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U.S. DISTRICT COURT E.D.N.Y.

★ MAR 23 2017 ★

JJD:MEM/MPS  
F. #2015R00190

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

LONG ISLAND OFFICE

----- X

UNITED STATES OF AMERICA

-against-

JOHN QUADRINO,

Defendant.

----- X

INDICTMENT

**CR 17 153**

Cr. No. (T. 18, U.S.C., §§ 981(a)(1)(C), 1343,  
1349, 2 and 3551 et seq.; T. 21,  
U.S.C., § 853(p); T. 28, U.S.C.,  
§ 2461(c))

**HURLEY, J.**

THE GRAND JURY CHARGES:

**LINDSAY, M.J.**

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

I. The Defendant and the Companies

1. Princess Cut Industries, Inc. ("Princess Cut"), Sassy Jewelry Buyer, Inc. ("Sassy") and Golden Glitter Trading, Inc. ("GGT") were New York State corporations (collectively referred to as the "Gold Purchasing Companies"). The Gold Purchasing Companies held themselves out as gold traders that purportedly purchased large quantities of gold, jewelry and diamonds, and resold them to refineries and jewelers.

2. The defendant JOHN QUADRINO operated Princess Cut and GGT from his home in Oceanside, New York. On a number of occasions, the defendant represented that he was the "President" of both Princess Cut and GGT. The defendant was one of three partners for Sassy and a signatory for Sassy's bank accounts.

3. The Gold Purchasing Companies maintained bank accounts at Wells Fargo Bank, N.A. (“Wells Fargo”), JPMorgan Chase Bank, N.A. (“Chase”), M&T Bank, and Nassau Educators Federal Credit Union (“NEFCU”). Investor money was regularly deposited into and withdrawn from those bank accounts, and investor money was also wired to and transferred from those bank accounts.

## II. The Fraud Scheme Victims

4. Jane Doe #1, a resident of Seaford, New York, an individual whose identity is known to the Grand Jury, authorized John Doe #1, an individual whose identity is known to the Grand Jury, to give Princess Cut \$500,000 to purchase gold.

5. John Doe #2, a resident of Westbury, New York, an individual whose identity is known to the Grand Jury, gave Princess Cut approximately \$60,000 to purchase gold.

6. Jane Doe #2, a resident of Jupiter, Florida, an individual whose identity is known to the Grand Jury, gave Sassy approximately \$225,000 to purchase gold.

7. John Doe #3, a resident of Upper Brookville, New York, an individual whose identity is known to the Grand Jury, gave GGT, on at least two occasions, approximately \$500,000 (the “\$500K Transfer”) and \$518,000, respectively, to purchase gold. The monies for the \$500K Transfer were held by Jane Doe #3, an individual whose identity is known to the Grand Jury, on John Doe #3’s behalf, and transferred with the consent of John Doe #3.

8. John Doe #4, a resident of Jericho, New York, an individual whose identity is known to the Grand Jury, gave GGT approximately \$40,000 to purchase gold.

### III. The Fraudulent Scheme

9. In or about and between December 2011 and September 2016, the defendant JOHN QUADRINO and others devised, implemented, supervised and executed a scheme to fraudulently induce investors, including John Doe #1 through John Doe #4 and Jane Doe #1 through Jane Doe #3, to invest in the Gold Purchasing Companies. It was a part of the scheme to defraud that the defendant told investors that the Gold Purchasing Companies would use the investors' investment capital to purchase large quantities of gold, jewelry and diamonds. The defendant further promised that the investor capital would be returned after a fixed period of time, and at an agreed upon interest rate, in exchange for the investment. However, rather than purchasing gold, jewelry or diamonds, in the quantities promised to the investors, the defendant used a majority of the investment capital to repay other investors and for the defendant's own personal benefit. For example, the defendant used investor capital to issue checks to himself and to pay for the defendant's personal gambling expenses. In addition, the defendant returned investor principal and interest payments by utilizing funds received from new investors to directly pay previous investors.

10. In or about and between December 2011 and September 2016, approximately 84 investors, including John Doe #1 through John Doe #4 and Jane Doe #1 through Jane Doe #3, invested approximately \$13.1 million with the Gold Purchasing Companies. The investors suffered total losses of approximately \$6.3 million.

COUNT ONE  
(Conspiracy to Commit Wire Fraud)

11. The allegations contained in paragraphs one through 10 are realleged and incorporated as if fully set forth in this paragraph.

12. In or about and between December 2011 and September 2016, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant JOHN QUADRINO, together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud investors in the Gold Purchasing Companies, and to obtain money and property from those investors 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 communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

COUNTS TWO THROUGH SIX  
(Wire Fraud)

13. The allegations contained in paragraphs one through 10 are realleged and incorporated as if fully set forth in this paragraph.

14. On or about the dates set forth below, within the Eastern District of New York and elsewhere, the defendant JOHN QUADRINO, together with others, did knowingly and intentionally devise a scheme and artifice to defraud investors in the Gold Purchasing Companies, and to obtain money and property from those investors by means of materially false and fraudulent pretenses, representations and promises, and, for the purpose

of executing such scheme andartifice, transmit and cause to be transmitted writings, signs, signals and sounds by means of wire communication in interstate and foreign commerce, to wit:

<b>Count</b>	<b>Approximate Date of Wire</b>	<b>Description of Wire Transmission</b>	<b>Location of Servers Used to Process Wire Transmissions</b>
TWO	April 17, 2012	\$500,000 wire transfer from Jane Doe #1's account at Bank of America in New York, New York to Princess Cut's Wells Fargo account in Hewlett, New York	Texas
THREE	May 14, 2013	\$225,000 wire transfer from Jane Doe #2's account at Bank of America in Melville, New York, to Sassy's Chase account in East Meadow, New York	Virginia
FOUR	October 20, 2014	\$500,000 wire transfer from John Doe #3, via Jane Doe #3's account at Wells Fargo in Duarte, California, to GGT's NEFCU account in Valley Stream, New York	Texas
FIVE	December 8, 2014	\$518,000 wire transfer from John Doe #3's account at RBC Capital Markets Corporation in Minneapolis, Minnesota to GGT's NEFCU account in Valley Stream, New York	Texas

<b>Count</b>	<b>Approximate Date of Wire</b>	<b>Description of Wire Transmission</b>	<b>Location of Servers Used to Process Wire Transmissions</b>
SIX	September 15, 2016	\$40,000 wire transfer from John Doe #4's account at Bank of America in Jericho, New York to a NEFCU account in Jericho, New York controlled by the defendant	Missouri

(Title 18, United States Code, Sections 1343, 2 and 3551 et seq.)

**CRIMINAL FORFEITURE ALLEGATION  
AS TO COUNTS ONE THROUGH SIX**

15. The United States hereby gives notice to the defendant that, upon his conviction of any of the offenses charged in Counts One through Six, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which require any person convicted of such offenses to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offenses.

16. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:


- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty:  
it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 28, United States Code, Section 2461(c); Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p))

A TRUE BILL.

  
FOREPERSON

  
BRIDGET M. ROHDE  
ACTING UNITED STATES ATTORNEY  
EASTERN DISTRICT OF NEW YORK

No. \_\_\_\_\_

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**UNITED STATES DISTRICT COURT**

EASTERN District of NEW YORK

CRIMINAL DIVISION

---

THE UNITED STATES OF AMERICA

vs.

*JOHN QUADRINO,*

Defendant.

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**INDICTMENT**

(T. 18, U.S.C., §§ 981(a)(1)(c), 1343, 1349, 2 and 3551 et seq.;  
T. 21 U.S.C., § 853(p); T. 28, U.S.C. §2461 (c))

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*A true bill.*



Foreperson

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Filed in open court this \_\_\_\_\_ day,

of \_\_\_\_\_ A.D. 20 \_\_\_\_\_

Clerk

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Bail, \$ \_\_\_\_\_

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*Mark E. Misorek, Assistant U.S. Attorney (631) 715-7874*