



Coupon Information Corporation

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IOS Plant Managers Plead Guilty in \$250 Million⁺ Coupon Fraud Case

April 8, 2009. The Coupon Information Corporation (CIC) applauds the fine work of Stephen Ingraham and Rick Frohling of the US Attorney's office in Milwaukee, FBI Special Agent Steve Vitale, and U.S. Postal Inspector Jim Murphy, which led to today's Guilty Pleas by former IOS Plant Managers Ovidio Enriquez and David J. Howard for their roles in an organized crime ring that, according to the government, defrauded coupon-issuing manufacturers of more than \$250 million.

Enriquez and Howard, both IOS plant managers, Vice Presidents and General Managers, played important roles in the scam which laundered coupons through large retail accounts, including CVS, HEB Stores, Food Lion, Hannaford Brothers, Winn-Dixie and Kash n' Karry Stores, without the knowledge of the retailers. A copy of the indictment can be found at: <http://www.cents-off.com/doc/SDOC1349.pdf>

Co-Defendants also charged in the fraud include:

Thomas "Chris" Balsiger-IOS Chief Operating Officer, President, and later, CEO

Bruce A. Furr-IOS Chairman of the Board and CEO

Steven A. Furr – IOS Exec VP, board member, President of IOS's North American Operations

Lance A. Furr – IOS Vice President, board member, and CFO

William L. Babler – IOS CFO

James C. Currey – President of Currey, Adkins, IOS Advisory Board

Howard R. McKay - IOS Consultant, Sales Manager and IOS Advisory Board

Daxesh V. Patel – President of Riya Coupon Services, LLC

Bharatkumar K. Patel – Vice President of Riya Coupon Services, LLC

CIC Executive Director Bud Miller, CPP noted, "We look forward to the continued success of this case and are confident that justice will be done. This includes making the victims whole and imposing vigorous prison sentences on any individuals who are found to have methodically and repeatedly betrayed the trust of an entire industry, including their own clients, with a web of lies, deceit, abuse of the civil legal process and witness intimidation. We hope to encourage additional industry participants, especially the retail community, to work with the CIC to enhance industry integrity via improved communications, auditing, transparency and other safeguards. It will take time, but the industry must rebuild the trust these criminals destroyed."

The Coupon Information Corporation, which assisted with the case, is a not for profit association of proactive manufacturers working to enhance the integrity of the coupon industry. Our members include: Altria Client Services Group; Bayer Consumer Care; Beiersdorf, Inc.; Bristol-Myers Squibb; Coca-Cola North America; Colgate-Palmolive Company; Commonwealth Brands, Inc.; Energizer Battery Company; General Mills, Inc.; GlaxoSmithKline Consumer Healthcare; Hormel Foods Corporation; Johnson & Johnson; Kellogg Company; Kimberly-Clark Company; Kraft Foods, Inc.; Land O'Lakes; Lorillard Tobacco Company; McCormick & Company, Inc.; Nestle USA, Inc.; PepsiCo Beverages & Foods; Procter & Gamble; Reckitt Benckiser; R.J. Reynolds Tobacco Company; S.C. Johnson & Son, Inc.; Unilever United States; Wyeth Consumer Healthcare.