

U.S. Attorney Philip R. Sellinger
Grandparents' scam – Indictment & Complaint
Videotaped Press Conference – April 9, 2024

Hello. I'm Philip Sellinger, United States Attorney for the District of New Jersey. I'm joined today by Arun Rao, Deputy Assistant Attorney General for the Consumer Protection Branch; Acting Special Agent in Charge Darren B. McCormack, of the U.S. Department of Homeland Security, Homeland Security Investigations, New York; , Special Agent in Charge James E. Dennehy of the Federal Bureau of Investigation, Newark Division, and Assistant U.S. Attorney Carolyn Silane of my Office.

We're here to announce charges against sixteen individuals involved in a criminal network which allegedly defrauded elderly Americans, including several victims here in New Jersey, out of millions of dollars through what's known as a "grandparent scam."

A grandparent scam typically goes something like this: The phone rings, and the caller claims to be a relative, usually a grandchild, in distress. They've been in a car accident or they got arrested, and they need money immediately. The concerned grandparent jumps into action—they would do anything for their grandchild, no matter the cost. But, it's all a scam. And once the grandparent hands over the cash, it's almost always gone for good.

The Defendants charged today are alleged to have deceived elderly victims into believing that one of their loved ones – often a grandchild – was in serious legal trouble and needed immediate cash for bail or a lawyer. The panic-stricken victims quickly paid this money. Sometimes tens of thousands of dollars at a time. And some of the Defendants allegedly visited their victims' homes here in New Jersey to collect the cash.

The alleged victims included elderly Americans not only from New Jersey, but also from other Northeastern states, such as New York, Pennsylvania, and Massachusetts. Overall, as the charges allege, the Defendants defrauded hundreds of elderly Americans, stealing millions of dollars.

Here's how the scheme is alleged to have worked:

Members of the conspiracy referred to as "openers" operating from call centers in the Dominican Republic, allegedly called elderly victims in the United States and impersonated the victims' children, grandchildren, or other close relatives. The scammers used technology to make it appear that their calls were coming from inside the United States. Typically, callers, posing as the relative, told the victim they were in a crisis situation.

For example, as alleged in the Complaint, a video recovered in the investigation shows a co-conspirator on the phone impersonating a victim's grandson. In the video, the co-conspirator pretends to cry into the phone: "Grandma, I love you and I trust you more than anyone." Through fake sobs, the co-conspirator continues, "tell grandpa I love him." And pretending to choke back tears, he tells the victim to follow his lawyer's instructions: "just do whatever" he "tells you to do at the bank."

Once the “openers” duped victims into believing their loved ones were in trouble, other members of the conspiracy working at the call centers, known as “closers,” allegedly impersonated defense attorneys, police officers, or court personnel. The “closers” would then call to convince the victims to provide thousands of dollars in cash to help their loved ones.

Once the “openers” and “closers” had convinced the victims to part with their cash, call center “dispatchers” allegedly used a network of U.S.-based couriers to pick up the cash.

Closers, allegedly told victims to give the cash to the couriers who came to their homes. Other times, closers allegedly instructed victims to send the cash by mail.

U.S.-based couriers allegedly went to the elderly victims’ homes to pick up their cash often using false names and providing them with fake receipts in exchange.

The couriers then brought the cash to other members of the conspiracy, who allegedly sent the victims’ money back to the Dominican Republic.

But that’s not all. The Defendants are alleged to have escalated the fake crises in an effort to extract even more money. For instance, as alleged, after a caller told a grandparent their grandchild had been arrested after a traffic accident involving a pregnant woman, a subsequent caller would often claim the woman had miscarried. The conspirators were then able to pressure the victims into providing even more cash to assist the grandchild.

The names, ages, and residences of the sixteen Defendants are listed in the press release.

The five U.S.-based couriers have been charged by Complaint with wire fraud conspiracy.

The eleven other Defendants currently in the Dominican Republic have been charged in a 19-count Indictment with mail fraud, wire fraud, mail and wire fraud conspiracy, money laundering, and money laundering conspiracy.

These charges are the result of the partnership between my Office and the exceptional work of the United States Department of Justice Consumer Protection Branch under the leadership of Deputy Assistant Attorney General Arun Rao. I also want to recognize the extraordinary work of the United States Department of Homeland Security, the Federal Bureau of Investigation – Newark Division, the New York City Police Department, the United States Social Security Administration – Office of Inspector General, and the significant assistance of DOJ’s Office of International Affairs. These agencies have worked diligently to uncover the scope of this scam.

I also want to acknowledge the remarkable work of the Dominican Public Ministry, represented by the Santiago Prosecutor’s Office, and the Dominican National Police, Transnational Crimes Investigation Unit, to investigate and stop crimes like these. We very much appreciate their cooperation.

The defendants in this case are alleged to have targeted our senior population and preyed upon grandparents' love and devotion to their family. My Office is focused on protecting the rights of all victims, and we will relentlessly prosecute those who allegedly target the vulnerable to cheat them out of their savings.