



# Department of Justice

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## British Citizen Arrested in Connection with Costa Rica-based Business Opportunity Fraud Ventures

WASHINGTON – A British citizen charged in connection with the operation of a series of fraudulent business opportunities was arrested Thursday evening in Miami following his indictment by a Miami federal grand jury on June 9, 2009, the Justice Department and the U.S. Postal Inspection Service announced today.

Dilraj Mathauda was arrested based on charges that he and his co-conspirators purported to sell beverage and greeting card business opportunities, including assistance in establishing, maintaining and operating such businesses. The charges form part of the government's continued nationwide crackdown on business opportunity fraud.

According to the indictment, beginning in May 2005, Mathauda fraudulently induced victims to buy business opportunities in USA Beverages Inc. and Omega Business Systems Inc. for, in many cases, at least \$10,000 each. Mathauda, using an alias, and his co-conspirators employed Voice Over Internet Protocol (VoIP) phone service and virtual offices in the U.S. to make it appear to potential purchasers that the companies' operations were fully within the United States. Mathauda is alleged to have operated out of Costa Rica as he was fraudulently inducing potential purchasers to buy the purported business opportunities.

Mathauda and his co-conspirators allegedly made numerous false statements to potential purchasers of the business opportunities. According to the indictment, they falsely told their victims that the companies were established years earlier, had a significant number of distributors across the country, and had a track record of success. Potential purchasers were referred to references who, according to the indictment, told false tales of their success as business opportunity owners. Through these and other misrepresentations, purchasers of the business opportunities were led to believe that they would earn substantial profits.

"The federal government is committed to uncovering and vigorously prosecuting business opportunity fraud," said Tony West, Assistant Attorney General for the Department of Justice's Civil Division. "In fact, we have charged over 100 individuals with business opportunity-related felonies in the past five years."

Mathauda is charged with conspiracy and with committing his offense via telemarketing. He is also charged with ten counts of mail fraud and two counts of wire fraud. If convicted on the conspiracy count, Mathauda faces a maximum sentence of 25 years imprisonment, a possible fine, and mandatory restitution. He also faces a maximum statutory term of 25 years imprisonment on each of the mail and wire fraud counts, a possible fine, and mandatory restitution.

"We will not allow individuals living in other countries to use modern communication techniques to commit fraud on the American public. This international and domestic investigation illustrates our resolve to protect the American people from business scams, wherever they occur," said U.S. Postal Inspector in Charge, Henry Gutierrez, based in Miami.

"The Postal Inspection Service remains vigilant in investigating and rooting out fraudulent schemes. Consumers must be aware that false references and empty promises of assistance locating display racks and merchandise are extremely common in this type of scam," said U.S. Postal Inspector in Charge Pete Zegarac, based in Phoenix. "These companies took over the corporate identities of businesses established long ago – so even claims of being in business for many years must be viewed with caution."

Assistant Attorney General West commended the investigative efforts of the Postal Inspection Service, as well as

the Federal Trade Commission, which previously brought a related civil suit and made a criminal referral. This matter is being prosecuted by trial attorneys in the Justice Department's Office of Consumer Litigation.

An indictment is merely an allegation, and every defendant is presumed innocent until proven guilty beyond a reasonable doubt.

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