

FILED by **NF** D.C.

Jul 10, 2018

STEVEN M. LARIMORE
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S.D. OF FLA. - MIAMI

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
18-60190-CR-BLOOM/VALLE

CASE NO. _____

18 U.S.C. § 371

18 U.S.C. § 981(a)(1)(C)

UNITED STATES OF AMERICA

vs.

EUGENE MAROTTA,

Defendant.

INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At various times relevant to this Information:

1. Defendant **EUGENE MAROTTA** was the managing member and an operator of a direct mail operation based in Fort Lauderdale, Florida. The direct mail operation used the name Art Masters, d/b/a Palm Beach Liquidation Gallery ("PBLG").

2. **EUGENE MAROTTA** and his co-conspirators coordinated the direct mail operation which sent mailings to victims across the United States. **MAROTTA** handled many of PBLG's day-to-day needs, including rental and servicing of a post office box, opening and processing of victim mail, opening and maintenance of a bank account for deposit of victim payments, establishment of an 800 number, and creation, maintenance and use of an e-mail address on behalf of the scheme.

CONSPIRACY TO COMMIT MAIL FRAUD
(18 U.S.C. § 371)

From in or around June 2016, through in or around February 2018, in Broward County, in the Southern District of Florida, and elsewhere, the defendant,

EUGENE MAROTTA,

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 commit certain offenses against the United States, that is, to knowingly and with the intent to defraud, devise, and intend to devise, a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and for the purpose of executing such scheme, did deliver and cause to be delivered certain mail matter by the United States Postal Service, according to the directions thereon, in violation of Title 18, United States Code, Section 1341.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by: (a) falsely informing victims that they had won substantial cash and prizes; (b) fraudulently inducing the victims to pay fees in advance of receiving their purported substantial cash and prizes; and (c) thereafter keeping the victims' money for the defendant's and his co-conspirators' personal use and benefit.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which the defendant and his co-conspirators sought to accomplish the purpose of the conspiracy included, among others, the following:

4. **EUGENE MAROTTA** and his co-conspirators sent and caused to be sent, PBLG mailings by United States mail to consumers – many of whom were elderly and vulnerable – across the United States. The PBLG mailings, which were entitled “UNAWARDED CASH & PRIZE NOTIFICATION,” gave the impression that the recipients had won substantial cash and prizes typically worth at least \$350,000. The prize announcement mailings 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.”

5. 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 had an “Office of Compliance” and a “Certification Officer.”

6. **EUGENE 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.

7. 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 & PRIZES SCHEDULED FOR DISTRIBUTION: \$350,000.00, RECIPIENT[:] [RECIPIENT’S NAME]

- ◆ CASH ADVISORY AWARD, \$350,000.00, OFFICIALLY DOCUMENTED AND GUARANTEED

8. 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 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.”

9. 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 ... will be
CANCELLED. Your authorization is not valid without delivery
status authorization label affixed. Do not delay.

10. 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.

11. Each mailing contained a “Shipping Authorization” and a pre-addressed return envelope. The “Shipping Authorization” stated that the “Over \$350,000.00 Unawarded Cash/Prize Payout Compendium” was free, but the recipient was 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. Recipients were directed to fill out the authorization and return it to PBLG’s Fort Lauderdale post office box along with the \$161.25.

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 a “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. **EUGENE MAROTTA** controlled PBLG’s Fort Lauderdale post office box, collected and opened victim envelopes sent to the box, and processed payments contained therein. **MAROTTA** opened and maintained a bank account in the name of “Art Masters, d/b/a Palm Beach Liquidation Gallery,” into which **MAROTTA** deposited victim payments, and from which the proceeds of the scheme were distributed to **MAROTTA** and 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. From June 2016 to February 2018, **EUGENE MAROTTA** and his co-conspirators received approximately 6,200 victim payments, totaling over one million dollars.

MATERIALLY FALSE STATEMENTS

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:

- 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 substantial cash and prizes if he or she paid \$161.25.

OVERT ACT

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

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

FORFEITURE
(18 U.S.C. § 981(a)(1)(C))

1. The allegations contained in this Information are realleged and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture to the United States of certain property in which the defendant, **EUGENE MAROTTA**, has an interest.

2. Upon conviction of a conspiracy to violate Title 18, United States Code, Section 1341, 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 violation, pursuant to Title 18, United States Code, Section 981(a)(1)(C).

3. The property subject to forfeiture includes, but is not limited to, a forfeiture money judgment in the amount of the proceeds traceable to the offenses.

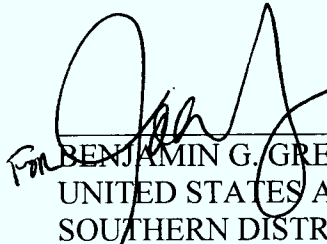
4. If any of the property described above, as a result of any act or omission of the defendant:

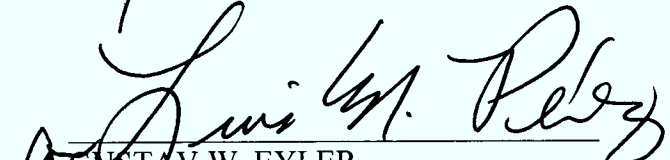
- a) cannot be located upon the exercise of due diligence;

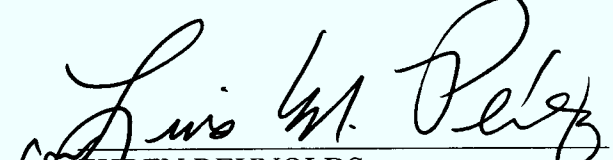
- b) has been transferred or sold to, or deposited with, a third party;
- c) has been placed beyond the jurisdiction of the court;
- d) has been substantially diminished in value; or
- e) has been commingled with other property which cannot be divided without difficulty,

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

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), as made applicable by Title 28, United States Code, Section 2461(c), and the procedures set forth in Title 21 United States Code, Section 853.


BENJAMIN G. GREENBERG
UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF FLORIDA


GUSTAV W. EYLER
ACTING DIRECTOR
U.S. DEPARTMENT OF JUSTICE
CONSUMER PROTECTION BRANCH


EHREN REYNOLDS
TRIAL ATTORNEY
U.S. DEPARTMENT OF JUSTICE
CONSUMER PROTECTION BRANCH

UNITED STATES OF AMERICA

CASE NO. _____

v.

CERTIFICATE OF TRIAL ATTORNEY*

EUGENE MAROTTA,
Defendant.
_____ /

Superseding Case Information:

Court Division: (Select One)
____ Miami _____ Key West
X FTL _____ WPB _____ FTP

New Defendant(s) Yes _____ No _____
Number of New Defendants _____
Total number of counts _____

I do hereby certify that:

- 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.
- 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, Title 28 U.S.C. Section 3161.
- Interpreter: (Yes or No) No
List language and/or dialect _____
- This case will take 0 days for the parties to try.
- Please check appropriate category and type of offense listed below:

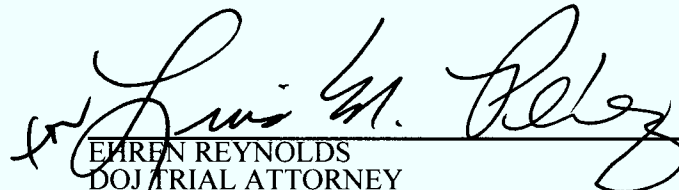
(Check only one)		(Check only one)	
I	0 to 5 days	<u>X</u>	Petty
II	6 to 10 days	_____	Minor
III	11 to 20 days	_____	Misdem.
IV	21 to 60 days	_____	Felony
V	61 days and over	_____	<u>X</u>

6. Has this case been previously filed in this District Court? (Yes or No) No
If yes: Judge: _____ Case No. _____
(Attach copy of dispositive order)

Has a complaint been filed in this matter? (Yes or No) No
If yes: Magistrate Case No. _____
Related Miscellaneous numbers: 15-2534-WCT; 15-2535-WCT; 15-2536-WCT; 17-MJ-03169-WCT; 18-mj-02288-WCT; 18-mj-2235-White

Defendant(s) in federal custody as of _____
Defendant(s) in state custody as of _____
Rule 20 from the District of _____
Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? Yes _____ No X


EUREN REYNOLDS
DOJ TRIAL ATTORNEY
Court ID No. A5502366

*Penalty Sheet(s) attached

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: EUGENE MAROTTA

Case No: _____

Count #: 1

Title 18, United States Code, Section 371

Conspiracy to Commit Mail Fraud

***Max Penalty:** Five (5) years' imprisonment

Count #:

***Max Penalty:** _____

Count #:

***Max Penalty:** _____

Count #:

***Max Penalty:** _____

***Refers only to possible term of incarceration, does not include possible fines, 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.

Eugene Marotta,

Defendant

)
)
)
)
)

Case No.

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

Printed name of defendant's attorney

Judge's signature

Judge's printed name and title