

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
26-CR-20017-MOORE/D'ANGELO
CASE NO. _____

18 U.S.C. § 371

18 U.S.C. § 981(a)(1)(C)

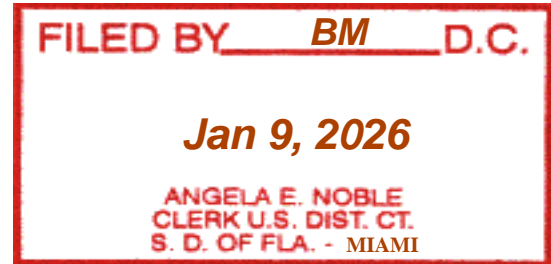
18 U.S.C. § 982(a)(2)(A)

UNITED STATES OF AMERICA

v.

MICHAEL BRIAN COTTER,

Defendant.



INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At various times relevant to this Information:

1. Merchants or businesses that wish to accept payment from customers using a credit or debit card have to apply for access to a merchant account. Merchant accounts are provided by financial institutions that are generally referred to as “acquiring banks.”
2. Card networks, such as Visa and Mastercard, typically require all acquiring banks in their network to comply with detailed rules governing the use of their card network, including that acquiring banks screen and monitor merchants to ensure that the merchants are legitimate businesses and do not engage in fraudulent practices. Acquiring banks screen and monitor merchants both to comply with these rules and to mitigate the risk of incurring losses if merchants using their accounts fail to provide the goods or services promised to consumers or use the accounts for illegal or unauthorized purposes. They often do so with the assistance of payment processors

or other third-party underwriters.

3. To prevent against loss and otherwise comply with the rules imposed by card networks, merchants are subject to underwriting and monitoring by acquiring banks and their agents. One key metric used to measure risk is a merchant's chargeback rate — that is, the percentage of the merchant's sales that were reversed each month because of successful consumer-initiated disputes. Because excessive chargeback rates are indicative of possible fraudulent activity, card networks and acquiring banks require that merchants not exceed a threshold chargeback ratio, which is typically no more than 1–3%, and is sometimes lower.

4. If a merchant's chargeback rate is excessive, the acquiring bank or its agents will often terminate the merchant's access to a merchant account. Likewise, acquiring banks and their agents generally will not accept a new merchant with high chargeback rates as a client and will seek to detect high chargeback rates during the underwriting process.

The Defendant and Related Entities

5. **MICHAEL BRIAN COTTER** was a resident of Glendale, California.

6. **MICHAEL BRIAN COTTER** was the owner and CEO of Singapore-based company Tech Live Connect Pte Ltd. ("Tech Live Connect").

7. Company 1 was a North Carolina limited liability corporation with places of business in El Dorado County, California, and Dallas, Texas.

8. Tech Live Connect, along with its various corporate partners and sub entities, including Saburi TLC Worldwide Services Pvt Ltd., Sensei Ventures, Inc., Premium Techie Support UK Ltd., and Kevisoft LLC (collectively, the "Tech Live Connect entities"), operated a call center in India. The Tech Live Connect entities purported to sell technical support products and services to consumers located throughout the United States.

9. **MICHAEL BRIAN COTTER** and his co-conspirators obtained access to merchant accounts on behalf of the Tech Live Connect entities so that the companies could accept customer payments through debit and credit cards. These merchant accounts were provided by acquiring banks insured by the Federal Deposit Insurance Corporation. These acquiring banks and their associated payment processors were located throughout the United States, including in the Southern District of Florida.

**Conspiracy to Commit An Offense Against the United States
(18 U.S.C. § 371)**

1. The General Allegations section of this Information is re-alleged and incorporated by reference as though fully set forth herein.

2. Beginning as early as August 2016 and continuing through in or around July 2020, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

MICHAEL BRIAN COTTER,

did willfully, that is, with the intent to further the object of the conspiracy, and knowingly combine, conspire, confederate, and agree with others known and unknown to the United States Attorney, to knowingly execute, and cause the execution of, a scheme and artifice to defraud at least one financial institution, which scheme and artifice would employ a material falsehood, and to knowingly, and with intent to defraud, execute, and cause the execution of, a scheme and artifice to obtain moneys, funds, credits, assets, and other property owned by, and under the custody and control of one or more financial institutions, by means of materially false and fraudulent pretenses, representations, and promises relating to a material fact, in violation of Title 18, United States Code, Sections 1344(1) and (2).

PURPOSE OF THE CONSPIRACY

3. It was a purpose of the conspiracy for the defendant, **MICHAEL BRIAN**

COTTER, and his co-conspirators to unlawfully enrich themselves by, among other things: (a) conducting high volumes of sham transactions through their companies' merchant accounts to conceal their excessive chargeback rates from acquiring banks and maintain access to their merchant accounts; (b) concealing the nature of the sham transactions through the fraudulent use of actual customers' personal information; and (c) obtaining access to new merchant accounts by submitting false chargeback-rate data to acquiring banks and their agents during the underwriting process.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which the defendant, **MICHAEL BRIAN COTTER**, and his co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things, the following:

4. Individuals working for the Tech Live Connect entities, through their call center in India, defrauded consumers, including individuals in the Southern District of Florida, through a variety of tech support scams and caused payment to be made from consumers to certain merchant accounts. This fraudulent activity resulted in high chargeback rates and, in turn, the termination of several of the Tech Live Connect entities' merchant accounts.

5. In order to conceal their high chargeback rates and fraudulently maintain access to their merchant accounts, **MICHAEL BRIAN COTTER** and his co-conspirators obtained virtual prepaid debit cards ("virtual cards") on behalf of the Tech Live Connect entities, including from Company 1. **COTTER** and his co-conspirators then used the virtual cards to run thousands of sham transactions on their own merchant accounts in small increments. The purpose of these transactions was to increase the total number of sales transactions on the Tech Live Connect entities' merchant accounts, thus artificially and fraudulently lowering the overall chargeback rate.

6. **MICHAEL BRIAN COTTER** and his co-conspirators calculated the number of virtual cards they would need to purchase from Company 1 and others each month so that they could run enough sham transactions across their merchant accounts to deceive banks and their agents into keeping their accounts open.

7. **MICHAEL BRIAN COTTER** and his co-conspirators inputted the personal identifying information of actual customers without their knowledge or authorization when conducting the sham transactions to make the transactions appear legitimate to acquiring banks and their agents.

8. **MICHAEL BRIAN COTTER** and his co-conspirators submitted the fraudulent chargeback-rate data from their existing merchant accounts to acquiring banks and underwriters that were deciding whether to bring on the Tech Live Connect entities as new clients. **COTTER** and his co-conspirators did so in order to deceive acquiring banks and their agents into approving the Tech Live Connect entities' applications for access to additional merchant accounts.

9. **MICHAEL BRIAN COTTER** and his co-conspirators paid outside vendors, including Company 1, over \$2.4 million for assistance in purchasing virtual cards and processing sham transactions on the Tech Live Connect entities' merchant accounts.

10. As a result of this fraudulent scheme, **MICHAEL BRIAN COTTER** and his co-conspirators were able to use the Tech Live Connect entities' access to merchant accounts to defraud consumers in various tech support scams. The amount of loss to consumers as a result of this scheme was approximately \$8 million.

11. **MICHAEL BRIAN COTTER** and his co-conspirators used the fraud proceeds to benefit themselves and others, and to further the conspiracy.

OVERT ACTS

In furtherance of the conspiracy, at least one of the conspirators committed and caused to be committed, in Miami-Dade County, in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. On or about August 18, 2016, **MICHAEL BRIAN COTTER** directed a co-conspirator to pay an invoice of \$2,139 for approximately 100 virtual cards that were to be used to conduct sham transactions on the Tech Live Connect entities' merchant accounts.

2. On or about March 15, 2018, **MICHAEL BRIAN COTTER's** co-conspirator ordered approximately 500 virtual cards from Company 1, each with a preloaded value of \$13.95, to fund approximately 3000 sham transactions on the Tech Live Connect entities' merchant accounts.

3. On or about February 27, 2018, **MICHAEL BRIAN COTTER** and his co-conspirators submitted fraudulent chargeback-rate data to the underwriting department of a payment processor working on behalf of an acquiring bank in connection with an application for a new merchant account.

4. On or about July 10, 2018, **MICHAEL BRIAN COTTER** sent an email to the agent of a payment processor, based in Miami Beach, Florida, assuring the processor that the Tech Live Connect entities would "absolutely" be able to limit chargebacks to no more than 50 per month for both Visa and Mastercard.

5. On or about October 24, 2018, **MICHAEL BRIAN COTTER** sent an email to co-conspirators asking them to "come up with a plausible explanation" for the Tech Live Connect entities' fraudulent use of virtual cards on the merchant account with the Miami Beach payment

processor.

6. On or about September 27, 2019, **MICHAEL BRIAN COTTER** instructed a co-conspirator to pay an invoice of \$38,951.77 in connection with the purchase of virtual cards from Company 1.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATIONS

1. The allegations of this Information are hereby re-alleged and by this reference fully incorporated herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendant, **MICHAEL BRIAN COTTER**, has an interest.

2. Upon conviction of a conspiracy to commit a violation of Title 18, United States Code, Section 1344, in violation of Title 18, United States Code, Section 371, as alleged in this Information, the defendant shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to such offense, pursuant to Title 18, United States Code, Section 981(a)(1)(C).

3. Upon conviction of a conspiracy to commit a violation of Title 18, United States Code, Section 1344, in violation of Title 18, United States Code, Section 371, as alleged in this Information, the defendant shall forfeit to the United States any property constituting, or derived from, proceeds the defendant obtained, directly or indirectly, as the result of such violation, pursuant to Title 18, United States Code, Section 982(a)(2)(A).

4. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;

- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p).

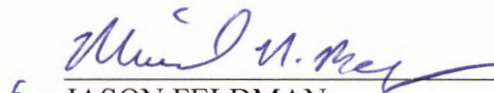
All pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and the procedures set forth in Title 21, United States Code, Section 853, as incorporated by Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(b)(1).



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SOUTHERN DISTRICT OF FLORIDA

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UNITED STATES DEPARTMENT OF JUSTICE

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UNITED STATES DEPARTMENT OF JUSTICE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

CASE NO.: 26-CR-20017-MOORE/D'ANGELO

v.

MICHAEL BRIAN COTTER,

Defendant.

Court Division (select one)

☒ Miami ☐ Key West ☐ FTP
☐ FTL ☐ WPB

CERTIFICATE OF TRIAL ATTORNEY

Superseding Case Information:

New Defendant(s) (Yes or No) _____

Number of New Defendants _____

Total number of new counts _____

I do hereby certify that:

1. I have carefully considered the allegations of the Indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, 28 U.S.C. §3161.
3. Interpreter: (Yes or No) No
List language and/or dialect: _____
4. This case will take 0 days for the parties to try.
5. Please check appropriate category and type of offense listed below:
 (Check only one) (Check only one)
 I ☒ 0 to 5 days ☐ Petty
 II ☐ 6 to 10 days ☐ Minor
 III ☐ 11 to 20 days ☐ Misdemeanor
 IV ☐ 21 to 60 days ☒ Felony
 V ☐ 61 days and over
6. Has this case been previously filed in this District Court? (Yes or No) No
If yes, Judge _____ Case No. _____
7. Has a complaint been filed in this matter? (Yes or No) No
If yes, Judge _____ Magistrate Case No. _____
8. Does this case relate to a previously filed matter in this District Court? (Yes or No) No
If yes, Judge _____ Case No. _____
9. Defendant(s) in federal custody as of _____
10. Defendant(s) in state custody as of _____
11. Rule 20 from the _____ District of _____
12. Is this a potential death penalty case? (Yes or No) No
13. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to October 3, 2019 (Mag. Judge Jared M. Strauss)? (Yes or No) No
14. Did this matter involve the participation of or consultation with Magistrate Judge Eduardo I. Sanchez during his tenure at the U.S. Attorney's Office, which concluded on January 22, 2023? No
15. Did this matter involve the participation of or consultation with Magistrate Judge Marty Fulgueira Elfenbein during her tenure at the U.S. Attorney's Office, which concluded on March 5, 2024? No
16. Did this matter involve the participation of or consultation with Magistrate Judge Ellen F. D'Angelo during her tenure at the U.S. Attorney's Office, which concluded on October 7, 2024? No

By: 

JASON FELDMAN

DOJ Trial Attorney

SDFL Court ID No. A5503380

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: MICHAEL BRIAN COTTER

Case No: _____

Count #: 1

Title 18, United States Code, Section 371

Conspiracy to Commit an Offense Against the United States

* **Max. Term of Imprisonment:** 5 years

* **Mandatory Min. Term of Imprisonment (if applicable):** N/A

* **Max. Supervised Release:** 3 years

* **Max. Fine:** \$250,000 or twice the gross gain or loss resulting from the offense

***Refers only to possible term of incarceration, supervised release and fines. It does not include restitution, special assessments, parole terms, or forfeitures that may be applicable.**

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT

for the
Southern District of Florida

United States of America

v.

Michael Brian Cotter,

Defendant

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)

Case No. **26-CR-20017-MOORE/D'ANGELO**

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

Defendant's signature

Signature of defendant's attorney

PAUL H. TZUR, ESQ.

Printed name of defendant's attorney

Judge's signature

Judge's printed name and title