

Plaintiff, United States of America, by its attorney, Paul J. Fishman, United States Attorney for the District of New Jersey, (by Jafer Aftab, Assistant United States Attorney), brings this Verified Complaint and alleges as follows in accordance with Rule G(2) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, Federal Rules of Civil Procedure.

NATURE OF THE ACTION

1. This is an action to forfeit and condemn to the use and benefit of the United States of America a total of \$3,045,783.91. The United States of America brings this action to enforce the provisions of 18 U.S.C. § 981(a)(1)(C), as property, real or personal, that constitutes or is derived from gross proceeds obtained directly or indirectly from wire fraud or bank fraud, in violation of 18 U.S.C. §§ 1343 or 1344.

THE DEFENDANT IN REM

2. The defendant property consists of a total of \$3,045,783.91 comprised of: \$2,926,990.64 previously contained in Santander Bank account number XXXXXX5506 held in the name of RA's Merchandise LLC; \$2,000 previously contained in Santander Bank account number XXXXXX5492 held in the name of RA's Merchandise LLC; \$101,211.71 previously contained in Trustco Bank account number XXXX4803 held in the name of RA's Merchandise LLC; and \$15,581.56 previously contained in Prepaid Expense Card Solutions, LLC account number XXXXXXXXXX9413 held in the name of RA's Merchandise LLC, which the United States Secret Service ("USSS") seized

on or about October 21, 2015. The defendant property is currently in the custody of the United States.

JURISDICTION AND VENUE

3. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1345 and 1355(a).

4. This Court has *in rem* jurisdiction of the defendant property under 28 U.S.C. § 1355(b)(1), because acts or omissions giving rise to this forfeiture took place in the District of New Jersey and the defendant property is located in the District of New Jersey. Upon the filing of this Verified Complaint for Forfeiture *In Rem*, the Plaintiff requests that the Clerk of the Court issue a Warrant of Arrest *In Rem* pursuant to Rule G(3)(b)(i) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, Federal Rules of Civil Procedure (the “Supplemental Rules”), which the plaintiff will execute upon the defendant property pursuant to 28 U.S.C. § 1355(d) and Rule G(3)(c) of the Supplemental Rules.

5. Pursuant to 28 U.S.C. § 1395, this District is the proper venue for this action because the defendant property is located within the District of New Jersey.

BASIS FOR FORFEITURE

6. The defendant property is subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C), because it is property, real or personal, that constitutes or is derived from gross proceeds obtained directly or indirectly from wire fraud or bank fraud, in violation of 18 U.S.C. §§ 1343 or 1344.

FACTS

7. On August 21, 2014, Arlene and James Platteborze (“the Platteborzes”) opened Trustco Bank Account No. XXXX4803 (“Trustco Account”) at the Northvale, New Jersey branch. The Trustco Account was opened in the name of RA’s Merchandise, LLC (“RA’s Merchandise”), in Toms River, New Jersey, which had been registered with the New Jersey Department of the Treasury on January 27, 2014.

Prior Scheme

8. In September, 2014, an individual contacted American Express (“AMEX”) and made a referral for his startup company named “ABC, LLC” (“ABC”)¹, to sell electronic devices such as iPhones and iPads. Referrals are a way to assist an entity in obtaining an AMEX merchant account. Between September, 2014 and June, 2015, ABC transacted approximately \$1,900,000.00 in sales volume with only four credit card accounts.

9. In May, 2015, one cardholder allegedly claimed that he did not receive his order in a timely manner from ABC, so he received a full credit, or charge back, for that purchase. Despite the fact that the bank account that was associated with ABC, at this point, did not have sufficient funds to cover the credit, the cardholder received a full credit from AMEX.

10. In June, 2015, AMEX noticed a sharp increase in the amount of ABC’s four credit card accounts requesting refunds based on claims that orders were not being completed in a timely manner. Again, despite that the fact that there were no funds in the bank account associated with ABC’s AMEX

¹ This is a pseudonym.

merchant account, AMEX issued credits to the four cardholders, creating a negative balance of approximately \$960,000.00 in the AMEX merchant account.

11. Due to subsequent investigative efforts, law enforcement and AMEX were able to recover approximately \$600,000.00 of this loss, leaving AMEX with a loss of approximately \$360,000.00.

Collaboration Between the ABC Individual and the Platteborzes to Perpetrate another Fraud Scheme Against American Express

12. In April, 2015, the ABC individual referred to above again contacted AMEX and made a referral to sign up a startup company named RA's Merchandise – the Platteborzes' company. Like ABC, RA's Merchandise represented that they would sell electronics such as iPhones and iPads. Also like ABC, RA's Merchandise conducted large dollar transactions with only fourteen credit card account holders from May, 2015 to August, 2015, with one of those account holders being that ABC individual himself.

13. Aside from the Platteborzes' Trustco Account, the Platteborzes opened three principal bank accounts to perpetrate the fraud scheme in the spring and summer of 2015: a) on or about April 26, 2015, the Platteborzes opened PEX Card Account No. XXXXXXXXXX9413 ("PEX Card A/C") via an online application in the name of RA's Merchandise; b) on or about June 2, 2015, the Platteborzes opened First Commerce Account No. XXXX5729 ("First Commerce A/C") in the name of RA's Merchandise; and c) on or about June 24, 2015, the Platteborzes opened Santander Account No. XXXXXXXX5506 ("Santander 5506 A/C") and Santander Account No. XXXXXXXX5492

("Santander 5492 A/C") – Santander 5492 A/C was a minor account that only received \$2,000 from the fraud scheme - in the name of RA's Merchandise. The Platteborzes opened the Santander accounts just a few miles away from the ABC individual's residence and 95 miles away from the Platteborzes' residence in Toms River. Additionally, the first two deposits into the Santander 5506 A/C were from the ABC individual's Santander bank account – a wire transfer on June 30, 2015 in the amount of \$17,658.00 and a wire transfer on July 2, 2015 in the amount of \$33,280.00.

14. Between May 13, 2015 and July 13, 2015, there were six transactions (sales) totaling approximately \$2,002,500.00 between RA's Merchandise and the ABC individual, which was charged to the ABC individual's AMEX account No. XXXXXXXXXXXX1005. Between July 29, 2015 and August 14, 2015, \$978,100.00 was credited back to the ABC individual's AMEX account number XXXXXXXXXXXX1005.

15. Between May 13, 2015 and August 14, 2015, RA's Merchandise received approximately \$12,248,900 into their AMEX merchant accounts,² the Trustco A/C and the First Commerce A/C. Approximately \$7,234,770 of these sales was credited back to the cardholder during this same time period. The total sales to RA's Merchandise were comprised, as previously mentioned, of only 14 different cardholders.

16. From June 30, 2015, to August 14, 2015, approximately

² The Platteborzes alternated between two accounts as their AMEX merchant account. First, the Platteborzes utilized the Trustco A/C as their AMEX merchant account. Then they switched it to the First Commerce A/C. When First Commerce Bank closed the First Commerce A/C, the Platteborzes switched back to the Trustco A/C as their AMEX merchant account.

\$2,909,663.20 had been deposited into Santander 5506 A/C -- including a \$2,500,000 transfer from the Trustco account on July 9, 2015, and approximately \$13,852.56 had been withdrawn. On July 18, 2015, \$2,000 was transferred from Santander 5506 A/C into Santander 5492 A/C. No money was withdrawn from Santander 5492 A/C.

17. The Platteborzes transferred funds from the two merchant accounts (Trustco A/C and First Commerce A/C) into their Santander 5506 A/C and their PEX Card A/C in anticipation of their creation of the deficits in the AMEX merchant accounts to perpetrate their chargeback fraud scheme.

The Platteborzes Transfer Large Sums of Money from their AMEX Merchant Accounts (Trustco and First Commerce) into their Santander 5506 A/C and PEX Card A/C to Create Future Deficits

DATE	TRUSTCO	FIRST COMMERCE	SANTANDER 5506	PEX CARD
5/26/15	-\$150,000			+\$150,000
5/28/15	-\$125,000			+\$125,000
6/1/15	-\$150,000			+\$150,000
6/8/15	-\$150,000			+\$150,000
6/9/15		-\$150,000		+\$150,000
6/10/15		-\$100,000		+\$100,000
6/11/15		-\$150,000		+\$150,000
6/12/15		-\$100,000		+\$100,000
6/15/15		-\$100,000		+\$100,000
6/16/15		-\$100,000		+\$100,000
6/17/15		-\$100,000		+\$100,000
6/18/15		-\$450,000		+\$450,000
6/18/15		-\$100,000		+\$100,000
6/19/15		-\$100,000		+\$100,000
6/22/15		-\$100,000		+\$100,000
7/2/15*		-\$274,835.20	+\$274,835.20	
7/2/15	-\$150,000			+\$150,000
7/7/15	-\$150,000			+\$150,000
7/9/15	-\$2,500,000		+\$2,500,000	
7/10/15	-\$300,000			+\$300,000
7/18/15				
7/31/15	-\$300,000			+\$300,000
TOTAL	-\$3,977,000	-\$1,824,835.20	+\$2,774,835.20	+\$3,025,000

* First Commerce Bank closed the account on this date.

18. In July, 2015, AMEX noticed a sharp increase, as with ABC, in the amount of RA's Merchandise's fourteen credit card accounts requesting refunds due to claims that shipments were not received in a timely manner. Again, as with ABC, AMEX issued refunds to credit card account holders despite RA's Merchandise having a negative balance in their merchant accounts (Trustco A/C and First Commerce A/C). The ABC individual himself conducted approximately \$2,000,000.00 in transactions and eventually had almost half of that amount charged back.

19. On or about August 3, 2015, RA's Merchandise's AMEX merchant Trustco A/C began to accumulate a negative balance because there were insufficient funds to cover the (charge back) credits that were being issued to the credit card accounts. In fact, between August 3, 2015 and August 14, 2015, there were 12 transactions, all of them credits back to the card holders, creating a negative balance in the amount of \$5,220,200. In addition, eight of the fourteen of RA Merchandise's credit card accounts had credit balances totaling approximately \$2,680,602 as a result of the aforementioned credits. One of these credit card accounts had a credit balance of \$647,571.25, as a result of receiving a check from AMEX in the same amount.

20. On August 3, 2015, the balance of RA's Merchandise AMEX merchant Trustco A/C was approximately \$319,867.11. Beginning on August 3, 2015, there were a large amount of charge back credits issued exceeding the balance in the Trustco account. As with ABC, because the funds in the AMEX account were transferred out (to Santander 5506 A/C and the PEX Card A/C),

a deficit of approximately \$5,200,000 was created due to the below credits that were issued to each respective account:

Account #	Cardholder Name	Date	Amount
*1029	BP	8/3/2015	-390,000
*1004	MC	8/3/2015	-385,000
*1081	SK	8/4/2015	-238,000
*1081	SK	8/4/2015	-238,000
*4007	AA	8/5/2015	-650,000
*1014	AA	8/5/2015	-451,100
*1004	YG	8/10/2015	-340,000
*1012	YG	8/10/2015	-740,000
*1004	YG	8/12/2015	-540,000
*1005	RD	8/14/2015	-168,100
*2004	YG	8/14/2015	-300,000
*1012	YG	8/14/2015	-780,000
Total Deficit			-5,220,200

21. On or about August 26, 2015, law enforcement received information regarding the above scheme which resulted in a loss to AMEX. As a result, law enforcement interviewed an employee at First Commerce Bank, who stated that this account was closed by the bank on suspicion of fraud due to the large amount of high dollar transfers in and out of the account.

22. On or about September, 2015, law enforcement received bank records from First Commerce Bank related to the RA's Merchandise's First Commerce A/C and from PEX related to the RA's Merchandise's PEX Card A/C that confirmed the above transactions set forth in the table in paragraph 17 above. Furthermore, the PEX records revealed that the Platteborzes made many purchases from their business PEX Card A/C which appeared to be personal

expenditures and inconsistent with the use of a business account. For example, the Platteborzes made purchases from local supermarkets, a liquor store, and also paid child care expenses.

23. On or about September 18, 2015, law enforcement spoke with Arlene Platteborze via telephone. Arlene Platteborze was informed that there was an investigation ongoing.

- a. She stated that she wanted to “correct all the mistakes” and wanted to return the money to AMEX.
- b. When asked why her company dealt with only 14 credit card accounts regarding the sales to her company, Ms. Platteborze initially asserted that there were only two customers, but later asserted that all of her customers were friends of her husband.
- c. Further, Ms. Platteborze stated that her company did not advertise to draw any outside revenue.
- d. When asked why there were so many reversals (returns), she first stated that after the customers realized that they purchased products that were “phased out” and wanted to cancel the transactions and receive a credit. Later in the conversation, Ms. Platteborze stated that she decided to cancel the transactions because she did not like dealing with brokers because it is too complicated. Ms. Platteborze stated that she conducted her business over the telephone from her Toms River address. Ms. Platteborze later stated that she developed an illness in July, 2015

and felt that she could not fulfill the orders properly, so she reversed the aforementioned transactions.

- e. When asked how the deficit was created in RA's Merchandise AMEX account, she stated that in June, 2015, First Commerce Bank informed her that because First Commerce Bank was a small bank, they could not handle RA Merchandise's volume and the bank closed the account. After the First Commerce A/C was closed, Ms. Platteborze stated that RA's Merchandise linked their AMEX merchant account with their Trustco account. When the deficit accumulated in August, 2015, Arlene Platteborze blamed the deficit on a miscommunication among herself, Trustco Bank, and AMEX despite that fact that between June 22, 2015 and August 15, 2015, the Platteborzes transferred approximately \$5,245,905 to their Santander 5506 A/C and the PEX Card A/C.

24. On September 21, 2015, an AMEX investigator and law enforcement interviewed the Platteborzes at their residence in Toms River, New Jersey. During the interview, the Platteborzes orally waived their rights to the defendant property and Ms. Platteborze memorialized her waiver furthermore.

25. On or about October 16, 2015, seizure warrants were issued by the Honorable Joseph A. Dickson, United States Magistrate Judge for the District of New Jersey, for the following accounts:

- a. All Funds and Monies Contained in Trustco Bank Account Number XXXX4803 held in the name of RA's Merchandise, LLC;

- b. All Funds and Monies Contained in Santander Bank Account Number XXXXXX5506 held in the name of RA's Merchandise, LLC;
- c. All Funds and Monies Contained in Prepaid Expense Card Solutions, LLC DBA PEX Card Account Number XXXXXXXX9413 held in the name of RA's Merchandise, LLC; and
- d. All Funds and Monies Contained in Santander Bank Account Number XXXXXX5492 held in the name of RA's Merchandise, LLC.

26. On or about October 21, 2015, an amended seizure warrant was issued by the Honorable Cathy L. Waldor, United States Magistrate Judge for the District of New Jersey, for all funds and monies contained in Santander Bank Account Number XXXXXX5506 held in the name of RA's Merchandise, LLC because of a transcription error referencing the account number in the seizure warrant presented on October 16, 2015.

27. In October, 2015, agents of the United States Secret Service executed the above-referenced seizure warrants, resulting in the seizure of the defendant property.

CLAIM FOR FORFEITURE

28. The allegations contained in paragraphs 1 through 27 of this Verified Complaint for Forfeiture *In Rem* are incorporated herein as if set forth at length.

29. Based on the facts discussed above, there is probable cause to believe that the \$3,045,783.91 in funds is property, real or personal, that constitutes or is derived from gross proceeds obtained directly or indirectly from wire fraud and bank fraud, in violation of 18 U.S.C. §§ 1343 and 1344. Thus, the \$3,045,783.91 in funds is subject to forfeiture, pursuant to 18 U.S.C. § 981(a)(1)(C).

WHEREFORE, the United States of America requests that the Clerk of the Court issue a warrant for the arrest and seizure of the defendant property; that notice of this action be given to all persons who reasonably appear to be potential claimants of interests in the property; that the defendant property be forfeited and condemned to the United States of America; that the plaintiff be awarded its costs and disbursements in this action, and for such other and further relief as this Court deems proper and just.

Dated: March 7, 2016.

PAUL J. FISHMAN
United States Attorney

/s/ Jafer Aftab
By: JAFER AFTAB
Assistant United States Attorney

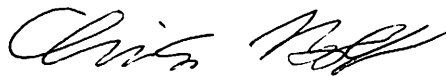
VERIFICATION

STATE OF NEW JERSEY :
: **ss**
COUNTY OF ESSEX :

I, Christian Bolf, hereby verify and declare under penalty of perjury that I am a Special Agent with the United States Secret Service, that I have read the foregoing Verified Complaint for Forfeiture *In Rem* and know the contents thereof, and that the matters contained in the Verified Complaint are true to my own knowledge, except that, as to those matters herein stated to be alleged on information and belief, I believe them to be true.

The sources of my knowledge and the grounds of my belief include the official files and records of the United States, information supplied to me by other law enforcement officers, and my own investigation of this case.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct.



Christian Bolf
Special Agent
United States Secret Service

Sworn to and subscribed before me this 7th
day of March, 2016, at Newark, New Jersey.


JAFER AFTAB

Attorney-at-Law of the State of New Jersey