

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

- v. -

BDK MAILING GMBH, MAILING
FORCE PTE. LTD., ONLY THREE PTE.
LTD., CHANTAL SEGUY, MARION
ELCHLEPP, AURORA JOUFFROY-
BRANDTNER, MACROMARK, INC.,
MARY ELLEN MEYER, MAIL ORDER
SOLUTIONS INDIA PVT. LTD., DHARTI
B. DESAI and MEHUL A. DESAI,

Defendants.

COMPLAINT

Civil Action No. 16-

CV 16 -

5264

U.S. DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

2016 SEP 22 AM 9:10

FILED
CLERK

GARAUFIS, J.

REYES, M.J.

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. Since at least 2005, and continuing to the present, defendants, using the U.S. mail, have engaged in numerous predatory mail fraud schemes, targeted primarily at the elderly and vulnerable.

3. Each year, defendants mail millions of multi-page solicitations to hundreds of thousands of potential victims throughout the United States. The solicitations profess to come from financial entities, learned scholars, and world-renowned psychics. These “solicitation packets,” emblazoned with the name and likeness of purported benefactors and written to give the misimpression that they are personalized communiqués, inform recipients that they will receive large sums of money, guaranteed money-making methods, and/or powerful talismans in return for payment of a relatively small fee of \$50 to \$55.

4. In reality, none of the supposed benefactors exist. Instead, the solicitation packets are concocted by an international syndicate of entities and individuals, conspiring to defraud the recipients.

5. The purported winnings are equally fictitious. Although victims of these schemes send in the requested fees by cash, check, or credit card, they never receive the promised funds, winning methods, or supernatural items in return. Many thousands of victims, especially the elderly and vulnerable, suffer devastating financial losses from the defendants’ fraudulent schemes. Tens of thousands of victims send approximately \$50 to \$60 million annually in response to defendants’ fraudulent solicitation packets.

6. For the reasons stated herein, the United States requests injunctive relief against defendant direct mailers, list brokers, and printer/distributors pursuant to 18 U.S.C. § 1345 to enjoin defendants’ ongoing scheme to defraud using the mail in violation of 18 U.S.C. §§ 1341 and 1349.

STRUCTURE OF THE SCHEMES

7. Defendants’ solicitation packets are designed to look like letters from a single, identified benefactor. However, in truth, defendants’ direct mailing schemes involve a

consortium of entities, including direct mailers, list brokers, printer/distributors, mailing houses, “caging” services, and payment processors. These six diverse groups work together to (1) produce and mail millions of solicitation packets each year, (2) collect and distribute tens of millions in annual victim payments, and (3) attempt to obscure their true identities from their victims and law enforcement agencies worldwide. Each of these entities plays an integral role in the mail-fraud schemes. Specifically:

- *Direct Mailers* design the solicitation packets and orchestrate the logistics of the scheme with the other participants.
- *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.
- *Printer/Distributors* use lead lists to personalize and print thousands of copies of the multi-piece solicitation packets. Once printed, the printer/distributors “lettershop” the solicitation packets (*i.e.*, fold, assemble, insert, and seal the various printed elements of the solicitations into their mailing envelopes), and transport them in bulk to U.S. or to foreign-based mailing houses.
- *Mailing Houses* pre-sort the shipments of solicitation packets by address and then send them to victims through the U.S. mail or foreign post (destined for the United States) using a bulk mailing permit.
- *Caging Services* rent P.O. boxes to receive victim responses to the solicitation packets. The services open victim responses, review them for victim and payment information (typically disregarding any other victim response), record that information into a database, and transmit victim payments to a payment processor.
- *Payment Processors* collect and process the payments received from caging services and distribute the proceeds to the participants of the mail fraud scheme.

JURISDICTION AND VENUE

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

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

PARTIES

10. Plaintiff is the United States of America.

A. *The Direct Mailer Defendants (“BDK”)*

11. Defendant BDK Mailing GmbH (“BDK Mailing”), a direct mailer, is a Swiss business entity. BDK Mailing’s principal place of business is Ebnifeld 13, 9523 Zuberwangen, Switzerland.

12. Defendant Mailing Force Pte. Ltd. (“Mailing Force”), a direct mailer, is a Singaporean business entity. Mailing Force’s principal place of business is 33 Ubi Ave. 3 #08-04, Singapore 408868.

13. Defendant Only Three Pte. Ltd. (“Only Three”), a direct mailer, is a Singaporean business entity. Only Three’s principal place of business is 33 Ubi Ave. 3 #08-04, Singapore 408868.

14. Defendant Chantal Seguy (“Seguy”) is an owner and director of BDK Mailing, Mailing Force, and Only Three. Seguy resides in Paris, France.

15. Defendant Marion Elchlepp (“Elchlepp”), Seguy’s stepdaughter, has directed the business of BDK Mailing, and is an owner and director of Mailing Force and Only Three. Elchlepp resides in Paris, France.

16. Defendant Aurora Jouffroy-Brandtner (“Jouffroy”), Seguy’s daughter-in-law, has directed the business of BDK Mailing, Mailing Force, and Only Three. Jouffroy resides in Zurich, Switzerland.

17. In connection with the matters alleged herein, defendants BDK Mailing, Mailing Force, Only Three, Seguy, Elchlepp, and Jouffroy (collectively “BDK”) have each caused millions of fraudulent solicitation packets to ship to the United States as air cargo to John F.

Kennedy International Airport (“JFK”) in the Eastern District of New York and elsewhere for placement into the U.S. mail. BDK has also caused thousands of additional fraudulent solicitation packets to be placed into the international post for introduction into the U.S. mail. The solicitations target potential victims throughout the United States, including thousands who reside in the Eastern District of New York.

B. *The List Broker Defendants (“Macromark”)*

18. Defendant Macromark, Inc., a list broker, is a New York business entity. Macromark’s principal place of business is 39 Old Ridgebury Road, Suite 3, Danbury, CT 06810.

19. Defendant Mary Ellen Meyer (“Meyer”) is a client services manager at Macromark, with over seven years specializing in brokering lists pertaining to astrology, health/diet, business-to-business, and financial and business opportunities. Meyer resides in Mahopac, New York.

20. In connection with the matters alleged herein, defendants Macromark, Inc. and Meyer (collectively “Macromark”) have caused millions of fraudulent solicitations packets to ship to the United States as air cargo to JFK in the Eastern District of New York and elsewhere for placement into the U.S. mail. Macromark has also caused thousands of additional fraudulent solicitation packets to be placed into the international post for introduction into the U.S. mail. The solicitations target potential victims throughout the United States, including thousands who reside in the Eastern District of New York.

C. *The Printer/Distributor Defendants (“MOSI”)*

21. Defendant Mail Order Solutions India Pvt. Ltd. (“MOSI Ltd.”), a printer/distributor, is an Indian business entity. MOSI Ltd.’s principal place of business is 406, Raheja Plaza, Mumbai, India.

22. Defendant Dharti B. Desai (“D. Desai”) is an owner and President of MOSI Ltd. D. Desai resides in New York County, New York and Mumbai, India.

23. Defendant Mehul A. Desai (“M. Desai”) is an owner and Chief Operating Officer of MOSI Ltd. M. Desai resides in Mumbai, India.

24. In connection with the matters alleged herein, defendants MOSI Ltd., D. Desai, and M. Desai (collectively “MOSI”) have caused millions of fraudulent solicitations packets to ship to the United States as air cargo to JFK in the Eastern District of New York and elsewhere for placement into the U.S. mail. MOSI has also caused thousands of additional fraudulent solicitation packets to be placed into the international post for introduction into the U.S. mail. The solicitations target potential victims throughout the United States, including thousands who reside in the Eastern District of New York.

DEFENDANTS’ ONGOING FRADULENT SCHEMES

A. *Initiation of The Direct Mailing Schemes: The Direct Mailer Stage*

25. Beginning as early as 2005 and continuing to the present, BDK, using the U.S. mail, has engaged in mail fraud schemes that have defrauded U.S. victims of \$50 to \$60 million dollars each year.

26. BDK Mailing was founded in Switzerland in 1997 by Seguy’s late husband, Bernhard Elchlepp. By 2005, BDK Mailing actively engaged in numerous mass mail fraud schemes. Mr. Elchlepp founded Singaporean corporations Mailing Force and Only Three under

the ownership of BDK Mailing's French affiliate, Punch Concept, in 2013. BDK Mailing, Mailing Force and Only Three have actively engaged in mass mail fraud schemes since 2013. Seguy, Elchlepp, and Jouffroy have run the day-to-day business of BDK Mailing, Mailing Force and Only Three since Mr. Elchlepp's death in March 2015.

27. BDK operates at least 37 fraudulent direct mail schemes that cause the mailing of millions of solicitation packets to recipients across the globe. As part of its fraudulent mailing schemes, BDK causes the yearly mailing of millions of solicitation packets to potential victims throughout the United States, including thousands in the Eastern District of New York.

28. The schemes operate under the guise of dozens of contrived financial institutions, learned scholars, and psychics with names like "Harrison Institute," "Dr. Grant," "Finkelstein & Partner," and "Marie de Fortune," among others.¹ None of the solicitation packets identify BDK as a sender.

29. Using these fictitious names, BDK creates and maintains a library of template solicitation packets for each one of its fraudulent mailing schemes, with some schemes using a dozen or more varied templates.

30. Each BDK solicitation packet contains multiple misrepresentations designed to induce elderly and other vulnerable victims to send payments to BDK. The solicitation packets

¹ To date, USPIS has identified 37 fraudulent mass mailing schemes operated by BDK, including: "Angèle et Angéline," "Angélique de Succès," "A.P.M.E.," "Baroness de Rothman," "Bio Sana," "Buchmüller & Co.," "Carmen Dumas," "Christine de Paris," "Connor & Smith Transfer Agency," "Dr. Barkley," "Dr. Grant," "Dr. Henderson," "Dr. Kramer," "European Winners Club" (EWC), "Fatima Research Center," "Finkelstein & Partner," "Financial Transfer Institute" (FTI), "Harrison Institute," "I.E.R.," "House of Health," "Madame Soleil," "Magister Davids," "Maître Norbu," "Maître Pascal," "Maître Paul Ritter," "Michael M," "Michelle Devon," "Mineralis," "PB Top News," "Perfect Health," "Professional Promotion," "Sophros I," "Stella," and "Winner Club."

contain “personalized” letter solicitations that claim that the victim is the sole recipient of the letter, or one of a small number of recipients, and that the solicitation was sent to the recipient based on unique information about him/her (*e.g.*, selection in a grand prize drawing, personal identification by a secret benefactor, or a psychic vision about the recipient). All of the solicitations state that the recipient will receive either large sums of money, an “infallible” money-making method, a powerful talisman, or a combination of these. The solicitations then invariably urge recipients to make payments to the fictitious entity, usually ranging from \$50 to \$55, to assure processing and receipt of the promised riches. The solicitations generally fall into one of three categories:

- *Prize-Transfer Solicitations.* These solicitations falsely claim that the victim has won a lottery or sweepstakes, or has otherwise come into a great fortune, and that the victim will receive his/her winnings if he/she pays a processing fee.
- *Wealth-Building Solicitations.* These solicitations falsely claim that the victim has won a large sum of money and then urge the victim to purchase instructions on an “infallible” method for making money or a unique supernatural talisman guaranteed to provide the user great luck and wealth.
- *Psychic Solicitations.* These solicitations purport to come from a person with psychic powers who promises to use his/her abilities to improve the victim’s financial and personal circumstances. The solicitations often state that the psychic has seen the individual recipient winning large sums of money through the lottery. The solicitations urge the recipient to purchase various supernatural and divinatory objects or services in order to achieve the predicted wealth.

31. Each solicitation packet instructs the recipient to fill out an enclosed response card and to return it to the fictitious entity along with his/her payment. The response card frequently asks victims to affirm that they accept their winnings and are interested in receiving a wealth building method or talisman. The cards then instruct victims to make a payment via cash, bank or postal check, money order, or credit card using a return envelope pre-addressed to an international P.O. box controlled by one of BDK’s caging services.

32. Despite misrepresentations that they are personal communiqués, tens (and sometimes hundreds) of thousands of nearly identical copies of each solicitation packet are sent to potential victims throughout the United States. And while these solicitations collect \$50 to \$60 million in payments each year from U.S. victims, those victims rarely if ever receive anything in return. In the rare instance that a victim does receive a response, it is a mass-produced pamphlet or trinket of nominal value, rather than the lucrative prizes, talismans and/or services being advertised.

33. BDK attempts to absolve itself of responsibility by including inconspicuous fine print, frequently printed on the inside of the mailing envelope, which purports to set out terms and conditions of its solicitation. In many cases, these hidden “disclaimers” simply reiterate and reinforce the misrepresentations from the main, more easily read, body of the solicitation. In others, the micro-print directly contradicts the claims printed in large text in the main body of the solicitation. For example, solicitations claim that the recipient has already been confirmed as the winner of a check or prize in bold, prominent lettering in the main body of the solicitation, but then explain in the hidden disclaimer that the prize drawing has not yet taken place or that there is no prize drawing and the victim is agreeing to purchase an item or service that is not mentioned anywhere else in the solicitation. The indecipherable print is designed so that recipients are highly unlikely to see, let alone read and understand it, assuring the “disclaimers” do nothing to counteract the misleading impressions conveyed by the solicitations.

34. BDK has created hundreds of distinct solicitation packets under its 37 fraudulent direct mail schemes.

B. *Identifying Victims: The List Broker Stage*

35. Once it has completed a template solicitation packet, BDK uses one or more “lead” lists of thousands of vulnerable consumers to target those individuals for receipt of the fraudulent mailing. These lists vary in size. Some contain the demographic information of several thousand potential victims; others contain information on hundreds of thousands.

36. BDK obtains lead lists in one of two ways. *First*, BDK maintains in-house lists that it develops and refines based on responses to its mailings. BDK’s U.S.-based lists include: “BDK US Astrology Buyers,” “BDK US Astrology Responders,” “Delma Happiness Buyers,” “Dr. Grant Buyers US,” “Only3 Sweepstakes,” “PB Sweepstakes US,” “PB Sweepstakes US Responders,” “Professional Promotional Buyers,” “Ritter Astrology Buyers,” and “V&G Sweepstakes Buyers US.” These lists contain the demographic information of between approximately 21,500 and 96,000 potential victims each.

37. *Second*, BDK works with a list broker to identify and rent lists owned by third-parties containing additional names and addresses of potential victims most likely to respond favorably to BDK’s fraudulent mass mailings.

38. In the direct mail industry, list brokers connect direct mailers—like BDK—with list owners who possess mailing lists and expect to be paid for their use. List brokers frequently: (1) maintain databases of lead lists and the identity of the owners of those privately held lists; (2) identify, recommend, and filter lists for use with their clients’ specific solicitations; and (3) broker the rental of lists that their clients use to target the direct mailings to particularly susceptible U.S. potential victims.

39. Macromark has acted as BDK’s primary list broker since at least 2011. Macromark’s website openly bills Macromark as “one of the largest direct mail companies

specializing in targeted lists in the [United States].” Warning that “[t]he mailing list is the most important part of the of a direct mail program,” Macromark advertises its ability to “provid[e its] clients with targeted and relevant consumer and/or business lists that produce the best possible results.” Specifically, Macromark “provides comprehensive list brokerage services,” including “uncovering new list opportunities and untapped prospects,” “analyz[ing] previous marketing efforts and mail plans” and “provid[ing] list recommendation[s].”

40. Macromark also helps BDK, among other clients, to rent its in-house lists to other direct mailers. In that role, Macromark provides prospective renters with “data cards” for the lists it brokers, which are one page brochures that describe, among other things, the types of consumers identified by the list, the number of monthly and yearly “buyers” (*i.e.*, individuals who have submitted a payment in response to a particular mass mailing campaign), the geographic reach of the list (*e.g.*, domestic or international), and rental prices.

41. Macromark regularly brokers BDK’s rental of third-party sweepstakes and “astrological” lead lists, having completed well over one hundred separate rental transactions for BDK since 2013. As part of each transaction, Macromark requires that BDK provide the direct mail solicitation that it proposes to send to the individuals on the rented list. Macromark is paid a commission for each transaction, ranging from approximately \$70 to \$350.

42. Macromark has also marketed BDK’s U.S. and international lead lists in scores of transactions since 2013. As part of each transaction, Macromark makes samples of BDK solicitations used to generate the list available to the direct mailers who propose to rent the BDK list. Macromark is paid a commission for these transactions as well, ranging from approximately \$50 to \$250. As of a result of Macromark’s marketing of BDK lists, victims who BDK includes

on its lists also receive solicitations from and are victimized by many other similar sweepstakes and astrological mail fraud schemes.

43. BDK-linked transactions account for approximately 20% to 25% of Macromark's yearly "Astrological/Sweepstakes" list-brokering revenue.

C. *Printing, Distribution, and Mailing*

44. Once a template solicitation packet and lead list(s) are selected, MOSI (or another of BDK's printer/distributors) "personalizes" and prints thousands of nearly identical copies of the solicitation packets and ships and/or mails them to the United States.

45. MOSI advertises itself as a "specialist" at every stage of printing operations, including the printing and distribution of mass-mail campaigns. Among the advantages touted by MOSI is the ability for clients to "outsource an entire project" to MOSI.

46. According to its corporate brochure, MOSI operates a "state-of-the-art," 100,000 square foot "Print Production and International Postal and Distribution Service" complex that handles creative, "pre-press," printing, and distribution services, among others. MOSI's resources allow it to print and distribute up to 15 million solicitation packets per month.

47. MOSI has served as one of BDK's printer/distributors since at least 2005. Among other things, MOSI works on BDK's "design revamps, data management, offset printing, personalization, lettershopping [and] distribution across the globe." MOSI prints approximately 2 million BDK solicitation packets per month, accounting for approximately 50% of MOSI's business. Specifically, MOSI provides BDK and its other mass-mailing clients with the following services:

- Reviewing and editing template solicitation packets, including the outer mailing envelope and internal mailing pieces;

- Communicating with U.S.-based mailing houses for input regarding whether solicitation packets will meet United States Postal Service (“USPS”) criteria for bulk domestic pre-sort mailings;
- Requesting input from U.S.-based mailing houses regarding the “aggressiveness” and legality of individual solicitation packets;
- “Personalizing” template solicitation packets with data from lead lists to “enhance . . . one-to-one marketing” and “significantly improve [clients’] response rates”;
- Printing thousands of copies of the solicitation packets using advanced digital and offset printing techniques to create effects such as simulated official stamps and handwriting; and
- Lettershopping (*i.e.*, folding, assembling, inserting, and sealing the various printed elements of the solicitations into their mailing envelopes).

48. After editing, proofing, printing, and lettershopping a batch of fraudulent BDK solicitation packets, MOSI prepares them for entry into the U.S. mail via one of two pathways: (1) shipment as air freight to JFK (or another international airport) for delivery to a domestic mailing house that introduces the letters into the U.S. mail using a USPS bulk mailing permit, or (2) shipment of the letters to Singapore, Fiji, or Hungary for introduction to the U.S. mail via the foreign post. The solicitations are then delivered to their intended victims, including thousands in the Eastern District of New York.

49. BDK frequently mails identical (or translated) copies of its solicitation packets to over a dozen countries besides the United States.

D. *Processing Victim Responses: “Caging” and Payment Processing*

50. All of BDK’s fraudulent solicitation packets contain pre-addressed return envelopes to facilitate the remittal of victim payments. The return envelopes are addressed to the fictitious benefactors at various foreign P.O. boxes. In reality, the boxes are rented by BDK’s caging services, with rental fees invoiced to BDK.

51. The caging services act as a hub through which BDK's (and other direct mailers') fraudulent solicitations are received, sorted, processed and recorded. When the caging services receive a victim's response, they open the return envelope, review it, record the victim's demographic and payment information into a database, and facilitate the transmission of cash, checks and/or credit card information to BDK's payment processor. After recording the victim responses and sending payments along to processing, the caging services discard victims' responses.

52. Historically, BDK has used at least 50 international P.O. boxes, including scores registered to eight separate Dutch caging services, to receive victim responses. Two of these eight Dutch caging services were the subject of simultaneous enforcement actions by the United States Department of Justice and Dutch law enforcement in June 2016: Kommunikatie Service Buitenland, B.V. ("KSB") and Trends Service in Kommunikatie, B.V. ("Trends"). *See United States v. Trends Service in Kommunikatie, B.V., et al.*, No. 1:16-cv-02770 (ILG)(SMG) (E.D.N.Y. 2016). At least three more of BDK's Dutch caging services were also subject to Dutch law enforcement actions in June 2016, including: DM Service, TW4 GmbH, and VaRo Fulfilment Services, B.V.

53. BDK currently cages though at least one or more of its non-targeted caging services, including Asendia Netherlands.

54. BDK processes victim payments through PacNet Services, Ltd. ("PacNet"), located in Vancouver, Canada.

SPECIFIC MISREPRESENTATIONS

A. *Prize-Transfer Schemes*

55. The defendants run one set of schemes purporting to come from a person who claims to be able to facilitate the payment of the cash prizes from sweepstakes, lotteries, or other beneficial financial transactions to the solicitation's recipient. The solicitations falsely inform recipients that they have won or are otherwise entitled to large sums of money ranging from tens to hundreds of thousands of dollars and that they will receive the funds if they pay a small "processing" fee. Although victims of the schemes send the requested money by cash, check, or credit card to international P.O. boxes controlled by BDK's caging services, they never receive the promised funds.

56. The Harrison Institute Scheme. One such BDK prize-transfer solicitation packet from 2016 informs the recipient that the "Harrison Institute" has identified the recipient as the winner of a "main prize check" of \$36,000.00. (Ex. A to Complaint.²) In order to receive the signed check, the solicitation urges the recipient to confirm his or her mailing address and, in order to "receive [the] check as rapidly as possible," to spend \$50 for processing of [the] documents. (*Id.*) The direct mailing also offers the recipient the option for "priority processing and shipment" for an additional \$5. (*Id.*) Specific misrepresentations contained in this solicitation packet include the following:

- "[Victim's Name], The independent monitoring officer has confirmed that your personal number has won. The check for \$36,000.00 will be sent to your home address and you can deposit it the same day!"³

² All exhibits cited herein are attached hereto. The United States has redacted the names of the recipients of solicitations to protect their privacy.

³ The United States uses brackets to indicate text that was individualized to the particular recipient through the use of mail merge software in order to make the solicitation appear personalized, such as the victim's name or address.

- “Confirmation 1: We hereby confirm that number 221.555.014 has won the following prize: Bank check for ** \$36,000.00 **”
- “Confirmation 2: It is GUARANTEED And CONFIRMED that number 221.555.014 has won the bank check for \$36,000.00! It will be remitted to only the main winner, [Victim’s Name].”
- “Confirmation 3: It is also confirmed that [Victim’s Name] will receive the check won immediately provided the response is received in due form and before the deadline.”
- “You are receiving this letter because you have been declared the winner of our annual prize. The signed check is ready to be sent to you. The purpose of this document is to authorize your claim for the main prize check by fulfilling all conditions. The main prize check for \$36,000.00 is REALLY YOURS! This is GUARANTEED!”

(Ex. A to Complaint.)

57. Nearly identical solicitation packets were sent to tens of thousands of potential victims throughout the United States, including the Eastern District of New York. The solicitations include copies of purported signatures by “Robert Harrison,” the General Manager of the “Harrison Institute.” The signatures are printed to appear as if hand written, but, in fact, are nothing more than the handiwork of MOSI’s printing services. All of the solicitations contained a return envelope addressed to a P.O. box registered to the Trends caging service and invoiced to Mailing Force and Seguy.

58. The United States Postal Inspection Service (“USPIS”) has seized numerous return envelopes sent by U.S. victims to a Trends P.O. box in response to BDK’s “Harrison Institute” scheme, including dozens from residents of the Eastern District of New York. On May 10, 2016, USPIS seized thousands of pieces of outgoing mail pursuant to a warrant at JFK (the “2016 JFK Seizure”). The seized mail was sent by U.S. victims using return envelopes pre-addressed to Dutch P.O. boxes registered to numerous caging services. The envelopes enclosed

cash, check, and credit card payments to the “Harrison Institute,” included completed response cards, and, in certain circumstances, contained victims’ hand-written letters to the fictional benefactor.

59. Macromark is also involved in the “Harrison Institute” scheme. Since 2013, Macromark has rented BDK at least one lead list it knew BDK would use to personalize and address tens of thousands of “Harrison Institute” solicitation packets sent to potential victims across the United States. Macromark marketed the lead list to BDK and others as containing the demographic information of “perfect candidates for all astrology, sweepstakes and opportunity offers.” The list contained approximately 13,000 potential victim names and addresses.

60. Similarly, MOSI is an active participant in the “Harrison Institute” scheme. On March 16, 2016, USPIS seized more than 270,000 individual solicitation packets shipped by MOSI into Dulles International Airport for delivery to a Maryland-based mailing house (the “2016 Dulles Seizure”). These 270,000-plus solicitation packets represented six BDK campaigns - including tens of thousands of copies of a “Harrison Institute” solicitation.

61. USPIS has issued at least two administrative Determinations of Nonmailability (“DONs”) regarding “Harrison Institute” solicitations to return addresses registered to BDK’s Dutch-based caging services since 2013. These DONs declare that the solicitations violate federal law.⁴ (*See, e.g.*, Ex. B to Complaint.)

⁴ In the DON process, USPIS determines whether foreign mail entering the United States contains “nonmailable” matter as defined in 39 U.S.C. § 3001, including, among other things, lottery-related matter, in violation of 18 U.S.C. § 1302, or facsimile checks, in violation of 39 U.S.C. § 3001(k). The DON process does not necessarily screen for violations of 18 U.S.C. § 1341. Nonetheless, the seized solicitations mailed along with the DONs are fraudulent on their face and thus provide defendants with notice of the illegality of their mass-mailing campaigns.

62. In addition to “Harrison Institute,” BDK sends prize-transfer solicitation packets under a number of other fictitious names, including “Dr. Kramer” and “I.E.R.” Each of these solicitations contains misrepresentations similar to those used by the “Harrison Institute” scheme described in Paragraph 56.

63. USFIS has issued at least four DONs regarding “Dr. Kramer” and 18 DONs regarding “I.E.R.” to return addresses registered to BDK’s Dutch-based caging services since 2013.

B. *Wealth-Building Schemes*

64. The defendants run a second set of schemes that, like the prize-transfer schemes, also purport to come from a person or institution who claims to be able to facilitate the recipient’s obtaining cash proceeds from sweepstakes, lotteries, or other beneficial financial transactions. These solicitation packets, however, also falsely state that the sender possesses an “unique” method for amassing substantial wealth or a supernatural talisman that guarantees the receipt of riches that the recipient can purchase (along with assuring the delivery of his/her large cash winnings) for a small “processing” or “symbolic” fee. Some of the wealth-building solicitation packets also include “testimonials” from other fictional satisfied purchasers. Although victims of the schemes send the requested money by cash, check, or credit card to international P.O. boxes controlled by BDK’s caging services, they never receive the promised methods, supernatural items, or prizes. In the rare instance when a victim receives any response, it is merely a letter containing a mass-produced pamphlet or trinket of nominal value.

65. The Dr. Grant Scheme. One such BDK wealth-building method solicitation packet from 2016 purports to come from “Dr. Grant.” (Ex. C to Complaint.) The supposedly “personal and confidential” letter informs the recipient that he/she has won a “tax-free \$50,000

check.” (*Id.*) The solicitation then provides the recipient the opportunity to purchase a “revolutionary method of numerology that guarantees . . . wins of monumental sums of money.” (*Id.*) The letter next instructs the recipient to remit a “symbolic payment” of \$50 “to receive the revolutionary method of applied numerology” and the winning check “as soon as possible.” (*Id.*) The letter also offers the recipient the option of “priority” order processing for an additional \$5. (*Id.*) The letter warns that without payment, the winning \$50,000 check will not be sent for 12 months. Specific misrepresentations contained in this solicitation packet include the following:

- “We hereby confirm to the main winner, [victim’s name]: We officially and formally declare that the unique check for \$50,000.00 is yours!”
- “Yes, it’s official. You have been named DEFINITELY the main recipient of this communiqué, [victim’s name]! \$50,000.00 are ready to be paid.”
- “[T]his is official: All regulatory verifications have been conducted. We have just been authorized to send you this registered letter with return receipt requested. THE RESULT IS IRREVOCABLE*: Since your personal number 713539 has been declared a winning number*, you are a confirmed recipient of a winning check.”
- “Today you have the unique chance and the opportunity to receive a mathematical method that will guarantee regular wins. If you decided to obtain this method and follow it to the letter, you will soon be part of those happy people who regularly write to us to thank us for their new fairy tale existence we have made possible for them.”

(Ex. C. to Complaint.)

66. Nearly identical solicitation packets were sent to tens of thousands of potential victims throughout the United States, including the Eastern District of New York. The solicitations include copies of purported “notes.” The notes are printed to appear as if they were hand written, but, in fact, are nothing more than the handiwork of MOSI’s printing services. All of the solicitations contained a return envelope addressed to a P.O. box registered to the Trends caging service and invoiced to Mailing Force and Seguy.

67. Mail obtained during the 2016 JFK Seizure included numerous return envelopes sent by U.S. victims to a Trends P.O. box in response to the “Dr. Grant” scheme. The envelopes enclosed cash, check, and credit card payments to “Dr. Grant,” included completed response cards and, in certain circumstances, contained victims’ hand-written letters to the purported benefactor.

68. Tens of thousands of additional copies of MOSI-printed “Dr. Grant” solicitation packets were seized by USPIS during the 2016 Dulles Seizure.

69. USPIS has issued at least 12 DONs regarding “Dr. Grant” solicitations to return addresses registered to BDK’s Dutch-based caging services since 2013. (*See, e.g.*, Ex. D to Complaint.)

70. The Finkelstein & Partner Scheme. Another BDK wealth-building offer from 2016 informs the recipient that “Finkelstein & Partner International Trust Company” has identified the potential victim as the owner of “a block of 950 shares” valued at \$52,694.40. (Ex. E to Complaint.) The solicitation then offers the recipient the “unique and final” opportunity to purchase the “Golden Scepter of Hera,” a “wondrous piece of jewelry” that guarantees its purchaser wins of “\$100,000 in the first 8 weeks[.]” (*Id.*) The solicitation directs the recipient to pay \$50 to purchase the Scepter and to assure that the recipient’s “documents will be handled with absolute priority and the processing of the transfer of shares will be accelerated.” (*Id.*) Like “Dr. Grant,” “Finkelstein & Partner” also offer the recipient the opportunity for \$5 “express” processing, assuring that “the sale of the block shares . . . meets the deadline” set by the solicitation. (*Id.*) Specific misrepresentations contained in this solicitation packet include the following:

- “[T]his is NO mistake [victim’s name]! You are indeed the owner of a block of shares that you can now procure in your favor.”

- “Here it is again in black and white: COMMON SHARES AT CURRENT MARKET VALUE OF \$ 52,694.40 are ready here for liquidation, [victim’s name]! This is absolutely definite!”
- “We hereby officially declare and confirm [victim’s name]: A block of shares worth 52,694.40 dollars has been prepared for transfer to you. This has been conclusively confirmed by the supervisory board.”
- “Send in your reply form preferably today! It would be best to send it together with the request for the ‘Golden Scepter of Hera,’ that guarantees the automatic processing of your documents with top priority! The processing will be accelerated and the block shares with the current market value of \$ 52,694.40 can be quickly assigned to you and the proceeds can be paid to you!”
- “YES, I would like to take advantage of the unique and final opportunity to request the ‘Golden Scepter of Hera’ and its secrets. It is not only an extraordinary piece of jewelry, but it opens the doors to wealth and abundance at the same time!”

(Ex. E to Complaint.)

71. The solicitation packet also includes “testimonials” from previous Finkelstein clients, assuring the recipient of the legitimacy of the solicitation’s claims:

- “When I read about the surplus shares in my favor I thought I can’t believe my eyes. But I overcame my inner weakness and sent in the reply form as required. I can say today that was the best decision of my life! The promised check as well as the Golden Scepter of Hera came just 1 week later. . . . The Scepter is a gold mine to me and I am still not accustomed to the regular winnings that I am to achieve.”
- “Golden Scepter of Hera – what nonsense I thought. But what did I have to lose? Ultimately I wanted the money that was mentioned in the letter and so like it or not, I had to answer. But Finkelstein & Partner kept the word! Together with the money, I received the Golden Scepter of Hera this wonderful masterpiece has bestowed upon me one win after another[.]”

(*Id.*)

72. Nearly identical solicitation packets were sent to tens of thousands of potential victims throughout the United States, including the Eastern District of New York. The solicitations include copies of purported “notes” and signatures. The notes are printed to appear as if they were hand written, but, in fact, are nothing more than the handiwork of MOSI’s

printing services. All of the solicitations contained a return envelope addressed to a P.O. box registered to the KSB caging service and invoiced to Mailing Force and Seguy.

73. Mail obtained during the 2016 JFK Seizure included numerous return envelopes sent by U.S. victims to a KSB P.O. box in response to the “Finkelstein & Partner” scheme. The envelopes enclosed cash, check, and credit card payments to “Finkelstein & Partner,” included completed response cards and, in certain circumstances, contained victims’ hand-written letters to the purported benefactor.

74. Since 2013, Macromark has rented BDK at least six lead lists it knew BDK would use to personalize and address tens of thousands of “Finkelstein & Partner” solicitation packets sent to potential victims across the United States. Macromark marketed the lead lists to BDK and others as containing the demographic information of “money-loving buyers who are looking for their next big win” and other “perfect candidates for all astrology, sweepstakes and opportunity offers,” among others. The lists contained approximately 4,500 to 13,000 potential victim names and addresses each.

75. USPIS has issued at least 18 DONs regarding “Finkelstein & Partner” solicitations to return addresses registered to BDK’s Dutch-based caging services since 2013.

76. In addition to “Dr. Grant” and “Finkelstein & Partner,” BDK sends wealth-building solicitation packets under a number of other fictitious names, including “A.M.P.E.,” “Baroness de Rothman,” “Bio Sana,” “Buchmüller & Co.,” “Carmen Dumas,” “Connor & Smith Transfer Agency,” “Dr. Barkley,” “European Winners Club,” “Financial Transfer Institute,” and “Magister Davids,” “Professional Promotion,” and “Winner Club.” Each of these solicitations contains misrepresentations similar to those used by the “Dr. Grant” and “Finkelstein & Partner” scheme described in Paragraphs 65, 70 and 71.

77. USPIS has issued at least five DONs regarding “A.M.P.E.,” seven DONs regarding “Baroness de Rothman,” one DON regarding “Bio Sana,” 10 DONs regarding “Buchmüller & Co.,” one DON regarding “Carmen Dumas,” five DONs regarding “Connor & Smith Transfer Agency,” six DONs regarding “Dr. Barkley,” four DONs regarding “European Winners Club,” 11 DONs regarding “Financial Transfer Institute,” two DONs regarding “Magister Davids,” five DONs regarding “Professional Promotion,” and 10 DONs regarding “Winners Club” to return addresses registered to BDK’s Dutch-based caging services since 2013.

C. *Psychic Schemes*

78. The defendants’ third set of schemes purport to come from psychics who promise to use their abilities to improve recipients’ financial and personal circumstances. The solicitations frequently contain copies of handwritten notes purportedly made by the psychics during individualized visions regarding the recipients. These solicitations frequently contain three types of misrepresentations: (1) that the psychic has personal knowledge regarding the recipient, (2) that the psychic has envisioned the recipient winning a large sum of money, and (3) that the psychic will provide the recipient individualized psychic services and/or a rare item possessing supernatural powers. These solicitations urge recipients to pay a “symbolic” fee in return for the purported psychic’s personalized services, rituals, and talismans.

79. In reality, there is no such psychic with personal knowledge of the recipient. Although victims of the schemes send the requested money by cash, check, or credit card to international P.O. boxes opened by BDK’s caging services, they never receive the promised prizes, services, and items.

80. The Marie de Fortune Scheme. One such psychic solicitation packet from 2016 purports to come from “Marie de Fortune,” a world-renowned “clairvoyant and expert in telepathic actions.” (Ex. F to Complaint.) The supposedly “personal letter” informs the recipient that de Fortune has had multiple visions that the recipient is the winner of a contest for \$59,500. (*Id.*) The letter then offers “proof” that the recipient has won the prize along with an “original Entry Coupon” with numbers matching those “the winner will have on the unique ‘\$59,500 Prize Draw Coupon’.” (*Id.*) The letter then offers the recipient the opportunity to receive one of 20 “necklace[s] of the Tree of Life of the Queen of Sheba,” an Ethiopian talisman that “will make the [recipient] rich and completely free of worry.” (*Id.*) The letter instructs recipients to send in \$50 for “symbolic participation of \$45 towards [de Fortune’s] administrative and insurance costs, plus \$5 for shipment.” (*Id.*) And, as with BDK’s other solicitations, the recipient can pay an “additional \$5” for “priority” processing. (*Id.*) Specific misrepresentations contained in this solicitation packet include the following:

- “For a long time I have been looking all over the USA and have spent weeks of nocturnal session to find possible winners. All in vain. Then, 2 days ago, I felt strong vibrations for the first time, and they happened again today, when your name at [victim’s city of residence] was mentioned.”
- “[Victim’s name], YOU ARE THE PERSON IN [victim’s city of residence], THE ONE THAT I AM LOOKING FOR AND TO WHOM I AM GOING TO GIVE \$ 59,500.00!”
- “My visions are never wrong. Please compare your game coupon with the numbers above. Yes, this person will be the winner: [victim’s name and mailing address].”
- “I know that the secret of the eternal Tree of Life will lead you into a long period that will be full of happiness, money, love, wealth and wisdom. . . . And I have reserved for you one of the 20 necklaces of the Tree of Life that were given to me!”
- “The visions I had were so strong and so clear that money should not be an issue between us. My time spent working for you will not cost you anything, nor will the necklace of the Tree of Life and the secret ritual: I will give you all that.”

(Ex. F to Complaint.)

81. Nearly identical solicitation packets were sent to tens of thousands of potential victims throughout the United States, including the Eastern District of New York. The solicitation packets include copies of purported “notes” and signatures. The notes are printed to appear as if they were hand written, but, in fact, are nothing more than the handiwork of MOSI’s printing services. All of the solicitation packets contained a return envelope addressed to a P.O. box registered to one of BDK’s Dutch-based caging services.

82. Mail obtained during the 2016 JFK Seizure included numerous return envelopes sent by U.S. victims to a Dutch P.O. box in response to the “Marie de Fortune” scheme. The envelopes enclosed cash, check, and credit card payments to “Marie de Fortune,” included completed response cards and, in certain circumstances, contained victims’ hand-written letters to the purported psychic.

83. Since 2013, Macromark has rented BDK at least a dozen lead lists it knew BDK would use to personalize and address tens of thousands of “Marie de Fortune” solicitation packets sent to potential victims across the United States. Macromark marketed the lead lists to BDK and others as containing the demographic information of “buyers” who have “jumped at the direct mail solicitation[s] . . . to help them be big winners in the lottery games” and other “perfect candidates for all astrology, sweepstakes and opportunity offers,” among others. The lists contained approximately 2,500 to 13,000 potential victim names and addresses each.

84. Tens of thousands of additional copies of MOSI-printed “Marie de Fortune” solicitation packets were seized by USPIS during the 2016 Dulles Seizure.

85. USPIS has issued at least two DONs regarding “Marie de Fortune” solicitations to return addresses registered to BDK’s Dutch-based caging services since 2013.

86. In addition to “Marie de Fortune,” BDK sends psychic solicitation packets under a number of other fictitious names, including “Christine de Paris,” “Madame Soleil,” “Maître Pascal,” “Maître Paul Ritter,” “Maria Winter,” “Michael M,” “Michelle Devon,” “Sophros I,” and “Stella.” Each one of these solicitations contains similar misrepresentations to those used by the “Marie de Fortune” scheme described in Paragraph 80.

87. USPIS has issued at least five DONs regarding “Christine de Paris,” nine DONs regarding “Madame Soleil,” three DONs regarding “Maître Pascal,” five DONs regarding “Maître Paul Ritter,” two DONs regarding “Maria Winter,” eight DONs regarding “Michael M,” 13 DONs regarding “Michelle Devon,” and six DONs regarding “Sophros I” to return addresses registered to BDK’s Dutch-based caging services since 2013.

88. The specific misrepresentations identified in Paragraphs 55 through 87 are only a few examples of the similar misrepresentations contained in scores of solicitation packets that the defendants mail to U.S. victims.

DEFENDANTS’ KNOWLEDGE OF FRAUD

A. BDK

89. BDK has approximately 20 employees. Defendants Seguy, Elchlepp and Jouffroy have managed BDK’s day-to-day operations since the death of family patriarch and former director of the BDK entities, Bernhard Elchlepp, in March 2015.

90. BDK knows that their mass-mailed solicitation packets contain false and misleading statements intended to induce U.S. victims to provide payments to BDK. Despite this knowledge, BDK continues to participate in multiple mass mailing fraud schemes.

91. For example, the solicitation packets purport to come from various financial institutions, learned scholars, and world-renown psychics. BDK knows, however, that these entities do not exist, as it creates them to mask the true source of the direct mailings.

92. BDK also knows the solicitation packets are fraudulent because they direct victims to send payment in exchange for a large check or prizes worth tens of thousands of dollars or more. BDK knows that nearly identical solicitation packets are mass-mailed to thousands of potential victims in each of its mailing campaigns, and BDK does not pay the many thousands of U.S. respondents the promised awards.

93. Many of the solicitation packets also offer for sale purportedly “exclusive” and “guaranteed” methods for excelling at games of chance or otherwise earning large amounts of money. BDK knows that the methods are neither exclusive nor infallible, but rather are ineffectual pamphlets peddled to its thousands of victims.

94. Similarly, many of the solicitation packets offer for sale purportedly rare talismans imbued with supernatural powers. BDK knows that there are no such talismans, and if any item is provided to its victims, it is a useless mass-produced trinket of nominal value.

95. BDK also knows how many of its victims are affected by its fraudulent schemes because victims frequently send handwritten letters to its caging services. The letters demonstrate that elderly and vulnerable victims believe the false claims made in the direct mailings, and often express gratitude and joy over the money they believe they have won. At least two of BDK’s caging services scanned samples of these letters and provided them to BDK.

96. BDK also knows that victims are defrauded by its fraudulent schemes because victims frequently send complaints, saying that they sent in the requested money but never

received the promised awards, or that the items they received were worthless. At least two of BDK's caging services scanned samples of these letters and provided them to BDK.

97. BDK also knows that the solicitation packets are fraudulent because USPIS has issued nearly 150 DONs in response to BDK's fraudulent schemes. (*See* Paragraphs 61, 63, 69, 75, 77, 85, 87, *supra.*) Each DON made clear that the solicitations were unlawful. (*See* footnote 4, *supra.*) At least two of BDK's caging services scanned samples of the DONs and forwarded copies to BDK management, including defendants Seguy, Elchlepp and Jouffroy.

98. For example, on April 5, 2016, the office manager of one of BDK's Dutch caging services emailed Jouffroy to inform her that there was a "Postal Inspection" and that the caging service "received a letter from the United States Postal Inspection Service Washington, DC." The email attached a copy of the DON received regarding BDK's solicitation.

B. *Macromark*

99. Macromark knows that the lists it brokers for BDK will be used in furtherance of direct mail fraud schemes. Macromark knows BDK's mass-produced solicitation packets indicate that the addressee is the winner of a grand prize and/or is entitled to purchase exclusive money-making methods or unique supernatural items. Macromark also knows, however, that the individual addressees are not grand prize winners or entitled to receive unique methods or talismans because Macromark requires that its clients, including BDK, provide sample direct mail pieces in order to allow the use of the lists Macromark brokers. Macromark then provides the lists containing names and addresses of thousands of potential U.S. victims who they know will receive nearly identical copies of the sample direct mailings to BDK and its other direct mailer clients.

100. Specifically, Macromark knows the content of BDK's solicitations because it receives copies of the BDK solicitations whose victim responses are used to create BDK's in-house lead lists. Macromark requests these solicitations because it:

- reviews the solicitations to better understand how BDK's lists were created so that it can use that knowledge to better market BDK's leads lists to interested direct mailers; and
- makes copies of BDK's solicitations available to third-party direct mailers interested in renting BDK's sweepstakes or astrology lead lists.

101. Similarly, Macromark knows the specific content of the solicitations that BDK "personalizes" and addresses using information from leads lists that Macromark rents to BDK from third-party list owners, because it:

- requires BDK to identify the solicitation it intends to use with each third-party lead list BDK rents;
- obtains samples of those BDK solicitations for distribution to the third-party list owners who review and approve or disapprove of BDK's use of the solicitation with their lead lists; and
- reviews correspondence from third-party list owners who often comment on the legality of BDK's sample mailing pieces when approving or disapproving the rental of their lead lists.

102. Among the comments that third-party list owners have made to Macromark regarding BDK solicitations are that:

- the BDK solicitations raise "very serious legal questions here in the US";
- the BDK solicitations are "very 'out there'"; and
- the BDK solicitations present "[a] legal nightmare . . . in the US if one person only complains to an attorney general."

103. Macromark therefore knows of the fraudulent nature of BDK's solicitations.

Despite this knowledge, Macromark continues to participate in the fraudulent schemes by brokering lists on BDK's behalf.

C. MOSI

104. MOSI also knows that the solicitation packets that it prints and distributes for BDK are false and misleading. MOSI knows BDK's mass-produced solicitation packets indicate that the addressee is the winner of a grand prize and/or entitled to purchase exclusive money-making methods or unique supernatural items. MOSI also knows, however, that the individual addressees are not grand prize winners or entitled to receive unique methods or talismans because MOSI "personalizes" and addresses thousands of copies of each solicitation packet using lead lists containing thousands of victim names and addresses. MOSI then distributes the thousands of nearly identical solicitations to victims in the United States and abroad.

105. Specifically, MOSI knows the content of each fraudulent BDK solicitation packet that it prints and distributes because, in the regular course of business, it:

- inspects the contents of the template solicitation packets it receives from its clients during its "pre-press" process, with its graphic designers often making "samples on dummies for their own reference to ensure everything is in synch and that the design's final output is achievable."
- always transmits copies of its solicitation packet proofs to its U.S.-based mailing houses for comments on whether the mailing house believes the mailings are aggressive or illegal.
- prints final proofs of each direct mailing for customer review, requiring return of a proof marked "O.K." or "Revised Proof" with changes noted prior to initiating its print run.
- digitally prints thousands of copies of each direct mailing in its own facilities, using MOSI equipment.
- samples and inspects printed solicitation packets during each print run to assure conformity with the original proof.

106. MOSI therefore knows of the fraudulent nature of BDK's solicitations. Despite this knowledge, MOSI continues to participate in the fraudulent schemes by printing and distributing millions of BDK solicitation packets to U.S. victims.

D. *Defendants' Efforts To Mask The Origin Of The Fraudulent Mailings*

107. BDK neither sends solicitation packets to victims nor receives victim responses directly. Instead it works with MOSI to orchestrate an elaborate, multi-layered distribution process designed to hide the true origin of its fraudulent solicitations from its victims and law enforcement agencies.

108. For instance, BDK and MOSI use multiple indirect channels to route mailings into the United States. Specifically, they send millions of solicitation packets as massive air cargo shipments for delivery to a network of domestic mailing houses who then deposit the solicitations into the U.S. mail. BDK and/or MOSI mail millions more solicitation packets through the Swiss, Fiji, and Hungarian post into the United States. While BDK and MOSI's use of multiple distribution paths complicates logistics and increases costs, it diversifies the U.S. entry points for their solicitation packets, making detection by USPIS more difficult.

109. BDK and MOSI further mask the source of their mailings by engaging the services of multiple domestic mailing houses to handle their fraudulent solicitation packets, changing mailing houses at the first sign of discovery by U.S. law enforcement agencies.

110. For example, from April 2013 to December 2014, defendants worked with two domestic mailing houses to deposit their solicitation packets into the U.S. mail. After the Federal Trade Commission contacted the mailing houses regarding lottery- and psychic-based direct mailings in December 2014, however, the defendants terminated shipments to these the mailing houses. The defendants immediately transitioned all air cargo shipments to a new U.S. mailing house by January 2015.

111. USPIS later seized a large shipment of MOSI-printed BDK solicitations bound for the new mailing house at Dulles International Airport on March 16, 2016. (*See* Paragraph 60,

supra. (describing the 2016 Dulles Seizure).) The shipment included 273,000 solicitation packets, the majority of which were from the fictitious “Harrison Institute,” “Dr. Kramer,” and “Marie de Fortune” characters destined for victims in the Eastern District of New York and elsewhere in the United States. The solicitations were bundled in multiple opaque “boxes” that provided no information about their contents other than the indication that they contained “printed materials.”

112. BDK and MOSI suspended air shipments into the United States following the 2016 Dulles Seizure. Instead, BDK and MOSI began mailing solicitation packets addressed to U.S. recipients exclusively through the Swiss Post via Singapore.

113. BDK and MOSI resumed air cargo shipments destined for the new based mailing house on or about May 21, 2016, changing the arrival airport from Dulles International Airport (the location of the 2016 Dulles Seizure) to JFK.

114. BDK and MOSI have also actively worked to keep the identity of their caging services hidden from law enforcement agencies.

115. For example, in February 2013, defendant D. Desai wrote to the Dutch caging service Trends, requesting, among other things, that BDK’s caging services be handled by a new Trends’ affiliate corporation “no one knows about.” D. Desai requested the change because she was concerned by the “dangers” posed by Trends’ increasing visibility as a caging service that “the whole world knows about.”

116. BDK also actively worked to avoid scrutiny by law enforcement. For example, in April 2016, the manager of one of BDK’s caging services wrote defendant Jouffroy that “[t]oday we received a letter from the United States Postal Inspection Service,” and advised that “[y]ou never hear anything from the Postal Inspection if you don’t give a reaction. Only when you

receive a lot of letters in the same P.O. box it's better to take another P.O. box" Jouffroy responded, noting "[t]his is actually the second you forward me, so we're still safe, for the moment ;-)" and adding defendant Elchlepp to the email chain.

HARM TO VICTIMS

117. Victims, especially elderly and vulnerable victims, suffer financial losses from the mail fraud schemes that defendants perpetrate. Victims pay defendants between \$50 and \$60 million each year in response to solicitations containing the types of misrepresentations described above. Given these statistics, it is estimated that defendants' schemes have grossed over \$250 million dollars since their inception. If unabated, this number will rise and continue causing financial devastation to defendants' victims.

118. The Consumer Sentinel database operated by the Federal Trade Commission contains at least 650 additional complaints regarding BDK's mail fraud schemes. The complaints generally pertain to false representations made in BDK's printed solicitations.

119. The harm to victims is ongoing and will continue without the injunctive relief sought by the United States.

COUNT I

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

120. The United States realleges and incorporates by reference Paragraphs 1 through 119 of this Complaint as though fully set forth herein.

121. 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 schemes and artifices 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 United States mail.

122. 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.

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

PRAYER FOR RELIEF

WHEREFORE, 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 of the United States' application for a preliminary injunction, that defendants, their agents, officers and employees, and all other persons or 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 United States mail, or causing others to use the United States mail, to distribute any advertisements, solicitations, or promotional materials:
 - (a) on behalf of "Angèle et Angéline," "Angélique de Succès," "A.P.M.E.," "Baroness de Rothman," "Bio Sana," Buchmüller & Co.," "Carmen Dumas," "Christine de Paris," "Connor & Smith Transfer Agency," "Dr. Barkley," "Dr. Grant," "Dr. Henderson," "Dr. Kramer," "European Winners Club" (EWC), "Fatima Research Center," "Finkelstein & Partner," "Financial Transfer Institute" (FTI), "Harrison Institute," "I.E.R.," "House of Health," "Madame

Soleil,” “Magister Davids,” “Maître Norbu,” “Maître Pascal,” “Maître Paul Ritter,” “Michael M,” “Michelle Devon,” “Mineralis,” “PB Top News,” “Perfect Health,” “Professional Promotion,” “Sophros I,” “Stella,” and “Winner Club” or any other actual or fictional individual or entity purporting to offer and prize transfers, wealth-building methods, or psychic, clairvoyant or astrological items or services for a fee;

- (b) that represent, directly or indirectly, expressly or impliedly that the recipient has won, will win, or will receive cash, prizes or awards;
 - (c) that offer for sale of information regarding sweepstakes or lotteries;
 - (d) that represent, directly or indirectly, expressly or impliedly, that services or items offered for purchase will, or could, improve the recipient’s financial condition;
 - (e) 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;
or
 - (f) that contain any other false or misleading representations;
- iii. receiving, handling, opening, or forwarding any mail that responds, by sending payment or otherwise, to materials described in subparagraph (ii)(a)-(f), *supra*;
 - iv. selling, offering for sale, leasing, or offering for lease any lists of U.S. residents or mailing lists of any type compiled from U.S. residents who have responded to any of the materials described in subparagraph (ii)(a)-(f), *supra*, thereby causing such materials to be sent to U.S. residents;

- v. performing “caging services” on mail received from U.S. residents in response to any of the materials described in subparagraph (ii)(a)-(f), *supra*, including opening mail received from U.S. residents; entering or inputting data about U.S. residents into a database or forwarding such data; handling, forwarding, or depositing payments received from U.S. residents, including currency, bank checks, certified checks, money orders, or credit card charge authorizations; or handling or forwarding any mail received from U.S. residents;
 - vi. 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 that, pursuant to 18 U.S.C. § 1345, 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, printer/distributors, mailing houses, and/or caging services with which they do business regarding the materials described in subparagraph (ii)(a)-(f), *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 this 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. all of defendants' mail, addressed to any P.O. box, which is responsive to any of the materials described in subparagraph (ii)(a)-(f), *supra*;
 - ii. any of the materials described in subparagraph (ii)(a)-(f), *supra*, and any substantially similar advertisements, solicitations, and promotional materials that are deposited into the United States 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 further order that, pursuant to 18 U.S.C. § 1345, the United States Customs and Border Control is authorized to detain any of the materials described in subparagraph (ii)(a)-(f), *supra*, and any substantially similar advertisements, solicitations, and promotional materials brought into the United States as freight by defendants, their agents, officers, or employees, or any other persons or entities in active concert or participation with them.
- E. That the Court issue a preliminary injunction on the same basis and to the same effect.
- F. That the Court issues a permanent injunction on the same basis and to the same effect.
- G. That the Court order such other and further relief as the Court shall deem just and proper.

September 22, 2016

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