

FILED

Jan 16 2024

Mark B. Busby
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO

UNITED STATES DISTRICT COURT
for the
Northern District of California

United States of America
v.
DAVID SCOTT CACCHIONE

Case No. 3:24-mj-70038 MAG

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of November 2, 2021 to September 7, 2022 in the county of San Mateo in the
Northern District of California, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 1349	- Conspiracy to Commit Wire Fraud

This criminal complaint is based on these facts:

Please see the attached affidavit of IRS Special Agent Benjamin Kurko.

Continued on the attached sheet.

/s/ Benjamin Kurko

Complainant's signature

IRS Special Agent Benjamin Kurko

Printed name and title

Approved as to form /s/ Garth Hire
AUSA Garth Hire

Sworn to before me and signed in my presence.

Date: 01/12/2024

City and state: San Francisco, CA


Judge's signature

Honorable Lisa J. Cisneros, U.S. Magistrate Judge

Printed name and title

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1 **AFFIDAVIT IN SUPPORT OF APPLICATION FOR CRIMINAL COMPLAINT**

2 I, Benjamin Kurko, Special Agent with the Internal Revenue Service, Criminal
3 Investigation, being duly sworn state:

4 **I. INTRODUCTION**

5 1. I make this affidavit in support of an application for a criminal complaint and
6 arrest warrant. Based on my training and experience and the facts as set forth in this affidavit,
7 there is probable cause to believe that DAVID SCOTT CACCHIONE (CACCHIONE)
8 committed the offense of Conspiracy to Commit Wire Fraud in violation of 18 U.S.C. § 1349.
9 Specifically, I believe that beginning no later than November 2, 2021, and ending no earlier than
10 September 7, 2022, CACCHIONE conspired with another individual (hereafter referred to as Co-
11 Conspirator One (or CC-1)) to commit wire fraud in violation of 18 U.S.C. § 1343.

12 **II. AFFIANT BACKGROUND**

13 2. I am employed as a Special Agent (SA) of the United States Department of the
14 Treasury, Internal Revenue Service – Criminal Investigation (IRS-CI). I am an investigator and
15 law enforcement officer of the United States within the meaning of 18 U.S.C. § 2510(7). I am
16 empowered by law to conduct investigations, to execute search warrants, and to make arrests for
17 offenses of Federal law, including criminal violations of the Internal Revenue Code (Title 26,
18 United States Code), Money Laundering Statutes (Title 18, United States Code), Bank Secrecy
19 Statutes (Title 31, United States Code), and other related offenses.

20 3. I have held the position of IRS-CI Special Agent since November 2018. I
21 completed the required Special Agent training at the Federal Law Enforcement Training Center
22 in Glynco, Georgia. This training included eleven weeks of criminal investigative training
23 including courses in law enforcement techniques, federal criminal statutes, conducting criminal
24 investigations, and the execution of search warrants. This training also included instruction in
25 the law of search and seizure under the Fourth Amendment of the United States. In addition to
26 the criminal investigative training, I completed a Special Agent Basic Training course lasting
27 thirteen and one-half weeks, which included courses in financial investigative techniques, legal
28 principles, and statutes representing criminal violations of the United States Code as enumerated

1 in Titles 18, 26, and 31. In 2007, I obtained a Bachelor of Science in Finance from San Diego
2 State University, in San Diego, California. In 2012, I obtained a Master's of Accountancy,
3 Forensic Accounting Concentration from Golden Gate University in San Francisco, California

4 4. I have been involved in numerous investigations of alleged violations of the
5 Internal Revenue Code, money-laundering statutes, identity theft, and related offenses. I have
6 participated in numerous interviews of witnesses and been the affiant of multiple federal search
7 warrants involving suspected criminal violations where records, of the type involved in this
8 investigation, were seized.

9 5. The information contained in this affidavit is based upon my personal knowledge,
10 training, and experience, as well as information obtained during this investigation, directly or
11 indirectly, from other sources, including, but not limited to: (a) business and financial records
12 and other documents, including telephone records, provided by various entities; (b) publicly
13 available documents; (c) conversations with, and review of reports and documents prepared by,
14 other law enforcement agents; (d) interviews of witnesses; and (e) seized electronic
15 communications. Because this affidavit is being submitted for the limited purpose of
16 establishing probable cause, it does not include all the facts that I have learned during the course
17 of the investigation.

18 6. Where actions, conversations, and statements of other individuals are referenced
19 in this affidavit, they are described in summary unless otherwise noted. Similarly, where
20 information contained in reports, recordings, and/or other documents or records is referenced in
21 this affidavit, such information is also described in summary unless otherwise noted. All dates,
22 times, and dollar amounts are approximate.

23 III. APPLICABLE STATUTES

24 7. Title 18, United States Code, Section 1343 reads in pertinent part: "Whoever,
25 having devised or intending to devise any scheme or artifice to defraud, or for obtaining money
26 or property by means of false or fraudulent pretenses, representations, or promises, transmits or
27 causes to be transmitted by means of wire, radio, or television communication in interstate or
28 foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing

1 such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or
2 both.” Title 18, United States Code, Section 1349 criminalizes attempt and conspiracy to
3 commit wire fraud in violation of 18 U.S.C. § 1343, among other offenses.

4 **IV. FACTS ESTABLISHING PROBABLE CAUSE**

5 **A. Case Background**

6 8. During this investigation I have learned that CACCHIONE and CC-1 have agreed
7 to engage in a scheme to defraud individuals by falsely claiming to invest their funds when, in
8 fact, CACCHIONE and CC-1 shared the funds and used the money to pay for personal expenses
9 and/or to partially repay other victims.

10 **B. CACCHIONE’s Prior Federal Criminal Conviction**

11 9. On March 24, 2009, the United States Attorney’s Office for the Northern District
12 of California filed a one count information (CR 09-296 CRB) against CACCHIONE alleging
13 that he aided and abetted securities fraud in violation of 18 U.S.C. §§ 1348 and 2. Specifically,
14 the information alleged that CACCHIONE, who was a managing director at an investment
15 brokerage firm in San Francisco, California, improperly obtained client account statements and
16 gave them to a co-schemer knowing this individual would falsify these statements in order to
17 obtain loans based on the securities held in the statements. On March 31, 2009, CACCHIONE
18 pleaded guilty pursuant to a plea agreement. On October 7, 2009, CACCHIONE was sentenced
19 to a 60-month term of imprisonment followed by a three-year term of supervised release.
20 CACCHIONE was released from prison on June 9, 2014, and his supervised release terminated
21 on June 8, 2017.

22 10. I have learned that CACCHIONE and CC-1 have engaged in a scheme to defraud
23 by tricking investors into believing that they were investing in an Accounts Receivable Factoring
24 program when, in fact, there was no Accounts Receivable Factoring program and the victims’
25 funds were instead shared by CACCHIONE and CC-1 and used to pay personal expenses or
26 repay other victims (the AR Factoring Scheme).

1 **C. Background of CC-1**

2 11. During the investigation, I have interviewed CC-1 on multiple occasions in 2022
3 and 2023. These interviews were conducted pursuant to a proffer agreement with the United
4 States Attorney's Office for the Northern District of California. CC-1 has no criminal history
5 and did not provide information in exchange for financial consideration from the government.
6 Rather, CC-1 provided information for the purpose of potentially obtaining leniency with respect
7 to potential federal criminal charges against CC-1.

8 12. While CC-1 has no criminal history, CC-1 has been sued civilly for fraud and has
9 been the subject of administrative complaints. In addition, CC-1 admitted to actions which cast
10 doubt on CC-1's credibility. For instance, CC-1 has admitted that after being made aware of a
11 federal search warrant for CC-1's person, which was obtained as part of this investigation, CC-1
12 destroyed evidence contained on CC-1's cellular telephone (which would have been seized
13 pursuant to the search warrant had it been located on CC-1's person at the time). Specifically,
14 CC-1 deleted text messages, disabled email applications, and disabled encrypted
15 communications applications, all of which contained evidence of CC-1's criminal conduct which
16 is the subject of this investigation. CC-1 has indicated that some of the destroyed evidence
17 included communications with and concerning CACCHIONE. Furthermore, CC-1 stated during
18 a proffer session that CC-1 was "full of shit." Nonetheless, for the reasons set forth below, I
19 believe that CC-1's statements that CACCHIONE conspired with CC-1 to defraud investors are
20 true given the corroboration of those statements from victims, financial records, and electronic
21 communications, as detailed below.

22 **D. CC-1's Description of the Conspiracy with CACCHIONE**

23 13. CC-1 stated that CC-1 was introduced to CACCHIONE in 2020 by a mutual
24 business contact. Although CC-1 was not initially aware of CACCHIONE's criminal record
25 when they first met, CC-1 learned of this information shortly thereafter.

26 14. By no later February 2021, CC-1 owned or controlled a purported investment
27 company (the CC-1 Entity) located in Florida. CC-1 claimed that the CC-1 Entity sought
28 investors and/or capital to grow or establish the businesses. CC-1, however, also required money

1 for personal living expenses and owed money to victims and investors. The introduction of
2 CACCHIONE to CC-1 satisfied these needs, as CACCHIONE told CC-1 that CACCHIONE had
3 a “rolodex” of wealthy individuals, some of which CACCHIONE knew from his time working
4 for an investment brokerage, and others which CACCHIONE had met while in prison.

5 15. Sometime after their introduction, but no later than November 2, 2021, and
6 continuing through at least September 7, 2022, CACCHIONE and CC-1 entered into a criminal
7 conspiracy to commit wire fraud. Specifically, CACCHIONE would identify potential victim
8 investors and introduce them to CC-1 who would then falsely claim to be responsible for
9 receiving and investing the victims’ funds in an accounts receivable (AR) factoring program
10 through the CC-1 Entity. As described below however, the victims’ funds were not used for any
11 AR factoring program but were instead used by CACCHIONE and CC-1 to pay personal
12 expenses or keep other victims at bay through partial repayment.

13 **E. The Accounts Receivable Factoring Scheme**

14 16. According to CC-1, CACCHIONE introduced multiple victims of the AR
15 factoring scheme to CC-1, some (but not all) of whom are described below. The table below
16 summarizes pertinent information pertaining to some of these victims:

17

18 Victim	18 Investment Date	18 Total Investment
19 T.L.	19 Nov. 2 & 9, 2021	19 \$630,000.00
20 C.F.	20 February 7, 2022	20 \$250,000.00
21 A.D.	21 April 21, 2022	21 \$100,000.00
22 D.H.	22 September 7, 2022	22 \$150,000.00
23	23 TOTAL	23 \$1,130,000.00

24 17. According to CC-1, the fraudulent AR factoring program falsely claimed to use
25 the CC-1 Entity investors’ funds to buy investment grade accounts receivables, which would be
26 insured by a third-party. The investors would sign a promissory note with the CC-1 Entity and
27 receive interest payments of 2.0% per month while their capital was invested. Although CC-1
28

1 indicated that he had previously and successfully done this type of AR factoring, CC-1 admitted
2 that there was no AR factoring program (nor any third-party insurer) in this instance and that the
3 statements by CACCHIONE and CC-1 to that effect were lies. As such, CACCHIONE and CC-
4 1 both knew that the victims' funds would not be used for any AR factoring investment but
5 would instead be shared by CACCHIONE and CC-1 to be used for other purposes including
6 paying personal expenses.

7 18. To falsely create the appearance that an AR factoring program existed, CC-1 and
8 CACCHIONE created a "one-pager" document which detailed material aspects of the purported
9 program. CC-1 and CACCHIONE created the document for the purpose of providing it to
10 potential investors. The document, which was obtained from CC-1 (as well as found in CC-1's
11 email account pursuant to a federal search warrant) is titled "Accounts Receivable purchasing
12 program" and appears to be on the letterhead of the CC-1 Entity. The document includes
13 material and false representations about the purported AR factoring program including the
14 following excerpts:

15 *"[CC-1 Entity] purchases account receivable for small business in need of*
16 *working capital. Often times small businesses will have a customer concentration,*
17 *or a very restrictive borrowing base credit facility that will not allow them to*
18 *maximize liquidity against their account receivable through their existing AR*
19 *facility. In certain situations where the account receivable is owed to the company*
20 *by an investment grade company such as, Costco, Walmart, 99 Ranch, Trader*
21 *Joes, Sam's Club, Whole Foods, and other national credits. [CC-1 Entity] will set*
22 *in and purchase the account receivable at a 35%-40% discount and collect the*
23 *account receivable directly from the investment grade company that owes the*
24 *receivable. The typical turn time for accounts receivable is approximately 90*
25 *days."*

26 *"[CC-1 Entity] will accept an investor, and pay the investor 2% monthly, while*
27 *the money is held, along with a 15% back end bonus, with a minimum term of 90*
28

1 *days. The investment is made as a promissory note to [the CC-1 Entity], and [the*
2 *CC-1 Entity] will use the funds to purchase the account receivable.”*

3 19. CC-1 stated that these representations were false and were made with the intent to
4 deceive the AR factoring program’s investors into giving money to CC-1, because as CC-1 and
5 CACCHIONE knew, the CC-1 Entity had never previously, did not intend to, and ultimately
6 never did run an AR factoring program.

7 20. In addition to the “one-pager” document created by CC-1 and CACCHIONE, the
8 victims introduced by CACCHIONE to CC-1 were also enticed to invest in the fraudulent AR
9 factoring program by being offered a promissory note between the investor and the CC-1 Entity.
10 I have reviewed numerous versions of such promissory notes obtained during the this
11 investigation. One such as a version, dated April 18, 2022, states in pertinent part:

12 *“FOR VALUE RECEIVED, the undersigned [the CC-1 Entity] (“Maker”),*
13 *promises to pay to the order of” [Victim A.D.] (“Lender”), the principal sum of*
14 *\$100,000.00 plus 10,000.00 at maturity plus 6,000.00 (to be paid at 2,000 a*
15 *month during the term) USD or so much thereof as may be advanced and/or*
16 *readvanced pursuant to this promissory note. Proceeds shall be used as liquidity*
17 *for an accounts receivable purchasing program.”*

18 21. CC-1 stated that, while CC-1 intended to eventually pay the AR factoring
19 program victims back from returns generated by supposedly legitimate investments made by the
20 CC-1 Entity, CC-1 used the investor funds for numerous personal purposes and to pay personal
21 expenses and never to purchase accounts receivables, as CC-1 had promised to do. Furthermore,
22 CC-1 also used the investor funds to pay CACCHIONE a “commission” equal to about 20% to
23 25% for introducing the victims to CC-1.

24 **F. The AR Factoring Scheme Victims**

25 22. I, and/or another agent, have interviewed some of the fraudulent AR factoring
26 scheme victims. Some of the information and documents provided by these victims is set forth
27 below:
28

Victim T.L.

1
2 a. I interviewed Victim T.L. in March 2023. During that interview, T.L.
3 stated that T.L. had met CACCHIONE in federal prison, when both CACCHIONE and T.L.
4 were incarcerated. Sometime in 2021, CACCHIONE introduced T.L. to CC-1 for the purpose of
5 T.L.'s potential investment into the AR factoring program supposedly run by CC-1. T.L. spoke
6 with CC-1 by telephone and met CC-1 in-person on one occasion.

7 b. After hearing the sales pitch from CC-1, T.L. eventually agreed to invest
8 in the AR factoring program. According to records obtained from Bank of America (BofA),
9 account number ending in 8817 (BofA Account-8817) is a doing business as (DBA) account held
10 by CC-1's wife. CC-1's wife is the only signor on BofA Account-8817. CC-1 stated that CC-1
11 directed victim funds to the account of CC-1's wife. The address of record for BofA Account-
12 8817 was located in Florida as of November 2021. The account records further show that BofA
13 Account-8817 received a deposited cashier's check from T.L. in the amount of \$500,000.00 on
14 or about November 2, 2021. T.L. resides in California.

15 c. T.L. stated that T.L. later agreed to invest an additional \$130,000.00 in the
16 AR factoring program. BofA Account-8817 records show that the account received another
17 deposited cashier's check from T.L. in the amount of \$130,000.00 on or about November 9,
18 2021.

19 d. T.L. provided me with a copy of a promissory note between T.L. and the
20 CC-1 Entity, as well as email and text messages between T.L. and CC-1 pertaining to T.L.'s
21 investment. The terms of the promissory note required full repayment of T.L.'s initial principal
22 sum invested with the CC-1 Entity within 90 days, in addition to a \$10,000.00 interest payment
23 per month. T.L. stated that to date T.L. has received about \$71,000.00 of interest payments from
24 CC-1 but has not received the return of the principal or any other amounts owed.

25 e. T.L. stated that had T.L. known the invested funds would be used for CC-
26 1 and/or CACCHIONE's personal gain, rather than for investing into an actual AR factoring
27 program, T.L. would not have agreed to invest the funds.
28

1 f. T.L. also provided an email from CC-1 to T.L. dated October 29, 2021,
2 which was four days before T.L. invested \$500,000.00 in the fraudulent AR factoring program.
3 The subject line reads “Deal summary” and was sent from CC-1’s work email address. Within
4 the body of the email to T.L. are the following excerpts:

5 *“Our hedge fund invests in middle market companies. Our deal sizes start*
6 *at 10mm.*

7
8 *We receive several deals that are great deals but are not large enough to*
9 *meet our criteria. So we fund those deals in our non affiliated advisory*
10 *company. [the CC-1 Entity website address]*

11 *In this "side car business" we buy credit worthy acct [sic] receivables”*

12
13 *Current deal...*

14
15 *A Small jasmine rice trading company is having cash flow issues due to*
16 *the fact the ports are backlogged. This company is currently owed 600k*
17 *from Whole Foods. They want to sell me that whole foods AR for 600k but*
18 *I'll buy it for 450k.*

19 *So I'll give the company 450k and then ill collect the 600k from whole*
20 *foods directly in 45 days. Ill even put credit insurance on the AR so in case*
21 *the AR isn't paid I can still collect 90% of the 400k.*

22
23 *So it's a nice little deal*

24
25 *So when these deals come up, Scott brings investors that sign a note with*
26 *me. I pay 2% a month. I don't use the cash but I keep it in an account that*
27 *is the Base of my line of credit. So I pull off my line to fund the AR*
28 *purchase. Your money is not touched.”*

1 The email concludes with CC-1's name. I believe the statement "Scott brings investors that sign
2 a note with me" describes the fact that CACCHIONE identifies investors (who are actually
3 victims of the scheme) and refers them to CC-1.

4 Victim C.F.

5 a. I interviewed Victim C.F. in January 2023. During that interview, C.F.
6 stated that CACCHIONE introduced C.F. to CC-1. Eventually, CACCHIONE told C.F. about
7 potential investment into the AR factoring program supposedly run by CC-1. C.F. spoke with
8 CC-1 by telephone and, after listening to sales pitches from both CACCHIONE and CC-1, C.F.
9 agreed to invest in the AR factoring program.

10 b. According to records obtained from Professional Bank, account number
11 ending in 5565 (PB Account-5565) is an account held by the CC-1 Entity. CC-1 is one of two
12 authorized signors on the account. PB Account-5565 was located in Florida as of February
13 2022. PB Account-5565 records show that a check from C.F. in the amount of \$250,000.00 was
14 received in the account on February 7, 2022. The check from C.F. was drawn on C.F.'s account
15 at California Bank & Trust located in California.

16 c. C.F. provided investigators with a promissory note between C.F. and the
17 CC-1 Entity, as well as email and text messages between C.F., CACCHIONE, and CC-1
18 pertaining to C.F.'s investment. The terms of the promissory note required full repayment of
19 C.F.'s principal sum by January 5, 2023, in addition to \$5,000.00 of interest per month. C.F.
20 indicated that to date C.F. has received between about \$15,000.00 and \$20,000.00 of interest
21 payments from CC-1, but has not received the return of the principal or any other amounts owed.

22 d. C.F. stated that had C.F. known the funds would be used for CC-1 and/or
23 CACCHIONE's personal gain, rather than for investing into an actual AR factoring program,
24 C.F. would not have agreed to send the funds.

25 e. Furthermore, C.F. stated that CACCHIONE represented to C.F. that
26 CACCHIONE himself was an investor in the AR factoring program. Given that the program did
27 not exist, this representation was false. C.F. provided a document which appears to be a form of
28

1 a personal guarantee and enticement by CACCHIONE of C.F.’s considered investment in the
2 AR factoring program. The document, which is dated February 1, 2022 (prior to C.F.’s
3 investment), appears to be signed by CACCHIONE, and stated in part the following:

4 *“This letter will serve as the agreement between Scott Cacchione and” [C.F.]*

5 *“Should” [C.F.] “proceed with a [the CC-1 Entity] note, Scott Cacchione*
6 *warrants and represents the following...”*

7 *“4. Scott Cacchione has \$650,000 invested with [the CC-1 Entity] in same*
8 *‘type of note’ He will not remove any of his funds from such notes before*
9 *offering” [C.F.] “the opportunity to withdraw er funds.”*

10 f. I have seen no evidence in any financial records that CACCHIONE has
11 made any investment in the CC-1 Entity, much less in the non-existent AR factoring program.
12 Instead, CC-1 has indicated that CACCHIONE received funds from CC-1 and/or the CC-1 Entity
13 as part of CACCHIONE’s role in the conspiracy, which is reflected in bank records I have
14 reviewed.

15 Victim A.D.

16 a. I interviewed Victim A.D. in January 2023. During that interview, A.D.
17 stated that CACCHIONE introduced A.D. to CC-1 for the purpose of A.D.’s potential
18 investment in the AR factoring program.

19 b. A.D. spoke with CC-1 by telephone but has never met CC-1 in person.
20 After listening to a sales pitch from CC-1, A.D. eventually agreed to invest in the AR factoring
21 program.

22 c. According to records obtained from Professional Bank, account number
23 ending in 9382 (PB Account-9382) is an account held by CC-1 doing business as the CC-1
24 Entity. CC-1 is the only authorized signor on the account. PB Account-9382 was located in
25 Florida as of April 2022. PB Account-9382 records show the account received a wire transfer
26 from A.D. in the amount of \$100,000.00 on April 22, 2022. The wire transfer from A.D. was
27

1 sent from an account at Edward Jones and Company located in California. Thus, this wire
2 traveled interstate from California to Florida.

3 d. A.D. provided me with a promissory note between A.D. and the CC-1
4 Entity, as well as email and text messages between A.D., CACCHIONE, and CC-1 pertaining to
5 A.D.'s investment. The terms of the promissory note required full repayment of A.D.'s principal
6 sum invested with the CC-1 Entity within 90 days in addition to \$2,000.00 of interest per month,
7 and an additional \$10,000.00 at maturity. A.D. stated that to date A.D. has received
8 approximately \$3,000.00 of interest payments from CC-1 but has not received return of the
9 principal or any other amounts owed.

10 e. Some of the messages obtained from A.D. include communications
11 between A.D., CACCHIONE, and CC-1, after the maturity date of the investment had passed. I
12 have reviewed these messages, some of which are dated as recently as October 31, 2022.

13 d. A.D. stated that had A.D. known the funds would be used for CC-1 and/or
14 CACCHIONE's personal gain, rather than for investing into an actual AR factoring program,
15 A.D. would not have agreed to send the funds.

16 e. Furthermore, A.D. stated that CACCHIONE and CC-1 represented to
17 A.D. that CACCHIONE himself was an investor in the AR factoring program, and A.D. was
18 provided with copies of similar promissory notes between the CC-1 Entity and CACCHIONE,
19 which purported to show that CACCHIONE had invested approximately \$650,000.00 in the AR
20 factoring program between approximately January 3, 2021, and April 1, 2022. As stated
21 previously, I have seen no evidence in any financial records that CACCHIONE has made any
22 investment in the CC-1 Entity, much less in the non-existent AR factoring program.

23 f. Finally, I have reviewed an email from CACCHIONE to CC-1 that was
24 seized from CC-1's email account pursuant to a federal search warrant. The email from
25 CACCHIONE to CC-1 is dated April 21, 2022, at 5:22 p.m., and is a forward of an email sent
26 eleven minutes earlier from A.D. to CACCHIONE at 5:11 p.m. on April 21, 2022. The subject
27 line of A.D.'s email to CACCHIONE is "Wire Transfer" and the message reads in pertinent part
28 "FYI – I've signed the wire instructions and will forward confirmation tomorrow, but you should

1 see the incoming wire from Edward Jones” This email from A.D. to CACCHIONE and
2 CACCHIONE’s forward of the email eleven minutes later is significant because it shows that
3 A.D. is dealing directly with CACCHIONE regarding the transfer of funds supposedly to be
4 invested in the AR factoring program. In addition, the fact that CACCHIONE forwarded the
5 email to CC-1 eleven minutes later shows the close coordination and communication between
6 CACCHIONE and CC-1 relating to the receipt of victim funds.

7 g. As described earlier, the wire transfer from A.D. to an account controlled
8 by CC-1 occurred on April 22, 2022. On that same day, there is a wire transfer of \$7,000 from
9 CC-1 to CACCHIONE and a PayPal transfer of \$500 from CC-1 to CACCHIONE. I believe
10 that these transactions evidence CC-1 sharing the fraud proceeds with CACCHIONE.

11 Victim D.H.

12 a. Victim D.H. was interviewed in January 2023. During that interview,
13 D.H. stated that D.H. knew CACCHIONE from college. CACCHIONE introduced D.H. to CC-
14 1 in about June 2022 for the purpose of CC-1’s potential investment in a technology company
15 associated with D.H. CC-1 represented to D.H. that CC-1 was interested in investing as much as
16 \$5,000,000 in the technology company. The technology company and CC-1 engaged in initial
17 due diligence meetings and telephone calls and an in-person meeting was scheduled for
18 September 5, 2022. However, on September 2, 2022, CACCHIONE communicated with D.H.
19 by text message and telephone to inform D.H. that CACCHIONE and CC-1 had an investment
20 opportunity for D.H.

21 b. CACCHIONE told D.H. that CACCHIONE and CC-1 operated a “fund”
22 which had an investor pull out of a deal at the last minute, and that CACCHIONE and CC-1
23 would invest their own money in the opportunity if they could but were not legally permitted to
24 do so. The opportunity was the AR factoring program. CACCHIONE told D.H. that investing
25 in the AR factoring program would be a “good show of faith” by D.H. with respect to CC-1’s
26 upcoming meeting with the technology company. D.H. eventually agreed to invest in the AR
27 factoring program and was instructed by CC-1 to send \$150,000.00 via wire transfer on
28

1 September 7, 2022, to an account in the name of a nominee. CC-1 cancelled their scheduled
2 September 5, 2022, meeting with the technology company, and never invested the \$5,000,000.

3 c. D.H. provided investigators with a promissory note between D.H. and the
4 CC-1 Entity, and a copy of the “one-pager” AR factoring program prospectus discussed earlier in
5 this affidavit. The promissory note is dated September 2, 2022, and required full repayment of
6 D.H.’s principal sum invested with the CC-1 Entity by September 22, 2022, in addition to
7 \$3,000.00 of interest per month and a 20% “exit fee.”

8 d. D.H. stated that to date D.H. has received about \$135,000.00 of the
9 investment back from CC-1, but that the return of the funds did not begin until approximately
10 November 23, 2022. Furthermore, D.H. stated that D.H. spent approximately \$20,000 in legal
11 fees trying to recoup the remaining amounts owed to D.H. by CC-1, including costs associated
12 with filing a federal civil complaint in the state of Florida against CC-1.

13 e. D.H. stated that had D.H. known the funds would be used for CC-1 and/or
14 CACCHIONE’s personal gain, rather than for investing into an actual AR factoring program,
15 D.H. would not have agreed to send the funds.

16 f. Furthermore, D.H. stated that CACCHIONE represented to D.H. that
17 CACCHIONE’s father was an investor in the AR factoring program. D.H. stated that D.H. had
18 later spoken to CACCHIONE’s father and learned that CACCHIONE’s father did not invest in
19 any AR factoring program. In fact, I have seen no evidence in any financial records that
20 CACCHIONE’s father made any investment in the CC-1 Entity, much less in the non-existent
21 AR factoring program. I therefore believe CACCHIONE’s statement to D.H. was false and
22 made for the purpose of inducing D.H. to invest.

23 **G. Payments by CC-1 to CACCHIONE**

24 23. Based on my review of financial institution account statements and other records,
25 I have learned that between about October 6, 2021, and September 29, 2022, accounts owned or
26 controlled by CC-1 transferred no less than \$106,763.45 to accounts owned or controlled by
27 CACCHIONE.
28

1 24. This time period is relevant because it represents the approximate time period of
2 the known AR factoring victims' payments to CC-1. While I am unable to discretely attribute
3 payments by CC-1 to CACCHIONE to the receipt of the AR factoring victims' funds by CC-1
4 (such as by relating precise percentages to CC-1's statements regarding how CACCHIONE was
5 compensated, or by relating the dates of receipt of victims' funds by CC-1 to the payment by
6 CC-1 to CACCHIONE), I believe the amount of funds sent by CC-1 to CACCHIONE
7 corroborates CC-1's statements regarding CACCHIONE's role in the conspiracy and CC-1's
8 payments of commission to CACCHIONE.

9 **V. CONCLUSION AND REQUEST FOR SEALING**

10 25. Based on the facts discussed above, there is probable cause to believe that
11 DAVID SCOTT CACCHIONE committed the offense of wire fraud conspiracy in violation of
12 18 U.S.C. § 1349.

13 I swear under penalty of perjury that the foregoing is true and correct to the best of my
14 knowledge.

15
16 /s/
17 Benjamin Kurko, Special Agent
18 IRS – Criminal Investigation
U.S. Department of the Treasury

19 Subscribed and sworn to me this 12th day of January, 2024

20
21 
22 _____
Honorable Lisa J. Cisneros
United States Magistrate Judge