

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,
Plaintiff,

v.

CHARLES KAFEITI; INTERNATIONAL
SWEEPS REVENUE SERVICES, INC.;
GOLDEN RESPONSE WORLDWIDE, INC.
a/k/a INTERNATIONAL REVENUE
BUREAU, NATIONAL AWARDS
COMMISSION;

ANTHONY KAFEITI; FAIRMONT
WEALTH RESOURCES, INC. a/k/a
ROCKWELL ASSET PROCESSING;

STEVEN DIAZ; SK INTERNATIONAL
SYNDICATE, INC. a/k/a PERSHING
GROUP, BILTMORE PARTNERS;

DREW WILSON; BC0875430 a/k/a
BERKSHIRE GLOBAL SERVICES;

DENNIS HUNSAKER;
DIGITAL MATRIX INTERNATIONAL,
INC.;

CARMINE MAIETTA;

ELIZABETH MAIETTA;

DAVID ANTHONY; and
SIXEVOLUTION GMBH,

Defendants.

FILED
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U.S. DISTRICT COURT E.D.N.Y.

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LONG ISLAND OFFICE

CV18 6581

COMPLAINT

Civil Action No.

AZRACK, J.

SHIELDS, M.J.

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Plaintiff, the UNITED STATES OF AMERICA, by and through the undersigned attorneys, hereby alleges as follows:

INTRODUCTION

1. The United States brings this action for a temporary restraining order, preliminary and permanent injunctions and other equitable relief pursuant to 18 U.S.C. § 1345, in order to enjoin the ongoing commission of criminal mail fraud in violation of 18 U.S.C. §§ 1341 and 1349. The United States seeks to prevent continuing and substantial injury to the victims of fraud.

2. Defendants are using the U.S. Mail to engage in predatory mail fraud schemes that primarily affect the elderly and vulnerable.

3. Each year the defendants' activities result in the mailing of hundreds of thousands of solicitations to potential victims. These solicitations, emblazoned with the names and titles of fictional companies, departments and/or individuals, give the misimpression that they are personalized communiqués from legitimate businesses tasked with connecting prize recipients with their substantial awaiting winnings in exchange for fees of approximately \$20 to \$50. The solicitations contain multiple misrepresentations designed to induce victims to send the payments to the defendants.

4. In reality, none of the individuals or departments exist, the solicitations are not unique notices to a winner, and the recipients have not won any prize or cash.

5. In just the last ten months, defendants mailed, or facilitated the mailing of, over half a million letters that fraudulently promised large cash prizes in exchange for a fee. The solicitations ask recipients to return a response card with a "transmittal," "filing" or "expediting" fee in an envelope pre-addressed to a U.S. mailbox.

6. The solicitations are mailed to potential victims throughout the world, including victims in the United Kingdom, France, Australia, Germany and the United States, including residents of the Eastern District of New York.

7. All of the solicitations instruct victims to return their payments to mailboxes located in the United States, with all but one of the mailboxes located in the Eastern District of New York.

8. Thousands of individuals, many of whom are elderly and vulnerable, send the requested fees, but never receive the promised cash and prizes. Many thousands of victims suffer substantial financial losses from the defendants' fraudulent schemes.

9. Collectively, the defendants' schemes gross approximately \$4.8 million annually.

10. For the reasons stated herein, the United States requests injunctive relief pursuant to 18 U.S.C. § 1345 to enjoin defendants' ongoing scheme to defraud using the U.S. Mail in violation of 18 U.S.C. §§ 1341 and 1349.

JURISDICTION AND VENUE

11. The Court has subject matter jurisdiction over this action pursuant to 18 U.S.C. § 1345 and 28 U.S.C. §§ 1331 and 1345.

12. Venue lies in this district pursuant to 28 U.S.C. § 1391(b)(2).

STRUCTURE OF THE SCHEMES

13. Defendants' solicitations are designed to look like formal business notifications from a single legitimate, genuine prize processor. In truth, however, the defendants' mail fraud schemes involve a consortium of individuals and entities who play various roles in creating, personalizing, printing and mailing the solicitations, as well as opening, processing and tracking

victim returns. The general roles involved in the defendants' mass-mailing mail fraud schemes are as follows:

- *Direct Mailers.* Direct mailers orchestrate the scheme. Among other things, they acquire and approve solicitation packets (including the outside envelope, fraudulent solicitation, remittance slip, and payment return envelope), obtain lead lists, and orchestrate the scheme's logistics with the other participants. The direct mailers also pay the other participants for their roles in conducting the scheme.
- *List Brokers.* List brokers help the direct mailers rent "lead" lists containing the demographic information of consumers most likely to send payments in response to fraudulent solicitations.
- *Data Managers.* Data managers create and maintain lists of solicitation recipients. Data managers also enable direct mailers to maintain lists of victims who respond to the direct mailers' own solicitations. Direct mailers use those lists either to retarget those victims or rent the victim information to other direct mailers.
- *Printers/Distributors.* Printers/Distributors use the lead lists provided by list brokers and maintained by data managers to personalize and print thousands of copies of the fraudulent solicitations. Once printed, the printers/distributors "letter shop" the solicitations (*i.e.*, fold, assemble, insert, and seal the various printed elements of the solicitations into their mailing envelopes), and transport them to mailing houses.
- *Mailing Houses.* Mailing houses pre-sort the shipments of solicitations by address and then send them to victims through the U.S. Mail or foreign post using bulk mailing permits.
- *Cagers.* Cagers open victim response envelopes, review responses, record victim information and payments into a database, and transmit victim payments to a payment processor. Cagers also rent post office boxes on the scheme's behalf.
- *Payment Processors.* Payment processors receive victim payments from the cagers, process the payments and distribute the proceeds to the direct mailers.

14. In mass mailing fraud operations, it is common for a single individual or corporation to serve more than one role; for instance direct mailers may cage their own mail and some companies are "full service" and may, for instance, offer to handle mailing logistics, cage and process payments.

15. As set forth *infra*, defendants serve varying roles in mailing the solicitations, as well as processing victim returns.

PARTIES

16. Plaintiff is the United States of America.

A. Direct Mailer Defendants

17. Defendant Charles Kafeiti resides in Scottsdale, Arizona. He directs and controls two defendant direct mailer corporations, defendant International Sweeps Revenue Services, Inc. and defendant Golden Response Worldwide, Inc. and utilizes those corporate entities to perpetrate a fraud scheme alleged herein.

18. Defendant International Sweeps Revenue Services, Inc. (“ISRS”) is, and was at all times relevant to this action, a corporation organized and existing under the laws of the State of New York.

19. Defendant Golden Response Worldwide, Inc. (“Golden Response”) is, and was at all times relevant to this action, a corporation organized and existing under the laws of the State of New York. Defendant Golden Response also does business as International Revenue Bureau (“IRB”) and National Awards Commission.

20. Defendant Anthony Kafeiti resides in Port Jefferson, New York. He directs and controls defendant Fairmont Wealth Resources, Inc. and utilizes that corporate entity to perpetrate a fraud scheme alleged herein.

21. Defendant Fairmont Wealth Resources, Inc. (“Fairmont Wealth”) is, and was at all times relevant to this action, a corporation organized and existing under the laws of the State of New York. Defendant Fairmont Wealth also does business as Rockwell Asset Processing.

22. Defendant Steven Diaz resides in Mount Sinai, New York. He directs and controls defendant SK International Syndicate, Inc. and utilizes that corporate entity to perpetrate a fraud scheme alleged herein.

23. Defendant SK International Syndicate, Inc. (“SK International”) is, and was at all times relevant to this action, a corporation organized and existing under the laws of the State of New York. Defendant SK International also does business as Pershing Group and Biltmore Partners.

24. Defendant Drew Fraser Wilson (“Wilson”) resides in New Westminster, Canada. He directs and controls defendant BC0875430, also known as Berkshire Global Services, Inc. and utilizes that corporate entity to perpetrate the fraud schemes alleged herein.

25. Defendant BC0875430, also doing business as Berkshire Global Services Inc. (“BGS”) is, and was at all times relevant to this action, a corporation organized and existing under the laws of British Columbia, Canada.

26. In connection with the matters alleged herein, defendants Charles Kafeiti, ISRS, Golden Response, Anthony Kafeiti, Fairmont Wealth, Diaz, SK International, Wilson and BGS (hereinafter, collectively the “Direct Mailer Defendants”) have caused hundreds of thousands of fraudulent solicitations to be sent to potential victims and caused victim returns to be sent via the U.S. Mail to mailboxes located in the Eastern District of New York.

B. Data Manager Defendants

27. Defendant Dennis Hunsaker (“Hunsaker”) resides in North Las Vegas, Nevada. He directs and controls defendant Digital Matrix International, Inc. and utilizes that corporate entity to perpetrate the fraud schemes alleged herein.

28. Defendant Digital Matrix International, Inc. (“DMI”) is, and was at all times relevant to this action, a corporation organized and existing under the laws of the State of Nevada.

29. In connection with the matters alleged herein, defendants Hunsaker and DMI (hereinafter, collectively the “Data Manager Defendants”) have caused hundreds of thousands of fraudulent solicitations to be sent to potential victims and caused victim returns to be sent via the U.S. Mail to mailboxes located in the Eastern District of New York.

C. Cager Defendants

30. Defendant Carmine Maietta resides in Westbury, New York.

31. Defendant Elizabeth Maietta resides in Westbury, New York.

32. In connection with the matters alleged herein, defendants Carmine Maietta and Elizabeth Maietta (hereinafter, collectively the “Cager Defendants”) have caused thousands of fraudulent solicitations to be sent to potential victims and caused victim returns to be sent via the U.S. Mail to mailboxes located in the Eastern District of New York.

D. Payment Processor Defendants

33. Defendant David Anthony (“Anthony”) resides in Germany. He directs and controls SixEvolution GmbH and utilizes that corporate entity to perpetrate the fraud schemes alleged herein.

34. Defendant SixEvolution GmbH (“SixEvolution”) is, and was at all times relevant to this action, a corporation organized and existing under the laws of Germany.

35. In connection with the matters alleged herein, defendants Anthony and SixEvolution (hereinafter “Payment Processor Defendants”) have processed victim returns sent via the U.S. Mail to mailboxes located in the Eastern District of New York, and caused victim checks, foreign currency and credit card information to be forwarded to them in Germany through

the International Service Center at JFK Airport (the “JFK ISC”), located in the Eastern District of New York.

DEFENDANTS’ ONGOING FRAUDULENT SCHEMES

A. Overview of Defendants’ Schemes

36. Defendants operate at least three mail fraud schemes—the Golden Response Scheme, the Fairmont Wealth Scheme, and the International Syndicate Scheme.

37. Since at least 2007, defendant Charles Kafeiti has directed and operated the first scheme through corporate defendants ISRS and Golden Response Worldwide (hereinafter, the “Golden Response Scheme”). Defendants Charles Kafeiti, ISRS and Golden Response operate as the direct mailers of the scheme by acquiring, revising, and approving solicitations; directing vendors and service providers, including list brokers and printer; developing lists of potential solicitations recipients; monitoring the solicitations’ response rates; paying vendors and reaping the proceeds of the schemes.

38. Since at least 2011, defendant Anthony Kafeiti has directed and operated the second scheme through corporate defendant Fairmont Wealth Resources, Inc. (hereinafter, the “Fairmont Wealth Scheme”). Defendants Anthony Kafeiti and Fairmont Wealth operate as the direct mailers of the scheme by acquiring, revising, and approving solicitations; directing vendors and service providers, including list brokers and printer; developing lists of potential solicitations recipients; monitoring the solicitations’ response rates; paying vendors and reaping the proceeds of the schemes.

39. Since at least 2009, defendant Steven Diaz has directed and operated the third scheme through corporate defendant SK International Syndicate (hereinafter “International Syndicate Scheme”). Defendants Diaz and SK International operate as the direct mailers of the

scheme by acquiring, revising, and approving solicitations; directing vendors and service providers, including list brokers and printer; developing lists of potential solicitations recipients; monitoring the solicitations' response rates; paying vendors and reaping the proceeds of the schemes.

40. Defendants Charles Kafeiti and Anthony Kafeiti are brothers, and defendant Diaz is their cousin. Each of the three cousins retain independent control and direction of the three schemes, but share knowledge, resources and operations.

41. For instance, from 2013 until 2016, the Direct Mailer Defendants shared one merchant account at a former payment processor, (hereinafter "Payment Processor A"). They have also operated common accounts with vendors, including sharing an account at a mailing house/distributor.

42. Defendant Drew Wilson has worked for the Golden Response, Fairmont Wealth and International Syndicate Schemes through BGS since each scheme's inception. Wilson, who bills himself as a "consultant," assists defendants Charles Kafeiti, Anthony Kafeiti and Steven Diaz, and their respective corporate defendants, with a variety of activities including mailing list coordination, fulfillment, recommending content changes, creating mailing lists for rental, paying vendors and scheduling mailings.

43. Additionally, the Direct Mailer Defendants use common service providers in support of the schemes. For instance, defendants Wilson and BGS provide support to all three schemes. Defendants Hunsaker and DMI currently provide data management services for both the Golden Response and the Fairmont Wealth Schemes. Defendants Anthony and SixEvolution provide payment processing services for the Golden Response and the International Syndicate Schemes.

44. The three schemes have collectively mailed over half a million fraudulent solicitations in just the last ten months. While the solicitations are mailed around the globe, victim responses are returned via the U.S. Mail to the Eastern District of New York, where they are opened and cataloged so the victims can be retargeted.

45. Each scheme involves direct mail solicitations replete with misrepresentations and deceptive statements designed to convince victims to send a payment. Victims who return the fee receive: a leaflet containing otherwise publicly available information about sweepstakes and other contests (hereinafter “leaflets”); a trinket of minimal value; or nothing at all.

46. All of the solicitations purport to inform potential victims that they are receiving individualized, urgent notices that they have won a large cash prize or valuable award. To receive the award, the solicitations direct recipients to return a payment. The payment is characterized in multiple ways, including for “transmittal,” “filing” or “expediting” services.

47. The solicitations appear to come from legitimate organizations and individuals with official sounding names, departments and titles. For instance, several solicitations purport to be “authorized” or “endorsed” by the “Finance Manager,” “Distribution Director” or “Prize Funds Release Manager.” Another originates from the “Payments Department.” These individuals, positions and departments are fictitious.

48. The solicitations use selectively-emphasized text and graphics to create the false overall impression that recipients are receiving notices that they are already winners of substantial awards. Many have a graphic that looks like an “APPROVED” stamp. Others emphasize that the recipient has been “Guaranteed” the award or that the recipient has been confirmed “eligible as a claimant.” Some require recipients to sign a form accepting the transfer. In reality, not only have

recipients not won any prize, the direct mailers have done nothing to verify that the recipients are eligible for such a prize.

49. The misimpression that the recipients have won a prize is further reinforced by text and graphics that make the solicitations appear unique and personalized, when in fact they are nothing more than form letters. The solicitations frequently bear unique account codes, validation codes or graphics that look like handwritten notes or marks from the solicitations' sender. Despite misrepresentations that they are unique notices, thousands of nearly identical copies of each solicitation packet are sent to potential victims.

50. The solicitations stress an urgent response is required and that the pending wealth will be jeopardized if the recipient does not act quickly to return the fee. Solicitations note the award has been "suspended" for lack of payment, that the solicitation is the "final notice" or have marks indicating the communication is "urgent." Again, in reality, no payment has been suspended, and there is no deadline for submission of a payment.

51. The Direct Mailer Defendants attempt to absolve themselves of responsibility by including disclaimers on their solicitations. The disclaimers describe—vaguely—the solicitations' actual offer, a leaflet. Nonetheless, the disclosures are presented in a manner that substantially reduces or eliminates their effectiveness, including generally being printed in smaller print in a dense "boilerplate" fashion on the back side or last page of the solicitations, where they are less likely to be seen. As a result, the disclaimers do not overcome the multiple design elements and language on the face of the solicitations that provide the overall impression that the recipients will receive substantial monetary awards if they pay the fee.

52. Each solicitation packet contains a response card and a pre-addressed payment return envelope to facilitate the return of victim payments. The recipient is instructed to fill out the response card and return it along with his or her payment.

53. When victims pay the fee, many receive nothing in return. Those that do receive something, are mailed a leaflet containing a list of contests and sweepstakes, information about each contest is otherwise publically available and easily accessible. U.S. victims who respond to Golden Response Scheme solicitations are also promised receipt of an inexpensive jewelry item, although many victims do not receive even this token “prize.”

54. The Direct Mailer Defendants identify solicitation recipients in one of two ways. First, the Direct Mailer Defendants work with list brokers to rent lists containing the names and addresses of individuals most likely to respond to the schemes’ fraudulent mailings. Generally, these lists are owned by other direct mailers who send also send deceptive or fraudulent solicitations. Second, the Direct Mailer Defendants will often retarget victims who have previously responded favorably to their solicitations.

55. Prior to the list of potential victims being sent to the printer to be inserted into thousands of otherwise identical solicitations, defendants Charles Kafeiti and Anthony Kafeiti, and their respective corporate defendants, use defendants Hunsaker and DMI to “clean” the data. Defendants Hunsaker and DMI remove bad addresses and duplicate entries from mailing lists on behalf of the Direct Mailer Defendants, in order to decrease the Direct Mailer Defendants’ costs.

56. The Direct Mailer Defendants then send the cleaned lists to a printer, who prints the names and addresses on thousands of otherwise identical solicitations. The printers also print a unique bar code or QR code onto each solicitation. The Direct Mailer Defendants use these unique identifiers to track who responds to their solicitations.

57. After the solicitations have been printed, “personalized” and letter shipped (*i.e.*, folded and placed along with the response envelope into an outer envelope) they are mailed as per the direction of the Direct Mailer Defendants. All three schemes mail solicitations to international recipients; the Global Response Scheme also mails solicitations to U.S. recipients, including residents of the Eastern District of New York.

58. All three of schemes provide pre-addressed reply envelopes for victims to mail their payments to mailboxes located in the United States.

59. Defendant Charles Kafeiti’s scheme, the Golden Response Scheme, uses four mailboxes located in the Eastern District of New York to receive victim returns. Defendant Carmine Maietta opened each box, which are located in Levittown, Hicksville, Westbury and East Meadow. Additionally, some of Golden Response Scheme’s solicitations include return envelopes that direct victim responses to mailboxes in Europe, including Spain and Sweden.

60. Defendant Anthony Kafeiti opened two mailboxes in the Eastern District of New York to receive victim responses to the Fairmont Wealth Scheme’s fraudulent solicitations. Those boxes are located in Lake Grove and Smithtown.

61. Defendant Diaz opened one mailbox in the Eastern District of New York to receive victim responses to the International Syndicate Scheme’s fraudulent solicitations. That box is located in Mount Sinai. Additionally, some International Syndicate Scheme’s solicitation packets contain reply envelopes directing victim payments to a mailbox in Miami, Florida. Those victim replies are compiled and shipped to the Mount Sinai mailbox.

62. Victim returns are then “caged,” meaning the return envelopes are opened and reviewed for payment.

63. Defendants Carmine Maietta and Elizabeth Maietta cage victim responses for defendant Charles Kafeiti and the Golden Response Scheme.

64. Defendant Anthony Kafeiti cages victim responses himself for the Fairmont Wealth Scheme, which he also controls.

65. Defendant Steven Diaz cages victim responses himself for International Syndicate Scheme, which he also controls.

66. As part of the caging process, defendants Carmine Maietta, Elizabeth Maietta, Anthony Kafeiti and Steven Diaz scan the unique identifier located on the response. That information is uploaded to a database allowing the Direct Mailer Defendants to track victims who paid the fee. With that information, the Direct Mailer Defendants can retarget victims for additional solicitations, sell victims' information to other mass mailers, or both. As a result, victims who make payments in response to defendants' mail fraud schemes receive additional solicitations from the scheme to which they responded and are victimized by other similar sweepstakes and lottery related mail fraud schemes.

67. To facilitate the use of victim information for these purposes, the Golden Response Scheme and the Fairmont Wealth Scheme upload victim information into defendants Hunsaker and DMI's campaign management tool, Atlantis.

68. From the victim responses, defendants Carmine Maietta, Elizabeth Maietta, Anthony Kafeiti and Steven Diaz collect victim payments, including currency, checks, money orders, and credit card information.

69. Defendants Charles Kafeiti, Diaz and their respective corporate defendants send credit card and checks to defendants Anthony and SixEvolution, sometimes through the U.S. Mail

and the JFK ISC. Defendants Anthony and SixEvolution process the credit cards and check payments from victims.

70. Each week, approximately 3,200 victim payments are mailed to the Eastern District of New York in response to defendants' fraudulent solicitations. As discussed *infra*, although each scheme targets different countries and mails different solicitations, the solicitations share common traits in that they (1) purport to be official notifications from legitimate companies, departments and/or individuals, which are in fact fictitious; (2) selectively emphasize text and graphics to create an overall impression the individual has already won a prize and downplay the solicitations' actual offering, a leaflet containing otherwise publically available information about sweepstakes and contests and/or inexpensive jewelry; (3) contain indicia of personalization, making it appear the solicitations are unique notices, rather than form letters; (4) use text and graphics to make the solicitation appear urgent.

B. Golden Response Scheme's Solicitations

71. Defendants Charles Kafeiti, ISRS, Golden Response, Drew Wilson, BGS, Dennis Hunsaker, DMI, Carmine Maietta, Elizabeth Maietta, David Anthony and SixEvolution participate in the Golden Response Scheme.

72. Through defendants Golden Response and ISRS, the scheme mails out solicitations using at least three names, Golden Response Worldwide, International Revenue Bureau and National Awards Center.

73. As part of the Golden Response Scheme, defendants Charles Kafeiti, Wilson, Golden Response, ISRS and BGS mail solicitations to victims in Austria, Belgium, France, Germany, Switzerland, the United Kingdom and the United States, including to residents of the Eastern District of New York.

74. Defendants Charles Kafeiti, Wilson, ISRS, Golden Response and BGS devise, prepare and coordinate the mailing of multiple versions of solicitations in the Golden Response Scheme. The Golden Response Scheme's foreign solicitations purport to notify potential victims that they have been awarded large cash prizes equivalent to several million dollars, but need to pay a fee equivalent to approximately \$20 to \$40 to claim it.

The "International Revenue Bureau" Foreign Solicitations

75. One representative solicitation mailed at the direction of defendants Charles Kafeiti, Wilson, ISRS, Golden Response and BGS purports to be sent by Riley Manellar, the President of the International Revenue Bureau. *See* Exhibit A attached hereto.

76. Defendants' solicitation gives the overall impression that the President of the "International Revenue Bureau" was delivering a personalized message that the recipient has won over £4,00,000,000 and needed to pay £30 to claim the money. *Id.*

77. The top of the solicitation's first page has large print stating "AUTHORIZED NOTICE OF PENDING CASH GRANT" and contains what looks like an official seal for the International Revenue Bureau. *Id.*

78. The remainder of the first page resembles a letter. The letter states, in part, that the "bureau[s]" research has determined the recipient is an "eligible claimant" for "over £4,040,697.00 in pending chase disbursements." *Id.*

79. The next paragraph states, in full:

This means, quite simply, that you will definitely receive a huge cash payment, providing only that all terms and conditions are fulfilled pursuant to individual sponsor requirements. Reported free cash and prizes of verified independent sponsors listed over 4 million pounds, but you have not yet won a prize, and cannot claim any of the prize money unless you enter and win. Please respond immediately. *Id.*

80. The solicitation then tells the recipient he or she needs to sign the attached certificate of eligibility and “a full listed accounting of payments pending will be rushed to you via uniformed courier, [Victim Name].” *Id.*

81. The “letter” is signed by the “President” of IRB “With best wishes for continuing good luck in the future.” *Id.* It also contains what appears to be a handwritten comment indicating “Over £4,040,697.00 Positively Confirmed,” a hand-drawn circle around the award amount in the first paragraph, and a stamp that says “CERTIFIED AND VERIFIED.” *Id.*

82. The second page of the solicitation is the “Certificate of Eligibility,” also labeled as “Form D17.” *Id.* It directs the recipient to return the form “on or before the date stated below for immediate processing” and warns that “Income taxes due on chase payment(s) received are sole responsibility of recipient.” *Id.*

83. On the bottom of the “Certificate of Eligibility” is a checklist of eight items. *Id.* The first six items, including the name of the “eligible recipient,” mailing address, “Claimant Tracking Code,” have what appear to be handwritten checkmarks. *Id.* The final item two items, “Report Fee” and signature, are circled, indicating the recipient should complete those two items. *Id.* The certificate is stamped “TIME SENSITIVE.” *Id.*

84. Victims are directed to return their “Report Fee” in an enclosed, pre-addressed envelope addressed to a PO Box in Hicksville, New York. *Id.*

85. On the back of the second page of the solicitation is a disclaimer. *Id.* It states, in part, that “IRB is not a lottery company and does not offer lottery contest, or sweepstakes entries” and that “This communication is not sweepstakes or award notification.” *Id.* The disclaimer is written in smaller, uniform, block-print. *Id.*

86. The overall impression of the foreign Golden Response Scheme is that the recipient has already won a £4 million prize and that they must quickly send £30 to claim their prize. The disclaimer does not overcome the overall impression of solicitations.

87. Notably, there is no International Revenue Bureau or Riley Manellar, President of the International Revenue Bureau. Contrary to the representations, no research has been performed to determine whether the recipient is an “eligible claimant” for any lottery. The letter is not unique, but rather a form solicitation mailed to thousands. Victims who send a payment do not receive a prize in return. Instead, if they receive anything at all, the “uniformed courier,” *i.e.* a government mail carrier, will bring the victim a leaflet.

88. Defendants Charles Kafeiti, Wilson, ISRS, Golden Response and BGS coordinated the mailing of the “International Revenue Bureau” solicitation. At their direction, the “International Revenue Bureau” solicitation was mailed to recipients throughout Great Britain, and victim responses and payments were mailed internationally to the JFK ISC and to defendants’ P.O. Box in Hicksville, New York.

The “G.R.W. Entitlement Certification” Domestic Solicitation

89. Defendants Charles Kafeiti, Wilson, ISRS, Golden Response and BGS have also coordinated the mailing of fraudulent solicitation to U.S. residents. The domestic solicitations similarly gives an overall impression that the recipient has been award a large prize. As a variation, however, the domestic solicitation also indicate the recipient has been awarded a jewelry item. These types of solicitations are commonly called merchandise incentive offers or “MIOs.” As with the Golden Response Scheme’s foreign solicitations, the overall impression of the domestic solicitation is misleading in order to induce the recipient to send a payment.

90. A representative domestic solicitation mailed at the direction of defendants Charles Kafeiti, Wilson, Golden Response, ISRS and BGS persistently uses selectively emphasized text and graphics to create the impression the recipient has won \$1,000,000 and needs to pay a “Filing Fee” of \$39.00 to claim it. *See* Exhibit B attached hereto.

91. The top of the solicitation has bold text proclaiming it is an “ENTITLEMENT CERTIFICATION” with “DOCUMENTS FOR PENDING PAYMENTS TOTALING \$1,000,000.00.” *Id.* It has the signature of the “Approval Officer,” “Dexter Thompson.” *Id.*

92. The body of the solicitation again begins with large text announcing, “FOR IMMEDIATE ATTENTION” “AWARD AND DETAIL OF LARGE PAYMENT(S) AVAILABLE” below that text “Award and Full Amounts Confirmed” two items are listed, a DE Marquis Necklace and \$1,000,000.00. *Id.*

93. The remainder of the solicitation appears to be a letter from the “Approval Officer” as well as the “Payment Auditor.” *Id.* It says that “At 2:53 pm on March 06, 2018, our offices filed documents for delivery of said jewelry along with a reported amount of up to \$1,000,000.00 available for you to enter and win.” *Id.* The “letter” goes on to advise that “in order to claim your award and documents in your name, your signed release must be received in the next **18 days.**” *Id.*

94. The final paragraph states, “Only swift action on your part will GUARANTEE delivery to: [Victim’s address]. Upon receipt our offices are under strict instruction to immediately finalize, procedural documents along with your De Marquis Necklace award. I urge you to respond today.” *Id.*

95. In smaller, uniform, block text, the back of the solicitation contains the “Terms & Conditions.” *Id.* The disclaimer states that “GRW” is “researching and documenting sweepstakes

sponsored by organizations which GRW is completely unaffiliated with and does not receive commission or fees from these sponsoring companies.” *Id.* It later states that “GRW is not a lottery company nor does it offer contest or sweepstakes entries.” *Id.* These “Term & Conditions” do not overcome the overall impression of the body of the solicitation.

96. The return envelope directs victims to return their “43-T Release” form and \$39 payment to a PO Box in Westbury, New York. *Id.*

97. Notably, there is no Dexter Thompson, who serves as an “Approval Officer.” No documents were filed at “2:53 p.m. on March 06, 2018.” No “independent auditing committee” has confirmed the “full distributions of this unique jewelry and the one millions [sic] dollars.” There is no deadline for payment. Victims who return the fee will not receive a prize in return. At best, those who send the fee will receive a leaflet and a piece of inexpensive jewelry. More likely, victims, even those who paid multiple times, will receive nothing in return for their payments.

C. The Fairmont Wealth Scheme’s Solicitations

98. Defendants Anthony Kafeiti, Fairmont Wealth, Drew Wilson, BGS, Dennis Hunsaker and DMI participate in the Fairmont Wealth Scheme.

99. Defendants Anthony Kafeiti and Fairmont Wealth mail solicitations under the names Fairmont Wealth Resources, Inc. and Rockwell Asset Processing to potential victims in Europe, including Italy, Austria, Belgium, France, Germany, Switzerland and the United Kingdom.

100. Defendants Anthony Kafeiti, Fairmont Wealth, Drew Wilson, BGS, Dennis Hunsaker and DMI devise, prepare and coordinate the mailing of multiple versions of solicitations in the Fairmont Wealth Scheme. These solicitations purport to notify potential victims that they

have been awarded a large cash prize equivalent to several million dollars, but must pay a fee equivalent to approximately \$30 to claim it.

The “ASL401 Procurement Release Form” Solicitation

101. One representative solicitation mailed at the direction of defendants Anthony Kafeiti, Fairmont Wealth, Drew Wilson and BGS to potential victims in the United Kingdom gives the misimpression that recipients had been awarded £2,500,000 but needed to pay a “document preparation and expedition free” of £25 cash or a £35 credit card charge. *See* Exhibit C attached hereto.

102. The top of the solicitation has large font stating “***£2,500,000*** Pending Release IMMEDIATE RESPONSE REQUIRED.” *Id.* The potential victim’s name is printed after the phrase “APPROVED RECIPIENT” and a numeric code is printed after the phrase “ID CODE.” *Id.*

103. The beginning of the body of the solicitation indicates that the “notice is intended for the above named and approved recipient only and is non-transferable.” *Id.* It proceeds to congratulate the recipient in bolded text: “**Fairmont Wealth Resources would like to offer you their congratulations, [Victim name]!**” *Id.* (Emphasis in original.)

104. The solicitation continues, “You have been selected as an eligible recipient of over £2,500,000 in available prize winnings. These winnings are aggregated from 3rd party sponsors and are being made available to you. Legal Compliance dictates these winnings must be allocated and **you have been selected** as a recipient of £2,500,000 release documentation.” *Id.* (Emphasis in original.)

105. It further notes that “The only requirement is that your reply is needed to avoid cancellation. If cancellation occurs any and all monies potentially allocated to you will immediately be transferred to another selected candidate.” *Id.*

106. The back of the solicitation contains a disclaimer. *Id.* That disclaimer is written in smaller, uniform, block text. *Id.* It states, in part, that Fairmont “is committed to researching the best available sweepstakes and winning opportunities on behalf of you, our customers. Our mandate is to find and report on free contests and sweepstakes which you may not be aware of.” *Id.* This inconspicuous disclosure—which does not plainly say all the recipient is potentially purchasing is a leaflet—does not counteract the solicitation’s otherwise deceptive and misleading text and graphics and the overall impression that the recipient is the sole recipient of a unique notice who they will receive £2.5 million in “prize winnings.” *Id.*

107. The overall impression of the solicitation is intentionally misleading to induce recipients to send payments to the defendants.

108. The response envelope directs victims to return their fee to a P.O. Box in Smithtown, New York. *Id.*

109. Notably, the recipient has not been “selected as an eligible recipient,” and the notice is not unique to the “above named and approved recipient only.” *Id.* Instead, the solicitation is one of thousands of similar solicitations mailed to the recipients because their names and addresses were rented from a list broker. Returning the requested £25 or £35 payment will not cause £2.5 million to be released to the victim.

D. The International Syndicate Scheme’s Solicitations

110. Defendants Steven Diaz, SK International, Drew Wilson, BGS, David Anthony and Six Evolution participate in the International Syndicate Scheme.

111. Defendants Diaz and SK International mail solicitations under the names Biltmore Partners and Pershing Group to potential victims in Australia, Austria, Belgium, France, Germany, Switzerland and the United Kingdom.

112. Defendants Steven Diaz, SK International, Drew Wilson and BGS devise, prepare and coordinate the mailing of multiple versions of solicitations in the International Syndicate Scheme. These solicitations purport to notify potential victims that they have been awarded a large cash prize equivalent to several million dollars, but must pay a fee equivalent to approximately \$20 to claim it.

The “Pershing Group Settlements Division Release Statement” Solicitation

113. One representative solicitation mailed at the direction of defendants Steven Diaz, SK International, Drew Wilson and BGS to potential victims in Australia purports to be sent by the Pershing Group of Mount Sinai, New York. This solicitation gives the impression the recipient has won a prize of \$6,000,000 and must pay at least \$20 to claim the winnings. *See* Exhibit D.

114. The solicitation purports to come from the “Settlements Division” of the Pershing Group. *Id.*

115. The solicitation explains it concerns “DETAILS OF RELEASE” concerning “RELEASE OF AWARD SETTLEMENT DOCUMENTS VALUED AT \$6,000,000.00.” *Id.* (Emphasis in original.)

116. The body of the solicitation states “At 9:47 am on <mail date> the following proceeding were enacted and led to the determination of <Firstname Lastname> as entitled to the release of \$6,000,000.00 award settlement documents[.]” *Id.*

117. It further states that “<FIRSTNAME>, all participation and claim procedures for the \$6,000,000.00 are outlined in the award settlement documents prepared in your name.” *Id.*

118. The solicitation tells the potential victim that the “Internal Procedures” are completed, *i.e.*, the recipient’s identity is confirmed and the amount is confirmed. *Id.* The communication is “Authorized by Pershing Group” via a signature from “Brad Corbett.” *Id.*

119. The back of the solicitation contains a disclaimer. *Id.* That disclaimer is written in smaller, uniform, block text. *Id.* It states, in part, that Pershing is a “research and reporting service.” *Id.* Towards the middle of the lengthy paragraph it states, “PSG is a lottery company or lottery organizer and does not offer lotteries, nor do we offer competitions or participation in competition.” *Id.* This inconspicuous disclaimer—which only vaguely describes what is actually being sold, a leaflet—does not overcome the solicitation’s otherwise deceptive and misleading text and graphics and the overall impression that recipients will receive \$6 million.

120. The overall impression of the solicitation is intentionally misleading to induce recipients to send payments to the defendants.

121. The response envelope is pre-addressed to a P.O. Box in Mount Sinai, New York.

122. Notably, there is no Pershing Group, no “Settlements Division” and no “Brad Corbett.” No analysis was performed at 9:47 a.m. to determine that any recipient is entitled to the release of *any* funds. Victims who send a payment will not receive a cash award. If they receive anything at all, it will be a leaflet listing public sweepstakes they may or may not be eligible to enter and win.

DEFENDANTS’ KNOWLEDGE THE FRAUD

A. Direct Mailers

123. Defendants Charles Kafeiti, ISRS, Golden Response, Anthony Kafeiti, Fairmont Wealth, Steven Diaz, Drew Wilson and BGS know that their mass-mailed solicitation packets contain false and misleading statements that convince victims to send payments.

124. Each Direct Mailer Defendant knows that the thousands of form letters mailed to potential victims each year do not results in thousands upon thousands of individuals becoming millionaires.

125. Defendants Charles Kafeiti, ISRS, Golden Response, Anthony Kafeiti, Fairmont Wealth, Steven Diaz, Drew Wilson and BGS approve the language, graphics and selectively emphasized text to intentionally mislead recipients into believing that they have won a prize in order to get victims to send the defendants payments.

126. Each Direct Mailer Defendant knows that solicitations' indicia of legitimacy, uniqueness and personalization are nothing more than marketing tricks.

127. Direct Mailer Defendants know that the official sounding departments and positions identified on the solicitations—President of International Revenue Bureau, Pershing Group's "Settlements Department," Golden Response's "Approval Officer" and "Payments Auditor"—are fictitious and that the direct mailer corporations are little more than shells.

128. Direct Mailer Defendants know the solicitations are form letters mailed to thousands of people, despite the graphics and text—such as the "handwritten" marks, precise date and time "documents for delivery" were purportedly filed—used to make the solicitations appear otherwise.

129. Direct Mailer Defendants Anthony Kafeiti and Steven Diaz and their respective corporate entities know that victims are deceived by their solicitations because *inter alia* of victim communications inquiring about the status of their expected winnings, and victim complaints explicitly stating that the victims were misled by the solicitations.

130. For example, while caging victim returns, defendant Anthony Kafeiti sees notes from victims inquiring why they have not received a prize.

131. Defendant Charles Kafeiti knows that his solicitations contain false and misleading statements because in July 2014, he and defendant ISRS were sued by the U.S. Postal Service in an administrative action alleging “consumers believe they have been selected to receive a large cash award that is ready to be distributed...” The solicitation attached to that complaint had misleading stamps, fonts, signatures, text and other indicia as the solicitations at issue in the present action, including Exhibits A and B.

132. Defendants Charles Kafeiti and ISRS settled that administrative action, making no admission of liability. As part of that settlement, defendants Charles Kafeiti and ISRS agreed, among other things, to stop implying that recipients have won cash or have been selected to receive cash, are part of a more special or limited group than they actually are, or that recipients must respond by a specified date or forfeit the award.

133. In spite of those prohibitions, defendant Charles Kafeiti and the Golden Response Scheme mail both foreign and domestic solicitations that imply recipients have won an award, that recipients are a part of a special group, and that a response is urgently needed. *See* Exhibits A-B.

134. While defendant Charles Kafeiti has selectively added language to some of his domestic solicitations indicating that the recipient is entitled to receive “documents [that] will have the details on the opportunities available for you to enter and win,” he has not made these changes to all of his solicitations. Moreover, the minor additions and boilerplate fine-print do not overcome the overall fraudulent impressions of the solicitations.

135. Even with the added language, the words “Entitlement Certificate” and “\$1,000,000.00” are still the most prominent. *See* Exhibit B. Similarly, the jewelry item recipients are purportedly entitled to receive, a necklace, and the \$1,000,000 prize they and the rest of the public can “enter and win,” are equally as prominent below text reading, “AWARD AND FULL

AMOUNTS CONFIRMED.” *Id.* The solicitation still contains signatures from two fictitious individuals who hold nonexistent positions; a purported day, hour, and minute, that Golden Response “filed documents of delivery; and an “APPROVED” stamp. *Id.* The overall impression given by the solicitation is unchanged.

136. Moreover, the same day that defendant Charles Kafeiti made marginal changes to the “Entitlement Certificate” domestic solicitation discussed above, he approved an even more deceptive foreign solicitation. That solicitation was entitled “OFFICIAL NOTIFICATION OF AWARD” and stated that “Over £3,578,000 has been identified for distribution. Your name has been determined eligible and approved for full claim rights to these cash and prizes.”

137. The Direct Mailer Defendants also know that others in the industry, including service providers that they used or interacted with, have been investigated by or shut down by government agencies for similar mailings.

138. In June 2016, one of the mail fraud scheme’s service providers forwarded defendant Wilson a USA Today article about Dutch and American authorities taking action to shut down a Netherlands based caging service known as Trends Service. That article discussed that the United States was awarded a temporary restraining order after it alleged Trends was processing “fraudulent mail solicitations that falsely claimed recipients had won or would soon win cash or other valuable prizes.”

139. Only three months later, in September 2016, the office of their payment processor, Payment Processor A, was searched by Canadian law enforcement related to its activity processing payments for direct mailers. Defendants Drew Wilson, Anthony Kafeiti and Steven Diaz discussed that search in an email and defendant Charles Kafeiti spoke with a Payment Processor A employee.

140. In February 2018, defendant Wilson emailed the other Direct Mailer Defendants stating, “Things are heating up again,” and linking to eight news articles, press releases or court documents that discussed a series of governmental actions brought against direct mailers. Those links included a civil case the United States brought against Canadian direct mailers for sending fraudulent solicitations, *United States v. Thomas*, Case No. 1:18-cv-1104 (E.D.N.Y. Feb. 21, 2018); another civil case the United States brought against Canadian direct mailers for sending fraudulent solicitations, *United States v. Quaglia*, Case No. 1:18-cv-1102 (E.D.N.Y. Feb 21, 2018); a fact sheet detailing a total of nine civil and criminal actions brought by the United States against direct mailers and service providers; news articles about a Federal Trade Commission case brought against a Kansas City-based direct mailer; and an article about Canada conducting twenty search warrants related to an investigation of the Canadian direct mailer operations named in the two civil lawsuits. The same email string contains a link to a partial docket relating to one of the mail fraud scheme’s former payment processors being deemed a Transnational Criminal Organization. As a result, defendant Steven Diaz asked the other direct mailers, “So do we stop again[?]”

141. Similarly, the Direct Mailer Defendants know that vendors, including banks and payment processors, have viewed their solicitations as fraudulent and misleading, and as a result have refused to do business with the defendants.

142. Although the Direct Mailer Defendants know their solicitations are fraudulent, they continue to perpetrate their schemes.

B. Data Managers

143. Defendants Hunsaker and DMI know, or are willfully blind to the fact that, their tools are used to facilitate the mailing of fraudulent solicitations.

144. Defendant Hunsaker started DMI in approximately 2002.

145. Defendant Hunsaker and his employees generally know the types of solicitations mailed by DMI's clients. Defendant DMI's website specifically notes Atlantis could handle mailings related to "[Merchandise Incentive Offers], sweepstakes and skill contests."

146. Defendant Hunsaker knows his clientele are investigated by law enforcement and government agencies. He received two civil investigative demands from the Federal Trade Commission ("FTC") that collectively named four of his clients. At least one of those clients was shuttered by a civil FTC action.

147. Defendant Hunsaker knows state attorneys general investigated his clients as did the U.S. Postal Inspection Service.

148. Built into defendant DMI's product, Atlantis, is the ability to "suppress" addresses in a specific geographic area. Direct mailers will often "suppress" or "omit" specific states where law enforcement agencies have historically targeted direct mailers.

149. Defendant Hunsaker knows that mailers suppress specific individuals, at times because those individuals asked not to receive mail, but also because those individuals made complaints to law enforcement.

150. Defendant Hunsaker also knows that the Postal Service shut down companies due to solicitations being "misleading." After one of defendant DMI's clients, referred to in the attached exhibit as "WIS," was shut down by the FTC, a DMI employee emailed defendant Hunsaker asking whether DMI should warn other companies that "one of our customer companies

was shut down for non-fulfillment.” Hunsaker corrected his employee stating “shutdowns [don’t] happen because of non fulfillment” and noted instead that “companies are shut down due to violations of postal regulations, specifically the wording of the offer is misleading and the customer thinks they might be winning the entire sweepstakes, something like \$100,000 or larger.”

151. USPIS executed a search warrant of DMI’s business location in September 2016. During that search, defendant Hunsaker agreed to be interviewed by Postal Inspectors who asked him questions regarding his time in the direct mailing industry and the services he provides for direct mailers.

152. During that interview, Hunsaker stated that he was an employee for two direct mailers that were closed after law enforcement inquiries and that DMI had clients closed by government actions.

153. He also discussed that after a large caging facility, Trends, was shut down, most of his clients reduced their mailings by 50%. Trends was closed after being enjoined because it processed fraudulent solicitations. *See United States v. Trends Service in Kommunikateie, et.al.*, Case No. 16-cv-2770 (E.D.N.Y.) (Glasser, J.), Dkt. No. 5, Temporary Restraining Order and Order to Show Cause (June 1, 2016).

154. Hunsaker told inspectors that he did not vet his clients, and stated that if he did, he could not stay in business.

155. Although Defendants Hunsaker and DMI know their products are used to develop lists of recipients to whom fraudulent solicitations will be sent, they continue to allow direct mailers to use their online platform, including the Golden Response and the Fairmont Wealth Schemes.

C. Cager Defendants

156. Defendants Carmine Maietta and Elizabeth Maietta know that the solicitations mailed pursuant to the Golden Response Scheme are false and misleading.

157. Defendants Carmine Maietta and Elizabeth Maietta cage an estimated 2,000 victim responses each week. They open victim responses, which sometimes contain full solicitations. Even when victims return only the response cards with the fee, the fraudulent nature of the solicitations is clear. *See, e.g.*, Exhibit A.

158. Moreover, defendants Carmine Maietta and Elizabeth Maietta know that victims return the fee believing that they have won a substantial cash prize. Victim notes found in caging refuse at defendants' residence ask why the cash award has not been sent, thank the solicitation sender for telling the victim a prize was awaiting, and show frustration at sending multiple payments with no prize received in return

159. In spite of Defendants Carmine Maietta and Elizabeth Maietta's knowledge of the fraud, they continue to facilitate the mail fraud scheme by opening victim returns, capturing victim information and mailing payments for processing.

D. Payment Processor Defendants

160. Payment Processor Defendants David Anthony and SixEvolution know that the payments they process for the Golden Response and the International Syndicate Schemes are the product of fraudulent solicitations.

161. Defendant Anthony has worked with direct mailers for approximately 17 years. He has mailed his own solicitations and operates four companies that provide services to direct mailers. Defendant Anthony operates Gecko International, a list broker; b2c Performance, a data manager; DMA Consulting, through which he provides advice to direct mailers; and SixEvolution,

which offers a suite of services to direct mailers including caging, opening mailboxes, fulfilment and payment processing.

162. Defendant SixEvolution's operation is expansive, offering post office boxes in seven countries, a caging center with 4,000 cameras (presumably to ensure employees are not stealing currency); and capable of providing direct mailers a daily report of campaign results.

163. Defendant Anthony's company SixEvolution began processing victim payments for defendant Charles Kafeiti, his direct mailer companies, and the Golden Response Scheme at least as early as December 2017.

164. Defendant Anthony's company SixEvolution began processing victim payments for defendant Steven Diaz, his direct mailer company, and the International Syndicate Scheme at least as early as July 2018.

165. As part of its payment processing service, defendant SixEvolution procures an escrow account for each of its direct mailer clients. Before opening the escrow account, SixEvolution requires direct mailers to provide solicitation samples.

166. Defendant Wilson provided defendant SixEvolution samples of the Golden Response Scheme's solicitations via a File Transfer Protocol ("FTP") site in November 2017.

167. A SixEvolution employee viewed those solicitations and recommended no substantive changes to the solicitations' contents. Instead, that employee asked for "soft version[s]" of mailings "which we can provide to our bank for proofing and compliance stuff."

168. Defendant Diaz provided multiple samples of the International Syndicate Scheme's solicitations directly to defendant Anthony in July 2018. Among the solicitation samples Diaz provided to Anthony was the "Pershing Group Settlements Division Release Statement" Solicitation described *supra* at ¶¶ 113-122. *See also* Ex. D attached hereto.

169. Defendants Anthony and SixEvolution know that the Golden Response and International Syndicate Schemes mail solicitations containing deceptive misrepresentations that the recipient will receive a large cash prize in return for a fee. They also know that the solicitations are mass mailed and recipient will not receive cash prizes.

170. Defendants Anthony and SixEvolution also know that the hallmarks of individualization on the Golden Response and International Syndicate Schemes' solicitations, such as "handwritten" notes and comments, are nothing more than gimmicks to give the illusion that the solicitations are unique, personalized prize notices.

171. Defendants Anthony and SixEvolution know that law enforcement has taken action against entities that provide services for fraudulent mass mailers. Defendant Anthony, rather than viewing governmental actions as cautionary tales, viewed these closures as business opportunities.

172. In June 2016, an international caging service known as Trends was enjoined from processing solicitations by a federal judge in the U.S. District Court for the Eastern District of New York after a lawsuit was filed by the United States. *United States v. Trends Service in Kommunikatie, B.V., et al.*, No. 1:16-cv-02770-ILG-SMG, (E.D.N.Y.) (Glasser, J.), Dkt. Entry No. 5, Temporary Restraining Order and Order to Show Cause (June 1, 2016). At that same time, Trend's facility was also searched by Dutch law enforcement. Both actions related to Trends' activities processing fraudulent mass mailings.

173. Defendant Anthony used the closure of Trends as a business opportunity. Anthony mailed former Trends' clients, ironically emailing numerous direct mailers the same email with indicia of personalization, stating, "I know you like it very Privat [sic] but the issue with TRENDS in the Netherlands has shaken the whole industry and affected many companies related to the mail order business. Surely, the mail order companies who directly worked with TRENDS have been

affected the most.” Anthony’s email continued by recounting his lengthy background with direct mailers and stating, “Today, I am happy to introduce you to my company **sixevolution** which offers services you might be looking for after TRENDS has been closed.”

174. Shortly thereafter, in September 2016, Payment Processor A told its customers that it would stop processing payments for sweepstakes solicitations at the end of October 2016, citing “shifting attitude towards esoteric and sweeps report mailings in the banking and regulatory sectors.” That same month the U.S. Department of Treasury’s Office of Foreign Asset Control (“OFAC”) listed Payment Processor A as a transnational criminal organization for its role in processing payments responding to fraudulent solicitations.

175. After Payment Processor A announced that it would stop processing payments related to sweepstakes mailings, defendant Anthony again contacted direct mailers hawking defendant SixEvolution’s payment processing services: “its now a few weeks ago that I inform you over the SixEvolution, with there i make now the caging and money pressing for a good number of Mailer....But after the Mail last week from [Payment Processor A] – with stopping end of Oktober a lot of process , also for the offer which you are I think you are looking for a solution and alternative [sic throughout].”

176. In late 2016, German law enforcement searched defendant SixEvolution’s offices in connection with an investigation into international marketing fraud.

177. Anthony, through his company SixEvolution, likely processes \$14,000 and \$3,000 in payments a week for the Golden Response and International Syndicate Schemes, respectively. In spite of defendants Anthony and SixEvolution’s knowledge of the fraud, they continue to facilitate the mail fraud schemes by processing payments.

HARM TO VICTIMS

178. Victims, especially elderly and vulnerable victims, suffer financial losses from the mail fraud scheme that defendants perpetrate. Victims around the world paid defendants approximately \$4.8 million each year in response to the type of misrepresentations described above. If unabated, these losses will rise and continue harming defendants' victims.

179. Many victims pay defendants' schemes multiple times, each time expecting a large cash payout in return. For example, D.G., a resident of the Eastern District of New York, sent six payments totaling \$239 in response to six Golden Response Scheme solicitations, each time expecting a large cash payout. He did not receive the promised cash prizes. He also did not receive the jewelry item or leaflet.

180. In addition to monetary losses, defendants' victims suffer disappointment when the expected prize never arises. A victim from the United Kingdom stated that she "felt very lucky" when she received the solicitations and "shocked and disappointed" when the promised wealth was fictitious. Another victim from the Eastern District of New York, W.M., planned to buy a new home with his winnings.

181. Defendants' fraudulent schemes are ongoing. Absent injunctive relief by this Court, defendants will continue to cause injury to recipients of these solicitations.

COUNT I

(18 U.S.C. § 1345 – Injunctive Relief)

182. The United States realleges and incorporates by reference paragraphs 1 through 181 of this Complaint as though fully set forth herein.

183. By reason of the conduct described herein, defendants violated, are violating and are about to violate 18 U.S.C. §§ 1341 and 1349 by executing a scheme or artifice to defraud for

obtaining money or property by means of false or fraudulent representations with the intent to defraud, and, in so doing, use the U.S. Mail.

184. Upon a showing that defendants are committing or about to commit mail fraud, the United States is entitled, under 18 U.S.C. § 1345, to a temporary restraining order, a preliminary injunction and a permanent injunction restraining all future fraudulent conduct and any other action that this Court deems just in order to prevent a continuing and substantial injury to the victims of fraud.

185. As a result of the foregoing, defendants' conduct should be enjoined pursuant to 18 U.S.C. § 1345.

PRAYER FOR RELIEF

WHEREFORE, the plaintiff United States of America requests of the Court the following relief:

- A. That the Court issue an order, pursuant to 18 U.S.C. § 1345, pending a hearing and determination on the United States' application for a preliminary injunction, that defendants, their agents, officers and employees, and all other persons and entities in active concert or participation with them are temporarily restrained from:
 - i. committing mail fraud, as defined by 18 U.S.C. § 1341;
 - ii. using the U.S. Mail, or causing others to use the U.S. Mail, to distribute any advertisements, solicitations, or promotional materials, or to send or receive payments in response to any advertisements, solicitations, or promotional materials:
 - (a) that represent, directly or indirectly, expressly or impliedly that the recipient has won, will win, is eligible to win, or will receive cash, awards or prizes;

- (b) that represent, directly or indirectly, expressly or impliedly that the recipient will receive delivery of cash, awards, or other valuable prizes in return for payment of a fee;
 - (c) that offer for sale information regarding sweepstakes or lotteries;
 - (d) that represent, directly or indirectly, expressly or impliedly, that the recipient of the solicitation was specifically selected to receive the mailing based on a reason other than the fact that the recipient's name appears on a mailing list;
 - (e) that purport to be sent from fictional companies, departments, organizations or individuals;
 - (f) that conceal the names of the actual companies, organizations or businesses sending the solicitation; or
 - (g) that contain any other false or misleading representations;
- iii. using the U.S. Mail to receive, handle, open, or forward any mail that responds, by sending payment or otherwise, to materials described in Paragraph (ii)(a)-(g), *supra*;
- iv. selling, offering for sale, leasing or offering for lease any lists individuals or mailing lists of any type compiled from individuals who have responded via the U.S. Mail to any of the materials described in Paragraph (ii)(a)-(g), *supra*;
- v. performing "caging services" on mail received via the U.S. Mail in response to any of the materials described in Paragraph (ii)(a)-(g), *supra*, including opening mail received from recipients of the materials described in Paragraph (ii)(a)-(g); entering or inputting data about recipients of the materials described in Paragraph

- (ii)(a)-(g) into a database or forwarding such data; handling, forwarding, or depositing payments received from recipients of the materials described in Paragraph (ii)(a)-(g), including currency, bank checks, certified checks, money orders, or credit card charge authorizations; or handling or forwarding any mail received from recipients of the materials described in Paragraph (ii)(a)-(g);
- vi. performing or engaging in payment processing services on mail and payments received in response to the materials described in Paragraph (ii)(a)-(g), *supra*, including handling, forwarding, or depositing payments received from those responding to any of the materials described in Paragraph (ii)(a)-(g), including currency, bank checks, certified checks, money orders, or credit card charge authorizations;
- vii. destroying, deleting, removing, or transferring any and all business, financial, accounting and other records concerning defendants' operations and the operations of any other corporate entity owned or controlled, in whole or in part, by defendants.
- B. That the Court further order, pursuant to 18 U.S.C. § 1345, that within 2 days from defendants' receipt of this Temporary Restraining Order and Order to Show Cause, defendants shall provide copies of this Temporary Restraining Order and Order to Show Cause to all direct mailers, list brokers, data managers, printer/distributors, mailing houses, caging services, and/or payment processors with which they do business regarding the materials described in Paragraph (A)(ii)(a)-(g), *supra*, informing them that they are subject to the temporary restraining order as an entity in active concert or participation with defendants, and within 7 days from defendants'

receipt of the Temporary Restraining Order and Order to Show Cause, defendants shall provide proof of such notice to the Court and the United States, including the name and addresses of the entities and/or individuals to whom the notice was sent, how the notice was sent, and when the notice was sent.

- C. That the Court further order that, pursuant to 18 U.S.C. § 1345, the United States Postal Service is authorized to detain:
 - i. Any mail matter containing or consisting of envelopes sent in response to any of the materials described in Paragraph (A)(ii)(a)-(g), *supra*, that is directed to any address within the United States;
 - ii. any of the materials described in Paragraph (A)(ii)(a)-(g), *supra*, and any substantially similar advertisements, solicitations, and promotional materials that are deposited into the U.S. Mail by defendants, their agents, officers or employees, or any other persons or entities in active concert or participation with them.
- D. That the Court issue a preliminary injunction on the same basis and to the same effect.
- E. That the Court issue a permanent injunction on the same basis and to the same effect.

F. That the Court order such other and further relief as the Court shall deem just and proper.

Dated: November 19, 2018

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