

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

"UNDER SEAL"

FILED  
CHARLOTTE, NC

DEC 15 2015

US DISTRICT COURT  
WESTERN DISTRICT OF NC  
3:15-cr-300-25c

UNITED STATES of AMERICA

v.

FRANK M. SCHIAVONE

and

LEWIS RICKER,

Defendants.

DOCKET NO.

BILL OF INDICTMENT

Vio: 18 U.S.C. § 1349  
18 U.S.C. § 1343  
18 U.S.C. § 2326  
18 U.S.C. § 1956(h)  
18 U.S.C. § 1956(a)(2)(A)  
18 U.S.C. § 982  
28 U.S.C. § 2461(c)  
18 U.S.C. § 2

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

COUNT ONE  
(CONSPIRACY TO COMMIT WIRE AND MAIL FRAUD - 18 U.S.C. SECTION 1349)

The Defendants

1. Defendant **FRANK M. SCHIAVONE**, a United States citizen, worked in at least one illegal telemarketing call center in Costa Rica as an "opener" and "loader." As an opener, **SCHIAVONE** falsely informed victims that they had won a prize in a sweepstakes and had to send money to Costa Rica to pay various fees, taxes, and insurance costs necessary to retrieve their prize. As a loader, **SCHIAVONE** falsely induced victims who had already made an initial payment based on an opener's misrepresentations to make even more payments based on new misrepresentations (including that the victims' prize amount had increased as a result of a clerical error or because of the disqualification of another winner). **SCHIAVONE** also worked as a Costa Rican "runner" and domestic "bridge" for the call center. As a runner, **SCHIAVONE**

obtained victims' funds sent directly to his attention in Costa Rica via Western Union wire services. As a bridge, **SCHIAVONE** received in the United States and then forwarded to the illegal call center in Costa Rica funds from victims who were reluctant or unable to send money directly to Costa Rica.

2. Defendant **LEWIS RICKER**, a United States citizen, worked as a domestic bridge, receiving and forwarding victims' money from the United States to **FRANK M. SCHIAVONE** and at least one illegal telemarketing call center in Costa Rica.

The Conspiracy

3. Beginning in or about January 2009, the exact date being unknown to the Grand Jury, and continuing until in or about April 2015, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendants

**FRANK M. SCHIAVONE,**  
and  
**LEWIS RICKER,**

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 willfully 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 routed through and processed in 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 willfully 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.

#### Purpose of the Conspiracy - Scheme to Defraud

4. A purpose of the conspiracy was to fraudulently induce the victims to pay thousands of dollars to the defendants and their co-conspirators by falsely representing that the victims had won valuable sweepstakes prizes, which would be sent to the victims after they first made a payment to the defendants and their conspirators.

#### Manner and Means Used in the Conspiracy

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

6. Beginning in or about 2009, the defendants and their conspirators operated at least one "call center" in San Jose, Costa Rica. A "call center" was a business that engaged in an illegal telemarketing scheme.

7. The defendants and their conspirators defrauded United States residents by deceiving them into believing that they had won a large monetary prize in a sweepstakes contest.

8. The defendants and other telemarketers in the call center often used aliases, concealed the location of the call center, and did business from Costa Rica.

9. The defendants and their conspirators would target residents of the United States, at least ten of whom were over the age of 55, and would inform them by telephone that they had won second prize in a sweepstakes contest. 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 and other methods, to "representatives" of an alleged "insurance entity."

10. If a victim agreed to wire money directly to Costa Rica, telemarketers would direct the victim to send a wire transfer to a designated "runner," who would obtain the money and deliver it to the call center. If a victim was hesitant or unable to send money directly to Costa Rica, the defendants and their conspirators would arrange for a United States "bridge" to receive the victim's money and then forward it to the illegal call center. Defendants and their conspirators served as runners and bridges for the call center.

11. After a victim had been induced to send money, the defendants and their conspirators would call that victim repeatedly and make further false and misleading misrepresentations, including that: 1) a mistake had been made; 2) the victim had actually won first prize in the sweepstakes contest; and 3) the victim had to send thousands of additional dollars in further fees and taxes to ensure the safe delivery of the increased winning proceeds. The defendants and their conspirators would then continue to contact each victim and provide

additional false reasons and assurances as to why the victim had to send more money. This practice would continue as long as the victim continued to send money.

12. In order to induce their victims to send money, the defendants and their conspirators would often falsely represent themselves as being agents of the “Federal Trade Commission,” “General Services Administration,” or another U.S. government agency, charged with ensuring that sweepstakes winners received their purported prize money.

13. The defendants and their conspirators called 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 falsely appear on victims’ caller identification devices that their calls were made from somewhere in the United States when, in fact, the defendants and their conspirators were calling from Costa Rica.

14. When an intended victim 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 answered by the defendants and their conspirators. The defendants and their conspirators, posing as representatives of the non-existent sweepstakes company, would answer these telephone calls and falsely reassure victims that they had indeed won a sweepstakes prize.

15. No victim ever received a promised prize. The defendants and their conspirators kept all victims funds sent as a result of their fraud for their own personal benefit.

All in violation of Title 18, United States Code, Sections 1349 and 2326(2)(A) & (B).

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

16. The allegations in paragraphs 1 through 2 inclusive of Count 1 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.

The Scheme

17. The allegations in paragraphs 4 through 15 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.

18. On or about the dates set forth below, each such date constituting a separate count of the Indictment, in the Western District of North Carolina, and elsewhere, defendants,

**FRANK M. SCHIAVONE,  
and  
LEWIS RICKER,**

acting in concert with others, having devised and intending to devise that scheme and artifice to defraud described above in order to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, knowingly transmitted and caused to be transmitted, by means of wire communication in interstate and foreign commerce the following writings, signals, and sounds, specifically Western Union wire-transfers which were all electronically routed to and processed in Charlotte, Mecklenburg County, North Carolina prior to being sent to their ultimate destination, for the purpose of executing the scheme and artifice and attempting to do so:

Count	Sender Initials	Wire Transfer Sent From	Received	Date	Amount
2	BA	Sheridan, WY	Odessa, FL	3/16/2011	\$5,685
3	TG	Ruidoso, NM	Tampa, FL	12/30/2011	\$2,500
4	JD	Somerset, KY	Costa Rica	2/28/2013	\$750
5	JD	Somerset, KY	Tampa, FL	3/01/2013	\$800
6	SZ	Bellevue, WA	Tampa, FL	3/04/2013	\$2,800
7	SC	Tumwater, WA	Costa Rica	12/19/2013	\$1,250
8	WM	Jacksonville, FL	Tampa, FL	2/03/2014	\$800
9	DC	New York, NY	Tampa, FL	4/25/2014	\$500

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

**COUNT TEN**  
**(CONSPIRACY TO COMMIT MONEY LAUNDERING - 18 U.S.C. Section 1956(h))**

19. The allegations in paragraphs 1, 2, and 4 through 15 of Count 1 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.

20. In or about 2010 and continuing until in or about April, 2015, within the Western District of North Carolina, and elsewhere, defendants

**FRANK M. SCHIAVONE,**  
and  
**LEWIS RICKER,**

did knowingly and willfully combine, conspire, confederate and agree together and with each other, and with others known and unknown to the Grand Jury, to transport, transmit, and transfer monetary instruments and funds from and through a place in the United States to a place outside of the United States with the intent to promote the carrying on of specified unlawful activity, namely, wire fraud.

All in violation of Title 18, United States Code, Sections 1956(a)(2)(A) and 1956(h).

**COUNTS ELEVEN THROUGH FIFTEEN  
(MONEY LAUNDERING – INTERNATIONAL - 18 U.S.C. Section 1956(a)(2)(A))**

21. The allegations in paragraphs 1, 2, and 4 through 15 of Count 1 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.

22. On or about the respective dates set forth below, each such date constituting a separate count of this Indictment, within the Western District of North Carolina, and elsewhere, defendants,

**FRANK M. SCHIAVONE,  
and  
LEWIS RICKER,**

together with others known and unknown to the Grand Jury, did knowingly transport, transmit, and transfer, and cause to be transported, transmitted, and transferred, monetary instruments and funds from and through a place in the United States to a place outside of the United States with the intent to promote the carrying on of specified unlawful activity, namely, wire fraud:

Count	Sender Initials	Wire Transfer Sent From	Received	Date	Amount
11	FS	Tampa, FL	Costa Rica	2/16/2011	\$1,700
12	LR	Lutz, FL	Costa Rica	3/14/2011	\$2,055
13	LR	Lutz, FL	Costa Rica	3/19/2011	\$2,460
14	LR	Lutz, FL	Costa Rica	7/03/2013	\$2,475
15	FS	Tampa, FL	Costa Rica	9/04/2014	\$1,000

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



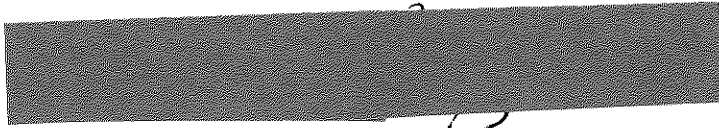
### **NOTICE OF FORFEITURE AND FINDING OF PROBABLE CAUSE**

Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

- a. All property which constitutes or is derived from proceeds of the violations set forth in this bill of Indictment;
- b. All property involved in such violations or traceable to property involved in such violations; and
- c. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) or (b) 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, all other property of the defendants to the extent of the value of the property described in (a) and (b).

The Grand Jury finds probable cause to believe that the following property is subject to forfeiture on one or more of the grounds stated above: A forfeiture money judgment in the amount of at least \$774,851.11, such amount constituting the proceeds of the violations set forth in this bill of Indictment.

A TRUE BILL



JILL WESTMORELAND ROSE,  
UNITED STATES ATTORNEY

ANDREW WEISSMANN  
CHIEF, FRAUD SECTION, CRIMINAL DIVISION  
U.S. DEPARTMENT OF JUSTICE

A handwritten signature in cursive script, reading "Gustav W. Eyler", written over a horizontal line.

GUSTAV W. EYLER

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**"UNDER SEAL"****NEW CRIMINAL CASE COVER SHEET****U. S. DISTRICT COURT**(To be used for **all** new Bills of Indictments and Bills of Information)**CASE SEALED:** ☒ YES ☐ NO**DOCKET NUMBER:**

3:15-cr-300-RJC

*If case is to be sealed, a Motion to Seal and proposed Order **must** be attached.)***CASE NAME**

:US vs FRANK M. SCHIAVONE, ET AL

**COUNTY OF OFFENSE**

: MECKLENBERG

**RELATED CASE INFORMATION**

:

*Magistrate Judge Case Number*

:

*Search Warrant Case Number*

:

*Miscellaneous Case Number*

:

*Rule 20b*

:

**SERVICE OF PROCESS**

:

ARREST WARRANT

**U.S.C. CITATIONS** (Mark offense carrying greatest weight):☐ Petty☐ Misdemeanor☒ Felony

18 U.S.C. SECTION 1349

**JUVENILE:**☐ Yes☒ No**ASSISTANT U. S. ATTORNEY**

:

DOJ ATTORNEY PATRICK M. DONLEY

**VICTIM/WITNESS COORDINATORS:**

DOJ, PAMELA WASHINGTON

**INTERPRETER NEEDED**

:

**LIST LANGUAGE AND/OR DIALECT:****REMARKS AND SPECIAL INSTRUCTIONS:**

(Maintain form in the Attorney Work Product folder / purge before archiving)