



"Massive Fraud Ring Targeted Bank Accounts, Stole Millions"

In a stunning display of organized crime, federal prosecutors have unveiled an indictment against 14 individuals accused of operating a far-reaching scheme to fraudulently withdraw money from unsuspecting Americans' bank accounts.

The criminal enterprise, which allegedly operated from September 2015 through January 2022, used an array of sophisticated techniques to cover its tracks and evade detection by financial institutions and law enforcement.

The Players

At the center of the alleged conspiracy is Edward Courdy, president of a California-based company referred to only as "Company A" in the indictment. Courdy is accused of working with a web of co-conspirators, including payment processors, lead list brokers, and "signers" who helped create shell companies to facilitate the scheme. Among the key players are Linden Fellerman, president of an unnamed payment processing company, and Guy Benoit, a Canadian man who allegedly worked as both a merchant and a lead list source.

The Playbook

According to prosecutors, the defendants obtained lists with names, bank account numbers and other personal information, known as "lead lists," which they used to make unauthorized withdrawals from consumer bank accounts. To cover their tracks, they allegedly created fake websites and companies to give the impression that consumers had signed up for legitimate services.

When banks or bilked accountholders asked for proof that charges were authorized, the scammers fabricated documents, the indictment says. It also accuses them of using small "micro-debits" against their own bank accounts to artificially lower their return rates and avoid triggering scrutiny from banks.

Hiding in Plain Sight

One of the most striking aspects of the alleged scheme is the array of techniques the defendants used to conceal their fraud from banks and other financial institutions. According to the indictment, these methods allowed them to operate for years without triggering the alarms that might have brought the operation crashing down much sooner.

Central to the alleged cover-up was the use of "micro-debits" - tiny charges of just a few cents each, which the conspirators would run against their own bank accounts. By interspersing these legitimate-looking transactions among the much larger unauthorized withdrawals from consumer accounts, the defendants were allegedly able to keep their return rates low and avoid raising red flags with banks.

The indictment also describes how the defendants created fake websites and shell companies with generic-sounding names like "Ecloud Secure" and "Silver Safe Box." These entities, which had no real business operations, existed solely to create the illusion that consumers were signing up for legitimate services and subscriptions.

When banks or consumers raised questions about unauthorized charges, the defendants allegedly created fake "proof of authorization" documents to make it appear that the victim had agreed to the charges. In one email exchange described in the indictment, defendant Michael Young suggested changing certain details on a fake proof of authorization because it showed a charge for the wrong amount and "doesn't make sense."

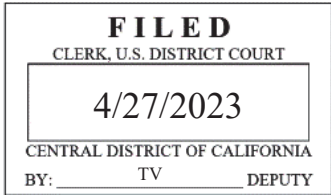
The defendants also allegedly manipulated banking records and payment processing protocols to disguise the true nature and volume of their transactions. In September 2018, for example, defendant John Beebe allegedly submitted false information on a merchant account application, claiming that a shell company called "IKALLS" was wholly owned by a domestic "signer" - when in fact it was partially owned by a foreign national.

By using this combination of fake entities, forged documents and technical trickery, the defendants were allegedly able to keep a complex fraud hidden in plain sight. But as the scheme grew larger and more elaborate over time, cracks began to show in the facade. Angry consumers started to complain, and old-fashioned police work gradually exposed the inner workings of a criminal enterprise that had stayed in the shadows for far too long.

The Fallout

As the scheme progressed, the indictment says, the defendants used a string of shell companies with names like "Ecloud Secure" and "Silver Safe Box" to steal increasing sums. In one four-year period, for example, one company allegedly took more than \$4.5 million from consumer accounts.

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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

June 2022 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

EDWARD COURDY,
aka "Eddie Courdy,"
LINDEN FELLERMAN,
aka "Lin Fellerman,"
GUY BENOIT,
STEVEN KENNEDY,
aka "Steven Morgan,"
SAYYID QUADRI,
aka "Said Quadri,"
aka "Sayid Quadri,"
AHMAD SHOAIIB,
aka "Shoba,"
aka "Shobi,"
aka "Shobie,"
aka "Shoby,"
JOHN BEEBE,
MICHAEL YOUNG,
aka "Mike Young,"
LANCE JOHNSON,
aka "Musa Rasul,"
aka "Mussa,"
JENNY SULLIVAN,
VERONICA CROSSWELL,
ERIC BAUER,
RANDY GRABEEL,
aka "Randy Grabel," and
DEBRA VOGEL,
aka "Debbie Vogel,"

CR 2:23-cr-00200-MCS

I N D I C T M E N T

[18 U.S.C. § 1962(d): Racketeer
Influenced and Corrupt
Organizations Conspiracy; 18
U.S.C. § 1343: Wire Fraud; 18
U.S.C. §§ 1963 and 982: Criminal
Forfeiture]

1 Defendants.

2
3 The Grand Jury charges:

4 COUNT ONE

5 [18 U.S.C. § 1962(d)]

6 [ALL DEFENDANTS]

7 A. INTRODUCTORY ALLEGATIONS

8 At times relevant to this Indictment:

9 1. Defendants EDWARD COURDY, also known as ("aka") "Eddie
10 Courdy"; LINDEN FELLERMAN, aka "Lin Fellerman"; GUY BENOIT; STEVEN
11 KENNEDY, aka "Steven Morgan"; SAYYID QUADRI, aka "Said Quadri," aka
12 "Sayid Quadri"; AHMAD SHOAIIB, aka "Shoba," aka "Shobi," aka "Shobie,"
13 aka "Shoby"; JOHN BEEBE; MICHAEL YOUNG, aka "Mike Young"; LANCE
14 JOHNSON, aka "Musa Rasul," aka "Mussa"; JENNY SULLIVAN; VERONICA
15 CROSSWELL; ERIC BAUER; RANDY GRABEEL, aka "Randy Grabel"; and DEBRA
16 VOGEL, aka "Debbie Vogel"; and others known and unknown to the Grand
17 Jury, were members and associates of a criminal organization referred
18 to hereinafter as "THE ENTERPRISE." In furtherance of a scheme to
19 fraudulently obtain money from American consumers' bank accounts,
20 members and associates of THE ENTERPRISE engaged in, among other
21 things, mail, wire, and bank fraud; identity theft; access device
22 fraud; and money laundering. THE ENTERPRISE operated in the Central
23 District of California and elsewhere.

24 2. THE ENTERPRISE, including its leaders, members, and
25 associates, constituted an "enterprise," as defined in Title 18,
26 United States Code, Section 1961(4), that is, a group of individuals
27 associated in fact, although not a legal entity. THE ENTERPRISE
28 constituted an ongoing organization whose members functioned as a

1 continuing unit for a common purpose of achieving the objectives of
2 THE ENTERPRISE. THE ENTERPRISE engaged in, and its activities
3 affected, interstate and foreign commerce.

4 3. Members and associates of THE ENTERPRISE played different
5 roles at different times:

6 a. Merchants: Merchants used business entities (each a
7 "Shell Entity") to offer to consumer-victims subscriptions for some
8 service or product, such as cloud storage, for a recurring charge.
9 In fact, the Shell Entities served as cover for a scheme to make
10 unauthorized debits against consumer-victims' bank accounts (the
11 "Consumer Bank Accounts"). Merchants purchased identifying and
12 financial information of consumer-victims, at times through brokers,
13 and caused unauthorized debits to be originated against Consumer Bank
14 Accounts, many of which were held or serviced by federally insured
15 financial institutions (the "Consumer Banks"). These unauthorized
16 debits removed funds from the Consumer Bank Accounts and caused them
17 to be deposited into bank accounts controlled by or for the Shell
18 Entities (each a "Shell Entity Bank Account") at "Originating Banks,"
19 sometimes each called an "ODFI," many of which were also federally
20 insured.

21 b. Payment processors: Through their Originating Banks,
22 payment processors operated some Shell Entity Bank Accounts for
23 merchants. The payment processors facilitated the merchants'
24 debiting of the Consumer Bank Accounts. These debits sometimes
25 resulted in rejected or "returned" transactions (each a "return"),
26 including returns based on complaints by consumer-victims that the
27 transactions were unauthorized. Payment processors helped process
28 returns and conducted other financial transactions for the merchants.

1 c. Signers: Signers served as nominal owners of Shell
2 Entities and/or Shell Entity Bank Accounts. Signers generally helped
3 merchants and brokers create, open, and control the Shell Entities
4 and Shell Entity Bank Accounts.

5 d. Lead list sources: "Lead lists" contained identifying
6 and financial information of prospective consumer-victims, including
7 bank routing numbers and bank account numbers. Lead list sources
8 generally sold lead lists (at times referred to as "traffic") to
9 merchants.

10 e. Brokers: Brokers helped merchants find payment
11 processors, signers, lead list sources, and other assistance.

12 B. MEMBERS AND ASSOCIATES OF THE ENTERPRISE

13 4. The defendants' roles in THE ENTERPRISE were:

14 a. Defendant COURDY, a resident of Hawaiian Gardens,
15 California, was president of a company headquartered in the Central
16 District of California ("Company A"). Both personally and through
17 Company A, defendant COURDY was primarily a broker and at times a
18 merchant. Company A maintained one or more email servers located in
19 the Central District of California that routed email communications
20 between Company A personnel, including defendant COURDY and others,
21 and other members and associates of THE ENTERPRISE located outside
22 this district.

23 b. Defendant FELLERMAN, a resident of Las Vegas, Nevada,
24 was president of a payment processor ("Processor-1").

25 c. Defendant BENOIT, a resident of Canada and Cyprus, was
26 primarily a merchant and at times a lead list source. Defendant
27 BENOIT controlled one or more email accounts hosted by a third party
28 located in Arizona.

1 d. Defendant KENNEDY, a resident of Canada, was a
2 merchant who primarily worked with defendant BENOIT.

3 e. Defendant QUADRI, a resident of Canada, was a merchant
4 and a lead list source.

5 f. Defendant SHOAIB, a resident of Canada, was a
6 merchant.

7 g. Defendant BEEBE, a resident of Waianae, Hawaii, was a
8 broker.

9 h. Defendant YOUNG, a resident of Huntington Beach,
10 California, was a broker who primarily worked for defendant COURDY at
11 Company A and, at times, used a Company A email account.

12 i. Defendant JOHNSON, a resident of Laveen, Arizona, was
13 a lead list source.

14 j. Defendant SULLIVAN, a resident, at times, of Coeur
15 d'Alene, Idaho, assisted defendant COURDY in defendant COURDY's role
16 as a broker and defendant BENOIT in defendant BENOIT's role as a
17 merchant.

18 k. Defendant CROSSWELL, a resident of Long Beach,
19 California, assisted defendant COURDY in defendant COURDY's roles as
20 a broker and as a merchant and, at times, used a Company A email
21 account.

22 l. Defendant BAUER, a resident of Huntington Beach,
23 California, was a signer who primarily worked for defendant COURDY.

24 m. Defendant GRABEEL, a resident of Las Vegas, Nevada and
25 Pittsburg, California, was a signer who primarily worked for
26 defendant BENOIT.

27 n. Defendant VOGEL, a resident of Las Vegas, Nevada, was
28 a signer who primarily worked for defendant BENOIT.

1 5. The following persons, each of whose identity is known to
2 the Grand Jury, were members and associates of THE ENTERPRISE:

3 a. "Broker-1," a resident of Baltimore, Maryland, was a
4 broker.

5 b. "Broker-2," a resident of Buffalo, New York, was a
6 broker.

7 c. "Signer-1," a resident of Waianae, Hawaii, was a
8 signer who worked for defendant BEEBE.

9 d. "Signer-2," a resident of Montreal, Canada, was a
10 signer who worked for defendant SHOAIB.

11 C. PURPOSES OF THE ENTERPRISE

12 6. The purposes of THE ENTERPRISE included:

13 a. Enriching the members and associates of THE ENTERPRISE
14 through fraud;

15 b. Obtaining, preserving, and protecting the proceeds of
16 THE ENTERPRISE through acts of money laundering; and

17 c. Protecting THE ENTERPRISE, its members and associates,
18 and its unlawful activities from detection by financial institutions,
19 government agencies, and others.

20 D. THE MANNER AND MEANS OF THE ENTERPRISE

21 7. Defendants COURDY, FELLERMAN, BENOIT, KENNEDY, QUADRI,
22 SHOAIB, BEEBE, YOUNG, JOHNSON, SULLIVAN, CROSSWELL, BAUER, GRABEEL,
23 and VOGEL, and other members and associates of THE ENTERPRISE, agreed
24 to conduct and participate in the conduct of the affairs of THE
25 ENTERPRISE, through the following means, among others:

26 a. Members and associates of THE ENTERPRISE bought and
27 sold lead lists containing identifying and financial information of
28 prospective consumer-victims for the purpose of fraudulently

1 obtaining money from the consumer-victims by making unauthorized
2 debits against those consumer-victims' Consumer Bank Accounts.
3 Members and associates of THE ENTERPRISE vetted lead lists through a
4 "scrub," by making test credits ("penny" or "micro" credits) to the
5 Consumer Bank Accounts on the lists, and through other means. The
6 scrubbing process would remove from the lead lists, for example,
7 closed Consumer Bank Accounts that would cause returns on debit
8 attempts.

9 b. Members and associates of THE ENTERPRISE created, and
10 caused to be created, Shell Entities, and obtained the use of, and
11 controlled, Shell Entity Bank Accounts.

12 c. Members and associates of THE ENTERPRISE recruited
13 domestic signers to, among other purposes, help conceal connections
14 between domestic Shell Entities and Shell Entity Bank Accounts and
15 foreign members and associates of THE ENTERPRISE. Members and
16 associates of THE ENTERPRISE managed these signers through interstate
17 and foreign email, messaging, and telephone communications.

18 d. Using the lead lists and other sources of prospective
19 consumer-victim information, members and associates of THE ENTERPRISE
20 originated debits, and caused debits to be originated, for the
21 benefit of Shell Entities, against Consumer Bank Accounts. THE
22 ENTERPRISE caused millions of dollars in unauthorized debits against
23 Consumer Bank Accounts for the benefit of the members and associates
24 of THE ENTERPRISE.

25 e. To conceal and continue their unauthorized debits
26 against Consumer Bank Accounts and conceal their returns and return
27 rates, and continue to collect the proceeds of the fraud, members and
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1 associates of THE ENTERPRISE took the following actions, among
2 others:

3 i. Members and associates of THE ENTERPRISE created
4 websites for some Shell Entities to give the impression those
5 entities were providing legitimate services and products, even though
6 the websites sometimes lacked functionality and few, if any, actual
7 customers subscribed to services through them.

8 ii. When a Consumer Bank, Originating Bank, or other
9 person or entity requested proof of authorization ("POA") for a debit
10 against a Consumer Bank Account, members and associates of THE
11 ENTERPRISE created false and fraudulent documentation to be presented
12 to the requester, claiming that the consumer-victim had authorized
13 the debit, as a payment to a Shell Entity for a subscription for a
14 service and product provided by the Shell Entity, by signing up for
15 the Shell Entity's service and product through the Shell Entity's
16 website.

17 iii. Members and associates of THE ENTERPRISE
18 monitored the Shell Entities' return rates and took steps to ensure
19 that the return rates did not affect the ability of THE ENTERPRISE to
20 continue the fraudulent debiting of Consumer Bank Accounts, including
21 the following:

22 (I) Members and associates of THE ENTERPRISE
23 knew and believed that the number of returns, and a Shell Entity's
24 percentage of returns in comparison to all debits ("return rate"),
25 often caused and would have caused scrutiny from the Originating
26 Banks. For example, members and associates of THE ENTERPRISE knew
27 and believed that, for Automated Clearing House ("ACH") debits,
28 National Automated Clearing House Association ("NACHA") rules imposed

1 certain thresholds for acceptable return rates and certain
2 obligations on Originating Banks to monitor return rates. Members
3 and associates of THE ENTERPRISE knew that high return rates could
4 cause the Originating Banks to stop originating debits for the Shell
5 Entities and therefore restrict the members' and associates' ability
6 to further debit Consumer Bank Accounts.

7 (II) Depending on the return rates of the
8 unauthorized consumer-victim debits, members and associates of THE
9 ENTERPRISE regularly caused their Originating Banks to originate, for
10 the Shell Entities, thousands of "micro" debits (also referred to as
11 "affiliate" or "friendly" items or transactions) against Shell Entity
12 Bank Accounts at other financial institutions, withdrawing a small
13 amount of money with each debit. Since members and associates of THE
14 ENTERPRISE controlled the Shell Entity Bank Accounts, they knew these
15 micro debits would not result in returns and would therefore
16 artificially suppress the Shell Entity return rates at Originating
17 Banks to levels that, as the members and associates understood and
18 believed, would avoid Originating Banks' scrutiny and potential
19 termination of banking services.

20 iv. When some consumer-victims discovered the
21 unauthorized debits, members and associates of THE ENTERPRISE, at
22 times through purported "customer service" personnel, used refunds
23 and other means to dissuade consumer-victims from reporting the
24 debiting Shell Entities to Consumer Banks, government agencies, and
25 others.

26 f. After proceeds of unauthorized debits from the
27 Consumer Bank Accounts were credited to Shell Entity Bank Accounts,
28 members and associates of THE ENTERPRISE caused some of the proceeds

1 to be funneled to other Shell Entity Bank Accounts in order to fund
2 the micro debits the members and associates of THE ENTERPRISE used to
3 conceal and disguise Shell Entity return rates and in order to
4 promote and prolong their scheme. Members and associates of THE
5 ENTERPRISE, at times, also caused some of the proceeds to be
6 transferred from domestic Shell Entity Bank Accounts to accounts
7 outside the United States in transactions designed in whole and in
8 part to conceal and disguise the nature, source, ownership, and
9 control of the proceeds.

10 E. THE OBJECT OF THE CONSPIRACY

11 8. Beginning on or about September 18, 2015, and continuing
12 through January 2022, in Los Angeles County, within the Central
13 District of California, and elsewhere, defendants COURDY, FELLERMAN,
14 BENOIT, KENNEDY, QUADRI, SHOAIB, BEEBE, YOUNG, JOHNSON, SULLIVAN,
15 CROSSWELL, BAUER, GRABEEL, and VOGEL, and others known and unknown to
16 the Grand Jury, being persons employed by and associated with THE
17 ENTERPRISE, which was engaged in, and the activities of which
18 affected, interstate and foreign commerce, knowingly, willfully, and
19 unlawfully conspired with each other, and with others known and
20 unknown to the Grand Jury, to violate Title 18, United States Code,
21 Section 1962(c), that is, to conduct and participate, directly and
22 indirectly, in the conduct of the affairs of THE ENTERPRISE through a
23 pattern of racketeering activity, as that term is defined in Title
24 18, United States Code, Sections 1961(1) and 1961(5), consisting of
25 multiple acts indictable under:

26 a. Title 18, United States Code, Section 1341 (relating
27 to mail fraud);

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1 b. Title 18, United States Code, Section 1343 (relating
2 to wire fraud);

3 c. Title 18, United States Code, Section 1344 (relating
4 to financial institution fraud);

5 d. Title 18, United States Code, Section 1028 (relating
6 to fraud and related activity in connection with identification
7 documents);

8 e. Title 18, United States Code, Section 1029 (relating
9 to fraud and related activity in connection with access devices);

10 f. Title 18, United States Code, Section 1956 (relating
11 to the laundering of monetary instruments); and

12 g. Title 18, United States Code, Section 1957 (relating
13 to engaging in monetary transactions in property derived from
14 specified unlawful activity).

15 9. It was a further part of the conspiracy that each defendant
16 agreed that a conspirator would commit at least two acts of
17 racketeering activity in the conduct of the affairs of THE
18 ENTERPRISE.

19 F. OVERT ACTS

20 10. In furtherance of the conspiracy, and to accomplish its
21 object, on or about the following dates, defendants COURDY,
22 FELLERMAN, BENOIT, KENNEDY, QUADRI, SHOAI B, BEEBE, YOUNG, JOHNSON,
23 SULLIVAN, CROSSWELL, BAUER, GRABEEL, and VOGEL, together with others
24 known and unknown to the Grand Jury, committed and willfully caused
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1 others to commit the following overt acts, among others, within the
2 Central District of California and elsewhere:¹

3 Overt Act No. 1: On October 16, 2015, defendant COURDY sent
4 an email to defendant SULLIVAN, copying defendant BENOIT. In
5 response to an email from a payment processor that reported, "Your
6 current rate of unauthorized returns is at 0.88%, which is above our
7 allowable rate. The rate for the previous month was at 0.48%, which
8 is just below our allowable rate," defendant COURDY wrote defendant
9 SULLIVAN that Shell Entities "NRG- I Support must get below 50 basis
10 points immediately at [payment processor]. Please get with me this
11 morning after you run some percentages of how many micros are
12 required over the next 3 days to drive that percentage down to
13 approximately 30 basis points. The report that Guy is requesting be
14 corrected, is going to put NRG out of business. We need to produce
15 the correct number ourselves and guy will originate whatever is
16 necessary to fix this problem."

17 Overt Act No. 2: On October 23, 2015, defendant SULLIVAN sent
18 an email to defendants COURDY and BENOIT with the subject "ISupport
19 Daily Percentages" in which she warned, "There has been no increase
20 in microdebits as requested this week for I Support. It is
21 imperative that the microdebits get increased immediately or at the
22 rate we are going this account will most likely be shut down
23 soon...please note that the unauth is either increasing or
24 maintaining not going down this week at all. I understand that we
25 can't stabilize overnight but I would at least like to see 7500 to
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28 ¹ Unless indicated otherwise in brackets, phrases in quotation
marks reproduce the original spellings, spacings, case, emphases, and
ellipses.

1 10,000 over the next week or so and as suggested yesterday if
2 necessary please take the excess from NRG for the next few days. For
3 instance, you have been depositing 5000 to each account so put 2500
4 in NRG and 7500 in ISupport...anything to help bring these figures
5 down!" Included within defendant SULLIVAN's email was a table that
6 showed month-to-date unauthorized returns of 0.40% with micro debits
7 and 3.60% without micro debits, and total returns of 5.87% with micro
8 debits and 53.42% without micro debits.

9 Overt Act No. 3: On November 18, 2015, defendant JOHNSON
10 forwarded an email to defendants COURDY and BENOIT with the subject,
11 "guy2k file." Attached to defendant JOHNSON's email was a lead list
12 containing identifying, employment, and banking information for
13 approximately 2,350 consumer-victims.

14 Overt Act No. 4: On December 4, 2015, defendant BENOIT
15 emailed another member and associate of THE ENTERPRISE, Co-
16 Conspirator-1 ("CC-1"), asking that CC-1 make sure that the lead
17 lists they purchased included Internet Protocol ("IP") addresses for
18 the consumer-victims.

19 Overt Act No. 5: On December 7, 2015, defendant YOUNG sent an
20 email to CC-1, copying defendants COURDY and BENOIT and attaching two
21 lead lists containing 4,024 and 13,426 leads, respectively, stating,
22 "I would go through though and make sure the consumers age is okay
23 with you guys. I did notice some (only a few) that were pretty old."

24 Overt Act No. 6: On January 12, 2016, in response to
25 defendant COURDY forwarding an email chain from defendants BENOIT and
26 KENNEDY in which defendant KENNEDY compared the returns on traffic
27 from another source and from defendant JOHNSON and commented on the
28 latter, "Regardless, you can see the NSF's are out of wack, PDL

1 clients [i.e., customers of payday lenders] never have \$\$\$\$,"
2 defendant JOHNSON suggested that his total return rate was comparable
3 to the other source's.

4 Overt Act No. 7: On January 20, 2016, in response to
5 defendant BENOIT forwarding an email chain involving defendants
6 COURDY, BENOIT, and YOUNG in which they discussed an opportunity for
7 defendant BENOIT to make money selling leads, and defendant BENOIT's
8 accompanying note to defendant KENNEDY that "This could be good money
9 for us ! They need customers that were once billed But that we
10 will never ever bill again (Un-auth, cancels, refunds ...etc) They
11 want to buy these leads ... if we can sell them I think we could get
12 a dollar each Let me know," defendant KENNEDY responded to defendant
13 BENOIT, stating, "some gross leads are selling 70 cents....80
14 cents....and they don't even have 10% valid accounts in there."
15 Defendant KENNEDY continued, "These will be close to 100% valid
16 accounts....so you tell me, the guy who want to sell us a DB is still
17 at 3\$ per. And only 40% of those pass scrub. I don't know what they
18 are worth but more than a dollar. Maybe go to 3\$ or 2.50 and
19 negotiate from there?"

20 Overt Act No. 8: On January 27, 2016, defendant GRABEEL
21 emailed defendant BENOIT, under subject "Salary this week. Randy,"
22 requesting payment of "\$1754," including \$700 salary, \$200 each for
23 three bank deposits, including at Bank-1, a federally-insured
24 financial institution, and \$150 salary for defendant VOGEL.
25 Defendant GRABEEL also provided and requested information for two
26 other signers.

27 Overt Act No. 9: On March 24, 2016, defendant GRABEEL
28 forwarded to defendant BENOIT multiple emails from Bank-1 regarding

1 online banking for Shell Entity I-Support Group, including an email
2 chain between defendant GRABEEL and Bank-1 personnel in which
3 defendant GRABEEL requested that his contact information be changed
4 from an email address and telephone number controlled by defendant
5 GRABEEL to an email address and telephone number controlled by
6 defendant BENOIT.

7 Overt Act No. 10: On May 24, 2016, in response to an email
8 from defendant BENOIT lamenting the number of returns on new leads,
9 stating, "Processing 200 new orders a day That's 8,000 Per day
10 An today we have 8,040 in returns! guess not much is
11 sticking ?[,] " defendant KENNEDY stated, "New orders are garbage,
12 something you have know for a very long time. 12% will stick. So on
13 200 24 will be good the 176 will return. You shouldn't be shocked at
14 this point."

15 Overt Act No. 11: On May 25, 2016, in response to an email
16 from defendant BENOIT acknowledging that building a base of "RO" or
17 recurring orders "takes a huge investment" and that they "must find
18 out the why of the R2,3,4 [return reason codes] and buy better
19 leads," defendant KENNEDY stated, "We have to find a 'sweet spot' as
20 the db ages the retension will get better as these new drop off."

21 Overt Act No. 12: On July 12, 2016, at a Bank-1 branch in
22 Huntington Beach, California, defendant BAUER opened a demand deposit
23 account in the name of "ERIC S BAUER DBA 24-7 TECH SUPPORT" (the
24 "BAUER 24-7 Account"). Between July 12, 2016 and December 31, 2019,
25 approximately 800,000 micro debits for Shell Entities Ecloud Secure
26 and My Kloud Box would be originated against the BAUER 24-7 Account.

27 Overt Act No. 13: On November 1, 2016, responding to emails
28 from defendants KENNEDY and SULLIVAN concerning processing 100 "test"

1 transactions against accounts that had been previously successfully
2 debited but were scrubbed out of a suppression file, defendant COURDY
3 sent an email to defendants KENNEDY and SULLIVAN, copying defendant
4 BENOIT, in which defendant COURDY stated, "Steve[,] Please do not
5 place any transactions in the pipeline to deposit in the NRG account
6 other than to transactions we sent you until all have been submitted.
7 You then need to wait three business days without any, so the Bank
8 will keep paying out. If you put the junk transaction through without
9 letting the good clear the bank will have to pay the very high
10 returns expected from the junk transactions with cash from the lower
11 return transactions."

12 Overt Act No. 14: On June 8, 2017, defendant CROSSWELL
13 forwarded to defendant COURDY an email from an associate of defendant
14 JOHNSON, attaching an invoice that billed \$3,840 for "50% LEAD
15 GENERATION DEPOSIT" and stating, "Amount sent to Musa attached in
16 invoice."

17 Overt Act No. 15: On July 4, 2017, defendant JOHNSON sent an
18 email to defendants COURDY and BENOIT with the subject "Attached is
19 perfect traffic" in which defendant JOHNSON wrote, "The only way you
20 are going to get 'blind shot' good traffic is to avoid subprime
21 altogether and have a scrub that's worth a shit. The attached
22 records are as good as it gets in subprime market. Hard to believe
23 or understand that out of 18k records I uploaded that you guys have
24 been unsuccessful as you have been. I gave you deposit dates so you
25 could avoid ISF. Ill take the unable to locate but when I check
26 against what is uploaded. FILES HAVE CHANGED!!!" Attached to
27 defendant JOHNSON's email was a file named "Perfectfiles.xlsx," which
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1 was a lead list containing identifying, employment, and banking
2 information for approximately 780 consumer-victims.

3 Overt Act No. 16: On July 29, 2017, defendant BENOIT sent an
4 email to defendants COURDY and YOUNG, copying defendant SULLIVAN,
5 complaining about high unauthorized returns on leads supplied by
6 defendant JOHNSON. Defendant BENOIT stated, "this month was maybe
7 the worst I ever had in regards to Un-Auths and RFR 10 !!and
8 the cost associated to all of this, are just crazy !just the
9 490 un-auth @ 25\$ = 12,250\$!!!!not counting all other returns
10 at 4 \$ a piece[.] All my accounts are upside down And its been
11 a very long time since I have encountered negative results on the
12 overall of my processing !"

13 Overt Act No. 17: On July 31, 2017, defendant COURDY, copying
14 defendant YOUNG, forwarded to defendant JOHNSON the email from
15 defendant BENOIT referenced in Overt Act No. 16. Defendant COURDY
16 wrote, "Musa, I forwarded you close to \$40k and also have a partner
17 below who has incurred additional cost in processing these
18 substandard traffic. [. . .] [Y]ou assured me that the traffic was
19 appropriate for this business model pointing towards the large number
20 of NSF's as proof that that was the only problem. As I confirmed to
21 you those NSF's were not acceptable and have considerable phone calls
22 from this particular consumer bas to the bank. That is exactly why
23 we are receiving phones calls here at the office rather than to the
24 Ukraine were the phone number on the transactions actually
25 rings. The bank is giving the merchants contact information and the
26 POA's are hitting the office as well. Your offer to discuss other
27 types of traffic is off the table. The traffic we requested is the
28 only traffic we have to discuss and at NO additional cost."

1 Overt Act No. 18: On August 18, 2017, defendant BENOIT
2 forwarded to defendant QUADRI an email chain with defendants GRABEEL
3 and VOGEL, in which defendant GRABEEL wrote to defendant BENOIT,
4 "Debbie csllled me. Her first complaint in all these years....she
5 asked me ...is she going too jail.....i said yes. Ill visit u on
6 jail.....m* * * have ur people handle tjis. Snd let her knoww its
7 done." Attached to the email chain was correspondence from the
8 Arkansas State Attorney General concerning a complaint by consumer-
9 victim T.B. of an unauthorized debit by Shell Entity Dollar Web Sales
10 ("DWS").

11 Overt Act No. 19: On August 18, 2017, defendant BENOIT
12 forwarded to defendant QUADRI a draft response concerning consumer-
13 victim T.B.'s complaint, and asked defendant QUADRI to "have that
14 sent from DWS e.mail address And make any corrections
15 needed[.] Pls advise."

16 Overt Act No. 20: On August 18, 2017, defendant QUADRI
17 forwarded to defendant BENOIT with the note "FYI Done" an email in
18 which defendant QUADRI had impersonated defendant VOGEL to the
19 Arkansas State Attorney General and stated that DWS will refund
20 consumer-victim T.B.

21 Overt Act No. 21: On September 11, 2017, defendant COURDY
22 received from Broker-2 a forwarded email chain involving other
23 participants. The email chain included an email from defendant
24 FELLERMAN to Broker-1 with the subject "RE: [Processor-1] ACH Proc'g
25 Agreement[,]" in which defendant FELLERMAN asked Broker-1, "Do they
26 have a transaction data file for one month showing every transaction,
27 the amount, the ACH return code (if returned) and which debit the
28 transaction is (1st, 2nd, 50th, etc.)? So we can breakout the

1 'goodness' of the warm debits (that pad the tran count) vs the
2 garbage left behind that is being disguised? I don't want my ODFI
3 thinking I walk around with my eyes closed just to grab revenue. Do
4 they re-request prior returns (excluding R02 thru R10, R20 which are
5 not re-requestable at all) like R01 NSF items? Is that any part of
6 the numbers? Or is it one and done (unlikely it would seem in this
7 scheme)."

8 Overt Act No. 22: On September 26, 2017, in response to an
9 email from defendant BENOIT to defendants COURDY and YOUNG forwarding
10 a proposed proof of authorization falsely claiming to permit Shell
11 Entity Gigatech to debit consumer-victim S.H., defendant YOUNG warned
12 that the first line of the document "doesn't make sense and it also
13 shows a charge of \$46.00 and the merchant only bills for \$44.95 so we
14 definitely need that changed."

15 Overt Act No. 23: On November 17, 2017, defendant SULLIVAN
16 emailed defendants BENOIT and QUADRI concerning the return rates of
17 Shell Entity DWS, cautioning, "Please note that this account is on
18 the verge of receiving a warning for exceeding the 3% threshold for
19 admin returns if we continue to receive returns at the rate they have
20 been coming in. Please see below for percentages and micro debits
21 needed." Defendant SULLIVAN's email contained a table listing month-
22 to-date administrative return rates as 2.97% with micro debits and
23 23.54% without micro debits.

24 Overt Act No. 24: On November 18, 2017, in response to
25 defendant BENOIT forwarding defendant SULLIVAN's email referenced in
26 Overt Act No. 23 to defendant QUADRI, with a copy to defendant
27 SULLIVAN and stating, "Start Monday 2750 micros a daytill
28

1 percentage is down under .75[,]” defendant QUADRI replied to
2 defendant BENOIT, copying defendant SULLIVAN, “Will do.”

3 Overt Act No. 25: On April 16, 2018, defendant KENNEDY sent an
4 email to defendant BENOIT explaining his scrubbing process and
5 suggesting how to respond to a Virginia State Attorney General
6 inquiry about a consumer complaint, stating, “We kill most .GOV on
7 the way in. I always scroll and look for any suspicious
8 emails. Banks, GOV police, lawyers etc etc. Personally I would not
9 provide a POA to an AG unless the AG specifically asks. I would go
10 with, we reviewed the case of Mr’s X and deem it to be a valid
11 sale. We have since refunded ...etc etc We consider that matter
12 closed. Again, don’t offer up a POA on a platter to an AG.”

13 Overt Act No. 26: On June 19, 2018, in response to an email
14 from defendant BENOIT to defendant VOGEL stating, “Need again you
15 DL Front and back Must me Color scan[,]” defendant VOGEL stated,
16 “Going to wear my driver’s license out lol.”

17 Overt Act No. 27: On June 29, 2018, defendant JOHNSON sent an
18 email to defendant BENOIT with the subject “Data,” stating, “Guy, I’m
19 really backed up with leads right now. I can send over 15k and you
20 can pay me after scrub. I’ll make the price 1.20 cents. I’ll need
21 .35 cents up front. Send payment today and I’ll deliver my Sunday
22 night.”

23 Overt Act No. 28: On September 20, 2018, defendant BEEBE sent
24 an email to defendants COURDY and YOUNG, stating, “As I told Eddie,
25 we put [Signer-1] on the app for US purposes” and including as an
26 attachment a Processor-1 “New Merchant Questionnaire” for Shell
27 Entity “IKALLS,” which listed a single “owner/officer,” Signer-1,
28 with address in Waianae, Hawaii, and 51 percent ownership, and which

1 answered in the negative to the question, "Is there any foreign (non-
2 U.S.) ownership in this Company?"

3 Overt Act No. 29: On September 25, 2018, defendant BEEBE
4 forwarded to defendants COURDY and YOUNG an email from defendant
5 SHOAIB with the subject "Articles of ikalls" in which defendant
6 SHOAIB wrote, "Hi John, Please see attached documents. Thanks[,]"
7 writing "see attached, [Signer-1] is a signer on the operating
8 agreement and is President." Attached to defendant BEEBE's email was
9 a "Limited Liability Company Operating Agreement of IKALLS, L.L.C."
10 The operating agreement purported to be executed by Signer-1, as
11 Operating Manager, and Signer-2, as President. Schedule A to the
12 operating agreement listed two members of the company, their
13 addresses, and percentage interest: Signer-1, with address in
14 Waianae, Hawaii, and 51 percentage interest, and Signer-2, with
15 address in Saint-Laurent, Quebec, Canada, and 49 percentage interest.

16 Overt Act No. 30: On September 27, 2018, defendant YOUNG sent
17 an email with the subject "iKalls LLC Merchant Submission" to
18 defendant FELLERMAN, copying defendants COURDY and CROSSWELL, in
19 which defendant YOUNG wrote, "Please see the attached merchant
20 submission." Attached to defendant YOUNG's email were the Processor-
21 1 "New Merchant Questionnaire" for Shell Entity "IKALLS" referenced
22 in Overt Act No. 28 and the "Limited Liability Company Operating
23 Agreement of IKALLS, L.L.C." referenced in Overt Act No. 29.

24 Overt Act No. 31: On October 1, 2018, under subject "DBA
25 Filing," defendant CROSSWELL emailed defendant BENOIT, "I am working
26 on filing two DBA's this morning[.] NRG Support [and] Silver Safe
27 Box[.] Eric Bauer will be going to get these filed and a bank
28 account open. If we open these accounts over at [Bank-1], they will

1 automatically link to the current [Bank-1] account logins you
2 currently have for all other Micro accounts. Is this ok with you or
3 do you want them separated? Please advise asap.”

4 Overt Act No. 32: On October 1, 2018, in response to defendant
5 BENOIT’s response to the email referenced in Overt Act No. 31,
6 stating “I would prefer [name of a different federally insured
7 financial institution (“Bank-2”)]...as we cannot wire out of
8 [initials of Bank-1]”, defendant CROSSWELL replied to defendant
9 BENOIT, copying defendant COURDY, “Perfect. DBA’s are out for filing
10 and then bank accounts will be open. We will keep you updated
11 throughout the day. Thank You.”

12 Overt Act No. 33: On October 1, 2018, at a branch of Bank-2 in
13 Long Beach, California, defendant BAUER opened a business checking
14 account in the name of Shell Entity Silver Safe Box (the “BAUER SSB
15 Account”), funded with an opening credit of \$100.

16 Overt Act No. 34: On October 22, 2018, a member and associate
17 of THE ENTERPRISE caused the BAUER SSB Account to originate a wire
18 transfer in the amount of \$21,100 to a business checking account in
19 the name of Shell Entity DWS dba Frontland Park that had been opened
20 by defendant VOGEL at Bank-2 on October 3, 2016. Between October 1,
21 2018 and October 22, 2018, the BAUER SSB Account received no credits
22 other than the initial \$100 opening credit and 44 credits from
23 Processor-1, all of which, except two credits totaling \$90, were
24 labeled as settlement or reserve releases for Shell Entity Silver
25 Safe Box.

26 Overt Act No. 35: On November 27, 2018, in response to an
27 email from defendant BEEBE to defendant SHOABIB that copied defendants
28 COURDY and YOUNG and asked defendant YOUNG to “fill Shoby in and

1 better explain" three steps that defendants BEEBE and SHOAIIB needed
2 to take to keep their "account functional," defendant YOUNG advised
3 regarding the "micro credit" or "penny credit" that "If the
4 customer's account doesn't exist, doesn't match, etc. (return codes
5 for R-2,3 and 4's usually) this is where they will be caught (roughly
6 90% or higher) of those returns will be caught here." Defendant
7 YOUNG also stated, "We have seen merchants that operate in the 30-40%
8 return rate get down to half of that with doing this process. It not
9 only drops your overall return rate and looks better to the bank, but
10 it drops down your returns costs." Defendant YOUNG further stated,
11 "On top of all of this there will be micro debit transactions that
12 will probably be needed in order to stay within the NACHA guidelines
13 for unauthorized returns to be under 0.50%," and explained how to use
14 micro debits.

15 Overt Act No. 36: On December 28, 2018, defendant FELLERMAN
16 sent an email to defendant COURDY advising that Shell Entity Ecloud
17 Secure had an unauthorized return rate of 1.12% and needed 1,000
18 "affiliate items," that is, micro debits, "to be safe."

19 Overt Act No. 37: On December 29, 2018, in response to an
20 email from defendant COURDY to defendant FELLERMAN that added
21 defendant BENOIT, regarding defendant FELLERMAN's email referenced in
22 Overt Act No. 36 and stating, "Thank you will get this in place will
23 make sure we send it at least 1200 to1500.. Correct Guy?", defendant
24 BENOIT replied to defendant COURDY, "Just sent 4000."

25 Overt Act No. 38: On March 5, 2019, in response to defendant
26 BENOIT forwarding to defendant QUADRI notifications from Processor-1
27 that showed that \$0.01 penny credits to 30 bank accounts were
28 returned for various reasons, including R02 Account Closed, R03 No

1 Account, and R04 Invalid Account Number, and in which defendant
2 BENOIT told defendant QUADRI, "I am just sending them to you so you
3 can see what I am dealing with ! On the files you send me I usually
4 put through 150 penny credits a day ... imagine if I would have done
5 this ! Are you going to be able to do something about this ? Did
6 you buy this from [name] ? If you were And you sold them to me
7 at 2\$...that is not cool ! I can get that kinda of traffic at .25
8 per lead from [name]," defendant QUADRI responded to defendant
9 BENOIT, "I didn't get them from that guy.. And no I didn't upsell
10 you leads.. so please stop with accusations.. I will go tomorrow to
11 figure it out."

12 Overt Act No. 39: On June 5, 2019, defendant FELLERMAN emailed
13 defendant COURDY under subject "iKalls," stating, among other things,
14 "The articles of incorporation show the principal place of business
15 with a Montreal address, and the notices provision shows a mailing
16 address of a Montreal address ... These really need to be U.S. if
17 the bank was to actually read the Articles. Any update on not wiring
18 funds to Canada (Guy has already agreed for his one account doing
19 such) for iKalls? And 100% ownership for [Signer-1] (side deal
20 between Beebe and Shoba) ?"

21 Overt Act No. 40: On June 10, 2019, defendant FELLERMAN
22 emailed defendant COURDY under subject "iKalls," stating, "Assuming
23 we can move them to the new bank once we get full U.S. ownership,
24 Amended articles that remove [Signer-2] and also don't reflect a
25 foreign mailing address, no more Canada wires, etc. I think another
26 good step to keeping them forever might be if they don't run their 1st
27 two transactions thru us (many poa requests). Perhaps a thought is
28

1 drafts or ACH done elsewhere? They would still run the penny credits
2 though to test the account. Thoughts on this?"

3 Overt Act No. 41: On June 18, 2019, defendant YOUNG emailed
4 defendant FELLERMAN, copying defendants COURDY and CROSSWELL, and
5 others, under subject "iKalls Updated Documents." Defendant YOUNG
6 stated, "Lin, Please find the attached requested documents which
7 reflect the LLC's new Operating Agreement, Updated EIN and the
8 Purchase Agreement between buyer and seller." Attached to defendant
9 YOUNG's email was a "Membership Interest Purchase Agreement,"
10 purporting to be signed by Signer-1 on June 14, 2019 in the State of
11 Hawaii and by Signer-2 on June 14, 2019 in Montreal, Canada, which
12 purported to demonstrate that Signer-2 transferred all interest in
13 Shell Entity iKalls to Signer-1.

14 Overt Act No. 42: On August 22, 2019, in an email exchange
15 regarding the return of 1,500 micro debits that had been originated
16 against the BAUER 24-7 Account at Bank-1, defendant FELLERMAN emailed
17 defendant BENOIT, mistaking the BAUER 24-7 Account's signer to be
18 defendant GRABEEL and stating, "This is crazy. I called [Bank-1]
19 support myself and explained everything ... they won't tell me
20 anything. Whether the account is open, closed, frozen , or anything
21 unless the signer (or someone pretending to be the signer) is on the
22 phone ... In theory, I could have pretended to be Randy since I have
23 Randy's personal info on the app ... but I was too darn honest.
24 Before I contact my bank ACH dept to contact [Bank-1] ACH dept to
25 figure it out, I think you and I should call [Bank-1] ourselves in
26 the morning PST and you pretend to be Randy (for confirmation we will
27 need last 4 of his SSN (and perhaps his birthdate) which is on the
28 app we have anyway)?"

1 Overt Act No. 43: On October 15, 2019, under the subject "MKB
2 Passport/DL," defendant COURDY forwarded to defendants YOUNG and
3 CROSSWELL an email from defendant BENOIT forwarding an email from
4 defendant GRABEEL, attaching a scan of defendant GRABEEL's passport,
5 driver's license, and other paperwork.

6 Overt Act No. 44: On February 10, 2020, defendant COURDY
7 emailed defendant SHOAIB, copying defendants BEEBE and YOUNG, stating
8 "Shoby[,] Please read email received from Lin At [Processor-1]. Do
9 not submit new traffic until we connect you with the scrub Mike has."
10 Defendant COURDY continued, "This account is going to blow up if we
11 cant get the re5urns under control for new business." Copied in
12 defendant COURDY's email was the following message from defendant
13 FELLERMAN: "You probably also need to get involved with where they
14 are buying their data. The penny credit file from last week had 95%
15 returns. The bank will surely ask me to explain those results."

16 Overt Act No. 45: On February 10, 2020, in an email exchange
17 following the email from defendant COURDY referenced in Overt Act No.
18 44, defendant YOUNG responded to defendant BEEBE, copying defendants
19 COURDY and SHOAIB: "I'll have to get you the file format first thing
20 in the morning. You don't need all of the information to be filled
21 out though, just routing and account and it will give you back a
22 positive or negative result file. It might also be wise to have the
23 lead broker just log in before selling any leads, upload the file and
24 see how many are actually clear before buying them. I mentioned this
25 before to Shobie as well and it's why it scrubs just based on minimal
26 info rather than someone having to provide everything."

27 Overt Act No. 46: On February 10, 2020, after defendant BEEBE
28 asked about cost of the scrub described above in Overt Act No. 45,

1 defendant YOUNG responded, copying defendant COURDY, "It's free, it's
 2 just an internal suppression file. But it has millions of records and
 3 a ton of old payday loan data and 'call Center' data. It may not get
 4 rid of any results if the leads you're buying are brand new verified.
 5 But if they're older it will at least help, again it's free."

6 Overt Act No. 47: On April 8, 2020, defendant BENOIT sent an
 7 email to defendant CROSSWELL, copying defendants COURDY and YOUNG,
 8 with the subject "FW: Commission Reports" and with four spreadsheets
 9 attached, comprising "Accountholder Distribution Reports" for Shell
 10 Entities DWS, Ecloud Secure, My Kloud Box, and Silver Safe Box. The
 11 reports listed, for each Shell Entity, consumer-victim debits
 12 totaling the following approximate amounts over the following
 13 timeframes:

Shell Entity	Total Debits	Starting	Ending
DWS	\$2,307,436	March 16, 2018	March 26, 2020
Ecloud Secure	\$4,530,865	August 4, 2017	March 26, 2020
My Kloud Box	\$4,192,915	September 20, 2017	March 26, 2020
Silver Safe Box	\$1,868,327	July 6, 2018	March 26, 2020

19
 20 Overt Act No. 48: On April 9, 2020, in response to an email
 21 from defendant BENOIT with the subject "A PACKAGE ARRIVED AT FLAMINGO
 22 RD ... NEED IT PICKED UP ASAP" in which defendant BENOIT advised,
 23 "Need copy of content ... and there will be a token inside the
 24 package ([name of Bank-2])," defendant VOGEL replied, "Hes closing
 25 now will be open at 9 tomorrow I'll be there at 9 and I'll pick it up
 26 and send it to you."

27 Overt Act No. 49: On April 15, 2020, defendant BENOIT
 28 forwarded to defendant COURDY an email from defendant SULLIVAN to

1 defendant BENOIT with the subject "DWS Said Commission" to which
2 defendant SULLIVAN had attached a spreadsheet listing weekly payouts
3 for Shell Entity DWS from Processor-1, stating, "Eddie, Here is the
4 report Jenny sends me everyweek to settle my partner ... who is 50%
5 with me on this account." Defendant BENOIT continued, "Also, she
6 prepares the % (3.5%) for ECL and SSB for Eric Can this be done
7 by you guys as well ? (She sends that report to Veronica every
8 week)."

9 Overt Act No. 50: On April 24, 2020, defendant BENOIT
10 forwarded to defendant KENNEDY an email from defendant FELLERMAN
11 regarding Shell Entity CloudNV in which defendant FELLERMAN warned
12 defendant BENOIT, "Not sure if you are aware but in both Feb and
13 March (these last 2 months) **Cloud NV was over 0.50% unauthorized**
14 **returns**. Can we get extra affiliate traffic in next week? Is there
15 any way you can add an extra 1,500 to 2,000 items each day on top of
16 the normal week's traffic to ensure April is well below 0.50% ? I'm
17 not sure why they are the only 'high' chargeback client in the
18 portfolio right now but as you know, the bank starts to ask questions
19 when there are two consecutive months of greater than 0.50%." With
20 the forwarded email, defendant BENOIT asked defendant KENNEDY to
21 "send 2250" micro debits "right away."

22 Overt Act No. 51: On April 24, 2020, in response to defendant
23 BENOIT's email sent the same day and referenced in Overt Act No. 50,
24 defendant KENNEDY replied, "Done done done! Keep in mind my volume
25 has doubled in 2 months! Alot of my orders are 1 month and 2
26 monthers, with all that is going on financially in the US we are
27 seeing a spike in R10's with those new clients."

28

1 Overt Act No. 52: On July 16, 2020, defendant COURDY sent an
2 email to defendants BENOIT and SHOAIIB with the subject "Better
3 Quality Traffic." Defendant COURDY wrote, "Guy, I spoke with Shoby
4 this morning regarding setting up a conference call with you to
5 discuss the possibilities of assisting Shoby in acquiring better
6 quality traffic from you directly. Could we possibly do that call at
7 8:30AM my time, 11:30 Montreal? Please advise if that works. If so,
8 I'll initiate the call, connect you two then provide cell numbers in
9 an email."

10 Overt Act No. 53: On September 1, 2020, in response to an
11 email from defendant BENOIT, copying defendant QUADRI, with the
12 subject "NEW REPORTING FOR DWS/[Processor-1] PROCESSING" and asking
13 defendant COURDY to "please get in contact with" defendant QUADRI, to
14 whom defendant BENOIT referred as his "partner," defendant COURDY
15 replied, copying defendant QUADRI, "Sayyid, Please let me know a good
16 time for you when you are in front of a computer and I will make
17 myself available for a call that will include the actual reports
18 generated from the processors online reports. We also audited the
19 actual cash deposits received from the processors and then match all
20 transfers paid out directly to you. I will email you a complete set
21 of the audit results and will discuss them with your accountant as
22 well if you have additional questions."

23 Overt Act No. 54: On September 17, 2020, defendant QUADRI,
24 while impersonating defendant VOGEL, sent an email to three email
25 addresses associated with a payment processor ("Processor-2"),
26 copying defendant COURDY and blind-copying defendant BENOIT, with the
27 subject "DWS Audit" and stating, "I have appointed a person who will
28 be auditing our account with [Processor-2]. I am authorising him to

1 discuss on my behalf. His name is Eddie Cordy. Please take note as
2 he will be contacting [Processor-2] to discuss."

3 Overt Act No. 55: On November 6, 2020, at the request of
4 defendant CROSSWELL, defendant BAUER texted to defendant CROSSWELL
5 images of correspondence from the Better Business Bureau, received by
6 defendant BAUER, regarding complaints of unauthorized debits by Shell
7 Entity Cloud Block Storage against the bank accounts of consumer-
8 victims D.H. and J.W.

9 Overt Act No. 56: On November 18, 2020, defendant COURDY
10 emailed defendant SHOAI B, under subject "1K CA Leads," stating, in
11 part, "Shobi, Please find the attached 1k CA leads," and attaching a
12 file named "Shobi 1k Leads.xlsx," which was a lead list that
13 contained 1,000 leads, all with addresses in California.

14 Overt Act No. 57: On December 1, 2020, defendant COURDY
15 emailed defendant BENOIT, copying defendant CROSSWELL, under subject
16 "11k Leads Minus 1k to Shobi," stating, "Hi Guy, We just uploaded the
17 11k original file minus the 1k CA transactions we sent to Shobi."

18 Overt Act No. 58: On December 4, 2020, in a text message
19 exchange in which defendant BAUER sent defendant CROSSWELL a
20 telephone number and stated, "this guy just called he wants his money
21 back from gigatech please call him," defendant CROSSWELL responded,
22 "Ok but I'm getting yelled at we aren't getting names I need names if
23 you can write first and last cause I send this to another person to
24 call I can't just send numbers." Defendant BAUER replied, "They're
25 so mad they don't want to give a name half of them from now on I'll
26 start getting."

27

28

1 Overt Act No. 59: On December 10, 2020, defendant BAUER sent
2 defendant CROSSWELL multiple text messages that provided the names
3 and telephone numbers for consumer-victims H.C. and M.M.

4 Overt Act No. 60: On December 10, 2020, defendant CROSSWELL
5 emailed defendant BENOIT the names and telephone numbers of consumer-
6 victims D.Q., H.C., and M.M., and wrote, "The following customers
7 have called regarding their account. Please note Eric Bauer does his
8 best to get the consumers name, some are willing and some are not so
9 compliant. I get the information directly from him."

10 Overt Act No. 61: On January 1, 2021, defendant BENOIT
11 forwarded to defendant COURDY an email from defendant FELLERMAN
12 regarding Shell Entity Gigatech that advised of high unauthorized
13 return rates and requested "a lot of 'extra' affiliate items next
14 week to ensure we get the rolling 60 day unauth return rate down
15 below .50% ... I would recommend at least 15,000 next week (if not
16 more) as extra affiliate items above and beyond the normal affiliate
17 volume for the week." In connection with the forwarded email,
18 defendant BENOIT stated to defendant COURDY, "If you have time lets
19 talk about the below e.mail."

20 Overt Act No. 62: On March 16, 2021, defendant BENOIT caused a
21 wire transfer in the amount of \$5,000 to be sent to fund a domestic
22 bank account ("Account A") that was managed by Company A personnel
23 and used to fund micro debits for Shell Entities controlled by both
24 defendants BENOIT and SHOAI B.

25 Overt Act No. 63: On April 19, 2021, at the email request of
26 Company A personnel, defendant SHOAI B caused a wire transfer in the
27 amount of \$7,000 to be sent to Account A.

28

COUNTS TWO THROUGH SEVEN

[18 U.S.C. § 1343]

[DEFENDANTS COURDY, FELLERMAN, BENOIT, KENNEDY, QUADRI, SHOAIB,
BEEBE, YOUNG, JOHNSON, SULLIVAN, CROSSWELL, and BAUER]

11. The Grand Jury realleges paragraphs 1 through 7 and 10 of this Indictment here.

A. THE SCHEME TO DEFRAUD

12. Beginning on or about September 18, 2015, and continuing through January 2022, in Los Angeles County, within the Central District of California, and elsewhere, defendants COURDY, FELLERMAN, BENOIT, KENNEDY, QUADRI, SHOAIB, BEEBE, YOUNG, JOHNSON, SULLIVAN, CROSSWELL, and BAUER, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud financial institutions, as defined in Title 18, United States Code, Section 20, including Originating Banks and Consumer Banks, as to material matters, and to obtain money and property from the Originating Banks and Consumer Banks by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

13. The fraudulent scheme operated, in substance, in the manner set forth in paragraph 7 of this Indictment.

B. THE USE OF THE WIRES

14. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, the following defendants, for the purpose of executing the above-described scheme to defraud affecting a financial institution, transmitted, and caused the transmission of, the following items by

1 means of wire and radio communication in interstate and foreign
 2 commerce:

COUNT	DATE	DEFENDANTS	ITEM WIRED
TWO	11/1/2016	COURDY, BENOIT, KENNEDY, and SULLIVAN	Interstate email from defendant COURDY to defendant BENOIT described in Count One, Overt Act No. 13
THREE	7/4/2017	COURDY, BENOIT, and JOHNSON	Interstate email from defendant JOHNSON to defendant COURDY described in Count One, Overt Act No. 15
FOUR	12/29/2018	COURDY, FELLERMAN, and BENOIT	Interstate email from defendant BENOIT to defendant COURDY described in Count One, Overt Act No. 37
FIVE	6/18/2019	COURDY, FELLERMAN, SHOAIB, BEEBE, and YOUNG	Interstate email from defendant YOUNG to defendant FELLERMAN described in Count One, Overt Act No. 41
SIX	9/17/2020	COURDY, BENOIT, and QUADRI	Interstate email from defendant QUADRI to defendant COURDY described in Count One, Overt Act No. 54
SEVEN	12/10/2020	BENOIT, CROSSWELL, and BAUER	Interstate email from defendant CROSSWELL to defendant BENOIT described in Count One, Overt Act No. 60

FORFEITURE ALLEGATION ONE

[18 U.S.C. § 1963]

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3 1. Pursuant to Federal Rule of Criminal Procedure 32.2, notice
4 is hereby given that the United States of America will seek
5 forfeiture as part of any sentence, pursuant to Title 18, United
6 States Code, Section 1963, in the event of any defendant's conviction
7 of the offense set forth in Count One of this Indictment.

8 2. Any defendant so convicted shall forfeit to the United
9 States of America the following:

10 a. Any interest the convicted defendant has acquired or
11 maintained as a result of such offense;

12 b. Any interest in, security of, claim against, or
13 property or contractual right of any kind affording a source of
14 influence over, any enterprise which the convicted defendant has
15 established, operated, controlled, conducted, or participated in the
16 conduct of, as a result of such offense;

17 c. Any property constituting, or derived from, any
18 proceeds which the convicted defendant obtained, directly or
19 indirectly, from racketeering activity as a result of any such
20 offense; and

21 d. To the extent such property is not available for
22 forfeiture, a sum of money equal to the total value of the property
23 described in subparagraphs (a), (b), and (c).

24 3. Pursuant to Title 18, United States Code, Section 1963(m),
25 any defendant so convicted shall forfeit substitute property, up to
26 the total value of the property described in the preceding paragraph
27 if, as the result of any act or omission of said defendant, the
28 property described in the preceding paragraph, or any portion thereof

1 (a) cannot be located upon the exercise of due diligence; (b) has
2 been transferred, sold to or deposited with a third party; (c) has
3 been placed beyond the jurisdiction of the court; (d) has been
4 substantially diminished in value; or (e) has been commingled with
5 other property that cannot be divided without difficulty.

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FORFEITURE ALLEGATION TWO

[18 U.S.C. § 982]

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3 1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal
4 Procedure, notice is hereby given that the United States of America
5 will seek forfeiture as part of any sentence, pursuant to Title 18,
6 United States Code, Section 982(a)(2), in the event of any
7 defendant's conviction of the offenses set forth in any of Counts Two
8 through Seven of this Indictment.

9 2. Any defendant so convicted shall forfeit to the United
10 States of America the following:

11 a. All right, title and interest in any and all property,
12 real or personal, constituting, or derived from, any proceeds
13 obtained, directly or indirectly, as a result of the offense; and

14 b. To the extent such property is not available for
15 forfeiture, a sum of money equal to the total value of the property
16 described in subparagraph (a).

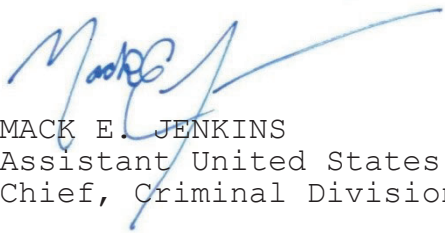
17 3. Pursuant to Title 21, United States Code, Section 853(p),
18 as incorporated by Title 18, United States Code, Section 982(b), any
19 defendant so convicted shall forfeit substitute property, up to the
20 total value of the property described in the preceding paragraph if,
21 as the result of any act or omission of said defendant, the property
22 described in the preceding paragraph, or any portion thereof: (a)
23 cannot be located upon the exercise of due diligence; (b) has been
24 transferred, sold to or deposited with a third party; (c) has been
25 placed beyond the jurisdiction of the court; (d) has been
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1 substantially diminished in value; or (e) has been commingled with
2 other property that cannot be divided without difficulty.

4 A TRUE BILL

6 /S/
7 _____
Foreperson

8 E. MARTIN ESTRADA
9 United States Attorney

10 

11 MACK E. JENKINS
12 Assistant United States Attorney
Chief, Criminal Division

13 RANEE A. KATZENSTEIN
14 Assistant United States Attorney
Chief, Major Frauds Section

15 KRISTEN WILLIAMS
16 Assistant United States Attorney
Deputy Chief, Major Frauds Section

17 MONICA E. TAIT
18 Assistant United States Attorney
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19 AMANDA N. LISKAMM
20 Director, Consumer Protection Branch
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21 WEI XIANG
22 MEREDITH B. HEALY
23 AMY P. KAPLAN
24 Trial Attorneys
Consumer Protection Branch
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