD claims to have a business model with an "innovative rebate structure that will enable [it] to continue indefinitely." ASD states that:

rebates are paid from ad purchase sales of the Cash Generator, the sale of banner ads on the Cash Generator, commissions from the sale of the Ad Placement Service at our sister site "Attract Marketing System" by Cash Generator members, sale of ebooks and any other products that ASD decides to market.

ASD explains that it will divide 50% of the daily profit amongst members who have active "ad packages." The gross profits from the day will be totaled and active member will receive a percentage based on their current active "ad packages." To receive a portion of the profit as a "rebate", an upgraded member must view at least 24 webpages per day, and each webpage must be viewed for 15 seconds. ASD estimates that viewing the webpages should take about 6 minutes per day. Upgraded participants are encouraged to use their daily rebates to purchase more "ad packages" so their rebates are compounded. ASD states that the daily rebate will be capped at 8% and although the rebates are not guaranteed ASD will also put 5% of the profits in a reserve account to be used to pay the rebate when new "ad package" sales are extremely low. ASD's News webpage lists daily rebates to investors for the time period for March 2008 to June 2008 as averaging roughly 1% each weekday, and at least .5% for each weekend day.

26. ASD's webpage also states that:

All payments made to ASD are considered advertising purchases,

not investments or deposits of any kind. All sales are final. ASD does not guarantee any earnings or profits. Any commissions paid to Members are for the service of viewing other Member web sites and for referring Members to AdSurfDaily. All advertising purchases are non-refundable.

27. In addition to recruiting new members from its webpage, within the past six months ASD has hosted live membership drives in Las Vegas, Nevada, Tampa and Miami, Florida, and in Chicago, Illinois. One is promised for Tulsa, Oklahoma. According to ASD, these rallies have fueled its rapid expansion.

Federal Agents Join ASD

28. On or about July 7, 2008, Brian Watson, a Task Force Agent ("TFA") with the St. Cloud, Florida IRS-Secret Service Task Force, visited ASD's website, created a free "training" account with ASD, and began to visit its paid advertisements. TFA Watson was directed to ASD's own website's "News" section, to other sites promoting ASD, to sites promoting multi-level marketing programs generally, and to sites of individuals purportedly selling services, such as phone meditation.

29. On or about July 14, 2008, TFA Watson opened an "upgraded member" account with ASD. ASD directs new members either to mail a money order or cashier's check to its Florida office, or to deposit a certified check, money order or cash at "your nearest branch of Bank of America," directly into ASD's BOA account and, thereafter, to fax a copy of the deposit receipt along with their membership number to ASD.¹ I made a direct deposit to ASD'S BOA account by delivering a check to a BOA branch in downtown Orlando, Florida. Thereafter, I

¹On its website, ASD provides its Bank of America account number as 0000005483933016.

faxed a copy of the deposit receipt via facsimile to ASD's headquarters in Quincy, Florida.

30. When TFA Watson signed up for the upgraded ASD account, he was required to list a website to advertise. But ASD did not require, or even verify, that TFA Watson had any product or service to sell. TFA Watson was able to link his undercover "My Space" page as his business webpage he wanted advertised. Despite professing a business model that involves the provision of Internet advertising to businesses, ASD did nothing to insure true business customers joined as members. Later, TFA Watson determined that between July 7, 2008, and July 11, 2008, he had approximately 12 visits to his "MySpace" page. TFA Watson, however, was unable to determine who had visited his "My Space" or how they were directed to his page.

31. On or about July 20, 2008, TFA Watson opened another "upgraded member" account with ASD from a location in the District of Columbia, also via the Internet. The next day, I made a direct deposit into ASD's BOA account, this time by delivering a check to the BOA branch at 700 13th Street, NW, Washington, DC. Thereafter, I faxed a copy of the deposit receipt from the District of Columbia to ASD's office in Florida. Our ability to access ASD on the world wide web from different states, and to open accounts from multiple locations by delivering payment to "our nearest Bank of America" as directed by ASD confirms that ASD intends to operate nationwide.

Few Legitimate Advertisers

32. On July 11, 2008, TFA Watson logged into his ASD account. On this first visit, it became apparent that most of the advertisements that ASD displayed to its members did not come from legitimate advertisers. The first advertisement ASD displayed was a webpage from another ASD member promoting ASD. Above the advertisement was an ASD toolbar displaying

a counter showing how many webpages the TFA Watson had viewed, a statement indicating whether TFA Watson had viewed his quota of websites for the day to earn his credit, and a timer counting down 15 seconds. The next two “advertisements” that ASD displayed for TFA Watson also promoted ASD and were apparently, again, from other ASD members. These alleged “advertisers” had no independent product or service to sell, no web-based business, and thus no legitimate reason to have paid ASD to advertise for them except to secure ASD’s “rebates.” Instead of touting products or services for sale, these webpages contained videos, graphs and text that explained the benefits of buying “ad packages” from ASD. A link on each page redirected the viewer to the ASD website in order to join ASD under that members referral number. By advertising a webpage that seeks to secure an ASD referral, a member might hope to increase his or her chance of securing 1st level and 2nd level referral fees, thereby increasing their returns from ASD.

33. The fourth and fifth webpages that were rotated into TFA Watson’s browser involved websites that promoted the sale of other multi-level marketing products, such as the sale of Acai Berry Juice and “Bio Petro Improver.” The sixth page that he viewed brought up a website that was no longer in operation. For this “advertiser,” the browser instead stated “site 404 error”, which means that the server no longer exists.

34. Moreover, ASD acknowledges that legitimate advertising is not required. On ASD’s “Getting started” webpage it provides potential “ad package” the following option “[f]or those joining ASD who do not have a personal business to advertise, you may advertise either www.pay.com or www.mobillecash.com. These are only suggestions, as there may be other companies/products that you find to advertise.” This option to select a webpage provided by

ASD completely undermines ASD's claim that it is providing its members a portal to advertise their webpages. Clearly, members would not agree to pay ASD to advertise others' webpages and ASD would not suggest it, unless (1) the members were more interested in qualifying for the rebates and referrals than in securing advertising, and (2) ASD was more concerned with collecting money than with providing a sustainable advertising solution.

35. On each day since TFA Watson opened our ASD accounts, we have sought to access the ASD website. On those occasions when it was operational, we viewed members' websites displayed by ASD. We found a consistent pattern. On each occasion, several of the websites were pages from ASD's website or websites that promoted ASD, and several websites promoted other high-yield investment programs ("HYIPs") or were auto-surf monitoring newsletters. We saw few websites of individual participants selling proposed services or products. Most of these websites contained a link to sign up with ASD and be sponsored by that website's owner or operator.

Members Upgrade for Returns

36. On or about July 22, 2008, from the District of Columbia, I logged onto one of the ASD accounts law enforcement officers created and visited several websites to which ASD's rotator program directed me.² One site that did appear to offer products for sale was a gardening equipment webpage. I called the telephone number listed on the webpage and spoke to a male. According to this person, his mother is an ASD member and she posted his gardening shop webpage on ASD. He stated that his mother has been an ASD member for the last four months

²As was the case when TFA Watson surfed ASD, several of the websites either promoted ASD or sold no service or product. I did not seek to call those "advertisers."

and she earns around \$130 per day. He explained that he believes ASD is a pyramid or Ponzi scheme that it is purporting to sell advertising. He understood that like any Ponzi scheme, sooner or later ASD will crash. He said he told his mother to pull her money out before that happens. He stated that the whole idea around surfing sites is ridiculous and that a "monkey could do it." He said he has a business, that he knows advertisement, and that he does not see any real value in having someone visit your website for 15 seconds.

37. He continued to explain that since his webpage was posted on ASD he has seen a small spike in traffic to his website but cannot determine if that is a result of ASD. He also did not know whether his sales had increased as a result of his affiliation with ASD. He ended the call by asking me if I needed a sponsor and offered his own ASD member number. This person invited me to join the Ponzi scheme as his referral even though he knew it was destined to collapse.

38. On or about July 16, 2008, I interviewed an ASD participant at his residence in Orlando, Florida. The participant stated that in June 2008, he joined ASD by making a direct deposit into ASD's BOA account and linking his website, a newsletter promoting different HYIP's or auto-surf programs, to his ASD account. The participant acknowledged that he joined ASD for its returns not to advertise his webpage. The participant explained that he logged onto his ASD account and looked at advertisement as part of ASD's requirements but said that the advertisement side of ASD was a "joke" and that he just clicked a button and stayed on a site for a few seconds and moved on to another site. The participant said there is no requirement to actually view the websites or purchase products promoted by the websites. He explained that ASD was an "auto-surf" program that he learned about from the Internet and other individuals.

According to the participant, he was familiar with online investing and in the past he had participated in other scams that were HYIPs and "auto-surfs." Specifically, he mentioned 12daily Pro, and claimed to have lost \$9,000 in that Ponzi scheme. Although the participant understood that ASD was not enabling its members to sell more products and recruit more distributors as they claim, he explained that he believed that ASD was not a Ponzi scheme like 12daily Pro. He differentiated 12daily Pro from ASD because of Bowdoin's acumen. He stated that Bowdoin recently received an award from the President of the United States,³ he had made millions of dollars on previous businesses he created, and he was planning on investing in real estate.

39. On or about July 18, 2008, I interviewed another ASD participant by phone. I identified this participant from the ASD website where she had posted a testimonial regarding the large amount of profit she had made within the program. The participant stated that she had recouped all of her initial investment. The participant stated that this was the easiest program she had ever been involved with and that it only took a few minutes a day on the Internet. The participant said she would sponsor me and provide a website if I needed one. The participant explained that a member is not required to sell anything and that she does not sell items from the website she uses to participate in ASD. The participant stated that Bowdoin was a very wealthy man and had been a successful business man for over 30 years and had recently received an award from the President of the United States. The participant said she was familiar with online scams but this was different because the company was planning on investing in real estate and other business ventures.

³I confirmed that in June 2008, the National Republican Congressional Committee awarded Bowdoin the "Medal of Distinction" as a "marketing tool" for him having made a monetary contribution to the party.

40. On July 22, 2008, while using my member number to participate with ASD's auto-surf program from the District of Columbia, I came across what appeared to be a consulting company advertisement. This webpage simply linked visitors to other websites and offered nothing for sale. I called and spoke to a male who identified himself as the webpage's creator. He said he had just joined ASD at the end of July and had only invested \$50. He said he was receiving his 1% a day for surfing 14-24 websites a day. He said that anyone could set up a free website at www.freeservice.com with little to no information and just have the website link to another website. He explained that just as he had done, there was no need to have a business to advertise and no need to purchase any items from the websites you visited through ASD. He said the best way to make money in the system is to keep putting your money back into the system as it accumulates. He asked if I needed a sponsor and he offered me his ASD member number for that purpose.

41. On or about July 22, 2008, also while surfing websites via the ASD website from the District of Columbia, I came across a site that appeared to sell weight loss products. I called and spoke to its creator. She told me that she started with ASD on May 30, 2008, that she was up to 12,000 "ad packages", and that she was making \$150 a day with ASD. She explained that she has seen an increase in the traffic on her website but did not know if it was a result of ASD. She explained that she normally "upgrades" (reinvests) 75% and cashes out 25%. This allows her to make more money because she can purchase more "ad packages." I asked her about investing with ASD. She immediately said, "Don't call it investing, you know what I mean, we can get in trouble if we say that, we have to be careful." She explained that ASD is doing very well and that it recently took in \$40 million at a rally in Miami and even more at a Chicago rally.

Rebates Paid Even When No Ads Viewed

42. Another indicia that ASD is not designed to promote business customers' webpages comes from the fact that ASD promises to pay daily rebates even on dates when ASD's webpage is inaccessible. Frequently during the month of July 2008, I and TFA Watson attempted to access our accounts in order to surf websites through ASD, but the ASD website was not operating. Yet, routinely, ASD placed a banner titled, "ASD WORLD WIDE WEALTH BUILDER." The following statement was posted, "We are currently working on the ASD website. During the time the site is down you will earn global credits for surfing. There is no need to submit a ticket or call the office. We apologize for the inconvenience." There was no mention of compensation that might be due back to advertisers for their loss of advertising exposure during periods when the ASD website is down. But, there was reassurance that, despite an inability to visit members advertisements, members would continue to earn the credits they would have earned had the site been functioning.

Illusory Customer Service and Invalid Street Address

43. Further indicia that ASD is not a valid advertising business can be deduced from the numerous occasions when agents have attempted to contact ASD's customer service. Each time, a call to the telephone number posted on ASD's website goes unanswered, just continuing to ring and eventually cutting off with no option to leave a voice mail. In addition, the address listed on ASD's webpage is not a valid mailing address. The address 13 S. Calhoun Street, Quincy, Florida does not exist. However, 11 S. Calhoun Street is a now defunct flower shop that used to be run by Bowdoin's wife. It appears that Bowdoin or one of his associates, merely posted the number 13 on another door attached to the same building. ASD has been receiving

mail there. A picture of ASD's Quincy, Florida headquarters building is attached. See Exhibit 4.

Additional Misrepresentations to Promote Expansion

44. On or about July 22, 2008, I contacted another ASD member. The participant invited me to participate in a conference call, offered to any willing participant, related to "Golden Panda," an Asian version of ASD. The participant said that "Golden Panda" was coming online in the next couple of days and it was going to be big. The participant further stated that Bowdoin is the creator of this new venture, along with a man by the name of Clarence Busby.

45. Later that day, I participated in the "Golden Panda" conference call. During the call, a person who identified himself as Busby said that Bowdoin approached him about running "Golden Panda." Busby stated that he and Bowdoin were 50% partners but that Busby would be in charge of the daily operations of Golden Panda. Busby explained that Golden Panda was going to be the Chinese version of ASD, operated over the Internet from Acworth, Georgia. Busby claimed to have been a minister for 30 years and to have started six successful businesses. Busby said that he has been a participant in the ASD program for nine months and reaped great benefits. Busby said Bowdoin promoted Golden Panda at the ASD's Chicago rally which took place on July 18, 2008. Busby said that Golden Panda already has 11,000 participants and that they have 50-100 individuals coming into their Acworth office each day to deposit funds with the new operation. He said the website, www.goldenpandaadbuilder.com, will be operational on July 23, 2008.⁴ Busby said, "For those people overseas, we are setting up Solid Trust Pay (Alert Pay)," who will wire any monies, in excess of \$500. Busby addressed the issue of current and

⁴It appears that as Busby predicted, the site did go operational that day.

future income for ASD and the new Asian version by explaining:

First of all Andy has run his company pretty much for two years without a lot of income streams, he's had some money here and there. The building of [Bowdoin's] company is based on a great business model, the business model says if you'll do your work and buy 'ad packages' we'll be successful. It's not different than any other company, every company out there has to have some kind of sale, it doesn't matter if it's a mom and pop grocery store, or a Walmart, or a Bell South, or your local church, you got to have some money coming in a consistent manner. The way this money comes into Golden Panda is we sell 'ad packages' and those 'ad packages' create an opportunity for you to surf and look at other people's ads and also you get rebates from that. With that, if this company doesn't have sales, it's not a viable company. Every company has to have sales that's what makes this company work because the great business model, not because it has a lot of outside resources, but with that said we have a lot of things planned in the next weeks and months ahead. This will create lots more wealth for you.

Busby claimed that the new operation was processing 300-400 checks a day and depositing those regularly. Busby said, "We want to put a good site that you will be proud of and that will allow you to make good returns on your rebates and the activities that you're a part of and if we do that well, you won't really care who runs this program."

46. I reviewed the Golden Panda's website, www.goldenpandaadbuilder.com, and identified a BOA account that the company listed as their depository account. The BOA account, 334011130192, is in the name of Golden Panda Ad Builder, in Acworth, Georgia. Per the website, participants can wire funds to this BOA account in order to purchase "ad packages." On the same website was a letter purportedly written by Bowdoin advising that he was relinquishing his role as President, as well as his ownership rights in, Golden Panda.

47. A public Internet search of Busby revealed a 1997 Securities and Exchange

Commission case (SEC v. Walter Clarence Busby, Jr. Civil Action No. 1:97-CV-2653, Northern District of Georgia). The SEC successfully charged that Busby had violated anti-fraud provisions of the Securities laws by offering and selling investment contracts in connection with three different "prime bank" schemes. Using misrepresentations and omissions in each scheme Busby raised money for purported trading programs in "prime bank" notes by fraudulently representing that investments were risk-free and the ventures would result in returns ranging from 750% to 10,000%. In total, Busby raised nearly \$1 million from more than 70 investors. None of the investors earned the exorbitant returns promised by Busby. Busby was ordered to pay \$15,000 in disgorgement to victims; however, after Busby filed a financial statement to support a professed inability to pay, the Court dismissed the order of payment.⁵ Busby filed for bankruptcy in 1997. None of this information was disclosed on Golden Panda's webpage or mentioned during the conference call.

Live Rallies and Further Misrepresentations to Expand the Base

48. As previously discussed, a Ponzi scheme needs new investors to succeed. To attract new members the fraudsters must promote the scheme's wealth building opportunity while at the same time disguising the fact that the program's survival depends on the new member's money. In the instant case, at rallies and on ASD's website numerous misrepresentations are made in order to promote the operators alleged business acumen and to

⁵On May 1, 1998, the Honorable Thomas W. Thrash, United States District Judge for the Northern District of Georgia, entered an order of permanent injunction and other relief against Busby. The order permanently enjoined Busby from future violations of Section 17(a) of the Securities Act of 1993 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Busby consented to the relief without admitting or denying the allegations set forth in the Complaint.

disguise the source of the purported profits.

49. For example, on or about July 12, 2008, I attended an ASD rally in Miami, Florida. At the rally, ASD representatives were running a rally-only promotion. New members were told they would receive a 50% credit bonus for joining at the rally. If a new member purchased \$500 in "ad packages" as a bonus she would be credited \$750 to her account. Representatives of ASD stated this was a "World Wide Wealth" program that was available to anyone with Internet access.

50. During the rally, a representative of ASD took the stage to address concerns that ASD might not be a legitimate business, the representative stated that Bowdoin had received the Medal of Distinction from the President of the United States for his contribution to business and that the only blemish in Bowdoin's past was a speeding ticket.

51. Bowdoin also spoke at the rally. He explained to the crowd that he and his ASD team were looking at various ways to help increase rebates, including purchasing distressed properties and purchasing call centers. Bowdoin also told his audience that participants would receive 50% of the profit ASD made from these future ventures (despite contradictory disclaimers on ASD's website). Bowdoin reported that the company was looking to purchase a South American call center, to purchase a credit card processing center, to purchase an interest in an international bank, and to profit from future investments in real estate. Of course, none of these ventures involve selling advertising to legitimate, or as Bowdoin stated "national," advertisers to support rebates. Indeed, while explaining that rebates built his company, and that rebates were "what creates the members that creates the interest for the national advertisers[,]" Bowdoin acknowledged that "now were at the point where national advertisers are looking."

Bowdoin then changed course, telling his audience that ASD is about “helping people build wealth.” He explained that the negative news ASD was receiving “means that we’re making waves in the marketplace because we’re one of the fastest growing companies on the Internet today.” Bowdoin claimed his lawyers would file a defamation suit against people who called ASD “the biggest scam on the internet.” According to Bowdoin, “we don’t have to be a network marketing company with seven levels or ten levels. Our people are making tremendous profits with two levels – which takes us out of being a network marketing company.” Bowdoin essentially confirmed, to rally participants only, that contrary to what is stated on his website, advertising business websites had nothing to do with ASD’s success, instead ASD was dependant on 1st and 2nd level member referrals to survive and grow. A transcript of Bowdoin’s speech was subsequently posted on the Internet and is attached, here. *See Exhibit 5.*

52. The one thing that was notably absent from the rally was any mention of how ASD succeeded by providing advertising. No speaker that took the stage discussed or even mentioned in passing how ASD was enabling its members to sell more products or recruit more business to their websites. Although there were lines of “ASD Volunteers” handing out new member forms to rally attendees and accepting money orders and cashier’s checks, there was no form to fill out about the business a member was promoting. Rather, I was provided with a new member form and a sheet titled: “Getting Started Guide.” *See Exhibits 6 and 7.* The sheet directed me to a number of places, on-line, where ASD conducted training and marketing, including a place where I could “[w]atch the video of ASD Founder & CEO, Andy Bowdoin, along with ASD Attorney Robert Garner, as they speak to you from Andy’s office at the company headquarters.”

53. I watched Bowdoin's video where Bowdoin introduces Garner as the company's outside counsel. Bowdoin explains that he has asked the attorney to confirm that ASD is not a Ponzi scheme. Thereafter, Mr. Garner proceeds to explain that Bowdoin hired Garner to insure that ASD's operations are legal in all aspects. Garner assures the viewer that he and "other attorneys in our offices . . . are dedicated to this work with Andy and his company." He continued by saying his attorneys "... are available at any time to deal with the issues as they arise." Garner "address[ed] the concerns that new ASD members sometimes have in the area of the legality of the Ad Cash Generator opportunity," by saying:

Andy has directed us to ensure that his company is structurally sound today and tomorrow and far into the future. My staff and I are dedicated to Andy's vision that his company will continue to rapidly grow bigger and stronger, and will continue to be an industry leader in Internet advertising in the years to come.

According to Garner, "ASD . . . complies with all laws and regulations that apply to it." In explaining that ASD is not a Ponzi scheme, Garner notes that such a scheme is "illegal, because [it] use[s] money from new investors to pay the first investors in the scheme their promised returns." On behalf of ASD, on its website, Garner advises prospective members that ASD is not a Ponzi because, among other things, ASD is developing other revenue sources and "[t]here is no continuing obligation to pay returns to infinity." Contrary to Garner's claim that this is not a Ponzi, however, an infinite payment obligation is irrelevant and the lack of a non-member revenue source is a tell-tale sign. Garner's so-called "Legality Statement" appears on ASD's website and it is attached as a printout, here. *See Exhibit 8.* Furthermore, in attempt to make Bowdoin's business model sound legitimate, Garner describes ASD rebates as "function[ing] something like 'loss leaders' in that advertisers are presented [with] a way[] to earn their money

back, plus a little more, in addition to having their ads viewed on the internet.” However, agents have not found any other product or service that ASD sells, aside from new memberships, to cover the “losses” it incurs by allowing advertisers to “earn their money back, plus a little more.” Agents discovered that ASD’s Nevada incorporation documents list Garner as a director. Garner however does not disclose this information in his interview, in his typewritten opinion letter that appears on ASD’s webpage, or anywhere else on ASD’s webpage. Furthermore, although Garner is admitted to the North Carolina Bar, it appears that Garner works out of his home and does not employ a team of lawyers.

54. At the Miami rally that I attended, participants stated to me that they were not investing with ASD for its advertising services; rather, they told me that they were looking to make a lot of money off of the new participants they sponsored into ASD.

FTC Opinion

55. In addition to reviewing materials available from the SEC, during the course of this investigation I consulted with an Economist at the Federal Trade Commission (FTC) who explained that pyramid, Ponzi, auto-surf, and HYIP schemes are all schemes where the participants obtain their monetary benefits primarily from the recruitment of newer participants, rather than from the sale of goods or services. Because of this, the overwhelming majority of the participants cannot expect to make any money from their participation. A small minority of participants, namely those who participate at the very beginning, might make money. However, because of the nature of the pyramid scheme, those who make any money must of necessity be only a small minority of all participants.

56. The FTC Economist further explained that growth of a Ponzi system does not

change the fact that the large majority of participants at any point in time will have lost money. The system cannot grow indefinitely, if for no other reason than the fact that growth is limited by the finite human population of the earth. But long before this point is reached, the number of people willing to pay to sign on as new participants will become fewer and fewer. At this point, no further growth is possible, and the scheme will collapse. When that happens, the majority of the participants will have lost money.

57. The FTC Economist further explained that these scams typically have one of several indicators or "markings," including (1) the promise of abnormally high short term returns on investments; (2) all income is derived from within the investment scheme; (3) the absence of any legitimate or reasonable business investment; and (4), as described above, only a small minority of individuals can profit from the operation of the business. When I described the details of ASD to the economist, he indicated that ASD bore all of the characteristics of a Ponzi operation.

Civilian Complaints

58. On or about July 24, 2008, I received information from the Tallahassee Field Office of the Federal Bureau of Investigation ("FBI") regarding complaints related to ASD. According to a FBI representative, the FBI had received three inquiries within the last two weeks in reference to ASD. An anonymous person called to say that he/she had sent money to ASD, but the ASD account was never credited. This person indicated that ASD customer service does not answer the phone. A second individual said that his/her parents had deposited \$4,000 into the ASD program and that he/she was worried because he/she believed it was a Ponzi scheme. I spoke with this individual. He/she told me that he/she even called Robert Garner (a Director and

legal counsel for ASD), at his office number, which he/she found on the Internet, at approximately 2 a.m., to leave a message for the attorney to call him/her. He/she said Garner answered the phone, which shocked him/her, due to the hour. He/she asked Garner if he was the attorney for ASD – Garner said yes. When he/she asked if this was his office number, Garner hesitated and then said he forwards the calls from his office. The caller told me that there is no way ASD is legitimate based on the research he/she has done. Finally, the Gadsden County Chamber of Commerce called and asked the FBI if the ASD was legitimate. The FBI referred the Chamber of Commerce to the Better Business Bureau for further information. I find the call from the Chamber of Commerce to be inconsistent with statements I heard Bowdoin make at the Miami rally that I attended. At the rally, Bowdoin said the company needed more space due to its tremendous growth, that he thought the operation would have to move to Tallahassee, and that the local Chamber of Commerce had begged the company not to leave and had helped it to secure new facilities. According to the FBI, Now the local Chamber of Commerce is questioning whether the company is legitimate.

59. On July 25, 2008, I received additional information from the FBI Internet Crime Center ("IC3") in reference to several complaints filed against ASD. IC3 had five (5) complaints on file from victims in Florida, Wisconsin, Pennsylvania and New York. The individual in Florida believed that Ad Surf Daily, Inc., a.k.a. ASDcashgenerator.com, was a Ponzi or pyramid scheme because it met all of the criteria based on the SEC's website. The caller said he/she was aware of the 12dailyPro.com investigation and believed ASD was conducting the same type of business. The individual from Wisconsin advised that he/she had purchased "ad packages" by conducting a transaction through Solid Trust Pay (Alert Pay) and never received full credit. The

caller stated that he/she was unable to get adequate help from the company's customer service. The individual from Pennsylvania said he/she had purchased "ad packages" but had never received credit. The caller believed that ASD was a sophisticated Ponzi similar to 12daily Pro that was shut down in 2006 or 2007. The caller explained that ASD looks like other auto-surf sites such as 12daily Pro, "when the ad packages are not bought and top earners pull their funds eventually this will all collapse leaving the late comers in the program with losses from purchasing ad packages. Personally, I don't think people are viewing sites out of interest but out of the rebate they will earn per day by surfing." The individual from New York wanted to make authorities aware of the company, www.asdcashgenerator.com. The caller said, "It is a money-making scheme, and I believe that 'buying advertising' is just a smokescreen." The caller further stated that, due to the fact the company had a lack of information in reference to outside funding sources, it seemed that all income derived from new member sales, like a Ponzi.

ASD May be Planning to Move Money or Operations

60. While reviewing the ASD website in the District of Columbia, I found a posting within ASD's News section, apparently posted by ASD on July 2, 2008. The title of the posting was, "Alert Pay & Direct Deposit are being phased out July 31, 2008." According to ASD's posting, "We have notified BOA not to accept cash or personal checks for deposit account – English or Spanish." ASD further stated, "Please remember that the preferred method of purchasing Ad Packages is by mailing a Check or by Solid Trust Pay."

61. Solid Trust Pay is a Canada based money transmitting and payment company that, like the e-Gold system, operates over the Internet. It appears that beginning August 1, 2008, Solid Trust Pay will be ASD's preferred method for receiving funds from members, and for

paying rebates and commissions to members.

62. Within the past two weeks, ASD has wired several million dollars to Solid Trust Pay from its BOA accounts. I also learned that earlier this month, a bank other than BOA closed the last account that was controlled by Bowdoin or family members after that bank determined, and explained to them, that an investigation by the bank determined that Bowdoin appeared to be operating a Ponzi scheme. I also learned that Bowdoin had purchased, or was seeking to purchase, a home in another country.

63. Based in ASD's indication that it intends to cease accepting funds into BOA at the end of July 2008, Bowdoin's indication that he has relinquished his interest in Golden Panda, and an indication that Bowdoin intends to establish his offshore presence, and the recent complaints governmental authorities have received, I believe that Bowdoin is aware of increasing scrutiny and that he intends to move himself, his proceeds, and, until it collapses possibly his operation, offshore. As directed on ASD's webpage, when members migrate to Solid Trust Pay, the accounts Bowdoin maintains at BOA will become irrelevant to ASD's operation. Moreover, Solid Trust Pay offers a debit card to its account holders, making the transfer and withdrawal of funds more difficult to trace for U.S. law enforcement authorities than would be the case for an entity operating its business using a domestic, FDIC insured, financial institution.

Use of the BOA Accounts to Collect and Store Ponzi Proceeds

64. During the course of the investigation, I identified the above listed ten (10) bank accounts as those being utilized by ASD at BOA to conduct its financial transactions, including deposits made by or on the behalf of participants for the purpose of purchasing "ad packages," and withdrawals to pay participants their rebates and commissions. The accounts are under the

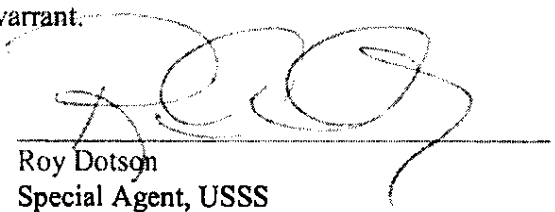
control and ownership of the sole proprietor Thomas A. Bowdoin Jr., D/B/A ADSURFDAILY, 13 S. Calhoun Street, Quincy, FL, 32351. Further investigation also shows that funds are regularly transferred back and forth between the ten (10) accounts. Additionally, I identified at least four (4) business check cards in the name of Thomas A. Bowdoin, Jr. linked to these accounts. I am aware that numerous transactions have posted to the BOA accounts that appear to be purchases of personal items for the benefit of Bowdoin, including a purchase of \$51,000 in jewelry on a single day. These purchases came from ASD's business accounts at BOA. Thus, it appears that Bowdoin is using these accounts to run ASD and pay his own expenses.

65. I also identified three (3) accounts at BOA that are being utilized by Golden Panda Ad Builder to conduct its financial transactions, including deposits made by or on the behalf of participants for the purpose of purchasing "ad packages," and withdrawals to pay participants their rebates and commissions. These BOA accounts are under the control and ownership of Clarence Busby Jr. and Dawn Stowers, Acworth, Georgia. The three (3) accounts are a D/B/A Golden Panda Ad Builder Deposit Account, a Golden Panda Ad Builder Operating Account and a Golden Panda Ad Builder Cashout Account. As previously indicated, until recently, Golden Panda was under Bowdoin's control. The Task Force investigation shows the majority of the funds deposited into these Golden Panda accounts originated from ASD's accounts at BOA. Thus, there is probable cause to believe that the funds in the BOA Golden Panda accounts constitute proceeds of ASD's operations that Bowdoin moved to the Golden Panda accounts in order to seed Golden Panda's nascent operation.

66. Based on the information provided in this affidavit, I submit that there is probable cause to believe that ASD, Thomas A. Bowdoin, Jr. and others, devised and intended to devise a

scheme or artifice to defraud, or a scheme for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, and that he and they transmitted or cause to be transmitted by means of wire, communications in interstate or foreign commerce, (including writings, signs, signals, pictures, or sounds) for the purpose of executing such scheme or artifice, to wit: an internet-based Ponzi scheme, in violation of Title 18, United States Code, Section 1343 (Wire Fraud); and in violation of Title 18, United States Code, Section 371 (Conspiracy to Commit Wire Fraud). Further, there is probable cause to believe that the funds on deposit in the above-listed BOA accounts constitute proceeds of these criminal offenses.

67. I am advised that 18 U.S.C. § 981(b)(3), provides that "a seizure warrant may be issued by a judicial officer in any district in which a forfeiture action against the property may be filed under Section 1355(b) of Title 28, and may be executed in any district in which the property is found" Under Section 1355(b), a forfeiture action may be brought in a district where any of the acts of omissions giving rise to the forfeiture occurred, or in any other district where venue for the forfeiture action or proceeding is specifically provided for under Section 1395 of Title 28 or any other statute. Accordingly, this District Court may issue and cause to be served in any other district the requested seizure warrant.


Roy Dotson
Special Agent, USSS

AUG 01 2008

Subscribed and sworn to before me this 1 day of August 2008,


United States Magistrate Judge
District of Columbia

ALAN KAY
U.S. MAGISTRATE JUDGE