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**ISRAEL-BASED DEFENDANTS INDICTED AND ARRESTED
IN LOTTERY TELEMARKETING FRAUD
TARGETING U.S. CITIZENS**

*ALLEGED SCHEME OBTAINED APPROXIMATELY \$2 MILLION
FROM ELDERLY VICTIMS*

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, the Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced that GUY MAYO, ELAD MAYO, ASI ALMAKIAS, MORAN GOLDFARB, LIOR ORGAD, ORELYA BELAHSAN, DAVID YAMIN, MOR GALANTI, and YANIV KALBERS, all residents of Israel, were arrested today on charges that the defendants engaged in a lottery telemarketing fraud scheme which obtained approximately \$2 million from elderly victims in the United States between 2007 and September 2008. SHAI KADOSH, who is also charged in the scheme, is presently a fugitive. This case involves the largest number of Israeli citizens ever to be provisionally arrested by Israel in anticipation of extradition. According to the Indictments filed in this case in Manhattan federal court:

The defendants participated in a fraudulent scheme in which hundreds of elderly victims in the United States were informed that they had won substantial cash prizes in an international sweepstakes lottery, but that in order to claim these prizes, they first needed to pay several thousand dollars in fees. In fact, there was no sweepstakes lottery and the victims never received any cash prize, even after many victims sent as much as tens of thousands of dollars to the defendants and their co-conspirators in Israel.

As part of this scheme to defraud, the defendants operated a "boiler room," located in Israel. ORELYA BELAHSAN, DAVID YAMIN, MOR GALANTI and YANIV KALBERS were salespeople in the boiler room, calling individuals in the United States and informing them that they had won substantial cash prizes in an international sweepstakes lottery. These salespeople asked victims certain questions about their citizenship, age, and financial condition. If a salesperson deemed a victim to have sufficient assets, the salesperson transferred that victim to one of the managers: GUY MAYO, ELAD MAYO, ASI ALMAKIAS, SHAI KADOSH, MORAN GOLDFARB, or LIOR ORGAD. Once a victim was transferred, he or she was informed by the managers that in order to obtain the prize, one first had to pay several thousand dollars in fees and taxes. The victim was then instructed to send the money to the co-conspirators in Israel by wire transfer or by mail, and was provided with toll free "1-800" numbers at which the managers could be contacted to confirm that the money had been sent. Victims who had already sent money were often contacted again by the managers to send additional money in order to claim their prizes.

The investigation into the lottery telemarketing fraud scheme is being conducted in New York by the FBI, in cooperation with the Israel National Police. Mr. GARCIA praised the investigative work of the FBI and the Tel Aviv Fraud Division of the Israel National Police, and expressed his gratitude to 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.

Mr. GARCIA stated: "The defendants preyed upon the elderly in the United States from what they believed to be the safety of a boiler room in Israel. Cooperation between law enforcement and prosecutors' offices here and in Israel has made clear that borders provide no safe haven for such fraudulent schemes."

FBI Assistant Director MERSHON stated: "Foreign lottery and sweepstakes frauds are especially pernicious because they target a vulnerable segment of our population. No one should underestimate the pitchmen in these schemes, who can be as persuasive as they are unethical. We only hope this investigation serves as a warning to others that operating from outside the U.S. does not necessarily make you unreachable."

This case is being prosecuted by the Office's Organized Crimes Unit. Assistant United States Attorneys AVI WEITZMAN and STEVE C. LEE are in charge of the prosecution.

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

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