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HEADLINE: Seven are indicted on fraud charges in telephone operation

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BODY:

A federal grand jury in Baltimore returned indictments yesterday against seven people and a financial services company on charges including fraud and money laundering in a telemarketing operation that allegedly defrauded at least 27,000 people of more than \$3.3 million.

According to prosecutors, the operation employed purchased listings of names and telephone numbers of people with poor credit histories who were called through a computer-programmed dialer to hear a recorded message suggesting it was from a credit-card issuer.

But those consumers punching a button on the phone would be transferred to telemarketing rooms where operators -- with scripts written by defendant Joel Katz, 62, of Riderwood -- would try to persuade them to purchase programs at prices ranging from \$49.95 to \$149.95, prosecutors said.

Katz declared personal bankruptcy 13 months ago and, according to prosecutors, falsified information on his assets and income -- and transferred proceeds of the telemarketing operation to his now-indicted girlfriend, Martha Ann Tuxford, 45, of the Baltimore area. Others indicted were identified as Jeffrey Augen, 58, and Judith Lugo, 32, both of Baltimore; Shawn Hatfield, age unknown, of Timonium; Daniel Connor, 36, of Milford, Conn.; Mark Cohn, 45, of Woodside, Calif.; and Four Star Financial Services LLC of Burbank, Calif.

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