

**U.S. Attorney Philip R. Sellinger**  
***United States v. Weinstein, et al.* – Complaint**  
**Press Conference – July 19, 2023**

Good afternoon. I'm Philip Sellinger, United States Attorney for the District of New Jersey. With me is Special Agent in Charge James Dennehy of FBI's Newark Division.

We're here today to announce that five defendants, including defendant Eliyahu Weinstein, have been charged in the District of New Jersey by criminal complaint with conspiring to defraud investors out of tens of millions of dollars and also conspiring to obstruct justice.

This is now the third time this Office has charged Weinstein with a large-scale scheme to rip off investors. According to the Complaint, in 2010, he was charged with an over \$200 million real estate investment fraud scheme. While on pretrial release on that charge, he committed another multi-million-dollar investment fraud, and was charged again in 2013. For these crimes, Weinstein was sentenced to a combined 24 years in prison.

As alleged in the Complaint, on January 19, 2021, after Weinstein had served less than 8 years of that 24 year sentence, his prison sentence was commuted to time served. That meant that Weinstein was released from custody years early and began serving a three-year term of supervised release, meaning that his conduct was monitored by a probation officer.

As alleged in the complaint, Weinstein picked up right where he left off: stealing millions of dollars from investors through a web of lies and deceit.

Beginning in December 2021, as alleged, Weinstein and his co-defendants defrauded at least 150 individual investors out of more than \$35 million. Weinstein is alleged to have carried out his latest scheme by using a fake name and falsely promising access to deals involving scarce medical supplies, baby formula, and first-aid kits supposedly destined for wartime Ukraine. His co-defendants knew about Weinstein's criminal past, but are alleged to have still helped him defraud investors and obstruct justice—all to line their own pockets. These were brazen and sophisticated crimes that involved multiple co-conspirators and drew right from Weinstein's playbook of fraud.

In addition to Weinstein, a Lakewood, NJ resident, the other four charged defendants are:

Aryeh, or "Ari," Bromberg, and

Joel Wittels, both also Lakewood, New Jersey residents  
Shlomo Erez, an Israeli lawyer who resides in Israel and  
Alaa Hattab, a US citizen residing in Canada

Weinstein and Bromberg were each arrested by FBI agents earlier today in New Jersey. FBI agents arrested Erez this morning at John F. Kennedy Airport, coming off of an international flight. Hattab and Wittels have not yet been apprehended and remain at large

The three defendants in custody will have their initial appearances this afternoon in federal court in Trenton before United States Magistrate Judge Tonianne Bongiovanni.

While today's arrests and charges will put an end to the defendants' ability to continue defrauding the victims in this case and obstructing justice, our investigation into their conduct is continuing. That includes our efforts to identify and freeze assets that can be used to repay victim investors.

For now, the five defendants are each charged with one count of wire fraud conspiracy and one count of conspiracy to obstruct justice. The wire fraud conspiracy charge is punishable by up to 20 years in prison. While the obstruction conspiracy charge is punishable by up to 5 years in prison. If convicted, the defendants may also face fines, having to forfeit their ill-gotten gains, and be ordered to repay victim investors for the losses they caused. These charges and details in the complaint are allegations only, and all of the defendants are presumed innocent.

I want to go into some detail about what these defendants are alleged to have done and how they did it.

In 2013, Weinstein pleaded guilty to a real-estate Ponzi scheme that caused over \$200 million in losses.

Then in 2014, Weinstein pleaded guilty to new charges related to defrauding additional investors.

Weinstein was sentenced to serve 24 years in prison. He was also ordered to pay just over \$230 million in restitution to his victims. To date, Weinstein has paid but a small portion of this debt – he still owes more than \$228 million. As you will hear, Weinstein and his criminal companions went to great lengths to help Weinstein avoid paying these victims.

As alleged, Weinstein ended up serving about 7 years and 8 months of his 24-year sentence. On January 19, 2021, the then President of the United States commuted his prison sentence, freeing Weinstein years earlier than expected.

What did Weinstein do soon after leaving prison: as we allege in the complaint, Weinstein orchestrated a new scheme to defraud investors out of millions of dollars. First, as the complaint alleges, the conspirators actively concealed Weinstein's identity, and his role in soliciting and taking money from investors. Given Weinstein's history, the conspirators knew that investors would never invest money in anything associated with him. So Weinstein used a fake name — "Mike Konig." Weinstein used this alias to operate a company called Optimus Investments, Inc. with Bromberg and Wittels. Together, they kept Weinstein's true name and identity hidden and solicited and took in investor money.

Second, as we allege, Weinstein falsely claimed access to lucrative investment deals that would generate significant returns. These deals involved COVID-19 masks, scarce baby formula, and first-aid kits supposedly going to Ukraine. Each deal was too good to be true, because—in reality—they were all bogus. But Weinstein, posing as Mike Konig, provided information about these fake deals to lure investors to give Optimus money.

Optimus received the bulk of investor money through a second company, Tryon Management Group, which was owned and controlled by two other co-conspirators not charged in today's complaint. Most of the money Tryon raised came from friends and family members who were not sophisticated investors. In turn, Tryon transferred those funds to Weinstein, through Optimus.

Third, as alleged in the complaint, this was ultimately just a classic Ponzi scheme. Unable to pay back investors, Weinstein and other co-defendants agreed to pool money from existing investors and use it to make monthly payments to other investors. Bromberg and Wittels falsely told investors that these payments came from legitimate investment returns, not other investors' money.

Defendants Erez and Hattab played their own roles in the conspiracy, as the complaint alleges. Erez—the Israeli attorney—helped conceal Weinstein's true identity. He received and managed money on Weinstein's behalf so that Weinstein's business activities and assets would not leave a paper trail. Because if Weinstein made money – court orders required that it go to his prior victims.

For his part, Hattab—the Canadian resident—helped conceal Weinstein's involvement from investors and his business activities from Probation.

In late August 2022, Weinstein revealed his true identity to the Tryon owners: “Mike Konig” was really Eli Weinstein. Each conspirator got onboard with continuing the fraud — continuing to conceal that Eli Weinstein was behind their investments... so that they could keep bringing in new investors to pay off existing investors. All in an effort to stop the Ponzi scheme from falling apart and to cover up the fraud. If word got out that Weinstein was involved, no one would invest and the whole thing would blow up.

As part of the investigation, the FBI obtained secret recordings of several meetings and conversations involving the defendants.

For example, in late August 2022, as alleged, Weinstein admitted that he “misled” and “lied about transaction.” He even admitted that it was all a Ponzi scheme, stating, “I finagled, and Ponzied, and lied to people to cover us.”

As brazen and outrageous as this alleged fraud scheme was, the conspiracy to obstruct justice was its match.

As alleged in the complaint, the defendants conspired to hide Weinstein’s assets that should have been used to pay over \$228 million in restitution that he still owes. They also concealed Weinstein’s extensive business activities, which were expressly prohibited by the terms of his supervised release.

In multiple secretly recorded conversations alleged in the complaint, Weinstein discussed his intent to conceal his various assets from ever going to the victims of his prior fraud schemes. In one such conversation, Weinstein referenced hidden assets that he “can’t touch” while on supervised release because he’d otherwise “go to jail.” Weinstein then boasted, “I just told you something that no one in the world knows because I hid money. Get it?” Defendant Hattab put it clearly to another conspirator: “He’s not allowed to do business, the mere fact that he did business would send him back to jail.”

Let me say one more thing before I pass it on to SAC Dennehy.

Every day, the people of New Jersey and across this country look to invest their hard-earned money in ways to help them get their share of the American dream. But too often, they are preyed upon by fraudsters looking to line their own pockets, who lure unwitting investors with false promises of exciting deals and outsized gains. Fraudsters undermine the fabric of our society and their crimes will not be tolerated.

As alleged in the Complaint, Eli Weinstein preyed upon innocents through lies and deceit. As soon as Weinstein got out of jail, he started ripping off victims again. He didn't try to make his prior victims whole — he made more victims. By today's charges, we intend to hold him accountable.

I'd like to now ask FBI Special Agent in Charge Dennehy to say a few words.

**[AFTER THE SAC CONCLUDES HIS REMARKS]**

Thank you, SAC Denney, for your office's continued commitment to the investigation and prosecution of those who defraud our citizens. I want to thank the team of exceptional agents from the FBI, who have tirelessly pursued the perpetrators of this crime. Particular thanks to FBI Special Agent Michelle Pickels, Anthony Bellitti, and Daniella Ganiari, the primary case agents for this matter. I would also like to express appreciation for the Securities and Exchange Commission, which has also filed a civil complaint stemming from the same conduct. And, from my office, thanks to Assistant U.S. Attorneys Emma Spiro and Jonathan Fayer for their efforts leading to today's charges, and to their Chief, Joshua Haber for his support and leadership. We'll take your questions.