

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

**FELONY**

**BILL OF INFORMATION FOR WIRE FRAUD  
AND NOTICE OF FORFEITURE**

UNITED STATES OF AMERICA	*	CRIMINAL DOCKET NO.
v.	*	SECTION:
JOHN SPOSATO	*	VIOLATION: 18 U.S.C. § 2
	*	18 U.S.C. § 1343
	*	
	*	
	*	

The United States Attorney charges that:

**COUNT 1**  
(18 U.S.C. § 1343 – Wire Fraud)

**A. AT ALL TIMES MATERIAL HEREIN:**

1. The defendant, **JOHN SPOSATO** (hereinafter “**SPOSATO**”), resided within the Eastern District of Louisiana.

2. Since approximately 2010, **SPOSATO** was affiliated with and/or owned and/or operated and/or was President of, numerous different companies, including Pegasus Investment & Development Corporation, LLC; Pegasus Investments; Oil Eaters, LLC; Organic Miracle Incorporation; S&J Corporate Properties, LLC; Pegasus Demolition & Debris Removal Service, LLC; and Pegasus Truck Lines, Inc. (the “Sposato-related investment companies”).

3. **SPOSATO** maintained more than ten bank accounts for the Sposato-related investment companies at a variety of financial institutions, including JPMorgan Chase Bank, N.A., Regions Bank, Capital One, and Hancock Bank.

4. From approximately 2010 through approximately 2014, **SPOSATO** operated the Sposato-related investment companies out of his home.

5. Between about January 26, 2010, and April 24, 2014, approximately 48 individuals (hereinafter “investors”) invested approximately \$811,305 with **SPOSATO** and the Sposato-related investment companies.

**B. THE (PONZI) SCHEME TO DEFRAUD:**

1. Beginning in or about 2010, and continuing until in or about April 2014, in the Eastern District of Louisiana and elsewhere, the defendant, **JOHN SPOSATO**, and others known and unknown to the Grand Jury, did knowingly and willfully devise and intend to devise, a scheme and artifice to defraud and to obtain money and/or property from investors by means of false and fraudulent promises, pretenses, and representations.

2. It was part of the scheme to defraud that **SPOSATO** represented to potential investors that the Sposato-related investment companies funded various low-risk, high-reward investment vehicles, including international bank instruments, cutting edge oil remediation and recovery products, and real estate transactions.

3. It was further part of the scheme to defraud that **SPOSATO** primarily relied upon word of mouth and e-mail-based correspondence to obtain new investors.

4. It was further part of the scheme to defraud that **SPOSATO** fraudulently represented to prospective investors that he had “knowledge and expertise in financial

investment, private investments and transaction business and [was] engaged in the activity of placement of various investments for consumers and companies” to encourage individuals and entities to invest with him.

5. It was further part of the scheme to defraud that **SPOSATO** represented that the alleged investments were safe and secure, including explaining that the funds were “never at risk” and “would not leave Pegasus’s account,” thereby convincing his investors that their principal investments were immune from market volatility and were secure from any losses.

6. It was further part of the scheme to defraud that **SPOSATO** represented to potential investors that the putative profits from the investments were certain. **SPOSATO** promised extraordinary rates of return—rates much higher than market rates—for so called “guaranteed” investments to potential investors, such as a \$25,000 investment in “oil-clean remediation work” in the Gulf of Mexico and another \$25,000 investment in the purchase of “1,000,000 gallons of [] EP 55 Bio Fertile” fertilizer. **SPOSATO** promised that the first investment would result in a profit of \$25,000 within approximately two weeks and the second investment would result in a profit of up to \$3,000,000 within one year.

7. It was further part of the scheme to defraud that **SPOSATO** provided prospective investors false or fraudulent documents to make the investments appear legitimate and to conceal the true nature of the Ponzi scheme. For example, **SPOSATO** provided prospective investors with documents on counterfeit letterhead and bearing forged or fake signatures of lawyers, financial institutions, and officials at various financial institutions on letters and statements purporting to vouch for **SPOSATO** and the legitimacy of the assets and his investment opportunities **SPOSATO**.

8. It was further part of the scheme to defraud that **SPOSATO** did not actually invest the investors' money in a legitimate investment vehicle.

9. It was further part of the scheme to defraud that **SPOSATO** represented to prospective investors that repayments from their investments were delayed to factors outside of his control, such as "economic reasons," weather-related delays, his relatives' illnesses, or issues with the international financial institutions in which the funds were supposedly invested.

10. It was further part of the scheme that **SPOSATO** deposited investors' money into one of his bank accounts, which typically had a negligible or overdrawn balance and used investor funds in unauthorized ways, including to make retail purchases for himself and his friends for various goods and services, including luxury items such as a new Chevrolet Camaro for one girlfriend and breast augmentation surgery to another girlfriend.

11. It was further part of the scheme that **SPOSATO** used new investor money to pay lulling payments to other investors, which he characterized as partial payments for investments with an overdue return, in an effort to give investors a false sense of security, to deceive investors into believing their money was invested legitimately, and to conceal the true nature of the Ponzi scheme.

**THE WIRE:**

On or about July 2, 2010, in the Eastern District of Louisiana and elsewhere, the defendant, **JOHN SPOSATO**, for the purpose of executing and attempting to execute the scheme and artifice to defraud as described in Parts A and B, did knowingly and willfully cause to be transmitted in interstate commerce certain writings, signs, signals, and sounds by means of wire communications when the defendant, **JOHN SPOSATO**, convinced an investor, Person A,

to invest approximately \$100,000 in one of the Sposato-related investment companies by transferring money via wire from a bank account under the custody and control of Person A, located in the State of California, into a bank account in the name of “Pegasus Investment & Development Corporation, LLC” under the custody and control of **SPOSATO**, which caused a signal, sign, writing, and sound to be transmitted from servers located outside the State of Louisiana into the Eastern District of Louisiana.

All in violation of Title 18, United States Code, Sections 1343 and 2.

### **NOTICE OF FORFEITURE**

1. The allegations of Count 1 of this Bill of Information are realleged and incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States of America pursuant to the provisions of Title 18, United States Code, Sections 1343 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461.

2. As a result of the offense alleged in Count 1, the defendant, **JOHN SPOSATO**, shall forfeit to the United States pursuant to Title 18, United States Code, Sections 1343 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461, any and all property, real or personal, which constitutes or is derived from proceeds traceable to a violation of Title 18, United States Code, Section 1343.

3. If any of the property subject to forfeiture pursuant to Paragraph 2 of this Notice of 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 person;
- c. has been placed beyond the jurisdiction of the Court;

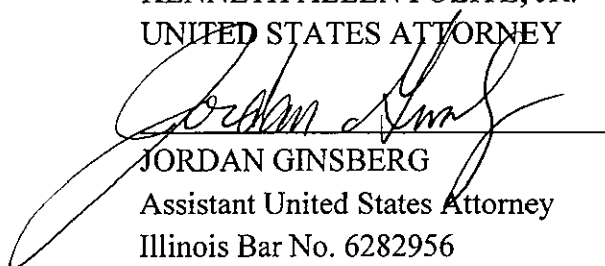
d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

All in violation of Title 18, United States Code, Sections 1343 and 981(a)(1)(C), made applicable through Title 28, United States Code, Section 2461.

KENNETH ALLEN POLITE, JR.  
UNITED STATES ATTORNEY



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Illinois Bar No. 6282956

New Orleans, Louisiana  
May 22, 2015