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Department of Justice

U.S. Attorney's Office

Eastern District of Virginia

FOR IMMEDIATE RELEASE

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Virginia Beach Couple Pleads Guilty to \$31 Million Coupon Fraud Scheme

NORFOLK, Va. – A Virginia Beach couple pleaded guilty this week to perpetrating a counterfeit coupon fraud scheme that cost retailers and manufacturers over \$31 million in losses.

“These defendants orchestrated a nationwide scheme to make and sell counterfeit coupons, which defrauded businesses out of more than \$31 million,” said Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia. “Counterfeiting coupons harms the entire retail industry and causes financial loss to consumers, businesses, and the economy. As this case demonstrates, those who use illegal get-rich-quick schemes to deceive others will be brought to justice.”

According to court documents, from approximately April 2017 through May 2020, Lori Ann Talens, 41, operated a complex scheme using social media sites and apps such as Facebook and Telegram to find groups of coupon enthusiasts and sell them counterfeit coupons. Lori Ann Talens, who operated online under the moniker “MasterChef,” used a computer to design, create, and produce a wide variety of counterfeit coupons in her Virginia Beach home. These counterfeit coupons were virtually indistinguishable from authentic coupons and were often created with inflated values, far in excess of what an authentic coupon would offer, in order to receive items from retail for free or for a greatly reduced price.

“Whenever someone uses the U.S. Mail to send counterfeit, illegal or improper items, Postal Inspectors will find them and bring them to justice,” said Peter R. Rendina, Postal Inspector in Charge, Washington Division of the U.S. Postal Inspection Service. “We remain committed to keeping the mail safe for our customers and our employees.”

As part of the scheme, Lori Ann Talens would ship the counterfeit coupons throughout the United States using the U.S. Postal Service and other commercial parcel delivery services. She accepted payment for the counterfeit coupons through a variety of online payment methods, including Bitcoin and Paypal. Lori Ann’s husband, Pacifico Talens, 43, was aware of the counterfeit coupon scheme, profited from it, and assisted in the operation by shipping packages of counterfeit coupons and performing other administrative tasks at the direction of his wife.

The scheme was discovered when one of the Talens’s customers reported them to the Coupon Information Center (CIC), a coalition of consumer product manufacturers dedicated to coupon integrity. The CIC

purchased coupons from the Talens, confirmed they were counterfeit, and contacted the U.S. Postal Inspection Service for further investigation.

After identifying the defendants as the source of the counterfeit coupons, federal law enforcement executed a search warrant on their residence. During the search, agents seized nearly \$1 million worth of counterfeit coupons from the residence. Furthermore, a review of the Talens's computer revealed images for over 13,000 separate and distinct counterfeit coupon designs. The CIC reviewed these images and compared them to the known counterfeit coupons in circulation. The analysis concluded that coupon redemptions using the 13,000 counterfeit designs on the couple's computer had caused approximately \$31,817,997 million in losses to retailers and manufacturers.

In a separate scheme, from approximately November 2015 through February 2020, Lori Ann Talens defrauded Medicaid and the Supplemental Nutrition Assistance Program (SNAP). Lori Ann Talens applied for benefits for each of these programs and failed to disclose either her husband Pacifico's legitimate employment income, or their own illegitimate counterfeit coupon income. Had she disclosed this income, the Talens would not have been eligible for these benefits. The total loss to Medicaid and SNAP was approximately \$43,000.

Both defendants pleaded guilty to mail fraud. Lori Ann Talens also pleaded guilty to wire fraud and health care fraud. Lori Ann Talens is scheduled to be sentenced on August 31, and she faces a maximum penalty of 50 years in prison. Pacifico Talens is scheduled to be sentenced on August 19, and he faces a maximum penalty of 20 years in prison. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors.

Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia; Peter R. Rendina, Inspector in Charge of the Washington Division of the U.S. Postal Inspection Service; and Brian Dugan, Special Agent in Charge of the FBI's Norfolk Field Office, made the announcement after U.S. District Judge Roderick C. Young accepted the plea.

Assistant U.S. Attorney Joseph Kosky is prosecuting the case.

A copy of this press release is located on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information are located on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 2:21-cr-39.

Topic(s):

Consumer Protection
Financial Fraud

Component(s):

[USAO - Virginia, Eastern](#)

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