

SEALED

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 13-60049-CR-WPD/Snow

18 U.S.C. § 1349

18 U.S.C. § 1956(h)

UNITED STATES OF AMERICA

v.

PASQUALE PAPPALARDO,
a/k/a Posh,
PARIDE DITROIA,
a/k/a Patty Boy,
PASQUALINO AGOVINO,
a/k/a Patsy, a/k/a Fat Patsy,
LOUIS TOBIAS DUANY,
MICHAEL BLEICH,
a/k/a Michael Boyd, a/k/a Alan Ryder, a/k/a "MSB,"
AUDWIN LOVINSKY,
a/k/a Edwin Loving, a/k/a "ABL,"
MICHAEL SCHEEL,
a/k/a Chris Wilson, a/k/a Josh Wilson, a/k/a Bowling Ball, a/k/a "MVS,"
DIANA HARRINGTON,
a/k/a Nicole Sanders, a/k/a the old lady, a/k/a "DH,"
ASHLEY LOWTON,
a/k/a Scott Peterson, a/k/a "AL," a/k/a AL-992,
RICARDO DAVIS,
a/k/a John Peterson, a/k/a "RD," a/k/a RD-993,
CHARLES LEE,
a/k/a Kenny Tran, a/k/a Young Mula, a/k/a "CL," CL-995,
KENNETH ROCKMORE,
a/k/a Tom Parker, a/k/a Manny Freshlur, a/k/a "Turk," a/k/a "KRock," a/k/a "KR," KR-991,
IBRAHIM AL-DABBAS,
a/k/a "Alan Cohen, a/k/a "ABE,"
CLINTON ROSS,
a/k/a Clint Anderson, a/k/a "CR," CR-917,
MILTON OLIVER,
a/k/a Anthony Carter, a/k/a Tony Carter, a/k/a "DLE,"

Defendants.

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INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. TIMESHARE MARKET PRO, INC. (hereinafter referred to as "TMP") was a telemarketing room that held itself out to the general public as being in the business of assisting persons interested in renting or selling their time-share units by advertising the units in exchange for a fee which was generally less than \$1,000. TMP was located at 6121 Orange Drive, Davie, Florida 33314.

2. TIMESHARE MEGA MEDIA AND MARKETING GROUP, INC. (hereinafter referred to as "TMMMG") was a time-share telemarketing room that briefly operated from a condominium at Galt Ocean Mile, Fort Lauderdale, Florida, and then from 2652 East Oakland Park Boulevard, Fort Lauderdale, Florida, 33306.

3. TMMMG maintained checking accounts at Bank of America, Bank Atlantic (now known as BB&T), Wachovia Bank (now known as JPMorgan Chase Bank), Bank United, and Regions Bank (hereinafter collectively referred to as the "Banks"). The Banks were financial institutions engaged in, or whose activities affected, interstate commerce.

4. "Leads" are the names and telephone numbers, and in some instances the credit card numbers and other detailed information, of persons who, through past contact with telemarketers, have shown an inclination to buy a certain product or service. The leads are provided to the salespeople in a telemarketing room who then call the persons listed in the leads and try to induce them to buy the product or service.

COUNT 1

1. The General Allegations portion of this Indictment is realleged and expressly incorporated herein as if set forth in full.

2. Beginning in or about February 2009, and continuing through in or about June 2010, in Broward County, in the Southern District of Florida, and elsewhere, the defendants,

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LOUIS TOBIAS DUANY,
MICHAEL BLEICH,
a/k/a Michael Boyd, a/k/a Alan Ryder, a/k/a "MSB,"
AUDWIN LOVINSKY,
a/k/a Edwin Loving, a/k/a "ABL,"
MICHAEL SCHEEL,
a/k/a Chris Wilson, a/k/a Josh Wilson, a/k/a Bowling Ball, a/k/a "MVS,"
DIANA HARRINGTON,
a/k/a Nicole Sanders, a/k/a the old lady, a/k/a "DH,"
ASHLEY LOWTON,
a/k/a Scott Peterson, a/k/a "AL," a/k/a AL-992,
RICARDO DAVIS,
a/k/a John Peterson, a/k/a "RD," a/k/a RD-993,
CHARLES LEE,
a/k/a Kenny Tran, a/k/a Young Mula, a/k/a "CL," a/k/a CL-995,
KENNETH ROCKMORE,
a/k/a Tom Parker, a/k/a Manny Freshlur, a/k/a "Turk," a/k/a "Krock," a/k/a "KR," KR-991,
IBRAHIM AL-DABBAS,
a/k/a "Alan Cohen, a/k/a "ABE,"
CLINTON ROSS,
a/k/a Clint Anderson, a/k/a "CR," CR-917,
MILTON OLIVER,
a/k/a Anthony Carter, a/k/a Tony Carter, a/k/a "DLE,"

knowingly and willfully combined, conspired, confederated, and agreed with each other and with others known and unknown to the Grand Jury to commit an offense against the United States, that is,

a. to devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing, and attempting to execute, such scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to knowingly cause to be delivered by United States mail and by commercial interstate carrier according to the directions thereon, certain matters and things, in violation of Title 18, United States Code, Section 1341 (Mail Fraud); and

b. to devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to knowingly transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343 (Wire Fraud).

OBJECT OF THE CONSPIRACY

3. It was the object of the conspiracy that the defendants and their coconspirators would unlawfully enrich themselves from money obtained from persons who were trying to sell their time-share units by making or causing to be made false representations over the telephone.

MANNER AND MEANS OF CONSPIRACY

Take-Over of TMP

4. It was part of the conspiracy that, in or about February 2009, PASQUALE PAPPALARDO (hereinafter referred to as "PAPPALARDO") entered into an agreement with the owner of TMP to operate a branch office of TMP in Margate, Florida.

5. It was further part of the conspiracy that PAPPALARDO hired a person (hereinafter referred to as "Coconspirator 1") who had experience running illegal telemarketing rooms to run PAPPALARDO's branch office of TMP.

6. It was further part of the conspiracy that, in or about April 2009, PAPPALARDO entered into an agreement with the owner of TMP to manage TMP's main office in Davie, Florida, and the owner would receive 10% of the profits.

7. It was further part of the conspiracy that, shortly after PAPPALARDO entered into the February 2009 agreement with the owner of TMP, AGOVINO was hired by PAPPALARDO to help run TMP, along with LOUIS TOBIAS DUANY (hereinafter referred to as "DUANY"), who was already a salesman at TMP.

8. It was further part of the conspiracy that, shortly after PAPPALARDO and his associates began running TMP, some of the salespeople began telling the time-share unit owners that, through TMP's advertising TMP had sold their time-share units, but the time-share unit owners needed to send additional fees to TMP in order to secure the sale or for closing costs or other fees associated with the sale. In fact, as defendants PAPPALARDO, AGOVINO, and DUANY well knew, the time-share units had not been sold.

9. It was further part of the conspiracy that PAPPALARDO and Coconspirator 1 would demand their share of the proceeds from TMP, which led to heated arguments with the owner of TMP.

10. It was further part of the conspiracy that, in or about June 2009, at the direction of PAPPALARDO, customer files and the electronic database, among other items, were taken from the premises of TMP by Coconspirator 1 and others without the knowledge of the owner of TMP.

11. It was further part of the conspiracy that as a result of the aforementioned financial disagreement, PAPPALARDO solicited and obtained the assistance of a made member in the Gambino Organized Crime family to appear with him at a “sit down” with another organized crime family that occurred on or about July 1, 2009, in Fort Lauderdale, Florida.

12. It was further part of the conspiracy that at the “sit down” PAPPALARDO convinced members of both organized crime families that the owner of TMP should not recover any money from PAPPALARDO.

Forming of TMMMG

13. It was further part of the conspiracy that, in or about June 2009, PAPPALARDO and Coconspirator 1 formed TMMMG, in which they were partners and shared the profits equally.

14. It was further part of the conspiracy that, in or about July 2009, although PAPPALARDO and Coconspirator 1 were co-owners of TMMMG, PAPPALARDO caused the incorporation documents of TMMMG to state that the officers were DUANY and DUANY’s elderly mother.

15. It was further part of the conspiracy that, in or about July 2009, PAPPALARDO, Coconspirator 1, and DUANY, caused DUANY's elderly mother to open a merchant account for TMMMG.

16. It was further part of the conspiracy that, in or about July 2009, Coconspirator 1, AGOVINO, and other former employees of TMP operated TMMMG from a condominium at Galt Ocean Mile, Fort Lauderdale, Florida.

17. It was further part of the conspiracy that Coconspirator 1, AGOVINO, and other coconspirators would use information from items taken from TMP in order to contact former clients of TMP.

18. It was further part of the conspiracy that the salespeople of TMMMG would attempt to obtain money from the clients of TMP by: a) falsely claiming either that they were working for TMP and they sold the owner's time-share unit; or b) that TMP was no longer in business and that TMMMG had taken over the account and sold the time-share unit. In either scenario, the salespeople requested an additional payment to process the sale.

19. It was further part of the conspiracy that, in or about September 2009, PAPPALARDO and Coconspirator 1 met with a member of the Gambino Crime Family to discuss operating a Miami, Florida branch of TMMMG.

20. It was further part of the conspiracy that, in or about September 2009, PAPPALARDO, Coconspirator 1, PARIDE DITROIA (hereinafter referred to as "DITROIA"), AGOVINO, DUANY, and other coconspirators began operating TMMMG from 2652 East Oakland Park Boulevard, Fort Lauderdale, Florida.

21. It was further part of the conspiracy that PAPPALARDO oversaw the operations of TMMMG and that Coconspirator 1 ran the day-to-day operations.

22. It was further part of the conspiracy that almost every day PAPPALARDO would speak or meet with Coconspirator 1 and other coconspirators and discuss the operations of TMMMG.

23. It was further part of the conspiracy that, beginning in or about November 2009, DITROIA would oversee the activities of the salespeople, including handing out leads and collecting sales.

24. It was further part of the conspiracy that AGOVINO worked in the salesroom of TMMMG and performed various functions, including keeping a sales log and assisting in hiring salespeople.

25. It was further part of the conspiracy that DUANY had signature authority on TMMMG's checking accounts at the Banks, and each week DUANY would issue checks to PAPPALARDO, the salespeople of TMMMG, and others.

Mike Goodlow's Crew

26. It was further part of the conspiracy that, in or about November 2009, after another telemarketing room, Nationwide Marketing Solutions, Inc. (hereinafter referred to as "Nationwide"), closed down, Mike Goodlow brought a crew of people who had all worked at Nationwide, including ASHLEY LOWTON ("hereinafter referred to as "LOWTON"), RICARDO DAVIS (hereinafter referred to as "DAVIS"), CHARLES LEE (hereinafter referred to as "LEE"), and KENNETH ROCKMORE (hereinafter referred to as "ROCKMORE"), to

work at TMMMG (hereinafter LOWTON, DAVIS, LEE, and ROCKMORE will be collectively referred to as “Goodlow’s Crew”).

27. It was further part of the conspiracy that Goodlow’s Crew continued to utilize many of the same lies at TMMMG which they had previously used while salespeople at Nationwide, including telling customers that their time-share units had been sold, among other misrepresentations, resulting in a dramatic increase in sales.

28. It was further part of the conspiracy that Goodlow’s Crew brought with them from Nationwide their own sales pitch and leads.

29. It was further part of the conspiracy that the salespeople in Goodlow’s Crew would utilize an alias when calling the time-share unit owners, including the following aliases: LOWTON (Scott Peterson); DAVIS (John Peterson); LEE (Kenny Tran and Young Mula); and ROCKMORE (Tom Parker and Manny Freshlur).

30. It was further part of the conspiracy that the sales pitch for Goodlow’s Crew falsely stated that their position with TMMMG was the Director of Finance and that they had sold the time-share unit owner’s unit for the full asking price to a buyer who had approved financing.

31. It was further part of the conspiracy that the sales pitch of Goodlow’s Crew falsely stated that they would process a fee recovery form for the time-share unit owner that would refund the money paid to another telemarketing room that advertised their time-share unit and obtain a reimbursement of the maintenance fees paid on the unit during the year.

32. It was further part of the conspiracy that the sales pitch for Goodlow’s Crew falsely stated that the time-share unit owner needed to pay a refundable processing deposit, which

would be placed in an escrow account, and that within 30-45 days the time-share unit owner would receive a certified check for the proceeds from the sale and a second check in the amount of the refundable processing deposit, the refund of the fee paid to the prior telemarketing to advertise the unit, and the reimbursement of the maintenance fees.

33. It was further part of the conspiracy that, from in or about mid-November 2009 through in or about May 2010, Goodlow's Crew used leads taken from Nationwide and others leads to contact persons by telephone, most of whom lived outside the State of Florida, and recited all or part of the falsehoods set forth in the sales pitch they brought from Nationwide, and thereby fraudulently induced the time-share unit owners to pay hundreds of thousands of dollars in fees related to the purported sale of their time-share units, which fees said defendants falsely claimed would be refunded at the closing.

34. It was further part of the conspiracy that, in or about December 2009, in a veiled attempt to protect himself and PAPPALARDO from the false statements being made by Goodlow's Crew and others, Coconspirator 1 made each member of Goodlow's Crew and other salespeople of TMMMG sign an Independent Contractor Agreement, wherein the salespeople promised to never tell the customer that they had a buyer for their time-share unit, never to claim that the fee was for a title or deed search, never to tell a customer that any of the money went into escrow, and never to tell a customer to not pay the maintenance fees.

35. It was further part of the conspiracy that Goodlow's Crew, with the knowledge of PAPPALARDO, DITROIA, AGOVINO, DUANY, and other coconspirators, ignored the Independent Contractor Agreement and continued to falsely state to customers that their time-share units were sold, among other falsehoods.

Former Salespeople From Great Vacations/Innovative And Other Salespeople

36. It was further part of the conspiracy that, in or about January 2010, PAPPALARDO and Coconspirator 1 hired a group of salespeople, including MICHAEL BLEICH (hereinafter referred to as "BLEICH"), AUDWIN LOVINSKY (hereinafter referred to as "LOVINSKY"), and MICHAEL SCHEEL (hereinafter referred to as "SCHEEL"), who had previously worked at either Great Vacations and/or Innovative Resorts International, Inc. (hereinafter referred to as "Innovative"), which were both fraudulent time-share telemarketing rooms.

37. It was further part of the conspiracy that the former employees at Great Vacations and Innovative would falsely state to the customers of TMMMG many of the same misrepresentations as they had done at Great Vacations and Innovative, including that the time-share unit owners' time-share units had been sold.

38. It was further part of the conspiracy that, in or about March 2010, MILTON OLIVER (hereinafter referred to as "OLIVER"), after working at Innovative with BLEICH, LOVINSKY, and other coconspirators, began working at TMMMG.

39. It was further part of the conspiracy that, in or about March 2010, DIANA HARRINGTON (hereinafter referred to as "HARRINGTON"), who had worked at a number of other time-share telemarketing rooms, and had previously worked with SCHEEL, began working at TMMMG.

40. It was further part of the conspiracy that BLEICH, LOVINSKY, SCHEEL and HARRINGTON utilized leads and the sales pitch they brought from Great Vacations, Innovative, and other telemarketing rooms where they had previously worked.

41. It was further part of the conspiracy that, in or about February 2010, IBRAHIM AL-DABBAS (hereinafter referred to as “AL-DABBAS”), who had known a number of the coconspirators, began working at TMMMG.

42. It was further part of the conspiracy that, in or about March 2010, CLINTON ROSS (hereinafter referred to as “ROSS”) began working at TMMMG.

43. It was further part of the conspiracy that BLEICH, LOVINSKY, SCHEEL, OLIVER, HARRINGTON, AL-DABBAS, and ROSS would utilize an alias when calling the time-share unit owners, including the following aliases: BLEICH (Michael Boyd and Alan Ryder); LOVINSKY (Edwin Lovings); SCHEEL (Chris Wilson); OLIVER (Anthony or Tony Carter); HARRINGTON (Nicole Sanders); AL-DABBAS (Alan Cohen); and ROSS (Clint Anderson).

44. It was further part of the conspiracy that BLEICH, LOVINSKY, SCHEEL, OLIVER, HARRINGTON, AL-DABBAS, and ROSS would contact time-share unit owners by telephone, most of whom lived outside of the State of Florida, and tell them, among other fraudulent misrepresentations, that they had sold their time-share units, and thereby fraudulently induced the time-share unit owners to pay hundreds of thousand of dollars of fees related to the purported sale of their time-share units, generally in the amount of \$1,996 or more, which fees said defendants falsely claimed would be refunded at the closing.

Verification

45. It was further part of the conspiracy that a TMMMG employee known as a “verifier” would contact the time-share unit owner after the time-share unit owners agreed to pay the fee to “sell their unit.”

46. It was further part of the conspiracy that the salespeople would tell the time-share unit owners that the “verifier” was going to call them and, in order for the sale to be approved, the time-share unit owners should not ask questions, and needed to say, “yes” to everything the verifier asked.

47. It was further part of the conspiracy that the verifier would attempt to get the time-share unit owners to admit on tape that they knew that the fee they were paying was for advertising of their time-share units and that TMMMG could charge their credit card.

48. It was further part of the conspiracy that some of the defendants would pay the verifier \$50-\$100 per sale in order to either push the sale through, including not calling the time-share unit owners or processing the transaction with the credit card company, even though the victim did not want to go through with the transaction.

Advertising Contract

49. It was further part of the conspiracy that, after the time-share unit owner agreed to pay a fee to sell their unit, an employee of TMMMG would send by electronic mail, facsimile, or United States mail a contract stating that the time-share unit owner agreed to advertise their unit with TMMMG.

50. It was further part of the conspiracy that the salespeople would falsely tell the time-share unit owners that TMMMG would send the time-share owners a listing agreement to advertise the unit (hereinafter referred to as the “advertising agreement”), which was to get the process started.

51. It was further part of the conspiracy that, if the time-share unit owners questioned why they needed to sign the advertising agreements, the salespeople would falsely tell the time-

share unit owners that TMMMG was not a real estate broker, and it could not legally sell their units, unless TMMMG had been advertising it.

52. It was further part of the conspiracy that DITROIA, AGOVINO, and DUANY urged the salespeople to get the advertising contracts signed by the time-share owners, so that when the time-share unit owners attempted to obtain a refund from their credit card companies claiming the fees were for the sale of their time-share units, TMMMG could rebut the claims by providing the credit card company with the advertising agreements signed by the time-share unit owners.

Credit Card Processing

53. It was further part of the conspiracy that an employee of TMMMG would process the time-share unit owner's credit card after the time-share unit owners agreed to pay fees to sell their unit.

54. It was further part of the conspiracy that DUANY or other coconspirators would contest any requests by the time-share unit owners to seek a refund from their credit card company by providing the credit card company with a copy of a signed advertising agreement.

55. It was further part of the conspiracy that in the approximately ten months TMMMG was in business it used approximately five different merchant accounts as the credit card companies would cancel the merchant accounts due to numerous complaints from the time-share unit owners.

Customer Service

56. It was further part of the conspiracy that DUANY and DITROIA and other coconspirators would be advised of the calls to TMMMG from time-share unit owners who had

complaints or questions, including many inquiries about the status of the sale of their time share units.

57. It was further part of the conspiracy that defendants DITROIA and DUANY and other coconspirators would generally make little or no effort to rectify the hundreds of complaint calls from the time-share unit owners.

58. It was further part of the conspiracy that the defendants would ignore the calls from time-share unit owners who would attempt to cancel their contract within the seven-day period set forth in the advertising agreement, and then claim that the time-share unit owner could not cancel their contract as they did not cancel the contract in time.

There Were Never Any Buyers

59. It was further part of the conspiracy that, as each of the defendants well knew, TMMMG never had any buyers for the owners of the time-share units, and the owners of the time-share units would receive a return of their money, if at all, only when they complained to their credit card companies or when they told TMMMG that they were going to complain to their credit card companies or the authorities.

60. It was further part of the conspiracy that PAPPALARDO would be advised that the salespeople of TMMMG were making egregious misrepresentations over the telephone to the time-share unit owners, but PAPPALARDO continued to allow the salespeople to fraudulently induce the time-share unit owners to pay money to TMMMG.

61. It was further part of the conspiracy that BLEICH, LOVINSKY, SCHEEL, HARRINGTON, LOWTON, DAVIS, ROCKMORE, AL-DABBAS, ROSS, OLIVER and other salespeople began giving a closing date of 30-45 days, then, at the direction of Coconspirator 1,

DITROIA, and AGOVINO, the salespeople were told not to give an exact closing date for the sale of the time-share unit or to give a date of more than sixty days in the future as the time-share unit owners generally had sixty days to contest the charges with their credit card companies.

62. It was further part of the conspiracy that PAPPALARDO, DITROIA, and AGOVINO would hire individuals who had previous experience in other fraudulent telemarketing rooms that had defrauded time-unit owners.

63. It was further part of the conspiracy that PAPPALARDO, DITROIA, AGOVINO, and DUANY allowed LOWTON, DAVIS, ROCKMORE, LEE, BLEICH, SCHEEL LOVINSKY, HARRINGTON, and other salespeople to resell customers who had been victimized by the prior telemarketing rooms for whom they had worked.

64. It was further part of the conspiracy that, in order to attempt to impress and to intimidate the persons associated with TMP and TMMMG, PAPPALARDO, DITROIA, and AGOVINO would tell persons about organized crime ties and prior criminal history of PAPPALARDO and Coconspirator 1.

65. It was further part of the conspiracy that PAPPALARDO, DITROIA, and AGOVINO would use violence or the threats of violence in order to attempt to intimidate persons associated with TMP and TMMMG, including PAPPALARDO threatening to take a person's face off with a claw hammer.

66. It was further part of the conspiracy that PAPPALARDO knowingly hired persons who were drug addicts and persons with criminal backgrounds to work as "salespeople" at TMMMG.

67. It was further part of the conspiracy that when some of the top salespeople were arrested, PAPPALARDO, DITROIA, and AGOVINO would attempt to bail them out of jail so they could come back to work at TMMMG.

PAPPALARDO and the Coconspirators Made Substantial Profits From the Fraud

68. It was further part of the conspiracy that PAPPALARDO and DUANY would cause hundreds of thousands of dollars of checks to be issued in the name of coconspirators and others or payable to cash in order to: a) pay PAPPALARDO and Coconspirator 1 in cash; and b) to pay “spiffs,” that is, nightly cash bonuses of \$100 or more designed to encourage the salespeople to make sales of approximately \$2,000 or more.

69. It was further part of the conspiracy that each night Coconspirator 1, DITROIA, and AGOVINO would routinely pay cash “spiffs” to BLEICH, LOVINSKY, SCHEEL, HARRINGTON, LOWTON, DAVIS, ROCKMORE, AL-DABBAS, ROSS, OLIVER, and other salespeople.

70. It was further part of the conspiracy that PAPPALARDO would pick up envelopes of cash representing his share of the proceeds from TMMMG.

71. It was further part of the conspiracy that during the approximately 10 months that TMMMG was in existence, PAPPALARDO received at least \$300,000 in checks and hundreds of thousands of dollars of cash from the money paid to TMMMG by the time-share unit owners.

72. It was further part of the conspiracy that TMMMG issued approximately \$200,000 in checks to Tapia Consulting, Inc., a company owned by Agovino.

73. It was further part of the conspiracy that defendants BLEICH, LOVINSKY, SCHEEL, HARRINGTON, LOWTON, DAVIS, ROCKMORE, AL-DABBAS, ROSS, OLIVER

and the other salespeople would generally receive 30-40% of the amount sent by each of the time-share unit owners.

74. It was further part of the conspiracy that, from in or about July 2009 through May 2010, PAPPALARDO and his coconspirators induced time-share unit owners to send in excess of \$5,000,000 to TMMMG, generally in amounts ranging from \$1,996 to \$10,000, either by charging the time-share unit owners' credit cards or through checks sent by time-share unit owners to TMMMG through the United States mail.

75. It was further part of the conspiracy that, in or about May 2010, PAPPALARDO decided to close down TMMMG as PAPPALARDO was having difficulty keeping a merchant account due to the unusually large number of chargebacks.

The Fraud Continued After TMMMG Closed Down

76. It was further part of the conspiracy that, for at least a month after the merchant accounts of TMMMG were closed down, PAPPALARDO caused coconspirators to continue to answer phone calls directed to TMMMG and led the time-share unit owners to believe that their time-share units were still in the process of closing.

77. It was further part of the conspiracy that DITROIA and AGOVINO attempted to sell the names and identifying information of the time-share unit owners to another time-share telemarketing room.

78. It was further part of the conspiracy that, after leaving TMMMG, BLEICH, LOVINSKY, SCHEEL, HARRINGTON, and OLIVER would use the leads obtained from TMMMG in order to contact the time-share unit owners and get them to send additional money to a new company for whom they were working.

All in violation of Title 18, United States Code, Section 1349.

COUNT 2

(Money Laundering Conspiracy, 18 U.S.C. §1956(h))

1. The General Allegations and paragraphs 4 through 78 of Count 1 of the Indictment are realleged and incorporated herein by reference.
2. Domestic financial institutions, such as banks, are required by Federal law to report to the Internal Revenue Service anyone depositing, withdrawing or otherwise receiving more than \$10,000 in United States currency in any business day.
3. From in or about February 2009 through June 2010, in Broward County, in the Southern District of Florida and elsewhere, the defendants,

PASQUALE PAPPALARDO,
a/k/a Posh,
PARIDE DITROIA,
a/k/a Patty Boy,
PASQUALINO AGOVINO,
a/k/a Patsy, a/k/a Fat Patsy, and
LOUIS TOBIAS DUANY,

did knowingly and willfully conspire, confederate, and agree with each other and persons known and unknown to the Grand Jury, to commit an offense against the United States in violation of Title 18, United States Code, Section 1956, that is:

- i. to knowingly conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, mail fraud and wire fraud in violation of Title 18, United States Code, Sections 1341 and 1343 with the intent to promote the carrying on of said specified unlawful activities, and that while conducting and attempting to conduct such financial transactions knew that the

property involved in the financial transaction represented the proceeds of some form of unlawful activity in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i);

ii. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, mail fraud and wire fraud in violation of Title 18, United States Code, Sections 1341 and 1343, respectively, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activities, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and

iii. to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, mail fraud and wire fraud in violation of Title 18, United States Code, Sections 1341 and 1343, respectively, knowing that the transactions were designed in whole or in part to avoid a transaction reporting requirement under Federal or State law, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(ii).

OBJECT OF THE CONSPIRACY

4. It was the object of the conspiracy that the defendants and their coconspirators would withdraw from the Banks the proceeds of their fraudulent time-share telemarketing

scheme in a manner as to avoid the transaction reporting requirements under Federal law in order to promote the scheme and conceal some its proceeds.

MANNER AND MEANS OF THE MONEY LAUNDERING CONSPIRACY

5. Among the manner and means by which defendants PAPPALARDO, DITROIA, AGOVINO, and DUANY and their coconspirators sought to accomplish the objects of the conspiracy were the following:

A. It was part of the conspiracy that, at the direction of defendant PAPPALARDO and Coconspirator 1, defendant DUANY would issue checks to AGOVINO, DITROIA and others drawn on the Banks.

B. It was further part of the conspiracy that, at the direction of PAPPALARDO and Coconspirator 1, DUANY would falsely state in the memo section that the checks were issued for “leads,” “reimbursement of loans,” and other entries in order to hide the cash payments made to PAPPALARDO and Coconspirator 1.

C. It was further part of the conspiracy that PAPPALARDO and DUANY would issue and caused to be issued checks to AGOVINO, DITROIA, and others.

D. It was further part of the conspiracy that AGOVINO, DITROIA, and the others would, at the direction of defendants PAPPALARDO and Coconspirator 1, take the checks to the Banks and cash the checks.

E. It was further part of the conspiracy that PAPPALARDO avoided any reporting to the IRS by the Banks by utilizing multiple individuals to withdraw cash in amounts under \$10,000 from TMMMG’s bank account.

F. It was further part of the conspiracy that PAPPALARDO and Coconspirator 1 would split much of the cash withdrawn from TMMMG's bank account.

G. It was further part of the conspiracy that some of the cash would be paid by Coconspirator 1, AGOVINO, and DITROIA to the salespeople as cash "spiffs," if, on a given day, a salesperson had sales that exceeded approximately \$2,000.

H. It was further part of the conspiracy that, from in or about December 2009 through May 2010, PAPPALARDO and DUANY caused approximately \$1 million in cash to be withdrawn from the Banks by checks issued in amounts under \$10,000 to AGOVINO, DITROIA, coconspirators, and others, which were used to pay cash to PAPPALARDO, Coconspirator 1, and to the salespeople of TMMMG for "spiffs."

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

FORFEITURE ALLEGATIONS-(MAIL AND WIRE FRAUD)

1. The General Allegations, and paragraphs 4 through 78 of Count 1 of the Indictment, are realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America pursuant to Title 18, United States Code, Section 981(a)(1)(C), as incorporated by Title 28, United States Code, Section 2461(c), and the procedures outlined at Title 21, United States Code, Section 853.

2. Upon conviction of Count 1, an offense in violation of Title 18, United States Code, Section 1349, the defendants,

PASQUALE PAPPALARDO,
a/k/a Posh,
PARIDE DITROIA,
a/k/a Patty Boy,
PASQUALINO AGOVINO,

a/k/a Patsy, a/k/a Fat Patsy,
LOUIS TOBIAS DUANY,
MICHAEL BLEICH,
a/k/a Michael Boyd, a/k/a Alan Ryder, a/k/a "MSB,"
AUDWIN LOVINSKY,
a/k/a Edwin Loving, a/k/a "ABL,"
MICHAEL SCHEEL,
a/k/a Chris Wilson, a/k/a Josh Wilson, a/k/a Bowling Ball, a/k/a "MVS,"
DIANA HARRINGTON,
a/k/a Nicole Sanders, a/k/a the old lady, a/k/a "DH,"
ASHLEY LOWTON,
a/k/a Scott Peterson, a/k/a "AL," AL-992,
RICARDO DAVIS,
a/k/a John Peterson, a/k/a "RD," RD-993,
CHARLES LEE,
a/k/a Kenny Tran, a/k/a Young Mula, a/k/a "CL," CL-995,
KENNETH ROCKMORE,
a/k/a Tom Parker, a/k/a Manny Freshlur, a/k/a "Turk," a/k/a "Krock," a/k/a "KR," KR-991,
IBRAHIM AL-DABBAS,
a/k/a "Alan Cohen, a/k/a "ABE,"
CLINTON ROSS,
a/k/a Clint Anderson, a/k/a "CR," CR-917,
MILTON OLIVER,
a/k/a Anthony Carter, a/k/a Tony Carter, a/k/a "DLE,"

shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the afore-stated offense. The property to be forfeited includes, but is not limited to, the following:

A. The sum of \$5,000,000, which represents the amount of proceeds derived from the offense alleged in Count 1 of this Indictment.

3. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture obligations as alleged above.

4. Pursuant to Title 21, United States Code, Section 853(p), if any of the forfeitable property, or any portion thereof, as a result of any act or omission of the defendant:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred, or sold to, or deposited with a third party;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

then the United States shall be entitled to forfeiture of substitute property, up to the value of the above-described forfeitable property, as incorporated by Title 28, United States Code, Section 2461(c).

FORFEITURE ALLEGATIONS-(MONEY LAUNDERING)

1. The General Allegations, paragraphs 4 through 78 of Count 1 of the Indictment, and paragraphs 2 through 5 of Count 2 of the Indictment, are realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America pursuant to Title 18, United States Code, Section 982(a)(1), and the procedures outlined at Title 21, United States Code, Section 853, as incorporated by Title 18, United States Code, Section 982(b)(1).

2. Upon conviction of the offense alleged in Count 2 of the Indictment, an offense in violation of Title 18, United States Code, Section 1956(h), the defendants,

PASQUALE PAPPALARDO,
a/k/a Posh,
PARIDE DITROIA,
a/k/a Patty Boy,
PASQUALINO AGOVINO,
a/k/a Patsy, a/k/a Fat Patsy, and
LOUIS TOBIAS DUANY,

shall forfeit to the United States any property, real and personal, involved in such offense, or any property traceable to such property. The property to be forfeited includes, but is not limited to, the following:

A. The sum of \$1,000,000, which represents the amount involved in or traceable to the violation alleged in Count 2 of this Indictment.

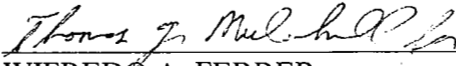
3. The above-named defendants, and each of them, are jointly and severally liable for the forfeiture obligations as alleged above.

4. Pursuant to Title 21, United States Code, Section 853(p), if any of the forfeitable property, or any portion thereof, as a result of any act or omission of the defendant:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred, or sold to, or deposited with a third party;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

then the United States shall be entitled to forfeiture of substitute property, up to the value of the above-described forfeitable property, as incorporated by Title 18, United States Code, Section 982(b)(1).

A TRUE BILL



WIFREDO A. FERRER
UNITED STATES ATTORNEY



JEFFREY N. KAPLAN
ASSISTANT UNITED STATES ATTORNEY