
**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA

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HON. CATHY L. WALDOR

v.

Magistrate No. 13-7135

DAVID D'ARIES

I, Gregory T. Botti, being duly sworn, state the following is true and correct to the best of my knowledge and belief. From in or about June 2007 through in or about October 2012, in Union County in the District of New Jersey and elsewhere, defendant

DAVID D'ARIES


did knowingly and intentionally devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, placed and caused to be placed in a post office and authorized depository for mail matters and things to be sent and delivered by the United States Postal Service.

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

I further state that I am a Postal Inspector with the United States Postal Inspection Service, and that this complaint is based on the following facts:

SEE ATTACHMENT A

continued on the attached pages and made a part hereof.




Gregory T. Botti, Postal Inspector
United States Postal Inspection Service

Sworn to before me and subscribed in my presence,

June 12, 2013 at
Date

HONORABLE CATHY L. WALDOR

United States Magistrate Judge
Name & Title of Judicial Officer

Newark, New Jersey
City and State


Signature of Judicial Officer

ATTACHMENT A

I, Gregory T. Botti, have been a Postal Inspector with the United States Postal Inspection Service ("USPIS") for approximately nine years, and I have been personally involved in the investigation of this matter. The information contained in this Complaint is based upon my personal knowledge, as well as information obtained from other sources, including: a) statements made or reported by various witnesses with knowledge of relevant facts; b) my review of publicly available information relating to the defendant; and c) my review of business records, bank records, and other documents obtained through subpoenas and other sources. Because this Complaint is being submitted for the limited purpose of establishing probable cause, it does not include every fact that I have learned during the course of the investigation. Where the content of documents and the actions, statements, and conversations of individuals are recounted herein, they are recounted in substance and in part, except where otherwise specifically indicated.

Background

1. At all times relevant to this Complaint, defendant DAVID D'ARIES resided in Union County, New Jersey.
2. At all times relevant to this Complaint, defendant D'ARIES utilized or maintained a post office box in Chatham, New Jersey in the name of D'ARIES's father ("L.D.") (the "Chatham PO Box").
3. According to a review of public records, D'ARIES's father, L.D., died in 2011.

The Scheme

4. From in or about June 2007 through in or about October 2012, D'ARIES devised a scheme to defraud individuals from around the world by posing as a buyer interested in purchasing rare and antique foreign banknotes for bid on the online auction website eBay.
5. D'ARIES identified himself to the eBay seller(s) as either David D'Aries, L.D, or "J.B.," an individual who resided with D'ARIES at all times relevant to this Complaint.
6. D'ARIES, as the winning bidder in at least 400 eBay transactions, made payment for the banknote(s) via credit card, PayPal, or wire transfer in order to induce the eBay seller to ship the banknote(s) to D'ARIES at either his home or the Chatham PO Box via the United States mail or other commercial interstate carrier.
7. Once the item was received by D'ARIES, he then falsely reported to the credit card company that the item was never received from the seller or was an unauthorized charge.
8. Contrary to the representations made by D'ARIES, the rare and antique foreign banknotes purchased by D'ARIES in the subject eBay transactions were, in fact, received by D'ARIES via United States mail or other commercial interstate carrier.

9. As a result of the false claims made by D'ARIES to various credit card companies, D'ARIES received a "chargeback" or refund, leaving the seller without possession of either the sold banknote or any payment for the transaction.
10. Many of the eBay sellers from whom D'ARIES purchased the banknotes then filed fraud claims with eBay/PayPal, the United States Postal Service and/or other entities, describing the fraud that they had experienced in their transaction with D'ARIES. At times, eBay/PayPal absorbed the loss; at other times, the eBay seller was left with the loss.
11. Losses to eBay/Paypal and the various eBay sellers as a result of D'ARIES's fraudulent transactions total approximately \$120,000.

Representative Fraudulent Transaction 1

12. For example, on or about March 15, 2010, an eBay seller (the "March 15 Seller") conducted a transaction on eBay with D'ARIES for the sale of a foreign banknote for \$290. D'ARIES used his own name for this transaction.
13. On March 15, 2010, D'ARIES made payment via PayPal to the March 15 Seller with a Chase Bank credit card in his own name. The March 15 Seller then mailed the foreign banknote from Massachusetts to D'ARIES at the Chatham PO Box via the United States mail.
14. A review of postal records reveals that the item that D'ARIES ordered from the March 15 Seller was, in fact, delivered to the Chatham PO Box on or about March 19, 2010.
15. On or about May 18, 2010, D'ARIES filed a handwritten affidavit with Chase Bank to dispute approximately twenty-nine (29) PayPal transactions, including the charge for \$290 identified in paragraph 13, above. D'ARIES provided various reasons for the disputed charges, including, for the \$290 claim, that the seller had "sent me [an] untampered with empty package[]!"
16. As a result of D'ARIES's claim, Chase Bank issued a chargeback to D'ARIES, refunding him the \$290. The March 15 Seller, upon learning of D'ARIES's claim, provided proof of having mailed the item to D'ARIES.
17. As a result of D'ARIES's claim, the March 15 Seller suffered a loss of approximately \$290.

Representative Fraudulent Transaction 2

18. As another example, on or about March 28, 2011, an eBay seller (the "March 28 Seller") conducted an eBay transaction with an individual purporting to be L.D., but whose eBay

user profile indicated a “full name” of “J.B.” for the sale of two foreign banknotes totaling approximately \$731.99.

19. On March 28, 2011, payment was made to the March 28 Seller via PayPal with a Capital One credit card in the name of L.D. The March 28 Seller then mailed the foreign banknotes from Ohio to J.B. at D’ARIES’s home address.
20. A review of postal records reveals that the item that was ordered from the March 28 Seller was, in fact, delivered to D’ARIES’s home address on or about April 1, 2011.
21. On or about June 3, 2011, an individual purporting to be L.D. (who was then deceased) filed an affidavit with Capital One disputing three PayPal transactions, including the charge for \$731.99 identified in paragraph 19, above, which the affidavit characterized as “unauthorized.”
22. As a result of the claim to Capital One, the March 28 Seller provided eBay with supporting documentation to show that the item, in fact, was mailed to D’ARIES’s home address via the United States mail.
23. As a result of the documents provided by the March 28 Seller, eBay settled the loss with the March 28 Seller and suffered a loss of approximately \$731.99.

The Search of D’ARIES’s Home

24. On June 30, 2011, law enforcement officers executed a search warrant at D’ARIES’s home address.
25. Inside the home, D’ARIES directed law enforcement officers to a closet containing a combination-locked metal filing cabinet. D’ARIES unlocked the combination lock for law enforcement officers and stated, in sum and substance, that everything the officers were looking for was located in the first three drawers and that the items were purchased with credit cards and were worth approximately \$50,000.
26. Officers recovered several thousand foreign banknotes from D’ARIES’s residence.
27. Also recovered from the residence were approximately 165 pieces of mail from around the world that were addressed to D’ARIES, J.B. and L.D., including certain of the packages that were claimed to have not been received.