

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

OCT 25 2010

CLAIRE C. CECCHI, U.S.M.J.

UNITED STATES OF AMERICA	:	Hon. Claire C. Cecchi
	:	
v.	:	Mag. No. 10-4151
	:	
GREGORY CICCONE	:	CRIMINAL COMPLAINT

I, Andrew Rosenbaum, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this Complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.



Special Agent Andrew Rosenbaum
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
October 25, 2010, at Newark, in the District of New Jersey

HONORABLE CLAIRE C. CECCHI
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

ATTACHMENT A

COUNT ONE

From at least in or about January 2007 through at least in or about April 2010, in Passaic County, in the District of New Jersey, and elsewhere, defendant

GREGORY CICCONE

did knowingly and willfully devise and intend to devise a scheme and artifice to defraud, and for obtaining money or property by means of material false and fraudulent pretenses, representations, and promises, and for purposes of executing and attempting to execute this scheme, Defendant did cause to be sent or delivered by any private or commercial carrier certain mail matter, as described in Attachment B, in violation of Title 18, United States Code, Section 1341, and Title 18, United States Code, Section 2.

COUNT TWO

From at least in or about January 2007 through at least in or about April 2010, in Passaic County, in the District of New Jersey, and elsewhere, defendant

GREGORY CICCONE

did knowingly and willfully devise and intend to devise a scheme and artifice to defraud, and for obtaining money or property by means of material false and fraudulent pretenses, representations, and promises, and for purposes of executing and attempting to execute this scheme, Defendant did transmit and cause to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, a writing, sign, signal, picture, and sound for the purpose of executing such scheme or artifice, as described in Attachment B, in violation of Title 18, United States Code, Section 1343, and Title 18, United States Code, Section 2.

ATTACHMENT B

I, Andrew Rosenbaum, a Special Agent with the Federal Bureau of Investigation, having conducted an investigation, having spoken with other individuals, and having reviewed documents, am aware of the following facts. Because this affidavit is being submitted for the sole purpose of establishing probable cause to support the issuance of a complaint, I have not included each and every fact known by the government concerning this investigation. Statements attributed to individuals are provided in substance and in part.

GREGORY CICCONE and GAC CONSULTING GROUP, L.L.C.

1. At all times relevant to this complaint, Defendant GREGORY CICCONE was a resident of New Jersey and the Owner and President of a Wayne, New Jersey-based business called GAC Consulting Group, L.L.C. ("GAC").

2. According to its website, GAC contracts with charities and non-profit organizations ("NPO") to arrange for the provision of high-value items to be auctioned off to winning bidders at fund-raising events to benefit the charity victims. GAC purports to be "... a leader in assisting non-profit organizations, private and individual foundations and corporations with the needs to maximize their fund-raising efforts." In his role as Owner and President, Defendant GREGORY CICCONE conducted the regular business affairs of GAC, including but not limited to undertaking contractual negotiations and corresponding with victim charities and victim NPOs (collectively, the "victim charities"), making personal appearances at certain fundraising events, and corresponding with winning bidders.

OVERVIEW OF THE SCHEME TO DEFRAUD

3. Defendant GREGORY CICCONE uses GAC as part of an ongoing scheme to defraud charities and NPOs that are seeking to raise funds through fund-raising events. CICCONE touts his ability to provide high-value auction items to be bid upon and awarded to the highest bidder at fund-raising events. Once the victim charity accepts GAC's representation, the victim charity countersigns a contract

with GAC that typically requires it to make two payments to GAC: (1) an upfront retainer fee prior to the fundraising event, and (2) a commission on the monies pledged by or collected from the winning bidders.

4. Through the retainer fees paid to GAC, CICCONE collects thousands and sometimes tens of thousands of dollars in retainer fees from the victim charities for the stated purpose of securing auction items for fund-raising events. After fund-raising events are held, the victim charities then pay the contracted commission to GAC. The investigation to date has revealed at least \$650,000 was paid by at least a dozen different victim charities and “winning” bidders in the form of commissions and retainers, the value of lost pledges to the charities, and the value of unfulfilled prizes to the bidders. Despite receiving payments from the victim charities, CICCONE often failed to provide the auction items to the winning bidders, and did not comply with demands for a refund, instead spending the money on CICCONE’s personal expenses, including tens of thousands of dollars in casino gambling. In addition and as described more fully below, not only did CICCONE not provide the items that he offered as auction items and that were bid on and subsequently “won” by fundraising patrons, but in many instances, CICCONE falsely claimed the ability to provide prizes which he had no ability ab initio to procure and award to the “winning” bidders.

5. As a result of CICCONE’s fraudulent scheme, both the victim charities and the winning bidders of the charity’s fundraising events were defrauded. For example, in many cases, the defrauded “winning” bidders have asked for a return of their donation from CICCONE but have not had it returned, and CICCONE’s actions therefore caused the victim charity not only to receive no value for the retainer and commission paid to GAC, but also to lose donations from the winning bidder. CICCONE’s fraud often had the domino effect that many victim charities lost the philanthropy of donors who refused to participate in future fundraising events or otherwise no longer supported the victim charities.

6. The following paragraphs contain a sample of the information collected regarding CICCONE’s charity fraud scheme.

Victim Charity Number One

7. Victim Charity Number One, ("VC-1"), is a charity based in New York that funds research for leukemia and lymphoma.

A. VC-1 entered into a contract with GAC on or about August 19, 2008. Pursuant to the contract, CICCONE and VC-1 were to secure auction items to be offered in a live auction during VC-1's gala event held in New York City on October 22, 2008, and VC-1 was to pay GAC a retainer prior to the event, as well as a 15% commission on all funds raised at the event. On or about August 20, 2008, VC-1 mailed to GAC's business address in Wayne, New Jersey, a \$10,000 check in full payment of GAC's retainer.

B. VC-1's gala event was held as scheduled, and four items that were offered by CICCONE were auctioned, including a round of golf for four at Augusta National Golf Course in Augusta, Georgia ("Augusta National"); a walk-on role on the television show "Desperate Housewives"; and a European sports tour inclusive of transportation costs and tickets to Wimbledon and the Tour de France. All of the prizes were auctioned successfully, and the European sports tour was auctioned and awarded to two winning bidders. The winning bidder for golf at Augusta National bid \$60,000; the winning bidder for the "Desperate Housewives" walk-on role bid approximately \$28,000; and the two European sports tours sold for \$25,000 each. On or about November 10, 2008, VC-1 mailed to GAC's business address in Wayne, New Jersey, a \$9,500 check in full payment of GAC's commission.

C. None of the four prizes offered by GAC were delivered to the winning bidders. VC-1 had to return the \$60,000 donated for golf at Augusta National; VC-1 paid out of its own funds approximately \$10,402 to deliver the walk-on role; and paid approximately \$15,776 to purchase transportation and tickets to Wimbledon and the Tour de France.

D. Not only did CICCONE not deliver on the prizes, he misrepresented his ability to deliver the prizes. For example, Augusta National has never had any contact with CICCONE or GAC, and does not allow play at its golf course to be offered as an auction item by anyone. Similarly, the "Desperate

Housewives” television show has never had any contact with CICCONE or GAC with regard to the auctioning of a walk-on role.

E. VC-1 and the winning bidders attempted to contact CICCONE on multiple occasions in an attempt to secure the promised items, to no avail. Defendant GREGORY CICCONE has not returned any money back to VC-1 and has not delivered any of the prizes won by the winning bidders.

Victim Charity Number Two

8. Victim Charity Number Two (“VC-2”), is a private high school located in New Jersey.

A. VC-2 entered into a contract with GAC on or about November 6, 2008, for the VC-2 gala and, on or about May 29, 2009, for the VC-2 golf fund-raiser event. Pursuant to the contracts, defendant GREGORY CICCONE and GAC were to secure auction items to be offered for both the gala and the golf event which were held November 14, 2008, and June 11, 2009, respectively, and VC-2 was to pay GAC a retainer prior to both events. On or about November 6, 2008, VC-2 mailed to GAC’s business address in Wayne, New Jersey a \$2,500 check in full payment of GAC’s retainer for the gala and, on or about June 2, 2009, VC-2 mailed to GAC’s business address in Wayne, New Jersey a \$7,500 check in full payment of GAC’s retainer for the golf event.

B. The gala was held as scheduled, and five prizes were offered for auction by GAC. None of the winning bidders received their prizes, and pledged donations and prizes in the amount of \$6,750 were not awarded.

C. The golf fund-raising event was held as scheduled, and several items were auctioned, including a round of golf for three at Augusta National. The winning bidder bid \$25,000 for the Augusta National prize; winning bids for the other items totaled \$12,150. None of the prizes offered by GAC was delivered to the winning bidders; as a result, VC-2 did not receive \$37,150 in pledged donations.

D. Again, CICCONE did not provide auction items purchased by the winning bidders, and as discussed above, he never had the ability to offer golf at Augusta National.

E. Over several months, VC-2 and the winning bidders attempted to contact CICCONE on multiple occasions in an attempt to secure their auction items. To date, CICCONE has neither returned any money back to VC-2 nor has he delivered any of the prizes won by the winning bidders.

Victim Charity Number Three

9. Victim Charity Number Three ("VC-3") is headquartered in New York and provides funding for diabetes research.

A. VC-3 entered into a contract with GAC on or about February 9, 2009. Pursuant to the contract, CICCONE was required to secure auction packages to be offered during VC-3's fund-raising event, and VC-3 was to pay GAC a retainer prior to the event, as well as a commission on the funds raised at the event. On or about February 9, 2009, VC-3 mailed a \$3,000 check to GAC's business address in Wayne, New Jersey in full payment of GAC's retainer.

B. The fund-raising event was held as scheduled on March 7, 2009, and several items were auctioned, including two tickets to a taping of the Oprah Winfrey Show ("Oprah") for the Fall 2009 schedule and two tickets to the 2009 Tony Awards. The first winning bidder paid \$7,000 for the Tony Awards tickets and the second winning bidder paid \$9,000 for the Oprah package. Subsequent to the fundraiser, VC-3 paid GAC \$1,000 as a commission.

C. Neither of the prizes offered by CICCONE were actually ever delivered and therefore could not be awarded to the winning bidders. As a result, the bidders received nothing for their donations.

D. Not only did CICCONE not deliver on the prizes, he also misrepresented his ability deliver the prizes. For example, CICCONE was unable to ever deliver the Tony Awards tickets because he did not have the ability to obtain them. Interviews conducted with a representative from the Tony Awards Production Office ("TAPO") confirmed that TAPO is not aware of CICCONE or GAC applying for tickets to the Tony Awards; that donors and requests for charitable donations must go through an approval process which neither CICCONE nor GAC went through, and nevertheless as of March 7, 2009, no tickets to the Tony Awards had been sold nor promised to anyone.

E. Over approximately the following year and a half, VC-3 and the winning bidders at its fund-raising event attempted to contact CICCONE on multiple occasions in an attempt to secure their auction items. CICCONE has not returned any money back to VC-3 and has not delivered the prizes won by the bidders at the fund-raising event.

Victim Charity Number Four

10. Victim Charity Number Four ("VC-4"), is an NPO based in Tampa, Florida and provides support, education, and advocacy regarding hereditary breast and ovarian cancer.

A. VC-4 entered into a contract with GAC on or about November 16, 2008. Pursuant to the contract, defendant GREGORY CICCONE and GAC were to secure auction items to be offered in an online auction in February and March 2009, and VC-4 was to pay GAC a retainer and a 25% commission after the close of the auction. The \$15,000 retainer was comprised of two payments; \$10,000 for the online auction and, pursuant to the contract, \$5,000 to secure the appearance of a specific celebrity (Celebrity #1), "or a comparable celebrity agreed upon by [VC-4]" at VC-4's May 2009 conference in Orlando, Florida. On or about November 17, 2008, VC-4 sent a wire transfer of \$15,000 from its bank account in Tampa, Florida to an account under the control of CICCONE and GAC in New Jersey.

B. Among the items GAC contracted to provide for the auction were two tickets to the 2009 Tony Awards. On or about March 11, 2009, VC-4 was contacted by a representative of the TAPO and was informed that tickets for the 2009 Tony Awards had not gone on sale yet and there was a strict application process for obtaining tickets. In addition, the representative from TAPO explained that she had spoken to CICCONE about this situation, and he told her that he had received paperwork from another individual that led him to believe the item was legitimate and that he could post it to VC-4's auction. The representative from TAPO informed CICCONE that it was impossible for such paperwork to exist because it had not been made available yet. CICCONE then responded that he would forward the alleged paperwork he received to TAPO; TAPO never received any such paperwork from CICCONE. The investigation has revealed that CICCONE has similarly defrauded at least four other charities by offering

tickets to the Tony Awards which he did not have the ability to provide.

C. Representatives of Celebrity #1 have been interviewed, and CICCONE had never contacted Celebrity #1 and had no authority to offer Celebrity #1's appearance to VC-4.

D. As a result of defendant GREGORY CICCONE's misrepresentations, VC-4 cancelled the auction. Over several months, VC-4 attempted to contact defendant GREGORY CICCONE on multiple occasions in an attempt to receive a refund of its retainer fees. To date, CICCONE has not responded.

Summary of Other Victims

11. The investigation to date has revealed that, over the relevant three-year period, CICCONE has engaged in an ongoing pattern of fraudulent activity similar to that described above, and used this pattern to defraud several other charities and NPOs. These other charities and NPOs have been similarly victimized because CICCONE rarely provides the auction items promised, and continues to offer prize items that he never had the ability to provide. As described above, CICCONE refuses to provide refunds to the victimized charities or winning bidders. Furthermore, CICCONE has used a litany of excuses and delay tactics to facilitate his fraudulent scheme, including claiming to have closed GAC "for reorganization" on several different occasions, claiming that shows were cancelled, and, in one instance, telling a winning bidder that the dates for the 2009 Tour de France had changed, and that might invalidate her package.