



*United States Attorney
Southern District of New York*



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**MANHATTAN U.S. ATTORNEY CHARGES WOMAN WITH
MILLION-DOLLAR "WATER PARK FOR FOSTER KIDS" FRAUD**

PREET BHARARA, the United States Attorney for the Southern District of New York, and GEORGE VENIZELOS, the Acting Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), today announced charges against LILIANA TRAFFICANTE of wire fraud and conspiracy to commit wire fraud in connection with an approximately 5-year scheme to defraud investors by falsely claiming that investor money would be used to build a water park for foster children. TRAFFICANTE instead spent much of the money on personal expenses and on repaying people who previously gave her money for the water park project.

TRAFFICANTE, 43, of Manhattan, surrendered to authorities this morning and is expected to be presented before United States Magistrate Judge DEBRA FREEMAN in Manhattan federal court later today.

According to the two-count Complaint:

TRAFFICANTE held herself out as the founder and Chief Executive Officer of International Dreams, a Manhattan-based entity. She was also the principal of, or otherwise affiliated with, a number of entities that appear to be related to International Dreams, including GoOcean Park and Resort LLC, The Little Water Park That Could, Bouchville Manors, and Signature A (collectively, the "Trafficante Entities"). TRAFFICANTE claimed to be raising money for the purchase of land and completion of a water park for foster children (the "Water Park Project"). TRAFFICANTE raised money in various ways, including through postings on the Craigslist website. TRAFFICANTE made numerous

false statements to individuals in order to induce them to make loans and/or investments to the Trafficante Entities.

TRAFFICANTE told one individual that land had been located for the Water Park Project and claimed that the land was rich with natural resources, the exploration of which could help fund the Water Park Project. Based on these representations, the individual loaned \$100,000 to one of the Trafficante Entities. In connection with this loan, the individual and TRAFFICANTE executed a promissory note that stated that the "purpose" of the \$100,000 loan was to help "GoOcean Water Park & Resort purchase excavating equipment." In fact, no land had been purchased by TRAFFICANTE for a water park, or for any other purpose, and the money was not used to purchase any equipment. Rather, TRAFFICANTE made \$40,000 in rent payments, among other personal payments, the same day that the \$100,000 was wired to her account.

In total, TRAFFICANTE induced more than \$1 million in loans and investments purportedly for the water park project.

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TRAFFICANTE is charged with one count of wire fraud and one count of conspiracy to commit wire fraud. She faces a maximum sentence of 20 years in prison on the wire fraud charge and five years on the conspiracy charge. On both counts, the defendant also faces a fine of the greater of \$250,000, or twice the gross gain or gross loss from the offense.

Mr. BHARARA praised the work of the FBI in the investigation of this case.

U.S. Attorney PREET BHARARA said: "Liliana Trafficante allegedly played on people's good intentions by inducing them to invest in the building of a water park for foster children, but that purported investment venture in fact held no water. This Office, with its partners at the FBI, will continue to pursue those who would lie and cheat to line their own pockets with investor funds."

FBI New York Acting Assistant Director-in-Charge GEORGE VENIZELOS said: "Individuals who make false representations of charitable intentions will be held accountable for their actions. Those who donated money in the hopes of funding the Water Park Project for foster children were betrayed, along with the children of the community who could have benefitted from the generous contributions of others. The FBI is committed to

tracking down anyone who sets out to deceive the unwitting public in an effort to secure their own financial gain, and to restoring the faith of those with honest intentions."

This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

This case is being handled by the Southern District of New York's Securities and Commodities Fraud Task Force. Assistant United States Attorney EUGENE INGOGLIA is in charge of the prosecution.

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