

JUN 18 2014

US DISTRICT COURT
WESTERN DISTRICT OF N

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

UNITED STATES of AMERICA,

v.

ELLIOT PHILLIP ROSENBERG,
Defendant.

DOCKET NO. **3:14CR121 - MOC**

BILL OF INDICTMENT

Vio: 18 U.S.C. § 1349
18 U.S.C. § 1341
18 U.S.C. § 1343
18 U.S.C. § 1956(h)
18 U.S.C. § 1956(a)(2)(A)
18 U.S.C. § 982
18 U.S.C. § 2326
28 U.S.C. § 2461(c)
18 U.S.C. § 2

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

Background

1. "Sweepstakes" schemes are fraudulent schemes by which individuals are falsely told that they have won a large cash prize, but in order to collect, they must send a sum of money to the perpetrators of the scheme as a "fee," "duties," or for "insurance."
2. Sweepstakes schemes are often run from telemarketing call centers containing a group of telemarketers working together to perpetrate the fraud.
3. Defendant ELLIOT PHILLIP ROSENBERG (ROSENBERG), a United States citizen and Legal Resident of Costa Rica, owned and managed one or more call centers in Costa Rica engaged in a sweepstakes scheme directed, at least in part, at individuals residing in the United States.

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

Overview of the Fraudulent Scheme

4. Operating in several Costa Rican call centers, Defendant ROSENBERG and other co-conspirators worked as both “openers,” *i.e.*, the telemarketers who initially call an individual, and “loaders,” *i.e.*, the telemarketers who re-solicit the same individual to send additional money.
5. As an opener, ROSENBERG would call an individual and falsely inform the individual that he had won a prize in a sweepstakes and that in order to receive the prize, he had to send money to Costa Rica for a purported “refundable insurance fee.”
6. As a loader, ROSENBERG would contact the individual again, after he had made an initial payment. ROSENBERG would then falsely inform the individual that the prize amount he was previously told he had won had increased, either because of a clerical error or because another prize winner was disqualified and that therefore, the individual must send additional money to pay for new purported fees, duties and insurance to receive the now larger sweepstake prize.
7. ROSENBERG and his co-conspirators would continue to call and insist that additional payments be made for new fees until an individual either ran out of money or discovered the fraudulent nature of the scheme.

The Conspiracy

8. Beginning in or about January of 2010, the exact date being unknown to the Grand Jury, and continuing until in or about May of 2014, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant

ELLIOT PHILLIP ROSENBERG,

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, for the purpose of executing such scheme and artifice and attempting to do so, placed 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 and caused to be deposited matters and things to be delivered by private and commercial interstate carriers, specifically United States Postal Money Orders, contrary to Title 18, United States Code, Section 1341; 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, 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 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.

Purpose of the Conspiracy

9. A purpose of the conspiracy was to enrich ROSENBERG and his co-conspirators by fraudulently inducing victims to pay thousands of dollars by falsely representing that the victims had won valuable prizes, which would be sent to them only after they made payments to ROSENBERG and his co-conspirators.

Manner and Means Used in the Conspiracy

10. Among the manner and means by which

ELLIOT PHILLIP ROSENBERG,

and his conspirators carried out the purpose of the conspiracy were the following:

- (a) Beginning in or about 2010, ROSENBERG along with his co-conspirators would and did operate telemarketing "call centers" in San Jose, Costa Rica;
- (b) ROSENBERG, as the owner of the call center, would and did frequently change the location of the call centers to avoid investigation by law enforcement authorities;
- (c) ROSENBERG and his co-conspirators would and did use aliases when contacting United States residents to solicit money from them;
- (d) ROSENBERG and his co-conspirators would and did make false representations to United States residents, including:

1. ROSENBERG and his co-conspirators, as openers, would and did falsely inform United States residents, at least 10 of whom were over the age of 55, that they had won in excess of \$350,000 from a sweepstakes contest;
 2. ROSENBERG and his co-conspirators would and did falsely inform these individuals that they were required to send funds to Costa Rica to purchase insurance coverage for the delivery of their prizes;
 3. ROSENBERG and his co-conspirators would and did falsely state that any funds sent to Costa Rica would be fully refundable and returned to the individuals along with their prize winnings;
 4. ROSENBERG and his co-conspirators would and did falsely represent themselves as being agents of the "Federal Trade Commission," or another United States government agency, and that they were responsible for ensuring that sweepstakes winners received their money;
 5. ROSENBERG and his co-conspirators would and did falsely inform individuals that called to verify the legitimacy of the sweepstakes that the sweepstakes was legitimate and their prizes were verified; and
 6. After receiving funds, ROSENBERG and his co-conspirators, as loaders, would and did re-contact individuals, who had already sent payment, and falsely state that a mistake had occurred and the individuals actually won the first prize of \$3,500,000 or more, requiring additional payments.
- (e) ROSENBERG and his co-conspirators would and did call individuals using Voice over Internet Protocol (VoIP), utilizing numbers with area codes associated with Washington, D.C., to make it appear that the calls originated

from within the United States rather than from Costa Rica;

- (f) ROSENBERG and his co-conspirators would and did provide individuals with telephone numbers for prize verification which were answered in the telemarketing call centers;
- (g) ROSENBERG and his co-conspirators would and did direct these individuals to send the required funds via Western Union or MoneyGram;
- (h) ROSENBERG and his co-conspirators would and did direct individuals to purchase blank Postal Money Orders and instructed them to send the Postal Money Orders to identified parties and addresses using FedEx and United Parcel Service;
- (i) ROSENBERG and his co-conspirators would and did cause United States residents to continue to send funds to them until these United States residents either ran out of money or realized that they were being defrauded; and
- (j) ROSENBERG and his co-conspirators would and did keep the funds received to pay the continued costs of operating the telemarketing call center and for their personal benefit.

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

**COUNTS TWO AND THREE
(MAIL FRAUD - 18 U.S.C. SECTION 1341)**

The Scheme and Artifice to Defraud

11. The allegations in paragraphs 1-7 and 10 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein, as describing the defendant's scheme

and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

12. On or about the respective dates set forth below, each such date constituting a separate count of the Indictment, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant,

ELLIOT PHILLIP ROSENBERG

acting in concert with others, having devised and intending to devise the scheme and artifice to defraud described above and in order to obtain money and property by means of material false and fraudulent schemes, representations, and promises, for the purpose of executing such scheme and artifice and attempting to do so, placed 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 and caused to be deposited matters and things to be delivered by private and commercial interstate carriers, specifically United States Postal Money Orders, contrary to Title 18, United States Code, Section 1341.

Count	Sender Initials	Mail Sent From	Received	Date	Amount
2	AK	Charlotte, NC	Doral, FL	12/31/2013	\$8,200.00
3	AK	Charlotte, NC	Doral, FL	01/08/2014	\$9,800.00

All in violation of Title 18, United States Code, Sections 1341, 2326(2)(A) & (B), and 2.

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

The Scheme and Artifice to Defraud

13. The allegations in paragraphs 1-7 and 10 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein as describing the defendant's scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.
14. On or about the respective dates set forth below, each such date constituting a separate count of the Indictment, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant,

ELLIOT PHILLIP ROSENBERG,

acting in concert with others, having devised and intending to devise that scheme and artifice to defraud described above and in order to obtain money and property by means of material false and fraudulent schemes, representations, and promises, knowingly transmitted and caused to be transmitted, by means of wire communication in interstate and foreign commerce the following writings, signs, signals, pictures 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's Initials	Wire Transfer Sent From	Wire Transfer Received In	Date	Amount
4	HM	Baker, LA	Costa Rica	06/01/2011	\$4,685.00

Count	Sender's Initials	Wire Transfer Sent From	Wire Transfer Received In	Date	Amount
5	JS	San Diego, CA	Costa Rica	12/06/2011	\$1,600.00
6	HB	Jacksonville, FL	Costa Rica	03/13/2012	\$1,925.00
7	EW	Cullman, AL	Costa Rica	10/17/2012	\$ 600.00
8	CW	North Canton, OH	Costa Rica	06/21/2013	\$ 500.00
9	HG	Snohomish, WA	Costa Rica	07/03/2013	\$1,800.00
10	JV	Houston, TX	Costa Rica	11/08/2013	\$1,600.00

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

COUNT ELEVEN
(CONSPIRACY TO COMMIT MONEY LAUNDERING - 18 U.S.C. SECTION 1956(h))

15. The allegations in paragraphs 1-7 and 10 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.

16. In or about January of 2010 and continuing until in or about May of 2014, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant

ELLIOT PHILLIP ROSENBERG,

did unlawfully and knowingly combine, conspire, confederate and agree with others known and unknown to the Grand Jury, to transport, transmit, and transfer monetary instruments and funds from a place in the United States to and through a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, namely, wire fraud, in violation of Title 18 United States Code, Section 1956(a)(2)(A).

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS TWELVE THROUGH SEVENTEEN
(MONEY LAUNDERING – INTERNATIONAL - 18 U.S.C. SECTION 1956(a)(2)(A))

17. The allegations in paragraphs 1-7 and 10 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.
18. On the respective dates set forth below, each such date constituting a separate count of this Indictment, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant,

ELLIOT PHILLIP ROSENBERG,

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

Count	Sender's Initials	Wire Transfer Sent From	Wire Transfer Received In	Date	Amount
12	HM	Zachary, LA	Costa Rica	05/19/2011	\$2,075.00
13	WE	Ocean City, NJ	Costa Rica	01/13/2012	\$1,000.00
14	BR	Grover Beach, CA	Costa Rica	02/16/2012	\$1,925.00
15	HB	Jacksonville, FL	Costa Rica	02/28/2012	\$1,850.00
16	RH	Mesa, AZ	Costa Rica	02/29/2012	\$1,900.00
17	JD	Irmo, SC	Costa Rica	09/09/2013	\$1,000.00

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 all specified unlawful activities listed or referenced to 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 gross proceeds of the violations set forth in this bill of indictment;
- b. All property used or intended to be used to commit, to facilitate, or to promote the violations;
- c. All property involved in such violations or traceable to property involved in such violations; and
- d. If, as set forth in 21 U.S.C. § 853(p), any property described in (a), (b), or (c) 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 defendant/s to the extent of the value of the property described in (a), (b), and (c).

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 \$7,000,100.00, such amount constituting the gross proceeds of the violations set forth in this bill of indictment.

A TRUE BILL



ANNE M. TOMPKINS
UNITED STATES ATTORNEY

JEFFREY H. KNOX
CHIEF, FRAUD SECTION, CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE

A handwritten signature in black ink, appearing to read "Patrick M. Donley", is written over a horizontal line.

PATRICK M. DONLEY
SENIOR LITIGATION COUNSEL
WILLIAM H. BOWNE
TRIAL ATTORNEY
FRAUD SECTION, CRIMINAL DIVISION

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:****3:14CR121***If case is to be sealed, a Motion to Seal and proposed Order **must** be attached.)***CASE NAME****:US vs** Elliot Phillip Rosenberg**COUNTY OF OFFENSE****:**

Mecklenburg

RELATED CASE INFORMATION**:***Magistrate Judge Case Number***:****314 MJ 76***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 USC 1349

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

Patrick Donley ~ DOJ

VICTIM/WITNESS COORDINATORS:

Rutledge, Shirley

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

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