



*United States Attorney  
District of New Jersey*

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**OWNER AND PRESIDENT OF GAC CONSULTING, LLC ARRESTED,  
CHARGED WITH \$650,000 CHARITY FRAUD SCHEME**

NEWARK, N.J. – The founder, owner and president of GAC Consulting, LLC (“GAC”), is charged in connection with an alleged scheme to defraud several charities and non-profit organizations by failing to provide promised high-value items for fund-raising events, causing hundreds of thousands of dollars in losses, U.S. Attorney Paul J. Fishman announced.

Gregory Ciccone, 33, of Woodland Park, N.J., was arrested this morning in Woodland Park by special agents of the FBI and IRS on a criminal Complaint charging him with mail and wire fraud. He is scheduled to appear this afternoon before United States Magistrate Judge Claire C. Cecchi in Newark federal court.

According to the Complaint:

From at least January 2007 through April 2010, Ciccone induced charities and non-profit organizations to enter into contracts with GAC, which held itself out as a provider of high-value auction items to charities and non-profit organizations. The charities typically paid GAC both an up-front retainer and a commission on the total amount of charitable pledges raised as a result of GAC’s contracted obligations. Ciccone and GAC rarely, if ever, provided the promised items to the winning bidders, and refused to provide refunds of monies paid.

In addition to renegeing on his obligation to provide the items GAC offered, Ciccone repeatedly offered high-value items that he had no ability to provide in order to induce charities to contract with GAC. For example, Ciccone offered golf at the Augusta National Golf Course, a walk-on role on the television show “Desperate Housewives,” tickets to the Tony Awards, and celebrity appearances – none of which he could produce. After the winning bidders made their pledges and GAC’s commissions were paid, Ciccone used a variety of stall tactics and excuses to avoid providing the items, including on one occasion telling a winning bidder that the 2009 Tour de France had been postponed, and her package might therefore be invalid.

In all, more than a dozen charities and non-profit organizations were defrauded, and Ciccone’s scheme caused losses to the charities and winning bidders of at least \$650,000. Ciccone used the money for personal expenses, including to fund tens of thousands of dollars in casino gambling.

U.S. Attorney Fishman stated: “Ciccone allegedly funded his gambling habit with money that was intended to benefit schoolchildren and support people with life-threatening illnesses.

According to the Complaint, the promises he made from the very beginning were as false as the excuses he gave when he couldn't deliver. Victims of schemes like these are not only the charities and donors who are defrauded, but also the worthy causes that lose out because individuals are wary of giving."

"The alleged criminal conduct in this matter speaks for itself," said FBI Special Agent in Charge Michael B. Ward. "The systematic targeting of charities through fraud and misrepresentations is unconscionable. In the end, those parties which depend on charities for support are victimized, all in furtherance of one man's lifestyle."

Ciccone is charged with one count of mail fraud and one count of wire fraud. If convicted, the defendant faces a maximum potential penalty per count of 20 years in prison and a \$250,000 fine.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, and special agents with IRS – Criminal Investigation, under the direction of Special Agent in Charge Victor W. Lessoff, with the investigation leading to the charges. He also thanked the Passaic County Sheriff's Department for its assistance.

The government is represented by Assistant United States Attorney Joseph Mack of the U.S. Attorney's Office Health Care and Government Fraud Unit in Newark.

The charges and allegations contained in the Complaint are merely accusations, and the defendant is considered innocent unless and until proven guilty.

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Defense counsel: Linda Foster, Esq., Assistant Federal Public Defender, Newark, N.J.