

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
) Case No. 19 CR 556
 v.)
) Violations: Title 18, United States
MICHAEL FRONTIER,) Code, Sections 152(3), 157(1) and (2),
 also known as “Ira Goldberg,”) 1955(a), 1956(a)(2)(A), and 1623(a)
 “Brian Seagal,” and)
 “Matthew Sullivan”)

COUNT ONE

The SPECIAL JULY 2018 GRAND JURY charges:

1. At times material to this indictment:

a. Defendant MICHAEL FRONTIER was a resident of Franklin Park, Wood Dale, and Chicago, Illinois.

b. Company A maintained an internet-based gambling platform, also known as an online sportsbook, through a website that was hosted on Company A’s computer servers located in Costa Rica. An individual who accepted bets from others on the outcome of sporting and other events (a “bookmaker”) could, in return for the payment of a fee to Company A, provide access to Company A’s website so that the bookmaker’s customers could use the website to place bets with the bookmaker. The bookmaker collected and paid out money depending upon the outcome of the bet(s) placed by the bookmaker’s customers on the website.

c. MoneyGram was an international money transfer service that was available to the public through certain Walmart stores located in the Chicago area.

d. There were in force and effect criminal statutes of the State of Illinois that prohibited internet-based gambling, including Chapter 720 Illinois Compiled Statutes, § 5/28-1.

2. Beginning in or around 2015, and continuing until on or about December 21, 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”
defendant herein, knowingly conducted, managed, supervised, and directed all or part of an illegal gambling business, that is, a business involving bookmaking over the internet, which business was in substantially continuous operation for a period in excess of thirty days, which involved five or more persons who conducted, managed, supervised, and directed all or part of the business, and which was a violation of the following laws of the State of Illinois: 720 ILCS 5/28-1(a)(5) and (12).

3. Defendant MICHAEL FRONTIER conducted, managed, supervised, and directed an illegal gambling business by providing bettors with gambling accounts on Company A’s website, and collected and paid out money in cash to those bettors depending on the outcome of the placed bets.

4. As further part of FRONTIER’s business, certain bettors with FRONTIER became his agents, including Agent 1, Agent 2, Agent 3, Agent 4, Agent 5, and others (collectively, the “agents”). The agents recruited additional bettors for FRONTIER, provided them with gambling accounts on Company A’s website, and

collected and paid out money to their recruited bettors. In exchange, FRONTIER provided certain of the agents a commission based on a percentage of the recruited bettors' gambling losses.

5. As further part of FRONTIER's business, FRONTIER personally transmitted, and caused Individual A to transmit on behalf of FRONTIER, the service fees he owed to Company A for the use of the online sportsbook via MoneyGram. These service fees, which totaled thousands of dollars, were transmitted from MoneyGram locations in the Chicago suburbs to Costa Rica.

6. To avoid detection, FRONTIER used, and directed Individual A to use, the aliases "Ira Goldberg," "Brian Seagal," and "Matthew Sullivan" when transmitting funds via MoneyGram.

In violation of Title 18, United States Code, Section 1955(a).

COUNT TWO

The SPECIAL JULY 2018 GRAND JURY further charges:

On or about February 19, 2015, at Addison, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly transmitted and transferred, and caused to be transmitted and transferred, and attempted to transmit and transfer, funds, namely, \$800 in United States currency, from a place in the United States to a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, that is, the operation of an illegal gambling business, in violation of Title 18, United States Code, Section 1955(a);

In violation of Title 18, United States Code, Section 1956(a)(2)(A).

COUNT THREE

The SPECIAL JULY 2018 GRAND JURY further charges:

On or about September 11, 2015, at Northlake, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly transmitted and transferred, and caused to be transmitted and transferred, and attempted to transmit and transfer, funds, namely, \$500 in United States currency, from a place in the United States to a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, that is, the operation of an illegal gambling business, in violation of Title 18, United States Code, Section 1955(a);

In violation of Title 18, United States Code, Section 1956(a)(2)(A).

COUNT FOUR

The SPECIAL JULY 2018 GRAND JURY further charges:

On or about August 15, 2016, at Northlake, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly transmitted and transferred, and caused to be transmitted and transferred, and attempted to transmit and transfer, funds, namely, \$500 in United States currency, from a place in the United States to a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, that is, the operation of an illegal gambling business, in violation of Title 18, United States Code, Section 1955(a);

In violation of Title 18, United States Code, Section 1956(a)(2)(A).

COUNT FIVE

The SPECIAL JULY 2018 GRAND JURY further charges:

On or about September 25, 2016, at Northlake, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly transmitted and transferred, and caused to be transmitted and transferred, and attempted to transmit and transfer, funds, namely, \$300 in United States currency, from a place in the United States to a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, that is, the operation of an illegal gambling business, in violation of Title 18, United States Code, Section 1955(a);

In violation of Title 18, United States Code, Section 1956(a)(2)(A).

COUNT SIX

The SPECIAL JULY 2018 GRAND JURY further charges:

On or about September 30, 2016, at Addison, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly transmitted and transferred, and caused to be transmitted and transferred, and attempted to transmit and transfer, funds, namely, \$500 in United States currency, from a place in the United States to a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, that is, the operation of an illegal gambling business, in violation of Title 18, United States Code, Section 1955(a);

In violation of Title 18, United States Code, Section 1956(a)(2)(A).

COUNT SEVEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. At times material to this Count:

The \$1.5 Million Judgment

- a. On or about July 8, 2009, defendant MICHAEL FRONTIER was sued for negligence in *Mahoney v. Frontier*, Circuit Court of DuPage County, Illinois, case no. 2009 L 00836 (the “civil case”).

- b. On or about May 3, 2012, a judgment was entered in the civil case against FRONTIER in the amount of approximately \$1,579,618.83 (the “\$1.5 Million Judgment”).

- c. In or around April 2013, FRONTIER’s counsel informed the plaintiffs in the civil case that FRONTIER was going to file a bankruptcy petition, and FRONTIER began discussions to settle the civil case.

Chapter 7 Bankruptcy Proceedings

- d. Chapter 7 of the Bankruptcy Code (Title 11, United States Code) provided a debtor with an opportunity to obtain a fresh financial start through the discharge of debts.

- e. To initiate a Chapter 7 bankruptcy case, the debtor was required to file under penalty of perjury with the United States Bankruptcy Court a bankruptcy petition, supporting Schedules, and a Statement of Financial Affairs making disclosures, including as follows:

i. The petition required the debtor to identify all other names used by the debtor in the eight years preceding the filing of the petition.

ii. Schedule I-Income (Parts 1 and 2) required the debtor to state the debtor's occupation and employment and to identify all sources of monthly income, including gross monthly wages from employment and any income received from other sources;

iii. The Statement of Financial Affairs (Question 1) required the debtor to state the gross income the debtor received from employment during the year in which the petition was filed, as well as the two years prior to the filing of the petition;

iv. The Statement of Financial Affairs (Question 3) required the debtor to list any payments to creditors within the 90 days immediately preceding the commencement of his Chapter 7 bankruptcy case; and

v. The Statement of Financial Affairs (Question 14) required the debtor to list all property owned by another person that the debtor held or controlled.

f. The filing of a bankruptcy petition automatically stayed collection activity by creditors, including a judgment creditor.

g. The United States Bankruptcy Trustee appointed a trustee to administer a debtor's Chapter 7 bankruptcy case. The disclosures required in the petition, Schedules, and Statement of Financial Affairs were relevant and material

to a determination and inquiry by the trustee and creditors as to whether the debtor had undisclosed assets.

h. The debtor was required to appear at a “Section 341” meeting of creditors and be questioned under oath concerning the debtor’s financial affairs and the accuracy of the debtor’s bankruptcy petition, Schedules, and Statement of Financial Affairs.

2. Beginning in or around April 2013, and continuing until on or about February 28, 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, devised, intended to devise, and participated in a scheme to defraud, and for the purpose of executing and concealing the scheme, and attempting to do so, filed and caused to be filed a petition in a bankruptcy case under Title 11, which scheme is further described below.

3. It was part of the scheme that defendant MICHAEL FRONTIER, for the purpose of defrauding his creditors, and in particular, evading the \$1.5 Million Judgment, filed a fraudulent Chapter 7 bankruptcy case in which he falsely and fraudulently misrepresented and omitted his employment, income, and financial transactions related to his operation of a gambling business, in order to cause the trustee and creditors in his bankruptcy case not to inquire further about additional assets.

4. It was further part of the scheme that, on or about August 20, 2015, FRONTIER filed the fraudulent bankruptcy to stop any activity to collect the \$1.5 Million Judgment.

5. It was further part of the scheme that, on or about August 20, 2015, FRONTIER falsely and fraudulently represented in his bankruptcy petition that he never used any other names within the last eight years, when, in fact, he used the aliases “Ira Goldberg” and “Brian Seagal” in connection with the operation of a gambling business.

6. It was further part of the scheme that, on or about August 20, 2015, FRONTIER falsely and fraudulently represented in Schedule I-Income (Part 1) that he was employed in “building maintenance for various parties” when, in fact, he had another occupation involving the operation of a gambling business.

7. It was further part of the scheme that, on or about August 20, 2015, FRONTIER falsely and fraudulently represented in Schedule I-Income (Part 2) that he earned monthly gross wages of \$1,350.00, when, in fact, he received other income earned from the operation of a gambling business.

8. It was further part of the scheme that, on or about August 20, 2015, FRONTIER falsely and fraudulently represented in Schedule I-Income (Part 2) that he earned other monthly income of \$534.10 from a car payment made by his father, when, in fact, he received other income earned from the operation of a gambling business.

9. It was further part of the scheme that, on or about August 20, 2015, FRONTIER falsely and fraudulently represented in the Statement of Financial Affairs (Question 1) that he earned gross income of only \$7,550.00 in 2015, when, in fact, he received other income earned from the operation of a gambling business.

10. It was further part of the scheme that, on or about August 20, 2015, FRONTIER falsely and fraudulently represented in the Statement of Financial Affairs (Question 3) that he made no payments to creditors within the 90 days immediately preceding the commencement of his Chapter 7 bankruptcy case, when, in fact, during the 90 days prior to August 20, 2015, he transmitted and caused to be transmitted over one thousand dollars to Company A in Costa Rica in owed service fees for hosting an online sportsbook.

11. It was further part of the scheme that, on or about August 20, 2015, FRONTIER falsely and fraudulently represented in the Statement of Financial Affairs (Question 14) that he held or controlled no property owned by another person, when, in fact, during his operation of a gambling business, FRONTIER held and controlled cash payments that were owed to and received from his bettors as a result of the bets they placed.

12. It was further part of that scheme that, on or about September 15, 2015, when questioned under oath in his Section 341 meeting of creditors about the nature of his employment during the last two years, FRONTIER made materially false and

fraudulent statements that he did “mainly painting, but some carpentry,” when, in fact, he was also operating a gambling business.

13. It was further part of the scheme that, on or about February 16, 2016, FRONTIER fraudulently obtained from the United States Bankruptcy Court for the Northern District of Illinois a discharge of his debts, including the \$1.5 Million Judgment.

14. It was further part of the scheme that, on or about February 28, 2016, FRONTIER used the fraudulently-obtained discharge order from the United States Bankruptcy Court as leverage to settle the \$1.5 Million Judgment in the civil case for only approximately \$4,500.

15. It was further part of the scheme that FRONTIER misrepresented and concealed and caused to be misrepresented and concealed the purposes of, and the acts done in furtherance of, the scheme in order to avoid detection of the scheme.

16. On or about August 20, 2015, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, for the purpose of executing and concealing the above-described scheme, and attempting to do so, filed and caused to be filed a petition in a proceeding under Title 11, namely, *In re Michael Frontier*, No. 15-28491, in the United States Bankruptcy Court for the Northern District of Illinois;

In violation of Title 18, United States Code, Section 157(1).

COUNT EIGHT

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count Seven is incorporated here.
2. Beginning in or around April 2013, and continuing until on or about February 28, 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, devised, intended to devise, and participated in a scheme to defraud, and for the purpose of executing and concealing the scheme, and attempting to do so, filed and caused to be filed a document in a bankruptcy case under Title 11, which scheme is further described below.

3. Paragraphs 3 through 15 of Count Seven are incorporated here.
4. On or about August 20, 2015, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, for the purpose of executing and concealing the above-described scheme, and attempting to do so, filed and caused to be filed a document, namely, a Statement of Financial Affairs and Schedules, in a proceeding under Title 11, namely,

In re Michael Frontier, No. 15-28491, in the United States Bankruptcy Court for the Northern District of Illinois;

In violation of Title 18, United States Code, Section 157(2).

COUNT NINE

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count Seven is incorporated here.
2. On or about August 20, 2015, at Chicago, in the Northern District of

Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly and fraudulently made and caused to be made a false statement under penalty of perjury in relation to a case under Title 11, namely, a Chapter 7 bankruptcy case, *In re Michael Frontier*, No. 15-28491, in the United States Bankruptcy Court for the Northern District of Illinois, in that FRONTIER stated in his petition that he had used no other names in the last eight years when, in fact, he had used the aliases “Ira Goldberg” and “Brian Seagal” during that time;

In violation of Title 18, United States Code, Section 152(3).

COUNT TEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count Seven is incorporated here.
2. On or about August 20, 2015, at Chicago, in the Northern District of

Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,

also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly and fraudulently made and caused to be made a false statement under penalty of perjury in relation to a case under Title 11, namely, a Chapter 7 bankruptcy case, *In re Michael Frontier*, No. 15-28491, in the United States Bankruptcy Court for the Northern District of Illinois, in that FRONTIER stated in his Schedule I-Income (Part 1) that he was employed in “building maintenance for various parties” when, in fact, he also operated a gambling business;

In violation of Title 18, United States Code, Section 152(3).

COUNT ELEVEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count Seven is incorporated here.
2. On or about August 20, 2015, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly and fraudulently made and caused to be made a false statement under penalty of perjury in relation to a case under Title 11, namely, a Chapter 7 bankruptcy case, *In re Michael Frontier*, No. 15-28491, in the United States Bankruptcy Court for the Northern District of Illinois, in that FRONTIER stated in his Statement of Financial Affairs (Question 1) that he earned gross income of only \$7,550.00 in 2015, when, in fact, he received other income earned from the operation of a gambling business;

In violation of Title 18, United States Code, Section 152(3).

COUNT TWELVE

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count Seven is incorporated here.
2. On or about August 20, 2015, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, knowingly and fraudulently made and caused to be made a false statement under penalty of perjury in relation to a case under Title 11, namely, a Chapter 7 bankruptcy case, *In re Michael Frontier*, No. 15-28491, in the United States Bankruptcy Court for the Northern District of Illinois, in that FRONTIER stated in his Statement of Financial Affairs (Question 3) that he made no payments to creditors within the 90 days immediately preceding the commencement of his Chapter 7 bankruptcy case, when, in fact, during the 90 days prior to August 20, 2015, he transmitted and caused to be transmitted over one thousand dollars to Company A in Costa Rica in owed service fees for hosting an online sportsbook;

In violation of Title 18, United States Code, Section 152(3).

COUNT THIRTEEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count Seven is incorporated here.
2. On or about August 20, 2015, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”
defendant herein, knowingly and fraudulently made and caused to be made a false statement under penalty of perjury in relation to a case under Title 11, namely, a Chapter 7 bankruptcy case, *In re Michael Frontier*, No. 15-28491, in the United States Bankruptcy Court for the Northern District of Illinois, in that FRONTIER stated in his Statement of Financial Affairs (Question 14) that he held or controlled no property owned by another person, when, in fact, during his operation of a gambling business, FRONTIER held and controlled cash payments that were owed to and received from his bettors as a result of the bets they placed;

In violation of Title 18, United States Code, Section 152(3).

COUNT FOURTEEN

The SPECIAL JULY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count Seven is incorporated here.
2. On or about September 15, 2015, at Wheaton, in the Northern District of Illinois, Eastern Division,

MICHAEL FRONTIER,
also known as “Ira Goldberg,” “Brian Seagal,” and “Matthew Sullivan,”

defendant herein, having taken an oath to testify truthfully in relation to a proceeding under Title 11, namely, the Section 341 meeting of creditors concerning *In re Michael Frontier*, No. 15-28491, in the United States Bankruptcy Court for the Northern District of Illinois, knowingly made a materially false declaration, in that FRONTIER gave the following testimony when questioned regarding the nature of his employment (underlined portion alleged as false):

Q: What do you do?

A: *I do mainly painting, but some carpentry;*

In violation of Title 18, United States Code, Section 1623(a).

FORFEITURE ALLEGATION ONE

The SPECIAL JULY 2018 GRAND JURY alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1955, as set forth in this indictment, defendant shall forfeit to the United States of America any property which constitutes and is derived from proceeds which were obtained, directly and indirectly, from offenses committed in violation of Title 18, United States Code, Section 1955, as provided in Title 18, United States Code, Section 1955, and Title 28, United States Code, Section 2461(c).

2. The property to be forfeited includes, but is not limited to:

a. the following specific property:

- i. a personal money judgment of no less than approximately \$75,000; and
- ii. approximately \$8,703 seized by law enforcement on January 19, 2017 from defendant's vehicle.

3. If any of the property described above, as a result of any act or omission by a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code Section 853(p).

FORFEITURE ALLEGATION TWO

The SPECIAL JULY 2018 GRAND JURY further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1956, as set forth in this indictment, defendant shall forfeit to the United States of America any property involved in such offense, and any property traceable to such property, as provided in Title 18, United States Code, Section 982(a)(1).

2. The property to be forfeited includes, but is not limited to:

a. a personal money judgment in the amount of at least approximately \$16,800.

3. If any of the property described above, as a result of any act or omission by defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code, Section 853(p).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY