

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND**

UNITED STATES OF AMERICA

v.

MARTIN B. FEIBISH.

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CR. **CR 12**
Violation of Title 18,
United States Code, Section 1341;
Title 26, United States Code,
Section 7206(1).

28 *ML*

INFORMATION

The United States Attorney charges that:

COUNT 1

A. Introduction

At all times material to this Information:

1. Defendant, MARTIN B. FEIBISH, was an independent insurance agent for Mass Mutual Life Insurance Co. (“Mass Mutual”) and a registered representative for MML Investment Services (“MML”), a subsidiary of Mass Mutual.

2 E.J. was a client of defendant, MARTIN B. FEIBISH, at Mass Mutual, residing in the State of Florida.

3. “Megatrust” was company created by defendant in 1985, MARTIN B. FEIBISH, that he used to create false and fictitious investment vehicles for E.J.

4. “MBF, Inc.” was a company created by defendant, MARTIN B. FEIBISH.

B. The Scheme

5. During the period from at least in or about 2001, through in or about February, 2011, in the District of Rhode Island and elsewhere, defendant, MARTIN B. FEIBISH, knowingly and

intentionally devised a scheme and artifice to defraud E.J. and to obtain money and property from E.J. by means of false and fraudulent pretenses, representations and promises.

C. Manner and Means

6. It was part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, used Megatrust in order to create false and fictitious investment vehicles for E.J.

7. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, induced E.J. to invest monies with Megatrust so that he could have control over E.J.'s funds and use them for his personal benefit, including, but not limited to, funding his gambling activities.

8. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, caused Megatrust to execute false and fraudulent promissory notes with E.J. for her purported investments in mortgage back securities. The promissory notes contained a stated interest rate which was purported to be payable on a regular basis.

9. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, created false and fraudulent documentation such as the mortgage backed securities and IRS forms 1099 that he provided to E.J. in order to create the impression with E.J. that she had invested in legitimate investment vehicles.

10. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, used bank accounts in the name of Megatrust at Sovereign Bank which he controlled and into which he deposited funds obtained from E.J.

11. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, paid what he represented to be interest payments on investments to E.J, but which, in

fact, was money that had been previously obtained from E.J. and deposited at Sovereign Bank in the Megatrust accounts.

12. It was further part of the scheme and artifice to defraud that, in or about 2005, defendant, MARTIN B. FEIBISH, presented new false and fictitious investment vehicles to E.J. which he falsely represented to be promissory notes from Domestic Bank and which he created in order to respond to E.J.'s concerns about her investments.

13. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, opened trust accounts in name of E.J. and relatives of E.J at Domestic Bank, in order to deposit monies received for E.J. Defendant, MARTIN B. FEIBISH, forged the names of E.J.'s relatives in order to open the trust accounts in their names and in order to control the flow of money into and out of the accounts.

14. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, created false and fraudulent promissory notes which purported to have been issued by Domestic Bank on behalf E.J. and/or for the benefit of her relatives for her purported investments in Domestic Bank. The promissory notes contained a stated interest rate which was purported to be payable on a regular basis.

15. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, paid what he purported to be interest payments on investments with Domestic Bank to E.J., but which, in fact, was money that had been previously obtained from E.J.

16. It was further part of the scheme and artifice to defraud that, when the false investment vehicles, such as false mortgaged backed securities and false promissory notes were due to expire pursuant to their purported terms, defendant, MARTIN B. FEIBISH, would counsel

E.J. to reinvest the monies with either Megatrust or with Domestic Bank so that he would not have to return the funds to E.J.

17. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, managed two life insurance plans belonging to E.J., which were for the benefit of her relatives. Defendant, MARTIN B. FEIBISH, falsely and fraudulently represented that he was paying premiums on the life insurance plans, when, in fact, he borrowed approximately \$280,000 against the life insurance plans, which he did not repay, and used the proceeds for his benefit. Defendant, MARTIN B. FEIBISH, forged that names and signatures of E.J.'s relatives in order to borrow on the plans.

18. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, charged E.J. and/or trust accounts controlled by E.J more than \$100,000 annually to "manage" her financial affairs.

19. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, would routinely send false and fraudulent documentation, such as false account statements and false promissory notes, to E.J. through the United States Mail, and would cause E.J. to forward checks in the amounts of hundreds of thousands of dollars to defendant, MARTIN B. FEIBISH, through the United States Mail to invest in the false and fraudulent investment vehicles.

20. It was further part of the scheme and artifice to defraud that defendant, MARTIN B. FEIBISH, as a result of his false and fraudulent representations obtained monies in excess of \$5 million from E.J., of which he returned a portion to E.J. The payments to E.J. were falsely and fraudulently represented to be returns on E.J.'s investments but were in truth and fact E.J.s

money that had been provided to defendant, MARTIN B. FEIBISH, for investment, the result of which was a self contained "Ponzi Scheme" that defendant, MARTIN B. FEIBISH, perpetrated on E.J with her own money.

D. Execution of the Scheme

21. On or about, September 26, 2007, in the District of Rhode Island and elsewhere, for the purpose of executing the scheme and artifice to defraud defendant, MARTIN B. FEIBISH, did knowingly and willfully cause to be placed in an authorized depository for mail matter, a check in the amount of \$150,000, executed by E.J. and made payable to Domestic Bank, for purported purpose of purchasing a promissory note, to be sent and delivered by the United States Postal Service.

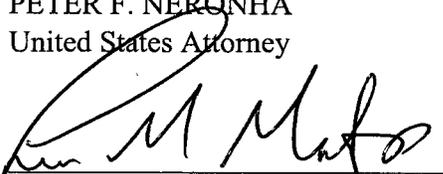
All in violation of 18 U.S.C. § 1341

COUNT 2

On or about, April 9, 2010 defendant, MARTIN B. FEIBISH, in the District of Rhode Island, did willfully make and subscribe a false U.S. Individual Income Tax Return (Form 1040), for the tax year 2009, which was verified by a written declaration that it was under the penalties of perjury and was filed with the Internal Revenue Service, which said income tax return he did not believe to be true and correct as to every material matter in that the said return reported income as a loss in the negative amount of \$94,699, on Form 1040, line item 22, whereas defendant, MARTIN B. FEIBISH, then and there well knew and believed that he had received income substantially in addition to the amount reported, in violation of 26 U.S.C. § 7206(1).

PETER F. NERONHA
United States Attorney

By:



LUIS M. MATOS
Assistant U.S. Attorney



ADI GOLDSTEIN
Deputy Chief
Criminal Division

2-21-2012
Date: