

Aug 27, 2015
STEVEN M. LARIMORE
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

15-20668-CR-SCOLA/OTAZO-REYES

CASE NO.

18 U.S.C. § 1349
18 U.S.C. § 1341
18 U.S.C. § 1343
18 U.S.C. § 1951(a)
18 U.S.C. § 2

UNITED STATES OF AMERICA,

vs.

CESAR LUIS KOU REYNA,

Defendant.

_____ /

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At various times relevant to this Indictment:

1. Fonomundo FC (“Fonomundo”) was incorporated in the State of Florida on August 19, 2010, with its principal place of business listed as 100 SE 1st Street, Miami, Florida, 33131. Fonomundo operated call centers in Peru and maintained payment and shipping operations in Miami. Fonomundo callers in Peru and other affiliates in South America placed cold calls to Spanish-speaking residents of the United States.

2. Part of Fonomundo’s business operation was to offer low-quality cell phones and natural products for sale. Another part of the business operated a scheme to defraud and extort money from victims who were falsely told that they had failed to accept and pay for products

they had never ordered. Numerous victims were coerced into making payments to Fonomundo after receiving bogus calls and threats from individuals at call centers affiliated with Fonomundo.

3. Defendant **CESAR LUIS KOU REYNA** was the owner and operator of Fonomundo. **KOU** oversaw Fonomundo's operations from Peru.

COUNT 1
Conspiracy to Commit Mail and Wire Fraud
(18 U.S.C. § 1349)

1. Paragraphs 1 through 3 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. From at least as early as in or around March 2012, until at least as late as November 2014, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

CESAR LUIS KOU REYNA,

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with others, known and unknown to the Grand Jury, to commit certain offenses against the United States, that is:

(a) to knowingly, and with intent to defraud, devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and, for the purpose of executing such scheme and artifice, did cause to be placed in a post office and authorized depository for mail matter, matter to be sent and delivered by the United States Postal Service, in violation of Title 18, United States Code, Section 1341; and

(b) to knowingly, and with intent to defraud, devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and, for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by obtaining money from Spanish-speaking victims by means of materially false and fraudulent statements and representations concerning, among other things, victims' purported failure to receive and pay for delivery of products, threatened fines and legal proceedings for the supposed failure to receive delivery of products, and the consequences of victims' failure to pay to settle the threatened fines and legal proceedings.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which the defendant and his co-conspirators sought to accomplish the objects and purpose of the conspiracy included, among others, the following:

4. To manage and control all aspects of Fonomundo's operations, **CESAR LUIS KOU REYNA** was in regular and frequent communication with his employees in Peru and the United States, as well as with those at affiliated call centers.

5. **CESAR LUIS KOU REYNA** obtained the names and contact information of Spanish-speaking residents of the United States (the "victims") who had previously purchased products from unaffiliated companies. **KOU** provided these spreadsheets with victim

information to co-conspirators working at call centers so the co-conspirators could contact victims as part of the conspiracy to defraud.

6. **CESAR LUIS KOU REYNA** assisted co-conspirators in setting up and staffing their affiliated call centers. **KOU** also directed others within Fonomundo to purchase internet-based telephone service devices for his co-conspirators to use while contacting the victims.

7. As part of the conspiracy, **CESAR LUIS KOU REYNA** received and shared scripts to be used by co-conspirators when placing calls to victims. The script used included various false statements designed to induce the victims to send payments to **KOU** and his co-conspirators. For example, one such script directed the callers to falsely and fraudulently claim to be attorneys and to state that the victims faced lawsuits and fines for not paying for or receiving packages.

8. **CESAR LUIS KOU REYNA's** co-conspirators falsely and fraudulently claimed during victim calls that they were lawyers, sometimes calling from a "legal department" of a state or city in the United States. **KOU's** co-conspirators falsely and fraudulently told each victim that he or she had failed to pay for products that they had agreed to purchase and receive, and that the victims were therefore liable for costs and fines.

9. **CESAR LUIS KOU REYNA's** co-conspirators falsely and fraudulently threatened to sue the victims and obtain large fines, but that the victims could resolve the claims and avoid going to court by paying settlement fees for hundreds of dollars.

10. **CESAR LUIS KOU REYNA's** co-conspirators threatened those victims with negative marks on their credit reports, deportation and other immigration consequences, arrest, and imprisonment in response to victims who objected to making payments because they had never ordered, let alone failed to accept delivery of any products.

11. **CESAR LUIS KOU REYNA** caused packages to be sent to victims via the U.S. Postal Service so that **KOU** and his co-conspirators could subsequently claim that a transaction was legitimate should victims attempt to recoup payments through chargeback requests with their credit card company. **KOU** and his co-conspirators claimed that these shipping records proved Fonomundo sent consumers packages the victims agreed to receive.

12. **CESAR LUIS KOU REYNA** arranged for his co-conspirators to work with Fonomundo employees to confirm victims' payment information with the victims and to process the victims' payments. **KOU** closely monitored operations and provided strategic advice to the Fonomundo employees on what to say to the victims and how best to ensure that their payments were received and kept in accounts he controlled. Through his management and control of the scheme, **KOU** limited the ability of victims to obtain chargebacks or refunds of fraudulently obtained funds, despite the many complaints made about Fonomundo operations.

13. **CESAR LUIS KOU REYNA's** co-conspirators told victims that their payments would resolve the dispute with the unaffiliated companies that were supposedly bringing lawsuits against them. There were never any such lawsuits. Ultimately, the payments were delivered to Fonomundo bank accounts and other bank accounts controlled by **KOU** and his co-conspirators.

14. To fraudulently induce victims to pay money, **CESAR LUIS KOU REYNA** and his co-conspirators made, and caused others to make, materially false statements including, among other things, the following:

Materially False Statements

- a. That the callers were attorneys and were calling from a government entity on behalf of another company;

- b. That victims had agreed to pay for and receive delivery of product shipments but failed to do so;
- c. That victims had agreed to memberships with unaffiliated companies and had failed to make payments associated with the memberships;
- d. That the victims' failure to receive and pay for product shipments had resulted in costs;
- e. That victims were facing impending lawsuits;
- f. That fines would be imposed on the victims for failure to pay for and receive the product shipments; and
- g. That victims who failed to make payments could ultimately face negative marks on their credit records, deportation and other immigration consequences, arrest, and imprisonment.

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

COUNTS 2-6
Mail Fraud
(18 U.S.C. § 1341)

1. Paragraphs 1 through 3 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. On or about the dates specified below as to each count, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

CESAR LUIS KOU REYNA,

as specified in each count below, did knowingly, and with intent to defraud, devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were

false and fraudulent when made, and, for the purpose of executing such scheme and artifice, did knowingly cause to be placed in a post office and authorized depository for mail matter, matter to be sent and delivered by the United States Postal Service.

PURPOSE OF THE SCHEME AND ARTIFICE

3. It was the purpose of the scheme and artifice for the defendant and his accomplices to unlawfully enrich themselves by obtaining money from Spanish-speaking victims by means of materially false and fraudulent statements and representations concerning, among other things, victims’ purported failure to receive and pay for delivery of products, threatened fines and legal proceedings for failure to receive delivery of products, and the consequences of victims’ failure to pay to settle the threatened fines and legal proceedings.

THE SCHEME AND ARTIFICE

4. Paragraphs 4 through 14 of the Manner and Means section of Count 1 of this Indictment are realleged and incorporated by reference as though fully set forth herein as a description of the scheme and artifice.

USE OF THE MAILS

5. On or about the dates specified as to each count below, the defendant, **CESAR LUIS KOU REYNA**, as specified in each count below, for the purpose of executing and in furtherance of the aforesaid scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did knowingly cause to be placed in a post office and authorized depository for mail matter, matter to be sent and delivered by the United States Postal Services, as identified in each count below:

COUNT	APPROX. DATE	DESCRIPTION OF MAILING
2	September 2012	Package sent via U.S. mail from the Southern District of Florida to victim O.D. in Wellington, FL

COUNT	APPROX. DATE	DESCRIPTION OF MAILING
3	January 2013	Package sent via U.S. mail from the Southern District of Florida to victim M.M. in Evans, CO.
4	April 2014	Package sent via U.S. mail from the Southern District of Florida to victim B.A. in Yuma, AZ.
5	April 2014	Package sent via U.S. mail from the Southern District of Florida to victim M.L. in Ocoee, FL.
6	July 2014	Package sent via U.S. mail from the Southern District of Florida to victim G.L. in Norristown, PA.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS 7-18
Wire Fraud
(18 U.S.C. § 1343)

1. Paragraphs 1 through 3 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. On or about the date specified below as to each count, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

CESAR LUIS KOU REYNA,

as specified in each count below, did knowingly, and with intent to defraud, devise, and intend to devise, a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, and, for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted, by means of wire communications, in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds.

PURPOSE OF THE SCHEME AND ARTIFICE

3. It was the purpose of the scheme and artifice for the defendant and his accomplices to unlawfully enrich themselves by obtaining money from Spanish-speaking victims

by means of materially false and fraudulent statements and representations concerning, among other things, victims' purported failure to receive and pay for delivery of products, threatened fines and legal proceedings for failure to receive delivery of products, and the consequences of victims' failure to pay to settle the threatened fines and legal proceedings.

THE SCHEME AND ARTIFICE

4. Paragraphs 4 through 14 of the Manner and Means section of Count 1 of this Indictment are realleged and incorporated by reference as though fully set forth herein as a description of the scheme and artifice.

USE OF THE WIRES

5. On or about the dates listed as to each count below, **CESAR LUIS KOU REYNA**, as specified in each count, for the purpose of executing and in furtherance of the aforesaid scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, as set forth below:

COUNT	APPROX. DATE	DESCRIPTION OF WIRE
7	September 2012	Telephone call between caller in Peru and victim O.D. in the Southern District of Florida.
8	April 2013	Email between CESAR LUIS KOU REYNA in Peru and N.L. in the Southern District of Florida.
9	May 2013	Telephone call between caller in Peru and victim M.R. in the Southern District of Florida.
10	May 2013	Telephone call between caller in Peru and victim F.L. in the Southern District of Florida.
11	April 2014	Telephone call between caller in Peru and victim Y.V. in the Southern District of Florida.
12	April 2014	Telephone call between caller in Peru and victim A.P. in the Southern District of Florida.

COUNT	APPROX. DATE	DESCRIPTION OF WIRE
13	July 2014	Email between Fonomundo employee in Peru and J.K. in the Southern District of Florida.
14	July 2014	Email between Fonomundo employee in Peru and J.K. in the Southern District of Florida.
15	August 2014	Telephone call between caller in Peru and victim J.C. in the Southern District of Florida.
16	September 2014	Telephone call between caller in Peru and victim C.R. in the Southern District of Florida.
17	November 2014	Telephone call between caller in Peru and victim J.S. in the Southern District of Florida.
18	November 2014	Telephone call between caller in Peru and victim A.A. in the Southern District of Florida.

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

COUNTS 19-33
Extortion
(18 U.S.C. § 1951(a))

1. Paragraphs 1 through 3 of the General Allegations section of this Indictment are realleged and incorporated by reference as though fully set forth herein.

2. On or about the dates specified as to each count below, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

CESAR LUIS KOU REYNA,


as set forth in each count below, did knowingly obstruct, delay, and affect commerce and the movement of articles and commodities in commerce, by means of extortion, as the terms “commerce” and “extortion” are defined in Title 18, United States Code, Section 1951(b)(2) and (b)(3), in that the defendant did obtain money and other property not due to him from another, with his consent, induced by the wrongful use of actual or threatened force, violence or fear, as set forth below:

COUNT	APPROX. DATE	DESCRIPTION OF PAYMENT AND THREAT
19	January 2013	Payment sent from victim M.M. in Evans, CO, to the Southern District of Florida based, in part, on threat of immigration consequences
20	February 2013	Payment sent from victim L.R. in Stockton, CA, to the Southern District of Florida based, in part, on threats of arrest, imprisonment, and deportation
21	February 2013	Payment sent from victim O.D.L. in Arkansas City, KS, to the Southern District of Florida based, in part, on threat of arrest
22	February 2013	Payment sent from victim M.P. in Santa Rosa Beach, FL, to the Southern District of Florida based, in part, on threats of imprisonment and obtaining a criminal record
23	May 2013	Payment sent from victim M.Q. in Richmond, VA, to the Southern District of Florida based, in part, on threat of problems with law enforcement
24	May 2013	Payment sent from victim M.R. in Fort. Lauderdale, FL, to the Southern District of Florida based, in part, on threat of imprisonment
25	May 2013	Payment sent from victim F.L. in Miami, FL, to the Southern District of Florida based, in part, on threat of criminal penalties
26	February 2014	Payment sent from victim A.R. in Cape Coral, FL, to the Southern District of Florida based, in part, on threat of arrest
27	April 2014	Payment sent from victim B.A. in Yuma, AZ, to the Southern District of Florida based, in part, on threat of imprisonment
28	June 2014	Payment sent from victim T.B. in Winter Haven, FL, to the Southern District of Florida based, in part, on threat of imprisonment
29	July 2014	Payment sent from victim A.J. in Fort Mill, SC, to the Southern District of Florida based, in part, on threat of arrest
30	July 2014	Payment sent from victim G.L. in Norristown, PA, to the Southern District of Florida based, in part, on threat of immigration consequences
31	August 2014	Payment sent from victim A.L. in Plainfield, NJ, to the Southern District of Florida based, in part, on threat of arrest and imprisonment
32	October 2014	Payment sent from victim R.G. in Campbell, CA, to the Southern District of Florida based, in part, on threat of arrest
33	November 2014	Payment sent from victim A.A. in Boca Raton, FL, to the Southern District of Florida based, in part, on threats of arrest, imprisonment and immigration consequences

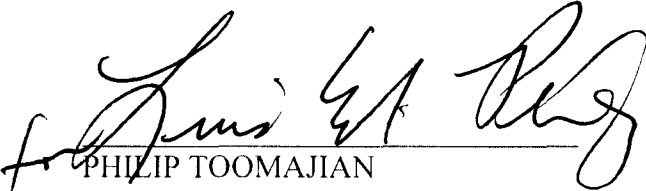
In violation of Title 18, United States Code, Sections 1951(a) and 2.

A TRUE BILL

FOREPERSON



WIFREDO A. FERRER
UNITED STATES ATTORNEY



PHILIP TOOMAJIAN
STEPHEN DESCANO
TRIAL ATTORNEYS
U.S. DEPARTMENT OF JUSTICE
CONSUMER PROTECTION BRANCH

UNITED STATES OF AMERICA

CASE NO. _____

vs.

CERTIFICATE OF TRIAL ATTORNEY*

CESAR LUIS KOU REYNA,

Defendant.

Superseding Case Information:

Court Division: (Select One)

X Miami Key West
 FTL WPB FTP

New Defendant(s) Yes No
Number of New Defendants
Total number of counts

I do hereby certify that:

- I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
- I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.
- Interpreter: (Yes or No) Yes
List language and/or dialect Spanish
- This case will take 14 days for the parties to try.
- Please check appropriate category and type of offense listed below:

(Check only one)	(Check only one)
I 0 to 5 days <u> </u>	Petty <u> </u>
II 6 to 10 days <u> </u>	Minor <u> </u>
III 11 to 20 days <u> X </u>	Misdem. <u> </u>
IV 21 to 60 days <u> </u>	Felony <u> X </u>
V: 61 days and over <u> </u>	

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes: Judge: _____ Case No. _____
(Attach copy of dispositive order)

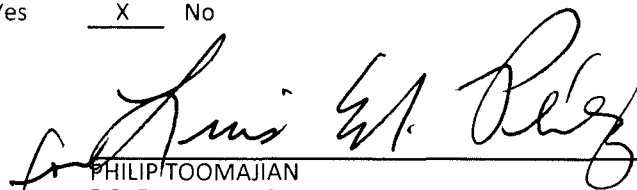
Has a complaint been filed in this matter? (Yes or No) Yes

If yes: Magistrate Case No. 15-MJ-02954-Simonton
Related Miscellaneous numbers: 14-3508-JG; 14-3509-JG; 14-3510-JG; 15-3001-WCT

Defendant(s) in federal custody as of _____
Defendant(s) in state custody as of _____
Rule 20 from the _____ District of _____

Is this a potential death penalty case? (Yes or No) No

- Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? Yes X No
- Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? Yes X No


 PHILIP TOOMAJIAN
 DOJ TRIAL ATTORNEY
 Court No. A5501275

*Penalty Sheet(s) attached

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: CESAR LUIS KOU REYNA

Case No: _____

Count #: 1

18 U.S.C. § 1349

Conspiracy to Commit Mail and Wire Fraud

***Max Penalty:** Twenty (20) years' imprisonment.

Counts #: 2 – 6

18 U.S.C. § 1341

Mail Fraud

***Max Penalty:** Twenty (20) years' imprisonment as to each count.

Counts #: 7 – 18

18 U.S.C. § 1343

Wire Fraud

***Max Penalty:** Twenty (20) years' imprisonment as to each count.

Counts #: 19 – 33

18 U.S.C. § 1951(a)

Extortion

***Max Penalty:** Twenty (20) years imprisonment as to each count.

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**