

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION

FILED  
ASHEVILLE, N.C.

JUN -4 2007

U.S. DISTRICT COURT  
W. DIST. OF N.C.

UNITED STATES of AMERICA,

v.

(1) JAIME LIGATOR,  
(2) SHELDON BRENOWITZ,  
(3) ALLEN FIALKOFF,  
(4) ALFREDO SUSI,  
and  
(5) CHAD MICHAEL SCHNEIDER,  
Defendants

DOCKET NO. 3:07CR119-W

BILL OF INDICTMENT

Vio: 18 U.S.C. § 371  
18 U.S.C. § 2326  
18 U.S.C. § 1343  
18 U.S.C. § 982(a)(1) & (a)(8)  
18 U.S.C. § 2

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

COUNT ONE  
(CONSPIRACY - 18 U.S.C. SECTION 1343)

Background

1. Beginning in or about April 2003, the defendants and their co-conspirators operated "call centers" in San Jose, Costa Rica to defraud United States residents by deceiving them into believing that they had won a large monetary prize in a sweepstakes contest.

2. As used in this indictment, a call center is a business that engages in an illegal telemarketing scheme. These call centers are also commonly referred to as "boiler rooms." The telemarketers in the call centers all used identical or similar "pitch sheets" developed and provided to them by the owners of the call centers. A pitch sheet is a script designed to be read over the telephone to a prospective victim.

3. In many instances victims were contacted by both an "opener" and a "loader." An opener is the telemarketer who has the initial contact with the prospective victim. A loader is the telemarketer who takes over the contact with the victim after the victim has made an initial payment as a result of the misrepresentations made by the opener. A loader induces the victim to send additional moneys to allegedly pay for various fees, duties and insurance to retrieve the sweepstakes prize.

4. The name, address, and telephone number of the victim is known as a "lead." The name, address, and telephone numbers of the victims were purchased by the owners of the call centers from lead or list brokers.

5. The defendants and other telemarketers in the call centers frequently used aliases, concealed and frequently changed the location of the call centers, and did business from Costa Rica for the purpose of, among other things, avoiding investigation by law enforcement authorities and victims.

#### The Defendants

6. Defendant **JAIME LIGATOR**, a citizen of the United States, owned a call center in Costa Rica.

7. Defendant **SHELDON BRENOWITZ**, a citizen of the United States, worked in a call center as both an opener and closer, and later co-owned and managed his own call center in Costa Rica.

8. Defendant **ALFREDO SUSI**, a citizen of the United States, worked in a call center as both an opener and closer and later co-owned and managed his own call center in Costa Rica.

9. Defendant **ALLEN FIALKOFF**, a citizen of the United States, worked in a call center in Costa Rica as both an opener and closer, and occasionally as a manager.

10. Defendant **CHAD MICHAEL SCHNEIDER** is a United States citizen who worked as an opener in a call center in Costa Rica.

### **THE CONSPIRACY**

11. Beginning in or about early 2003, the exact date being unknown, and continuing until on or about May 16, 2006, in Mecklenburg County, within the Western District of North Carolina, and elsewhere,

**JAIME LIGATOR,  
SHELDON BRENOWITZ,  
ALFREDO SUSI,  
ALLEN FIALKOFF,  
and  
CHAD MICHAEL SCHNEIDER,**

together with other conspirators, both known and unknown to the Grand Jury, knowingly combined, conspired, confederated and agreed together and with each other to commit the following offenses:

A. To knowingly and intentionally devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted, by means of wire, radio and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, specifically, Western Union wire-transfers which were all routed through Western Union facilities in Charlotte, Mecklenburg County, North Carolina, for the purpose

of executing such scheme and artifice and attempting to do so, contrary to Title 18, United States Code, Section 1343; and

B. To knowingly and intentionally devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting to do so, place and caused to be placed in a post office and authorized depository for mail matter, to be sent and delivered by the Postal Service and deposited matters and things to be delivered by private and commercial interstate carriers, specifically lists of victims' contact information, contrary to Title 18, United States Code, Section 1341; and

C. To knowingly transport, transmit, and transfer, via Western Union money wire transfers, in interstate and foreign commerce, goods, wares, merchandise, securities and money, of the value of \$5,000 and more, knowing the same to have been stolen, converted, and taken by fraud, contrary to Title 18, United States Code, Section 2314.

Purpose of the Conspiracy - Scheme to Defraud

12. A purpose of the conspiracy was for the defendants and their conspirators to unjustly enrich themselves by fraudulently inducing the victims to pay thousands of dollars to them by creating the false impression that said victims had won valuable prizes.

Manner and Means Used in the Conspiracy

13. Among the manner and means by which the defendants and their conspirators carried out the purpose of the conspiracy were the following:

A. The defendants and their conspirators would target thousands of residents of the United States, typically, although not exclusively, over the age of 55, and would inform them that they had won second prize in a sweepstakes. The defendants and their conspirators would tell their victims that in order to receive the prize, the victims had to send from one thousand to several thousand dollars for a purported "refundable insurance fee," via Western Union money wire-transfers, to an alleged "insurance entity" in Costa Rica. The defendants and their conspirators would then keep the supposed "refundable insurance fees" for their own personal benefit.

B. In order to induce their victims to wire money to Costa Rica, the defendants and their conspirators would often falsely represent themselves as being agents of the "Sweepstakes Security Commission," or the "Sweepstakes Security Bureau," or a variant thereof. The defendants and their conspirators would then falsely represent to the victims that they were an governmental agency charged with ensuring that sweepstakes winners received their money. Frequently, the defendants and their conspirators would inform their victims that it was the job of the "Sweepstakes Security Commission" to see that the victims received their prize money.

C. The defendants and their conspirators would call their victims

from Costa Rica, using Voice over Internet Protocol (VoIP), which utilized computers to make telephone calls over the Internet. This practice permitted the defendants and their conspirators to use recognizable United States area codes, such as the Washington, D.C. area code, to make it appear on the victims' caller identification devices that the calls were made from somewhere within the United States when, in fact, the defendants and their conspirators were calling from Costa Rica.

D. When an intended victim requested asked to validate the legality of the sweepstakes company that purportedly had awarded the prize, the defendants and their conspirators would give the intended victim telephone numbers with United States area codes, but which actually were accessed in Costa Rica at the same call center. The defendants and their conspirators, posing as a representative of the non-existent sweepstakes company, would answer these telephone calls in Costa Rica and would falsely reassure victims that they had indeed won a sweepstakes prize.

E. After a victim had been induced to send money, the defendants and their conspirators would call that victim and would tell the victim that: 1) a mistake had been made; 2) the victim had actually won first prize; and 3) the victim had to wire thousands of additional dollars in additional fees to ensure the safe delivery of the winning proceeds. The defendants and their conspirators would continue to contact each victim and provide with additional bogus reasons as to why the victim had to wire more money. This practice would continue so long as the victim continued to wire money.

F. The defendants and their co-conspirators would unjustly enrich themselves by retaining the proceeds of this fraud, exceeding ten million dollars.

Overt Acts

14. In furtherance of the conspiracy and to effect the objects thereof, the defendants and their co-conspirators committed the following overt acts, among others, in Mecklenburg County, within the Western District of North Carolina, and elsewhere,

A. The defendants and their co-conspirators caused to be made and received the following wire transfers from the following victims on or about the following dates:

Overt Act #	Victim Initials	Location Wire Received	Date of Wire	Approximate Amount of Wire
a	RM	Costa Rica	3/15/2006	\$2,700
b	HC	Costa Rica	3/20/2006	\$2,850
c	PW	Costa Rica	4/26/2006	\$1,950
d	LP	Costa Rica	5/03/2006	\$1,800
e	MN	Costa Rica	5/04/2006	\$1,125
f	BJ	Costa Rica	5/05/2006	\$1,125
g	AR	Costa Rica	5/09/2006	\$1,000
h	BH	Costa Rica	5/10/2006	\$2,291
i	KL	Costa Rica	5/11/2006	\$1,125
j	MP	Costa Rica	5/11/2006	\$1,000
k	PT	Costa Rica	5/11/2006	\$1,000
l	AP	Costa Rica	5/13/2006	\$2,500
m	AP	Costa Rica	5/13/2006	\$2,000

Overt Act #	Victim Initials	Location Wire Received	Date of Wire	Approximate Amount of Wire
n	MSR	Costa Rica	5/15/2006	\$2,325
o	RW	Costa Rica	5/15/2006	\$2,400
p	GJ	Costa Rica	5/16/2006	\$1,275
q	LH	Costa Rica	5/16/2006	\$1,125

B. In or about July 2005, defendant **JAIME LIGATOR** caused the opening of a call center in San Jose, Costa Rica and the installation of a VoIP telephone service which allowed them to contact victims telephonically while falsely representing that they were in the Washington D.C. area.

C. In or about August 2005, a co-conspirator bought a call list from a list broker for the purpose of identifying and calling potential victims while another co-conspirator arranged sending money to pay for the call list.

D. In or about October 2005, a co-conspirator bought a call list from a list broker for the purpose of identifying and calling potential victims while another co-conspirator arranged the sending of money to pay for the call list.

E. In or about the first week of November 2005, **JAIME LIGATOR** received \$20,000 as his weekly share of the profits from the call center.

F. In or about the second week of November 2005, **JAIME LIGATOR** received \$20,000 as his weekly share of the profits from the call center.

G. In or about the first week of December 2005, **JAIME LIGATOR** received \$20,000 as his weekly share of the profits from the call center.



H. In or about January 2006, **SHELDON BRENOWITZ** caused the opening of a new call center in San Jose, Costa Rica and the installation of a VoIP telephone service which allowed them to contact victims telephonically while falsely representing that they were in the Washington D.C. area.

I. In or about January 2006, a co-conspirator, along with other co-conspirators known and unknown to the Grand Jury, moved their existing call center to a new location in San Jose, Costa Rica.

J. On or about May 16, 2006, defendant **ALLEN FIALKOFF**, working as an opener and closer defrauding victims at the call center owned by defendant **JAIME LIGATOR** and another conspirator, fled through the back door of the call center in order to evade Costa Rican law enforcement officials that were entering the call center.

K. After he fled the call center **ALLEN FIALKOFF** sought help in avoiding Costa Rican law enforcement officials from **SHELDON BRENOWITZ**. **BRENOWITZ** hid defendant **FIALKOFF** from Costa Rican law enforcement officials, thereby continuing the conspiracy.

L. Counts 2 through 24, set forth below are hereby realleged and incorporated by reference as if fully set forth herein as additional overt acts.

All in violation of Title 18, United States Code, Sections 371 and 2326(2)(A) & (B).

**COUNTS TWO THROUGH TWENTY-FOUR**  
**(WIRE FRAUD - 18 U.S.C. SECTION 1343)**

1. The allegations in paragraphs 1 through 10 inclusive of Count 1 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.

**The Scheme**

2. The allegations in paragraphs 12 through 14 of Count 1 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein, as describing the defendants' scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

**Wire and Radio Communications**

3. On or about the dates set forth below, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendants

**JAIME LIGATOR,  
SHELDON BRENOWITZ,  
ALFREDO SUSI,  
ALLEN FIALKOFF,  
and  
CHAD MICHAEL SCHNEIDER,**

transmitted and caused to be transmitted, by means of wire and radio communication in interstate and foreign commerce the following signals and sounds, specifically Western Union wire-transfers which were all routed through Western Union facilities in Charlotte, Mecklenburg County, North Carolina, for the purpose of executing the scheme and artifice and attempting to do so:

<b>Count #</b>	<b>Victim Initials and Source of Wire</b>	<b>Location Wire Received</b>	<b>Date of Wire</b>	<b>Approximate Amount of Wire</b>
2	MS Jonestown, PA	San Jose, Costa Rica	3/15/2005	\$2,900
3	MS Jonestown, PA	San Jose, Costa Rica	3/15/2005	\$2,600
4	JS Omaha, NE	San Jose, Costa Rica	5/04/2005	\$2,500
5	JS Omaha, NE	San Jose, Costa Rica	5/04/2005	\$2,000
6	RB Palo Alto, CA	San Jose, Costa Rica	5/11/2005	\$2,935
7	RB Palo Alto, CA	San Jose, Costa Rica	6/03/2005	\$2,624
8	HC San Jose, CA	San Jose, Costa Rica	3/20/2006	\$2,850
9	HC San Jose, CA	San Jose, Costa Rica	3/20/2006	\$2,600
10	RM Rockhill, SC	San Jose, Costa Rica	4/12/2006	\$1,960
11	PW Brooklyn, NY	San Jose, Costa Rica	5/01/2006	\$2,100
12	MR Hughesville, PA	San Jose, Costa Rica	5/08/2006	\$2,950
13	MR Hughesville, PA	San Jose, Costa Rica	5/08/2006	\$2,975
14	MSR North Hampton, NH	San Jose, Costa Rica	5/09/2006	\$1,000
15	MSR North Hampton, NH	San Jose, Costa Rica	5/09/2006	\$2,325
16	BH Lakewood, CA	San Jose, Costa Rica	5/10/2006	\$2,291

Count #	Victim Initials and Source of Wire	Location Wire Received	Date of Wire	Approximate Amount of Wire
17	DO Pickens, SC	San Jose, Costa Rica	5/10/2006	\$1,000
18	BH Lakewood, CA	San Jose, Costa Rica	5/12/2006	\$1,847
19	MP Newark, CA	San Jose, Costa Rica	5/11/2006	\$1,000
20	LP Sterling Heights, MI	San Jose, Costa Rica	5/11/2006	\$1,260
21	LP Sterling Heights, MI	San Jose, Costa Rica	5/11/2006	\$1,407
22	AR Homewood, AL	San Jose, Costa Rica	5/12/2006	\$2,895
23	BJ Oakland, CA	San Jose, Costa Rica	5/12/2006	\$1,125
24	LH Detroit, MI	San Jose, Costa Rica	5/16/2006	\$1,125

All in violation of Title 18, United States Code, Sections 1343, 2326(2)(A) & (B), and 2.

**NOTICE OF FORFEITURE**  
**18 U.S.C. SECTION 982(a)(8)**

1. The allegations in paragraphs 1 through 10, and 12 through 14 of Count 1 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.

2. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 371 and 1343 set forth in Counts 1 through 24 of this Indictment, which

involved telemarketing as that term is used in Title 18, United States Code, Section 2325, the defendants,

**JAIME LIGATOR,  
SHELDON BRENOWITZ,  
ALFREDO SUSI,  
ALLEN FIALKOFF,  
and  
CHAD MICHAEL SCHNEIDER,**

shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(8),

- (A) any real or personal property used or intended to be used to commit, to facilitate, or to promote the commission of such offenses;
- (B) any real or personal property, constituting, derived from, or traceable to the gross proceeds obtained directly or indirectly as a result of the offenses; and
- (C) a sum of money representing the amount of proceeds obtained as a result of the offense for which defendants are convicted up to a value of \$10,000,000.

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

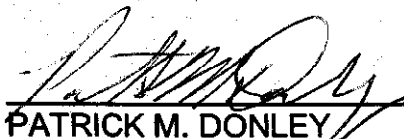
- (A) cannot be located upon exercise of due diligence;
- (B) has been transferred or sold to, or deposited with, a third party;
- (C) has been placed beyond the jurisdiction of the Court;
- (D) has been substantially diminished in value; or
- (E) has been commingled with other property which cannot be

divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982 (b)(1).

~~A TRUE BILL~~

GRETCHEN C. F. SHAPPERT  
UNITED STATES ATTORNEY

  
\_\_\_\_\_  
PATRICK M. DONLEY  
SENIOR LITIGATION COUNSEL  
PETER B. LOEWENBERG  
TRIAL ATTORNEY  
FRAUD SECTION, CRIMINAL DIVISION