

**FACTUAL RESUME**

1. Since at least as early as June 2016 and continuing until February 2018, EUGENE MAROTTA, together with several co-conspirators, engaged in a mail fraud scheme under the name Palm Beach Liquidation Gallery (“PBLG”) in the Southern District of Florida and elsewhere. MAROTTA and his co-conspirators caused over 100,000 fraudulent mailings to be sent to potential victims across the country. It was the purpose of the conspiracy for MAROTTA and his co-conspirators to obtain money by means of the false and deceptive statements made in the prize promotion mailings.

2. The PBLG mailings—which were entitled “UNAWARDED CASH & PRIZE NOTIFICATION”—gave the impression that they were personal letters informing recipients that they had won a large package of cash and prizes, typically worth at least \$350,000. They directed recipients to return a “Shipping Authorization,” as well as \$161.25, to claim their “Unawarded Cash/Prize Payout Compendium” as well as an “exclusive liquidation asset.” The mailings claimed that the “compendium” and “asset” were available only because of the recipients’ purported status as “verified beneficiaries.”

3. The mailings appeared to come from PBLG, supposedly tasked with notifying prize winners. The mailings were signed by PBLG’s “Head Comptroller” and purportedly originated from the organization’s “Office of the Registrar.” The mailings also implied that PBLG has an “Office of Compliance” and a “Certification Officer.”

4. MAROTTA and his co-conspirators caused the mailings to be sent via certified mail, requiring recipients to sign for the letter, feigning the supposed legitimacy and importance of the communication.

5. The PBLG mailings emphasized that the recipients had already been selected to receive the prize package. Above bolded text stating, “**Office of Compliance- Scheduled for Distribution: \$350,000.00,**” the recipients’ “Status” was listed as “CONFIRMED—Awaiting Signed Shipping Authorization.” Other representations included:

- ◆ This is your FINAL NOTICE to receive Unawarded Payout Compendium for over \$350,000.00 in GUARANTEED CASH/PRIZES
- ◆ Your selection as a VERIFIED BENEFICIARY is fully established and confirmed
- ◆ YOU ARE ELIGIBLE FOR AWARD ENTITLEMENTS
- ◆ CASH & PRIZE SCHEDULED FOR DISTRIBUTION: \$350,000.00, RECIPIENT[:] [RECIPIENT’S NAME]
- ◆ CASH ADVISORY AWARD, \$350,000.00, OFFICIALLY DOCUMENTED AND GUARANTEED”

6. To bolster the impression that recipients had won and would receive the prize package, the PBLG mailings represented that recipients had been specifically selected to receive the letter. The mailings represented that the mailings’ promised wealth “is now being held in the name of [Recipient].” They also included file numbers, confirmation numbers, distribution numbers, and an “FFD Tracking Number.”

7. The mailings stressed that an urgent response from the recipients was required:

The deadline is 7 days from receipt of this notice.  
We must receive your reply or your shipment number 118807865 will be  
CANCELLED. Your authorization is not valid without delivery status  
authorization label affixed. Do not delay.

8. An all-caps, block text disclaimer was located on the back of the mailing. Sandwiched between a description of the “liquidation asset”—a “signed giclée valued at \$500”—and the company’s return check and refund policy, was language explaining that, with the purchase of the “liquidation asset,” recipients would receive “an independent information report with over \$350,000.00 in cash and prize opportunities....” This disclaimer did not counteract the mailings’

overall impression that the recipients would receive thousands of dollars in cash and prizes if they paid the processing fee.

9. The mailing packets contained a "Shipping Authorization" and pre-addressed return envelopes. The "Shipping Authorization" stated that the "Over \$350,000.00 Unawarded Cash/Prize Payout Compendium" is free, but the recipients would be required to pay PBLG \$161.25 for the "exclusive liquidation asset." Recipients were not given the option to forgo the "liquidation asset," and receive the "Over \$350,000.00 Unawarded Cash/Prize Payout Compendium" without paying PBLG \$161.25.

10. Recipients were directed to fill out the authorization and return it to PBLG's Fort Lauderdale Post Office Box along with the \$161.25.

11. The PBLG personalized, urgent mailings led victims to believe they had won a substantial prize package and were required to pay the fee to receive it.

12. Victims who paid PBLG \$161.25 did not receive a prize. Some victims received nothing at all. Others received a brown mailing tube containing an ink-jet printed reproduction of an obscure piece of art (the "liquidation asset") and a "Certificate of Authenticity." Victims also received what the mailings refer to as the "Compendium" or "independent information report," a list with information regarding publicly-advertised sweepstakes and a login to an email account set up in the victims' names containing additional sweepstakes information.

13. In furtherance of the conspiracy, EUGENE MAROTTA was responsible for several operational aspects of the scheme. MAROTTA controlled the P.O. Box in Fort Lauderdale, Florida, to which victims sent payments. MAROTTA also opened a bank account in the name of "Art Masters d/b/a Palm Beach Liquidation Gallery," into which he deposited victim payments, and from which the proceeds of the scheme were distributed to other members of the conspiracy.

MAROTTA also handled communications with victims. For example, a telephone number purportedly associated with "PBLG" connected directly to a cellphone that MAROTTA answered, posing as "customer service," when victims attempted to contact "PBLG." MAROTTA also mailed victims "fulfilment" items, *i.e.*, the art reproduction and the sweepstakes information.

14. Since EUGENE MAROTTA and his co-conspirators began sending their fraudulent mailings in June 2016, they have received approximately 6,200 victim payments, totaling over one million dollars.

15. To fraudulently induce victims to pay money, EUGENE MAROTTA and his co-conspirators made, and caused others to make, materially false statements including, among other things, the following:

**Materially False Statements**

- a. PBLG mailings were personalized communiques to verified beneficiaries, when in fact recipients received them only because they were identified by a list broker or data analytics firm as likely to respond to sweepstakes mailings, and
- b. The recipient would receive a substantial prize if he or she paid \$161.25.

16. On or about June 19, 2017, EUGENE MAROTTA caused a U.S. Postal Service money order for \$161.25 from victim M.F. of Arizona, made out to PBLG, to be deposited into a bank account in the name of PBLG.

17. This Factual Resume does not include all of the facts known to EUGENE MAROTTA concerning criminal activity in which he and others engaged.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Date: 5/7/18

By:   
EUGENEMAROTTA  
DEFENDANT