

MRM:CPK/AXB
F. #2018R01162

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

★ MAY 17 2022 ★

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----- X

LONG ISLAND OFFICE

UNITED STATES OF AMERICA

INDICTMENT

- against -

Cr. No. **CR 22 228**

CORY ZEIDMAN,

(T. 18, U.S.C., §§ 982(a)(1), 982(a)(2),
982(b)(1), 1349, 1956(h) and
3551 et seq.; T. 21, U.S.C., § 853(p))

Defendant.

AZRACK, J.

----- X

LINDSAY, M.J.

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

I. The Defendant and the Scheme

1. The defendant CORY ZEIDMAN was a resident of Boca Raton, Florida. ZEIDMAN held a leadership role in an organization known as the "Phoenix Organization" through which he, his co-conspirators and others committed the fraud and money laundering scheme described herein.

2. Co-Conspirator #1, an individual whose identity is known to the Grand Jury, was a resident of West Palm Beach, Florida. Co-Conspirator #1 held a leadership role in the "Phoenix Organization" through which he, his co-conspirators and others committed the fraud and money laundering described herein.

3. In or about and between January 2004 and March 2020, both dates being approximate and inclusive, the defendant CORY ZEIDMAN, together with others, engaged in a fraudulent scheme directed at individuals across the United States (the “Victims”). As part of the scheme, ZEIDMAN and his co-conspirators, including Co-Conspirator #1, placed advertisements on the radio in various markets throughout the United States, which falsely advertised a “sophisticated white-collar approach to gathering sports information” and promised “wagering as investing, not high-risk gambling.” The radio advertisements further instructed listeners to call a specified telephone number to receive information that could be used to win when wagering on sporting events. When the Victims called that number, ZEIDMAN and his co-conspirators falsely told the Victims, among other things, that certain sporting events were predetermined, or “fixed,” and that ZEIDMAN and his co-conspirators knew the outcomes of the events. It was a further part of the scheme that ZEIDMAN and his co-conspirators falsely claimed to have secret, “privileged,” or “inside,” information regarding sporting events, which they received from physicians at colleges and television executives, and which could be used to predict the outcomes of the events. ZEIDMAN and his co-conspirators further assured the Victims that the Victims would win their wagers, and falsely claimed that there was no risk associated with their wagers. In exchange for this purported inside information, ZEIDMAN and his co-conspirators demanded that the Victims pay fees, which numerous Victims did.

4. In total, in or about and between January 2004 and March 2020, both dates being approximate and inclusive, as a result of this fraudulent scheme, the Victims sent the defendant CORY ZEIDMAN and his co-conspirators fees worth a total of more than

twenty-five million dollars and zero cents (\$25,000,000.00) in United States currency via interstate wire transfers and private and commercial carriers.

II. Relevant Corporate Entities and Bank Accounts

5. In or about and between January 2013 and March 2020, both dates being approximate and inclusive, the defendant CORY ZEIDMAN, together with others, including his co-conspirators, opened bank accounts, including accounts in the Eastern District of New York, in the names of shell corporations for the purpose of receiving proceeds of the fraud scheme (the "Fraud Proceeds Bank Accounts"). As ZEIDMAN well knew and believed, these corporations served no legitimate business purpose and the Fraud Proceeds Bank Accounts were used solely to process, collect, and distribute money obtained from the Victims of the fraud scheme.

6. As a part of the scheme to defraud, when Victims agreed to remit payments as a result of the false representations made to them, the defendant CORY ZEIDMAN and his co-conspirators instructed them to send wire transfer payments to one or more of the Fraud Proceeds Bank Accounts. ZEIDMAN also told many Victims to mail cash in envelopes to certain post office boxes located in the Eastern District of New York.

COUNT ONE

(Conspiracy to Commit Wire Fraud and Mail Fraud)

7. The allegations contained in paragraphs one through six are realleged and incorporated as if fully set forth in this paragraph.

8. In or about and between January 2004 and March 2020, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant CORY ZEIDMAN, together with others, did knowingly and intentionally conspire

to devise a scheme and artifice to defraud the Victims, and to obtain money and property from the Victims by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, did (i) place and deposit in the United States mail and other interstate carriers any mail, matter and thing, contrary to Title 18, United States Code, Section 1341 and (ii) transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

COUNT TWO

(Conspiracy to Commit Money Laundering)

9. The allegations contained in paragraphs one through six are realleged and incorporated as if fully set forth in this paragraph.

10. In or about and between October 2013 and March 2020, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant CORY ZEIDMAN, together with others, did knowingly and intentionally conspire to (a) conduct one or more financial transactions in and affecting interstate commerce, to wit: deposits, transfers and withdrawals of funds and monetary instruments, and issuance of checks, which transactions in fact involved the proceeds of specified unlawful activity, to wit: (i) mail fraud, in violation of Title 18, United States Code, Section 1341, and (ii) wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the property involved in the transactions represented the proceeds of some form of unlawful activity, and knowing that the transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of the specified

unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(1)(B)(i); (b) conduct one or more financial transactions in and affecting interstate commerce, to wit: deposits, transfers and withdrawals of funds and monetary instruments, and issuance of checks, which transactions in fact involved the proceeds of specified unlawful activity, to wit: (i) mail fraud, in violation of Title 18, United States Code, Section 1341, and (ii) wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the property involved in the transactions represented the proceeds of some form of unlawful activity, and with the intent to promote the carrying on of the specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(1)(A)(i); and (c) engage and attempt to engage in one or more monetary transactions in and affecting interstate commerce, to wit: deposits, transfers and withdrawals of funds and monetary instruments, and issuance of checks, in criminally derived property that was of a value greater than \$10,000 and that was derived from specified unlawful activity, to wit: (i) mail fraud, in violation of Title 18, United States Code, Section 1341, and (ii) wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the property involved in the monetary transactions represented the proceeds of some form of unlawful activity, contrary to Title 18, United States Code, Section 1957(a).

(Title 18, United States Code, Sections 1956(h) and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION AS TO COUNT ONE

11. The United States hereby gives notice to the defendant CORY ZEIDMAN, that, upon his conviction of the offense charged in Count One, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(2), which requires any person convicted of such offense to forfeit any property, real or personal,

constituting, or derived from, proceeds obtained directly or indirectly as a result of such offense, including but not limited to a forfeiture money judgment in the amount of at least twenty-five million dollars (\$25,000,000.00) and the forfeiture of the following:

- (a) any and all funds on deposit in a Citibank account ending in 7293 (being approximately nine hundred fifty-eight dollars and eighty-two cents (\$958.82)), held in the name of Phoenix Advisory Services, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (b) any and all funds on deposit in a TD Bank account ending in 1818 (being approximately sixty-four thousand six hundred four dollars and sixty-eight cents (\$64,604.68)), held in the name of Top Ticket Inc., seized on or about March 11, 2020, and all proceeds traceable thereto;
- (c) any and all funds on deposit in a Bank of America account ending in 9495 (being approximately nineteen thousand seven hundred forty-two dollars and sixty-nine cents (\$19,742.69)), held in the name of All Your Consulting Needs, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (d) any and all funds on deposit in a SunTrust Bank account ending in 4905 (being approximately two thousand one hundred eighteen dollars and eighty-six cents (\$2,118.86)), held in the name of Edge Global Consulting, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (e) any and all funds on deposit in a Bank of America account ending in 1947 (being approximately thirty-three thousand one hundred sixty-seven dollars and three cents (\$33,167.03)), held in the name of Mary Ellen and Hanon Dorfman, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (f) any and all funds on deposit in a SunTrust Bank account ending in 8560 (being approximately forty-six thousand two hundred one dollars and nine cents (\$46,201.09)), held in the name of Robert Bornschein and Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (g) any and all funds on deposit in a SunTrust Bank account ending in 8552 (being approximately two thousand seven hundred fifty-seven dollars and seventy-three cents (\$2,757.73)), held in the

name of Robert Bornschein and Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;

- (h) any and all funds on deposit in a Bank of America account ending in 6051 (being approximately seventy thousand dollars and zero cents (\$70,000.00)), held in the name of Robert Bornschein and Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (i) any and all funds on deposit in a Bank of America account ending in 5089 (being approximately two thousand two hundred fourteen dollars and fifty-four cents (\$2,214.54)), held in the name of Robert Bornschein and Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (j) any and all funds on deposit in a Bank of America account ending in 8988 (being approximately four thousand dollars and zero cents (\$4,000.00)), held in the name of Jamie Lee Bornschein and Robert Bornschein, seized on or about March 11, 2020 and all proceeds traceable thereto;
- (k) any and all funds on deposit in an Ally Bank account ending in 6962 (being approximately two hundred thousand two hundred forty-eight dollars and forty-seven cents (\$200,248.47)), held in the name of Sophia Bornschein, seized on or about March 11, 2020 and all proceeds traceable thereto;
- (l) any and all funds on deposit in an Ally Bank account ending in 8378, held in the name of Robert Bornschein, and all proceeds traceable thereto;
- (m) any and all funds on deposit in an American Funds-Capital Bank and Trust account ending in 3808 (being approximately one hundred nine thousand dollars and zero cents (\$109,000.00)), held in the name of Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (n) any and all funds on deposit in an American Funds-Capital Bank and Trust account ending in 8283 (being approximately one hundred nine thousand dollars and zero cents (\$109,000.00)), held in the name of Robert Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (o) any and all funds on deposit in a SunTrust Bank account ending in 1574 (being approximately six thousand eight hundred eleven

dollars and fifty cents (\$6,811.50)), held in the name of Cory Zeidman, seized on or about March 11, 2020, and all proceeds traceable thereto;

- (p) any and all funds on deposit in a First Citizens Bank account ending in 6331 (being approximately seventy-nine one hundred sixty-one dollars and twenty-two cents (\$79,161.22)), held in the name of Cory S. Zeidman, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (q) all right, title and interest in the real property and premises located at 1920 Flagler Estates Drive, West Palm Beach, Florida 33411, and all proceeds traceable thereto; and
- (r) all right, title and interest in the real property and premises located at 2003 N. Ocean Boulevard, Boca Raton, Florida 33431, and all proceeds traceable thereto.

12. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be

divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a)(2) and 982(b)(1); Title 21, United States Code, Section 853(p))

CRIMINAL FORFEITURE ALLEGATION AS TO COUNT TWO

13. The United States hereby gives notice to the defendant CORY ZEIDMAN that, upon his conviction of the offense charged in Count Two, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(1), which requires any person convicted of such offense to forfeit any property, real or personal, involved in such offense, or any property traceable to such property, including but not limited to:

- (a) any and all funds on deposit in a Citibank account ending in 7293 (being approximately nine hundred fifty-eight dollars and eighty-two cents (\$958.82)), held in the name of Phoenix Advisory Services, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (b) any and all funds on deposit in a TD Bank account ending in 1818 (being approximately sixty-four thousand six hundred four dollars and sixty-eight cents (\$64,604.68)), held in the name of Top Ticket Inc., seized on or about March 11, 2020, and all proceeds traceable thereto;
- (c) any and all funds on deposit in a Bank of America account ending in 9495 (being approximately nineteen thousand seven hundred forty-two dollars and sixty-nine cents (\$19,742.69)), held in the name of All Your Consulting Needs, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (d) any and all funds on deposit in a SunTrust Bank account ending in 4905 (being approximately two thousand one hundred eighteen dollars and eighty-six cents (\$2,118.86)), held in the name of Edge Global Consulting, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (e) any and all funds on deposit in a Bank of America account ending in 1947 (being approximately thirty-three thousand one hundred sixty-seven dollars and three cents (\$33,167.03)), held in the name of Mary Ellen and Hanon Dorfman, seized on or about March 11, 2020, and all proceeds traceable thereto;

- (f) any and all funds on deposit in a SunTrust Bank account ending in 8560 (being approximately forty-six thousand two hundred one dollars and nine cents (\$46,201.09)), held in the name of Robert Bornschein and Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;
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- (h) any and all funds on deposit in a Bank of America account ending in 6051 (being approximately seventy thousand dollars and zero cents (\$70,000.00)), held in the name of Robert Bornschein and Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (i) any and all funds on deposit in a Bank of American account ending in 5089 (being approximately two thousand two hundred fourteen dollars and fifty-four cents (\$2214.54)), held in the name of Robert Bornschein and Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (j) any and all funds on deposit in a Bank of American account ending in 8988 (being approximately four thousand dollars and zero cents (\$4,000.00)), held in the name of Jamie Lee Bornschein and Robert Bornschein, seized on or about March 11, 2020 and all proceeds traceable thereto;
- (k) any and all funds on deposit in an Ally Bank account ending in 6962 (being approximately two hundred thousand two hundred forty-eight dollars and forty-seven cents (\$200,248.47)), held in the name of Sophia Bornschein, seized on or about March 11, 2020 and all proceeds traceable thereto;
- (l) any and all funds on deposit in an Ally Bank account ending in 8378 ,held in the name of Robert Bornschein, and all proceeds traceable thereto;
- (m) any and all funds on deposit in an American Funds-Capital Bank and Trust account ending in 3808 (being approximately one hundred nine thousand dollars and zero cents (\$109,000.00)), held in the name of Sophia Bornschein, seized on or about March 11, 2020, and all proceeds traceable thereto;

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- (o) any and all funds on deposit in a SunTrust Bank account ending in 1574 (being approximately six thousand eight hundred eleven dollars and fifty cents (\$6,811.50)), held in the name of Cory Zeidman, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (p) any and all funds on deposit in a First Citizens Bank account ending in 6331 (being approximately seventy-nine one hundred sixty-one dollars and twenty-two cents (\$79,161.22)), held in the name of Cory S. Zeidman, seized on or about March 11, 2020, and all proceeds traceable thereto;
- (q) all right, title, and interest in the real property and premises located at 1920 Flagler Estates Drive, West Palm Beach, Florida 33411, and all proceeds traceable thereto;
- (r) all right, title, and interest in the real property and premises located at 2003 N. Ocean Boulevard, Boca Raton, Florida 33431, and all proceeds traceable thereto; and
- (s) all right, title, and interest in the real property and premises located at 27 Birch Lane, Levittown, New York 11756, and all proceeds traceable thereto.

14. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or

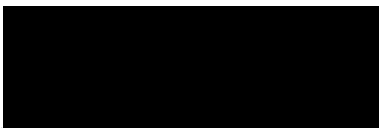
(e) has been commingled with other property which cannot be divided without difficulty;
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a)(1) and 982(b)(1); Title 21, United States Code, Section 853(p))

A TRUE BILL



FOREPERSON



BREON PEACE/
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

No. _____

UNITED STATES DISTRICT COURT

EASTERN District of NEW YORK
CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

CORY ZEIDMAN,

Defendant.

INDICTMENT

(T. 18, U.S.C., §§ 982(a)(1), 982(a)(2), 982(b)(1), 1349,
1956(h) and 3551 et seq.; T. 21, U.S.C., § 853(p))

A true bill,

Foreperson

Filed in open court this _____ day,

of _____ A.D. 20 _____

Clerk

Bail, \$ _____

Charles P. Kelly, Assistant U.S. Attorney, (631) 715-7866