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SIX MEN CHARGED WITH FRAUD INVOLVING SPORTS MEMORABILIA

Rockford — Six men have been charged in similar but separate fraud schemes involving the sports memorabilia business and the purchase and sale of equipment and uniforms used by professional and collegiate athletes. Today, in U.S. District Court, four defendants were charged in criminal informations and two defendants were charged in indictments.

According to court documents, each case involved the sale, consignment, or auction of jerseys, in which each defendant falsely and fraudulently represented to buyers that the jerseys were “game used,” when they were not. Jerseys worn by professional and collegiate athletes during a game are usually known as “game used” or “game worn,” and are commonly bought and sold by collectors and others. The value of game used jerseys varies based on the popularity of the player that used the jersey and how long it had been since the player had actively played the sport. The value of a jersey was greater if it was game used.

The fraud charges also involved the use of game used jerseys by sports trading card companies. As stated in the charges, to increase the value and price of packages of sports trading cards, manufacturers frequently purchase game used jerseys, cut the jerseys into small pieces, and insert the pieces into card packages. When game used jerseys were purchased for this purpose, the manufacturers often required that the seller provide a “certificate of authenticity” that the jerseys were authentic game used jerseys.

As charged, the defendants obtained hundreds of jerseys from a variety of sources, including retail sellers, then frequently changed the jerseys' appearance by roughening, scuffing, washing, or dirtying the jerseys so that they appeared to have actual "wear and tear." The same jerseys were then re-sold, consigned, and auctioned for hundreds of thousands of dollars to sports trading card companies and other buyers as game used jerseys. As part of the scheme the defendants provided the buyers with fraudulent certificates of authenticity. Each defendant was allegedly involved in a business engaged in the purchase and sale of sports memorabilia, and the schemes are alleged to have taken place in Rockford and several other states.

Two men are charged by indictment with mail fraud:

ERIC INSELBERG, a resident of New Jersey, involved in the business operations of Taylor Huff, Inc. and Pasadena Trading Corp, from late 2001 through late 2009, in two counts of mail fraud.

BRADLEY WELLS, a resident of Florida, involved in the business of Authentic Sports, Inc., and Historic Auctions, LLC, both Florida businesses, from late 2005 through the middle of 2009, in two counts of mail fraud.

Four men are charged by information with mail fraud:

BERNARD GERNAY, a resident of New Jersey, involved in the business operations of Pro Sports Investments, Inc., a New Jersey business;

BRADLEY HORNE, a South Carolina resident, involved in the business operations of Authentic Sports Memorabilia, Inc., a South Carolina business;

JARROD OLDRIDGE, a resident of Nevada, involved in business operations of JO Sports, Inc., a Nevada business; and,

MITCHELL SCHUMACHER, a resident of Wisconsin, using the trade name MS Sports.

Each mail fraud charge in these cases carries a maximum penalty of 20 years in prison, and a \$250,000 maximum fine, or an alternate fine totaling twice the loss or twice the gain, whichever is greater. If convicted, the Court must impose a reasonable sentence under the advisory United States Sentencing Guidelines.

The indictments and informations were announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert Grant, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation.

The government is represented by Assistant U.S. Attorney Michael D. Love.

The public is reminded that indictments and informations contain only charges and are not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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