

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

FILED
CHARLOTTE, NC
JAN 21 2015
US DISTRICT COURT
WESTERN DISTRICT OF N

UNITED STATES of AMERICA,

DOCKET NO. 3:15-cr-18-FDW

v.

BILL OF INDICTMENT

IAN THOMAS MCCULLOCH,
Defendant.

Vio: 18 U.S.C. § 1349
18 U.S.C. § 1343
18 U.S.C. § 1956(h)
18 U.S.C. § 1956(a)(2)(A)
18 U.S.C. § 982
18 U.S.C. § 2326
28 U.S.C. § 2461(c)
18 U.S.C. § 2

THE GRAND JURY CHARGES:

At all times relevant to this Indictment:

Background

1. "Sweepstakes" schemes are fraudulent schemes in which individuals are falsely told that they have won a large cash prize, but in order to collect, they must send a sum of money to the perpetrators of the scheme as a "fee," "duty," or for "insurance."
2. Sweepstakes schemes are often run from telemarketing call centers containing a group of telemarketers working together to perpetrate the fraud.
3. Defendant IAN THOMAS MCCULLOCH (MCCULLOCH), a United States citizen, worked in one or more call centers in Costa Rica engaged in a fraudulent sweepstakes scheme directed, at least in part, at individuals residing in the United States.

COUNT ONE
(CONSPIRACY TO COMMIT WIRE AND MAIL FRAUD - 18 U.S.C. SECTION 1349)

Overview of the Fraudulent Scheme

4. Operating in Costa Rican call centers, Defendant MCCULLOCH and other co-conspirators worked as both “openers,” *i.e.*, the telemarketers who initially call an individual, and “loaders,” *i.e.*, the telemarketers who re-solicit the same individual to send additional money.
5. As an opener, MCCULLOCH would call an individual and falsely inform the individual that he had won a prize in a sweepstakes and that in order to receive the prize, he had to send money to Costa Rica for a purported “refundable insurance fee.”
6. As a loader, MCCULLOCH would contact the individual again, after he had made an initial payment. MCCULLOCH would then falsely inform the individual that the prize amount he was previously told he had won had increased, either because of a clerical error or because another prize winner was disqualified and that therefore, the individual must send additional money to pay for new purported fees, duties and insurance to receive the now larger sweepstake prize.
7. MCCULLOCH and his co-conspirators would continue to call and insist that additional payments be made for new fees until an individual either ran out of money or discovered the fraudulent nature of the scheme.

The Conspiracy

8. Beginning in or about January of 2012, the exact date being unknown to the Grand Jury, and continuing until in or about November of 2014, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant

IAN THOMAS MCCULLOCH,

together with other conspirators, both known and unknown to the Grand Jury, knowingly combined, conspired, confederated and agreed together, and with each other, to commit the following offense:

To knowingly and intentionally devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted, by means of wire, radio and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, specifically, Western Union wire-transfers which were all routed through and processed in Western Union facilities in Charlotte, Mecklenburg County, North Carolina, for the purpose of executing such scheme and artifice and attempting to do so, contrary to Title 18, United States Code, Section 1343.

Purpose of the Conspiracy

9. A purpose of the conspiracy was to enrich MCCULLOCH and his co-conspirators through fraudulently inducing victims to pay thousands of dollars by falsely representing that the victims had won valuable prizes, which would be sent to them only after they made payments to MCCULLOCH and his co-conspirators.

Manner and Means Used in the Conspiracy

10. Among the manner and means by which

IAN THOMAS MCCULLOCH,

and his conspirators carried out the purpose of the conspiracy were the following:

- (a) Beginning in or about 2012, MCCULLOCH along with his co-conspirators would and did operate telemarketing "call centers" in San Jose, Costa Rica;
- (b) The call centers would and did frequently change their location to avoid investigation by law enforcement authorities;
- (c) MCCULLOCH and his co-conspirators would and did use aliases when contacting United States residents to solicit money from them;
- (d) MCCULLOCH and his co-conspirators would and did make false representations to United States residents, including:
 - 1. MCCULLOCH and his co-conspirators, as openers, would and did falsely inform United States residents, at least 10 of whom were over the age of 55, that they had won in excess of \$350,000 from a sweepstakes contest;
 - 2. MCCULLOCH and his co-conspirators would and did falsely inform these individuals that they were required to send funds to Costa Rica to purchase insurance coverage for the delivery of their prizes;
 - 3. MCCULLOCH and his co-conspirators would and did falsely state that any funds sent to Costa Rica would be fully refundable and returned to the individuals along with their prize winnings;
 - 4. MCCULLOCH and his co-conspirators would and did falsely represent themselves as being agents of the "Federal Trade Commission," or another

United States government agency, and that they were responsible for ensuring that sweepstakes winners received their money;

5. MCCULLOCH and his co-conspirators would and did falsely inform individuals that called to verify the legitimacy of the sweepstakes that the sweepstakes was legitimate and their prizes were verified; and
 6. After receiving funds, MCCULLOCH and his co-conspirators, as loaders, would and did re-contact individuals, who had already sent payments, and falsely stated that a mistake had occurred and the individuals actually won the first prize of \$3,500,000 or more, requiring additional payments.
- (e) MCCULLOCH and his co-conspirators would and did call individuals using Voice over Internet Protocol (VoIP), utilizing numbers with area codes associated with Washington, D.C., to make it appear that the calls originated from within the United States rather than from Costa Rica;
- (f) MCCULLOCH and his co-conspirators would and did provide individuals with telephone numbers for prize verification which were answered in the telemarketing call centers in Costa Rica;
- (g) MCCULLOCH and his co-conspirators would and did direct these individuals to send the required funds via Western Union or MoneyGram;
- (h) MCCULLOCH and his co-conspirators would and did direct individuals to send the required funds through bank to bank wire transfers;
- (i) MCCULLOCH and his co-conspirators would and did cause United States residents to continue to send funds to them until these United States residents either ran out of money or realized that they were being defrauded; and

- (j) MCCULLOCH and his co-conspirators would and did keep the funds received to pay the continued costs of operating the telemarketing call center and for their personal benefit.

All in violation of Title 18, United States Code, Sections 1349 and 2326(2)(A) & (B).

**COUNTS TWO THROUGH SIX
(WIRE FRAUD - 18 U.S.C. SECTION 1343)**

The Scheme and Artifice to Defraud

11. The allegations in paragraphs 1-7 and 10 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein as describing the defendant's scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.
12. On or about the respective dates set forth below, each such date constituting a separate count of the Indictment, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant,

IAN THOMAS MCCULLOCH,

having devised and intending to devise the scheme and artifice to defraud described above and in order to obtain money and property by means of material false and fraudulent schemes, representations, and promises, knowingly transmitted and caused to be transmitted, by means of wire communication in interstate and foreign commerce the following writings, signs, signals, pictures and sounds, specifically Western Union wire-transfers which were all electronically routed to and processed in Charlotte, Mecklenburg County, North Carolina, prior to being sent to their ultimate destination, for the purpose of executing the scheme and artifice and attempting to do so:

Count	Sender's Initials	Wire Transfer Sent From	Wire Transfer Received In	Date	Amount
2	WC	Thornton, CO	Costa Rica	8/14/2013	\$ 1,000.00
3	KM	Port St. Lucie, FL	Costa Rica	9/3/2013	\$ 1,500.00
4	AG	Onalaska, WI	Costa Rica	11/26/2013	\$ 1,750.00
5	RE	Garfield Heights, OH	Costa Rica	12/3/2013	\$ 1,400.00
6	RR	St. Charles, MO	Costa Rica	1/23/2014	\$ 600.00

All in violation of Title 18, United States Code, Sections 1343, 2326(2)(A) & (B), and 2.

COUNT SEVEN
(CONSPIRACY TO COMMIT MONEY LAUNDERING - 18 U.S.C. SECTION 1956(h))

13. The allegations in paragraphs 1-7 and 10 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.

14. In or about January of 2012 and continuing until in or about November of 2014, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant

IAN THOMAS MCCULLOCH,

did unlawfully and knowingly combine, conspire, confederate and agree with others known and unknown to the Grand Jury, to transport, transmit, and transfer monetary instruments and funds from a place in the United States to and through a place outside the United States, with the intent to promote the carrying on of specified unlawful activity, namely, wire fraud, in violation of Title 18 United States Code, Section 1956(a)(2)(A).

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS EIGHT THROUGH TWELVE
(MONEY LAUNDERING – INTERNATIONAL - 18 U.S.C. SECTION 1956(a)(2)(A))

15. The allegations in paragraphs 1-7 and 10 of this Indictment are hereby realleged and incorporated by reference as if fully set forth herein.

16. On the respective dates set forth below, each such date constituting a separate count of this Indictment, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, defendant,

IAN THOMAS MCCULLOCH,

together with others known and unknown to the Grand Jury, did knowingly transport, transmit and transfer monetary instruments and funds from a place in the United States to and through a place outside of the United States, with the intent to promote the carrying on of specified unlawful activity, namely wire fraud:

Count	Sender's Initials	Wire Transfer Sent From	Wire Transfer Received In	Date	Amount
8	JP	Pacifica, CA	Costa Rica	9/5/2013	\$ 525.00
9	EA	Tiffin, OH	Costa Rica	1/27/2014	\$1,750.00
10	JR	Pensacola, FL	Costa Rica	2/3/2014	\$1,750.00
11	CB	Columbus, MS	Costa Rica	2/4/2014	\$1,750.00
12	ER	Rio Grande, NJ	Costa Rica	2/6/2014	\$1,750.00

All in violation of Title 18, United States Code, Section 1956(a)(2)(A), and 2.

NOTICE OF FORFEITURE AND FINDING OF PROBABLE CAUSE

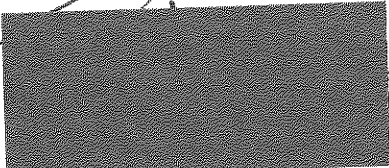
Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to all specified unlawful activities listed or referenced to in 18 U.S.C. §1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c).

- a. All property which constitutes or is derived from gross proceeds of the violations set forth in this bill of indictment;
- b. All property used or intended to be used to commit, to facilitate, or to promote the violations;
- c. All property involved in such violations or traceable to property involved in such violations; and
- d. If, as set forth in 21 U.S.C. § 853(p), any property described in (a), (b), or (c) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendant/s to the extent of the value of the property described in (a), (b), and (c).

The Grand Jury finds probable cause to believe that the following property is subject to forfeiture on one or more of the grounds stated above: a forfeiture money

judgment in the amount of at least \$7,010,000, such amount constituting the gross proceeds of the violations set forth in this bill of indictment.


A TRUE BILL



ON

ANNE M. TOMPKINS
UNITED STATES ATTORNEY

WILLIAM STELLMACH
ACTING CHIEF, FRAUD SECTION, CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE



PATRICK M. DONLEY
SENIOR LITIGATION COUNSEL
WILLIAM H. BOWNE
TRIAL ATTORNEY
FRAUD SECTION, CRIMINAL DIVISION