

SC:IJ
F. #2013R01328

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

CR 13

664

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UNITED STATES OF AMERICA

I N D I C T M E N T

- against -

ROBERT ROCCO,

Defendant.

Cr. No. _____
(T. 18, U.S.C., §§ 981(a)(1)(C), 1341, 1343,
2 and 3551 et seq.; T. 21, U.S.C., § 853(p);
T. 28, U.S.C., § 2461(c))

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THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

The Defendant and His Company

1. The defendant ROBERT ROCCO resided in Dix Hills, New York.
2. The defendant ROBERT ROCCO founded and owned Limestone Capital Services ("Limestone"), a corporation registered with the New York State Department of State. The business office of Limestone was located at 425 Broadhollow Road, Suite 115, Melville, New York.
3. In or about February 2006, Limestone purported to provide wholesale financing of cigarette purchases on behalf of a tobacco shop on the Shinnecock Native American Reservation. It also purported to provide credit card services for retail end users to purchase cigarettes from the Shinnecock Reservation.

The Fraudulent Scheme: The Dix Hills Soccer Club

4. The defendant ROBERT ROCCO was the president of the Dix Hills Soccer Club. ROCCO solicited members and volunteers of the Dix Hills Soccer Club to invest in Limestone. ROCCO controlled the bank accounts of the Dix Hills Soccer Club and did not permit others to have access to the club's bank records.

5. In or about and between January 2010 and March 2010, the defendant ROBERT ROCCO deposited approximately \$66,915 in checks from the Dix Hills Soccer Club into a Limestone bank account. These funds were subsequently distributed to investors in Limestone. As a result, in April 2010, ROCCO told John Doe #1, a member, volunteer, and donor of the Dix Hills Soccer Club, that the club had no funds left to operate. In April 2010, John Doe #1 donated \$20,000, and in November 2010 he donated \$25,000 to the Dix Hills Soccer Club.

The Fraudulent Scheme: Cigarette Scam

6. The defendant ROBERT ROCCO solicited friends, neighbors, and members and volunteers of the Dix Hills Soccer Club to invest in Limestone. ROCCO also recruited his friend, John Doe #2 – who invested his and his family's money in Limestone – to solicit investments from their extended network of friends, family, colleagues, neighbors, and acquaintances.

7. The defendant ROBERT ROCCO promised investors a high annual guaranteed rate of return. Specifically, investors signed promissory notes with Limestone that stated rates of return of approximately 15-18% per year, renewable annually. ROCCO signed all the promissory notes.

8. In and about and between 2006 and 2013, over two dozen individuals invested in Limestone. The amounts invested by individuals ranged from \$25,000 to \$1.2 million, and totaled more than \$5 million.

9. The defendant ROBERT ROCCO did not invest the Limestone funds as represented in the promissory notes; instead, he ran a Ponzi scheme. The Limestone investors were paid their purported returns from the funds provided by later investors. These returns were less than the 15-18% promised. From February 2009 through April 2013, Limestone investors received approximately ten checks per year, each for a few hundred dollars.

10. In or about February 2009, the defendant ROBERT ROCCO fraudulently reported to Limestone investors that \$4-\$5 million in cigarette inventory financed and purchased by Limestone had been stolen from the Shinnecock Reservation by a rival Indian tribe. ROCCO also fraudulently reported to Limestone investors that the cigarettes were not insured. No police report was filed for the purported theft of cigarettes.

11. In or about August 2013 and September 2013, the defendant ROBERT ROCCO stated to John Doe #2, in sum and substance, that since 2009, everything that ROCCO had told John Doe #2 about Limestone had been lies, and that there was no theft of cigarettes at the Shinnecock Indian Reservation in February 2009.

The Fraudulent Scheme: Advent Scam

12. In the summer of 2010, the defendant ROBERT ROCCO solicited John Doe #1 and his family to invest in a new company ROCCO created, which he called Advent Merchant Services, LLC ("AMS"). ROCCO told John Doe #1 that AMS solicited businesses to change their credit card processor to one AMS recommended and, in return, AMS would receive a fee from the new processor. ROCCO used the funds that John Doe #1 and his family invested in AMS to instead pay purported returns to investors of Limestone.

13. In late 2011 through early 2013, the defendant ROBERT ROCCO solicited John Doe #1 for more funds and told him that he had formed a new company, which he called

Advent Equity Partners, LLC ("AEP"). ROCCO provided John Doe #1 with fraudulent notarized sale contracts and bank statements. In total, John Doe #1 and his family paid more than \$1.3 million dollars to ROCCO for purported investments in AMS and AEP.

14. The defendant ROBERT ROCCO paid purported returns on the AMS and AEP investments to John Doe #1 and his family with their own funds. ROCCO also continued to use the funds of John Doe #1 and his family to pay purported returns to the Limestone investors.

15. In or about and between May 2013 and August 2013, the defendant ROBERT ROCCO caused Limestone and AEP to miss payments to investors. In August 2013, checks sent from Limestone to its investors were returned unpaid due to a stop payment order on the account.

COUNTS ONE THROUGH FIVE
(Wire Fraud)

16. The allegations contained in paragraphs 1 through 15 are realleged and incorporated as though fully set forth in this paragraph.

17. In or about and between February 2006 and September 2013, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant ROBERT ROCCO did knowingly and intentionally devise a scheme and artifice to defraud the investors of Limestone, Advent Merchant Services, LLC, and Advent Equity Partners, LLC, and to obtain money and property from the investors by means of materially false and fraudulent pretenses, representations and promises.

18. On or about the dates specified below, within the Eastern District of New York and elsewhere, for the purpose of executing this scheme and artifice, the defendant ROBERT ROCCO transmitted and caused to be transmitted, by means of wire communication in

interstate and foreign commerce, writings, signs, signals, pictures and sounds as described below:

Count	Approx. Date	Description
ONE	12/1/2008	Wire transfer from Massachusetts to New York, of \$10,389.05 from Fidelity investment account of John Doe #2 to Citibank account of Limestone in Melville, New York.
TWO	5/21/2010	Wire transfer from New Jersey to New York, of \$50,000.00 from Citibank account of John Doe #1 to Capital One account of AMS in Melville, New York.
THREE	10/12/2011	E-mail with attachments, time-stamped 2:05 p.m., from the defendant ROBERT ROCCO in New York via AOL servers in Virginia, to John Doe #1 in Bohemia, New York, and others.
FOUR	5/31/2013	E-mail, with attachments, time-stamped 5:23 pm. from the defendant ROBERT ROCCO in New York via AOL servers in Virginia, to John Doe #1 in Bohemia, New York, and another individual.
FIVE	7/19/2013	E-mail, with attachments, time-stamped 2:22 p.m., from the defendant ROBERT ROCCO in New York, via AOL servers in Virginia, to John Doe #1 in Bohemia, New York, and others.

(Title 18, United States Code, Sections 1343, 2 and 3551 et seq.)

COUNTS SIX THROUGH FOURTEEN
(Mail Fraud)

19. The allegations contained in paragraphs 1 through 15 are realleged and incorporated as though fully set forth in this paragraph.

20. In or about and between February 2006 and September 2013, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant ROBERT ROCCO did knowingly and intentionally devise a scheme and artifice to defraud the investors of Limestone, Advent Merchant Services, LLC, and Advent Equity Partners,

LLC, and to obtain money and property from the investors by means of materially false and fraudulent pretenses, representations and promises.

21. On or about the dates set forth below, for the purpose of executing such scheme and artifice, the defendant ROBERT ROCCO did place in a post office and authorized depository for mail matter, and cause to be delivered by the United States Postal Service and private and commercial interstate carriers, according to the direction thereon, matter and things, as described below:

Count	Approx. Date of Mailing	Description of Mailing
SIX	1/31/2009	Limestone statements sent by U.S. mail to an investor in Riverhead, New York.
SEVEN	4/20/2009	Letter from Limestone sent by U.S. mail from Melville, New York to an investor Rockville Centre.
EIGHT	7/17/2009	Letter from Limestone sent by U.S. mail to an investor in East Northport, New York.
NINE	2/24/2010	Letter sent from Limestone sent by U.S. mail to investors in Syosset, New York.
TEN	2/24/2010	Check no. 2902, drawn on the account of Limestone at Citibank, sent by U.S. mail to an investor in Jericho, New York.
ELEVEN	11/16/2012	Letter from Limestone sent by U.S. mail to an investor in Baldwin, New York.
TWELVE	2/19/2013	Letter from Limestone sent by U.S. mail to an investor in Baldwin, New York.
THIRTEEN	6/25/2013	Letter from Limestone sent by U.S. mail to an investor in Manchester, New Jersey.
FOURTEEN	8/16/2013	Letter sent from Limestone sent by U.S. mail to an investor in Dix Hills, New York

(Title 18, United States Code, Sections 1341, 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION AS TO COUNTS ONE THROUGH FOURTEEN

22. The United States hereby gives notice to the defendant charged in Counts One through Fourteen that, upon his conviction of any such offense, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), of any property constituting or derived from proceeds obtained directly or indirectly as a result of such offenses, including but not limited to any and all right, title and interest in the real property and appurtenances, improvements, fixtures, attachments and easements know as 3 Mott Place, Dix Hills, New York, and all proceeds traceable thereto (the "Forfeitable Real Property").

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

- 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), to

seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation, including but not limited to the Forfeitable Real Property.

(Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c))

A TRUE BILL

A handwritten signature in blue ink, appearing to read "Charles Edwards", written over a horizontal line.

FOREPERSON

A handwritten signature in blue ink, appearing to read "Loretta E. Lynch", written over a horizontal line.

LORETTA E. LYNCH
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

No.

UNITED STATES DISTRICT COURT

EASTERN District of NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

ROBERT ROCCO,

Defendant.

INDICTMENT

(T. 18, U.S.C. §§ 1341, 1343, 2 and 3551.)

A true bill.

Charles Edmund

Foreperson

Filed in open court this _____ day,

of _____ A.D. 20 _____

Clerk

Bail, \$ _____

Ilene Jaroslaw, Assistant U.S. Attorney (718) 254-6236