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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

JUL 10 2012

AT 8:30 _____ M
WILLIAM T. WALSH
CLERK

UNITED STATES OF AMERICA	:	Criminal No. 12- 457 (JEI)
	:	
v.	:	
	:	
GIOVANNI ARENA	:	18 U.S.C. §§ 1341, 1512 and 1957
	:	26 U.S.C. § 7203
	:	18 U.S.C. § 2

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Camden, charges:

COUNTS 1 to 22
(Mail Fraud - 18 U.S.C. § 1341)

The Defendant

1. At all times relevant to this Indictment:
 - a. Defendant GIOVANNI ARENA was a resident of Camden County, New Jersey. Defendant Arena maintained bank accounts at Bank of America.
 - b. At various times, defendant GIOVANNI ARENA lived in Mechanicsburg, Pennsylvania; Blackwood, Laurel Springs and Deptford, New Jersey.

The Casinos

2. The Borgota Hotel Casino and Spa, Caesars Atlantic City Casino Hotel and Harrah's Resort Atlantic City, each located in Atlantic City, New Jersey, and all of which were financial institutions as that term is defined in 31 U.S.C. § 5312(a)(2).

Victim E.R.

3. E.R. was a resident of Pennsylvania. E.R. was a member of the family that owned and operated Progressive Amusements, Inc. ("Progressive Amusements"). Progressive

Amusements was a family owned and managed coin operated amusement machine company located in Harrisburg, Pennsylvania. At various times, E.R. was employed by Progressive Amusements and had access to the company's business checks and credit cards.

Relationship between the Defendant and the Victim

4. Defendant GIOVANNI ARENA previously lived in Mechanicsburg, Pennsylvania where he operated "New York Johnny's Pizza" until it went out of business in or about 1995.

5. While working in Mechanicsburg, Pennsylvania, defendant GIOVANNI ARENA met E.R., who was working for Progressive Amusements.

6. After New York Johnny's Pizza went out of business, defendant GIOVANNI ARENA approached E.R. to invest in another pizza shop, "Italian Delight," located in Dillsburg, Pennsylvania. E.R. agreed to invest in "Italian Delight," which went out of business in or about 1996.

7. In or about November 1996, defendant GIOVANNI ARENA contacted E.R. to invest in another pizza shop in southern New Jersey. E.R. invested money with defendant ARENA. In or about 1997, defendant ARENA told E.R. that the pizza shop went out of business.

8. In approximately 2004, defendant GIOVANNI ARENA contacted E.R. about investing in an existing pizza shop.

9. From in or about 2004 through 2008, defendant GIOVANNI ARENA falsely promised to invest all of E.R.'s money in pizza shops. Instead, defendant ARENA diverted approximately \$1.2 million of E.R.'s money for ARENA's personal use. Among other things, defendant ARENA used E.R.'s money to purchase luxury automobiles, including BMWs, Maseratis, and a 2010 Camaro, gamble at the casinos in Atlantic City, New Jersey, and pay his

living expenses.

The Scheme

10. From in or about 2004 to in or about 2008, in Camden County, in the District of New Jersey, and elsewhere, defendant

GIOVANNI ARENA

did knowingly devise and intend to devise a scheme and artifice to defraud E.R. and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises as set forth below:

11. It was a part of the scheme and artifice to defraud that defendant GIOVANNI ARENA falsely represented to E.R. that ARENA was opening or purchasing pizza shops in New Jersey and fraudulently induced E.R. to invest in the business.

a. It was further part of the scheme and artifice to defraud that defendant GIOVANNI ARENA falsely promised E.R. that ARENA would re-pay E.R.'s "investment" from the proceeds of the pizza shops.

b. It was further part of the scheme and artifice to defraud that defendant GIOVANNI ARENA solicited E.R. for additional money, falsely claiming that ARENA: (i.) needed "just a little" more money to purchase the pizza shops; (ii.) needed more money to cover expenses; or (iii.) needed money for repairs.

c. It was further part of the scheme and artifice to defraud that defendant GIOVANNI ARENA caused E.R. to send various checks, often drawn on Progress Amusement's bank account, and amounts of cash from Pennsylvania to New Jersey through the U.S. Mails.

d. It was further a part of the scheme and artifice to defraud that defendant GIOVANNI ARENA never used the funds provided by E.R. to purchase pizza shops, but rather

used E.R.'s money to pay ARENA's rent and personal expenses, to gamble at the casinos and to buy luxury automobiles.

12. On or about the dates listed below, in the District of New Jersey and elsewhere, defendant

GIOVANNI ARENA,

having devised and intending to devise the above-described scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, did knowingly and with fraudulent intent placed or cause to be deposited in a post office and authorized depository for mail to be delivered by the United States Postal Service certain mail matters as more fully described below which contained cash and checks in envelopes addressed to defendant ARENA totaling \$ 1,219,200:

Count	Approximate Date	Description
1	11/29/2007	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Deptford, New Jersey
2	5/28/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Deptford, New Jersey
3	5/30/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Deptford, New Jersey
4	7/7/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
5	7/11/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
6	7/17/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood,

		New Jersey
7	7/25/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
8	8/1/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
9	8/8/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
10	8/14/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
11	8/22/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
12	9/12/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
13	9/19/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
14	9/24/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
15	10/3/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
16	10/10/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
17	11/7/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
18	11/12/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey

19	11/14/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
20	11/20/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
21	11/28/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey
22	12/26/2008	U.S. Postal Service Express Mail Parcel sent from E.R. in Pennsylvania to defendant Giovanni Arena in Blackwood, New Jersey

In violation of Title 18, United States Code, Section 1341, and Title 18, United States Code, Section 2.

COUNTS 23 to 31

(Engaging in Monetary Transactions with Criminally Derived Funds - 18 U.S.C. § 1957)

1. Paragraphs 1 through 9 and 11 of Counts 1 through 22 of this Indictment are realleged and incorporated by reference as if set forth in full herein.

2. On or about the dates listed below, in the District of New Jersey and elsewhere, defendant

GIOVANNI ARENA

did knowingly engage and attempt to engage in the following monetary transactions, namely deposits, withdrawals, transfers, and exchanges of United States currency and monetary instruments through financial institutions affecting interstate commerce, in criminally derived property of a value greater than \$10,000 which was derived from specified unlawful activity, namely, mail fraud, contrary to Title 18, United States Code, Section 1341:

Count	Date of Transaction	Type of Transaction	Amount	Location of Transaction
23	8/17/2007	Cash Payment	\$17,449	Toyota of Runnemede
24	2/28/2008	Cash Withdrawal	\$18,000	Bank of America
25	6/25/2008	Cash Buy-In	\$130,985	Borgota Hotel & Casino
26	7/16/2008	Cash Buy-In	\$30,745	Borgota Hotel & Casino
27	8/1/2008	Cash Buy-In	\$29,000	Borgota Hotel & Casino
28	8/6/2008	Cash Buy-In	\$11,050	Borgota Hotel & Casino
29	8/29/2008	Cash Buy-In	\$19,011	Borgota Hotel & Casino
30	9/19/2008	Cash Buy-In	\$39,350	Borgota Hotel & Casino
31	11/28/2008	Cash Buy-In	\$51,070	Borgota Hotel & Casino

In violation of Title 18, United States, Code, Section 1957(a), and Title 18, United States Code, Section 2.

COUNTS 32 to 34
(Failure to File Income Tax Returns - 26 U.S.C. § 7203)

1. Paragraphs 1 through 9 and 11 of Counts 1 through 22 of this Indictment are realleged and incorporated by reference as if set forth in full herein.
2. Defendant GIOVANNI ARENA received income from the scheme described in Counts 1 through 22 of this Indictment.
3. During the calendar years 2006 through 2008, defendant GIOVANNI ARENA had and received gross income of approximately \$116,250 in 2006, \$259,200 in 2007 and \$384,000 in 2008.
4. Having received the above income, defendant GIOVANNI ARENA was required by law, following the close of the calendar year, and on or before the tax return date, as established by the Internal Revenue Service, to make an individual income tax return to the Internal Revenue Service stating specifically the items of his gross income and any deductions and credits to which he was entitled.
5. On or about the dates listed below, in the District of New Jersey and elsewhere, defendant

GIOVANNI ARENA

knowing and believing the foregoing facts, did knowingly and willfully fail to make an income tax return to the Internal Revenue Service:

Count	Calendar Year	Gross Income (Approximate)	Date Return To Be Filed
32	2006	\$116,250	April 16, 2007
33	2007	\$259,200	April 15, 2008
34	2008	\$384,000	April 15, 2009

In violation of Title 26, United States Code, Section 7203, and Title 18, United States Code, Section 2.

COUNT 35

(Tampering With a Witness/Victim - 18 U.S.C. § 1512(b)(3))

1. Paragraphs 1 through 9 and 11 of Counts 1 through 22 of this Indictment are realleged and incorporated by reference as if set forth in full herein.
2. At all times relevant to this Indictment, the Internal Revenue Service, Criminal Investigation (“IRS-CI”) was an agency of the United States Department of Treasury. IRS-CI had authority to investigate and enforce criminal laws relating to federal income taxes and money laundering.
3. At all times relevant to this Indictment, the United States Postal Inspection Service (“USPIS”) was the law enforcement component of the United States Postal Service. USPIS had primary jurisdiction over matters involving the United States mail, and had authority to investigate and enforce criminal laws relating to mail matters, including mail fraud.
4. Since in or about January 2009, IRS-CI and USPI conducted an investigation into the mail fraud scheme, money laundering and tax related offenses described in Counts 1 through 35.
5. On or about March 30, 2010, federal investigators served search warrants on defendant GIOVANNI ARENA’s property in Camden County, New Jersey for certain documents and other evidence relating to possible violations of the mail fraud scheme, as well as money laundering and tax related offenses. IRS-CI Special Agents and USPIS Inspectors interviewed defendant ARENA in connection with the criminal investigation.
6. At all times relevant to this Indictment, both an ongoing criminal investigation by IRS-CI and USPIS and an official proceeding, as that term is defined by Title 18, United States Code, Section 1515(a)(1), were pending in the District of New Jersey.

7. From on or about April 5, 2010 to on or about April 6, 2010, defendant GIOVANNI ARENA contacted E.R. and told E.R., in substance and in part, that the IRS caught ARENA and wanted to know why defendant ARENA had received money from Progressive Amusements. Defendant ARENA instructed E.R. to tell IRS-CI agents and USPIS inspectors that defendant ARENA worked as an employee of Progressive Amusements and that defendant ARENA had also invested some money in Progressive Amusements. In a subsequent call, defendant ARENA told E.R., in substance and in part, to tell the IRS that defendant ARENA and E.R. were partners and that they invested in three pizza shops and lost all of the money.

8. On or about April 12, 2010, defendant GIOVANNI ARENA contacted E.R. and stated the following, in substance and in part: "Listen, I just come from the IRS again. They gonna come and see you in Harrisburg. So they want to know from two-o-four to two-o-eight, the money, the, the, you send to me, the checks...wa, what do we do for. I tell it was because ah, you know, I...all the money that I lost, I tell and everything else, and the pizza shops we opened and make sure you say everything like I say because if you don't I'm gonna tell you give another million dollars to Two Guys Pizza in Pennsylvania, the pizza shop, remember. Two Guys. And you give another, another million and a half to other people. I know that. I know for fact. So you better not put me in trouble because if you put me in trouble, I'll put you in trouble. You the one that told me to go to the casino and try to make money. (UA). If you want to talk to me you can...allowed to call me. If you don't want to call me, then don't call me. But watch when you open your mouth to them, alright. Because you say, we send it to, I send it to him because I owe him. That's it. Bye."

9. From on or about April 5, 2010 to on or about April 12, 2010, in the District of New Jersey and elsewhere, defendant

GIOVANNI ARENA

did knowingly attempt to intimidate, threaten, corruptly persuade, and engage in misleading conduct by instructing E.R. to withhold certain facts from federal law enforcement officials and to provide false information to federal law enforcement officials with the intent to hinder and prevent the communication to a law enforcement officer of information relating to the possible commission of a federal offense.

In violation of Title 18, United States Code, Section 1512(b)(3), and Title 18, United States Code, Section 2.

FIRST FORFEITURE ALLEGATION

1. The United States hereby gives notice to defendant GIOVANNI ARENA that, upon his conviction of the offenses in violation of Title 18, United States Code, Section 1341 charged in Counts 1 through 22 of this Indictment, the Government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(2)(A), of all property, real and personal, involved in those offenses, and all property traceable thereto, including but not limited to a sum of money equal to at least approximately \$1,219,200.00 in United States currency, representing the amount of proceeds obtained as a result of the offenses. The property to be forfeited includes, but is not limited to, the following:

- i. A sum of money equal to \$1,219,200 in United States currency, representing the amount of proceeds obtained as a result of the offense;
- ii. 2005 Maserati Coupe (Blue), VIN ZAMBC38A250014922; and
- iii. 2010 Chevrolet Camaro (Silver), VIN 2G1FK1EJ4A9149443.

2. If any of the above-described forfeitable property, as a result of any act or omission of defendant GIOVANNI ARENA:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without

difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United

States Code, Section 2461(c), to seek forfeiture of any other property of defendant GIOVANNI ARENA up to the value of the forfeitable property described above.

Pursuant to Title 18, United States Code, Section 982(a)(2)(A), and Title 28, United States Code, Section 2461(c).

SECOND FORFEITURE ALLEGATION

1. The United States hereby gives notice to defendant GIOVANNI ARENA that, upon his conviction of the offenses in violation of Title 18, United States Code, Section 1957 charged in Counts 23 to 31 of this Indictment, the Government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(1), of all property, real and personal, involved in those offenses, and all property traceable thereto, including but not limited to a sum of money equal to at least approximately \$706,205 in United States currency, representing the amount of proceeds obtained as a result of the offenses. The property to be forfeited includes, but is not limited to, the following:

- i. A sum of money equal to \$706,205 in United States currency, representing the amount of proceeds obtained as a result of the offense;
- ii. 2005 Maserati Coupe (Blue), VIN ZAMBC38A250014922; and
- iii. 2010 Chevrolet Camaro (Silver), VIN 2G1FK1EJ4A9149443.

2. If any of the above-described forfeitable property, as a result of any act or omission of defendant GIOVANNI ARENA:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without

difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of

any other property of defendant GIOVANNI ARENA up to the value of the forfeitable property described above.

Pursuant to Title 18, United States Code, Section 982(a)(1).

A TRUE BILL

FOREPERSON



PAUL J. FISHMAN
United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

GIOVANNI ARENA

INDICTMENT FOR

18 U.S.C. § 1341
18 U.S.C. § 1957
26 U.S.C. § 7203
18 U.S.C. § 1512
18 U.S.C. § 2
18 U.S.C. §§ 981 and 982

A True Bill,

Foreperson

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