

2007R01163/JWA/MEB

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Susan D. Wigenton  
v. : Criminal No. 09-556  
PAUL J. LOPAPA : 18 U.S.C. §§ 1343, 1349 & 2

S U P E R S E D I N G  
I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,  
sitting in Newark, charges:

COUNT ONE  
(CONSPIRACY TO COMMIT WIRE FRAUD)

Defendant and his Co-Conspirators

1. At all times relevant to this Indictment:

a. Defendant Paul J. LoPapa ("LoPapa") resided at a  
home in Livingston, New Jersey (the "Livingston Residence").

b. M.B., a co-conspirator not named as a defendant  
herein, resided in North Arlington, New Jersey, and also owned a  
home in West Orange, New Jersey (the "West Orange Residence").

Skyline Equities, Inc.

2. Skyline Equities, Inc. ("Skyline") was a privately held  
corporation which defendant LoPapa and co-conspirator M.B.  
controlled and operated out of the Livingston Residence. Skyline  
purportedly served as a holding company which touted a 30-year  
history of "growth and profitability" relating to various  
financial and commodity investment opportunities. Skyline listed

additional domestic office locations in Wayne, New Jersey and Miami, Florida, and international office locations in Zurich, Switzerland, and Moscow, Russia.

3. Through Skyline, defendant LoPapa, co-conspirator M.B. and others promoted and sold an investment program referred to as a Bank Guarantee to numerous investors. The Bank Guarantee purported to involve a sophisticated international financial investment opportunity involving a purported overseas trading platform.

4. Defendant LoPapa, co-conspirator M.B., and others solicited investors to invest in the Bank Guarantee through telephonic discussions, written material, and face-to-face meetings held at the Livingston Residence.

5. Defendant LoPapa and others directed the investors to wire-transfer investor funds into an account held at JPMorgan Chase in the name of Skyline (the "Skyline Account"). Defendant LoPapa had signatory authority on the Skyline Account. Defendant LoPapa and co-conspirator M.B. also had signatory authority on other accounts in the name of Skyline.

6. Investors 1 and 2, identified by the initials C.U. and M.U., were residents of Henderson, Nevada and invested approximately \$475,000, via multiple interstate wire transfers, some of which they borrowed from other individuals, with Skyline.

7. Investors 3 and 4, identified by the initials G.L. and

S.L., were residents of Scottsdale, Arizona, and invested approximately \$140,000 with Skyline via interstate wire transfer.

8. From on or about December 19, 2007, through on or about January 3, 2008, defendant LoPapa, co-conspirator M.B. and others obtained approximately \$615,000 from Investors 1 through 4 for the purported purpose of investing in the Bank Guarantee.

The Conspiracy

9. From at least as early as in or about December 2007 through on or about September 3, 2008, in the District of New Jersey and elsewhere, the defendant

Paul J. LoPapa

knowingly and intentionally conspired and agreed with M.B. and others to execute a scheme and artifice to defraud investors, and to obtain money and property, by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate commerce, certain writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

The Object of the Conspiracy

10. It was the object of the conspiracy to induce individuals to invest with Skyline in order to embezzle and convert the funds for the personal use of the co-conspirators.

Manner and Means of the Conspiracy

11. In order to solicit funds from investors, defendant LoPapa, co-conspirator M.B. and others made numerous materially false and misleading representations concerning the use of investors' funds and the returns the investors would receive on their investments.

12. Defendant LoPapa, co-conspirator M.B. and others showed some of the investors purported investment contracts to make it appear, falsely, as though their money would be invested and not used for personal expenses.

13. Defendant LoPapa, co-conspirator M.B. and others falsely promised investors inflated rates of return on their investment.

14. Defendant LoPapa, co-conspirator M.B. and others, upon receipt of the investors' monies, diverted the vast majority of the investors' funds for their personal benefit. Among other things, defendant LoPapa and co-conspirator M.B. and others used investor funds to: purchase of a number of high-end, late-model Mercedes Benz automobiles; pay property taxes on the Livingston Residence; pay defendant LoPapa's health insurance premiums; and pay mortgage and property taxes on the West Orange Residence.

15. After receiving the investors' money, defendant LoPapa, co-conspirator M.B., and others made materially false statements and representations lied to the investors, primarily by

interstate email communications, regarding the status of their investments and falsely assured the investors of forthcoming payments.

16. Defendant LoPapa, co-conspirator M.B., and others also made numerous false and misleading statements, primarily by interstate email communications, concerning the health of defendant LoPapa and his family members, and other matters in order to avoid or delay responding to investors.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH SEVEN  
(WIRE FRAUD)

1. The allegations set forth in paragraphs 1 through 8 and 11 through 16 of Count One are hereby realleged and incorporated as though set forth in full herein.

2. On or about the dates listed below, in Essex County, in the District of New Jersey, and elsewhere, defendant

Paul J. LoPapa

having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, did knowingly and with fraudulent intent transmit and cause to be transmitted by means of wire communications in interstate commerce to New Jersey certain writings, signs, signals, and sounds, namely the specified wire transfers described below, for the purpose of executing such scheme and artifice:

<u>Count</u>	<u>Date</u>	<u>Description</u>
2	12/19/07	A wire transfer of approximately \$60,000 from Utah to the Skyline Account on behalf of investor C.U.
3	12/19/07	A wire transfer of approximately \$140,000 from California to the Skyline Account by investors G.L. and S.L.
4	12/20/07	A wire transfer of approximately \$200,000 from California to the Skyline Account by investors C.U. and M.U.

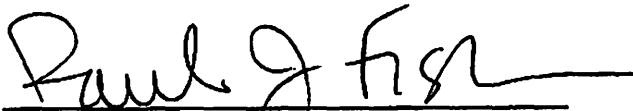
5                    1/3/08                    A wire transfer of approximately  
\$185,000 from Washington to the  
Skyline Account on behalf of  
investor C.U.

6                    1/3/08                    A wire transfer of approximately  
\$15,000 from California to the  
Skyline Account on behalf of  
investor C.U.

7                    1/3/08                    A wire transfer of approximately  
\$15,000 from California to the  
Skyline Account on behalf of  
investor C.U.

In violation of Title 18, United States Code, Section  
1343 and Section 2.

A TRUE BILL



PAUL J. FISHMAN  
United States Attorney

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FOREPERSON

CASE NUMBER. 9-556 (SDW)

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**United States District Court  
District of New Jersey**

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**UNITED STATES OF AMERICA**

**v.**

**PAUL LOPAPA**

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**SUPERSEDING INDICTMENT  
FOR VIOLATIONS OF  
18 U.S.C. §§ 1343, 1349, AND 2**

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**A True Bill,**

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**Foreperson**

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**PAUL J. FISHMAN  
UNITED STATES ATTORNEY  
NEWARK, NEW JERSEY**

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**JUSTIN W. ARNOLD  
ASSISTANT U. S. ATTORNEY  
(973) 645-2785**

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