



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
NOVEMBER 4, 2010

CONTACT: U.S. ATTORNEY'S OFFICE
ELLEN DAVIS,
EDELI RIVERA,
JESSIE ERWIN
PUBLIC INFORMATION OFFICE
(212) 637-2600

FBI
JIM MARGOLIN, RICHARD KOLKO
PUBLIC INFORMATION OFFICE
(212) 384-2720, 2715

**MANHATTAN U.S. ATTORNEY ANNOUNCES EXTRADITION OF SEVEN
ISRAELI DEFENDANTS CHARGED IN MULTI-MILLION DOLLAR
LOTTERY TELEMARKETING FRAUD SCHEME**

Scheme Targeted Elderly Victims In The United States

PREET BHARARA, the United States Attorney for the Southern District of New York, and JANICE K. FEDARCYK, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced the extradition from Israel of seven individuals, all residents of Israel, on charges relating to a lottery telemarketing fraud scheme through which they stole approximately \$2 million from elderly victims in the United States between 2007 and September 2008. This is the largest number of Israeli citizens ever extradited to a foreign country in a single case.

Manhattan U.S. Attorney PREET BHARARA said: "The perpetrators of this fraudulent lottery scheme gambled and lost. They allegedly preyed on the elderly, gained their trust, and exploited their vulnerability, but now they will face American justice. We will not tolerate this criminal conduct and these extraditions demonstrate that those who target American victims from outside our borders will be caught and will be prosecuted in the United States. We are committed to working with our law enforcement partners here and abroad to ensure that international organized criminals are brought to justice."

FBI Assistant Director-in-Charge JANICE K. FEDARCYK said: "Perhaps the most disturbing detail of the 'lottery prize' scheme is the brazen attempt by the defendants to allegedly target the elderly and exploit them for financial gain. In turn, they hit more than the jackpot with a ticket to the United States to face charges that carry potential long-term penalties. Along

with our law enforcement partners at home and abroad, we will continue to seek out those who engage in this type of illegal activity."

According to the Indictments previously filed in Manhattan federal court:

The defendants participated in a phoney "lottery prize" scheme that targeted hundreds of victims, mostly elderly, throughout the United States. They identified victims by purchasing the names and contact information of U.S. residents who subscribed to sweepstakes lotteries from list brokers. They then contacted the victims and solicited information about their finances by falsely telling them they had won a substantial cash prize they would receive as soon as they paid the necessary fees and taxes. In reality, there was no lottery prize and the victims were ultimately robbed of an estimated \$2 million.

* * *

All seven defendants were provisionally arrested in Israel in September 2008 based on the Indictments. They are each charged with one count of conspiracy to commit wire fraud and mail fraud through telemarketing, which carries a maximum potential penalty of 30 years in prison, and two substantive counts of wire fraud through telemarketing. Each of the substantive counts carries a maximum potential penalty of 30 years in prison. The case is assigned to U.S. District Judge LEWIS A. KAPLAN. GUY MAYO, ELAD MAYO, ASI ALMAKIAS, DAVID YAMIN, and MOR GALANTI arrived in the United States last night and will be presented today, while LIOR ORGAD and YANIV KALBERS are expected to arrive later today and will be presented tomorrow. SHAI KADOSH, who is also charged in the scheme, is currently a fugitive.

The investigation into the lottery telemarketing fraud scheme was conducted in New York by the FBI, with assistance from the Israel National Police. Mr. BHARARA praised the investigative work of the FBI and the Tel Aviv Fraud Division of the Israel National Police. He also thanked the Office of International Affairs, United States Department of Justice Criminal Division; Department of International Affairs within the Office of the State Attorney in the Ministry of Justice for the State of Israel; and the Tel Aviv District Attorney's Office for their cooperation in the investigation.

This case is being prosecuted by the Office's Organized Crime Unit. Assistant U.S. Attorneys AVI WEITZMAN and STEVE C. LEE are in charge of the prosecution. Assistant U.S. Attorney MICHAEL LOCKARD of the Office's Asset Forfeiture Unit is in charge of the forfeiture aspects of the case.

The charges against the defendants are merely accusations and the defendants are presumed innocent unless and until proven guilty.

10-347

###