

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon. Michael A. Shipp
 :
 v. : Crim. No. 24-
 :
 SHLOMO EREZ : 18 U.S.C. § 371
 : 18 U.S.C. § 1956(h)

I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE
(Conspiracy to Commit Securities Fraud)

Introduction

1. From in or around 2021 through in or around July 2023, Defendant SHLOMO EREZ (“EREZ”) conspired with the following coconspirators not charged in this Information (collectively, with EREZ, the “Conspirators”): Eliyahu “Eli” Weinstein, a/k/a “Mike Konig” (“Weinstein”); Aryeh “Ari” Bromberg (“Bromberg”); Joel Wittels (“Wittels”); Alaa Hattab (“Hattab”); Christopher Anderson (“Anderson”); and Richard Curry (“Curry”). During this time period, the Conspirators agreed with each other and others to defraud investors and potential investors of tens of millions of dollars by: (a) actively concealing Weinstein’s identity, history of fraud, and role in purported investments; (b) falsely claiming that investors’ funds would be used to invest in lucrative deals involving, among other things, COVID-19 masks and first-aid kits bound for Ukraine; and (c) operating a Ponzi scheme by using new investor money to pay off earlier investors.

Background

2. At times material to this Information:

Weinstein's Prior Fraud Convictions

a. On or about January 3, 2013, Weinstein pled guilty to conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349, and engaging in monetary transactions from specified unlawful activity, in violation of 18 U.S.C. § 1957 ("Weinstein I"). Weinstein's criminal activity in Weinstein I resulted in over \$224 million in losses to investors. On or about February 25, 2014, the Honorable Joel A. Pisano, U.S. District Judge, sentenced Weinstein to 22 years' imprisonment, followed by three years of supervised release.

b. While on pretrial release in Weinstein I, Weinstein committed a second investment fraud scheme involving false and fraudulent representations related to purported investments in securities and real estate ("Weinstein II"), which resulted in over \$6 million in additional losses to investors. On or about September 3, 2014, Weinstein pled guilty in Weinstein II to conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349, committing wire fraud while on pretrial release, in violation of 18 U.S.C. §§ 1343 and 3147, and engaging in monetary transactions from specified unlawful activity, in violation of 18 U.S.C. § 1957. On or about December 15, 2014, Judge Pisano sentenced Weinstein to a 135-month prison term, 24 months of which was to run consecutive to the 22-year sentence the court had imposed in Weinstein I, and an additional term of three years of supervised release.

c. On or about January 19, 2021, the President of the United States commuted Weinstein's 24-year prison sentence to a period of time served. At the time

of his release, Weinstein had served approximately 7 years and 8 months of his total prison term of 24 years. The commutation left intact all other components of Weinstein's sentence, including his obligations to pay restitution to the victims of Weinstein I and Weinstein II, totaling over \$228 million.

The Optimus Entity and Individuals

d. Optimus Investments Inc. ("Optimus") was a New Jersey entity formed in or around September 2021. Optimus raised millions of dollars from individual investors to finance the purported purchase and sale of medical supplies and other goods.

e. Weinstein resided in New Jersey and was a silent partner in Optimus.

f. Wittels resided in New Jersey and served as a co-owner of Optimus. Wittels handled accounting for Optimus and was a signatory on Optimus's primary bank account, ending in 7976 (the "Optimus Account").

g. Bromberg resided in New Jersey, served as a co-owner of Optimus, and was a signatory on the Optimus Account.

The Tryon Entity and Individuals

h. Tryon Management Group LLC ("Tryon") was a New Jersey entity formed in or around January 2022. From in or around January 2022 through in or around April 2023, Tryon raised more than \$35 million from approximately 150 investors, including many in New Jersey, to finance Optimus's purported transactions.

i. Anderson resided in New Jersey and was a co-owner of Tryon.

j. Curry resided in Pennsylvania and was a co-owner of Tryon.

Hattab, Erez, and Additional Entities

k. Hattab was a United States citizen residing in Canada and purported to serve as a broker for Weinstein and Optimus on deals for medical supplies and other goods. Hattab owned approximately 51% of Saniton Plastic LLC (“Saniton Plastic”), a bottling company which, according to its website, created “interlocking bottle technology” that “reduces up to 35% of carbon emissions.” Until in or around August 2022, Hattab and Weinstein had an unwritten agreement that allowed Weinstein to be a 49% owner of Saniton Plastic. Hattab also used the entity Hattab Global Corporation (“Hattab Global”) to purchase goods for purported deals involving Tryon, Optimus, and Weinstein.

l. EREZ was a citizen of Israel, worked with Weinstein on various purported ventures as a business consultant, and was involved in real estate transactions and controlled bank accounts for Weinstein’s benefit.

m. Company-1 and Company-2 were each entities that could purportedly purchase medical supplies in bulk and at a discount.

The Conspiracy

3. From in or around 2021 to in or around July 2023, in the District of New Jersey, and elsewhere, the defendant,

SHLOMO EREZ,

did willfully and knowingly combine, conspire, confederate, and agree with Weinstein, Bromberg, Wittels, Hattab, Anderson, Curry, and others, by the use of the means and instrumentalities of interstate commerce, and of the mails, to use and

employ, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, contrary to Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

Goal of the Conspiracy

4. The goal of the conspiracy was for EREZ and the other Conspirators to enrich themselves and their associates by soliciting and obtaining tens of millions of dollars of investors' funds through false and misleading pretenses, representations, omissions, and promises.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that:

Obtaining Investor Money by Concealing Weinstein's Identity

a. Since at least in or around December 2021, less than one year after the commutation of his sentence and release from prison, Weinstein was actively involved in operating Optimus in the shadows. To conceal his identity and control of the company, Weinstein used an alias, "Mike Konig," when communicating with lenders, potential investors, and business partners.

b. To further the deception, Wittels and Bromberg served as the nominal owners of Optimus on corporate documents, checks, corporate bank

accounts, and investor documents. EREZ served as a purported custodian of Optimus funds for Optimus' investors. In reality, Wittels, Bromberg, and EREZ took direction from Weinstein on business transactions, including where and when to move money.

c. Based on the material misrepresentations and omissions about Weinstein's true identity, business activities, and his history of fraud, the Conspirators solicited and obtained tens of millions of dollars from Optimus and Tryon investors. After receiving investor money, the Conspirators, including EREZ, conducted numerous financial transactions at Weinstein's direction for purposes other than what investors were promised, including investing in a penthouse apartment in Miami, Florida (the "Miami Penthouse Apartment"), and a purported land deal in Morocco (the "Morocco Land Deal").

Obtaining Investor Money Through Optimus and Tryon:
Promises of Lucrative Deals and Substantial Returns

d. In or around late 2021, Optimus started raising money directly from a small number of investors to finance purported transactions related to COVID-19 medical supplies. Curry was one of Optimus's initial investors.

e. In or around January 2022, Wittels and Bromberg began asking Curry for more money to purportedly finance larger transactions for medical supplies. Soon after, Curry and Anderson formed Tryon to raise money from individual investors to finance these deals for Optimus.

f. Wittels and Bromberg initially worked with Weinstein to conceal Weinstein's true identity from Anderson and Curry, because they knew Anderson and Curry were raising money for Optimus's supposed deals from individual investors

who would not invest if they were aware of Weinstein's fraud convictions and his significant role at Optimus concerning the deals.

g. To further this deception, Wittels and Bromberg introduced Weinstein to Anderson and Curry as "Mike Konig," and Weinstein communicated directly with Anderson and Curry as Mike Konig, using an internet-based messaging application (the "Messaging Application").

h. Weinstein, posing as Mike Konig, provided Anderson and Curry a purported framework for sourcing and funding deals: Optimus would finance or purchase medical supplies and related products and resell them to a third party for a profit, which Optimus would then split with Tryon for the benefit of their investors. Mike Konig (in reality, Weinstein) would find the deals through his various relationships and would get a cut of the supposed profits.

i. Based on this framework, Anderson and Curry solicited investors through Tryon. Most of the investors were Anderson's and/or Curry's family, friends, or close associates.

j. Tryon provided investors with notes promising outsized returns, many of which had an interest rate of 48%, an additional "equity" return of between 2% and 10%, and a full return of an investor's principal investment, all within three to six months. The promissory notes also generally included payout schedules, which often listed purported monthly distributions to investors of interest, equity, and principal (the "Monthly Distributions").

k. Tryon sent investors updates that described "Mike Konig" as its "Logistics Coordinator and Purchase Order procurement officer." The updates touted

Mike Konig's track record of brokering large contracts involving millions of units of COVID-19 medical supplies and other similar products.

l. Wittels, Bromberg, and Weinstein (posing as Mike Konig) provided information to Anderson and Curry about the various Optimus deals for potential and existing Tryon investors. Investors transferred their money to Tryon based on these collective representations about the Optimus deals and the continued concealment of Weinstein's involvement in the deals and his history of fraud.

m. In or around January 2022, Anderson and Curry began sending money from Tryon investors directly to Optimus through the Optimus Account.

Obtaining and Using Investor Money to Pay Other Investors

n. Almost immediately after Tryon started accepting investors' money and transferring it to Optimus, Weinstein's purported deals were not generating the promised returns, and Tryon was unable to pay the Monthly Distributions owed to investors.

o. Rather than reveal this information to investors, Anderson and Curry agreed with Wittels, Weinstein (posing as Mike Konig), and Bromberg to pool money from existing investors of both Optimus and Tryon and use it to make the Monthly Distributions to other investors in a Ponzi-like fashion (the "Ponzi Scheme").

p. The Conspirators concealed the Ponzi Scheme from Tryon investors by falsely telling investors that the Monthly Distributions derived from legitimate investment returns, not other investors' money, and omitting where the money actually originated.

q. The Ponzi Scheme continued throughout the relevant period of the conspiracy as Optimus repeatedly failed to generate promised returns and Tryon and Optimus were unable to pay distributions to investors.

Purported Deals That the Conspirators
Used to Obtain Investor Money

r. Although there were little or no profits from Weinstein's purported deals, Tryon and Optimus continued to solicit and receive millions of dollars from investors based on new supposed deals from Weinstein. Weinstein (posing as Mike Konig) provided fraudulent documents and information, some of which he obtained from Hattab, to mislead investors and make the deals appear legitimate.

s. For example, in or around May 2022, Weinstein (posing as Mike Konig) asked Anderson and Curry to raise money from investors to finance the purchase and delivery of three million first-aid kits ("FAKs") to the United States Agency for International Development ("USAID") to be distributed to the people of Ukraine during the Russia-Ukraine war (the "FAK deal").

t. Weinstein (posing as Mike Konig) provided Anderson and Curry information concerning the FAK deal to help raise money from potential investors, including documents and information purporting to show that:

- (i) Optimus would acquire three million FAKs from Company-1 and resell them to Company-2 for a profit;
- (ii) Hattab was a broker for the FAK deal;
- (iii) the FAKs would ultimately be distributed to a service-disabled veteran organization that had a contract with USAID; and

(iv) the FAK deal would generate profits of approximately \$84,750,000.

u. In or around June 2022, Anderson and Curry provided this information to potential investors in an executive summary, which Anderson and Curry used to raise millions of dollars for the FAK deal. At Weinstein's direction (posing as Mike Konig), Anderson and Curry sent those funds to Optimus using various bank accounts.

v. However, USAID representatives never heard of Company-1 or Company-2, and nobody associated with USAID had ever agreed to buy any FAKs. The entire FAK deal was fake.

Weinstein Discloses His Real Identity to Anderson and Curry, and the Conspirators Agree to Continue Defrauding Investors

w. In or around late August 2022, the Conspirators had a series of meetings in which Weinstein revealed his true identity to Anderson and Curry. In these meetings, at least two of which included EREZ, Weinstein also admitted to making various false statements about purported Optimus deals and to misappropriating Tryon investor money.

x. Both during and after these August 2022 meetings, the Conspirators agreed to continue concealing Weinstein's identity from investors and to raise additional money to pay off existing Tryon investors, all in an effort to stop the Ponzi Scheme from falling apart and to cover up the Conspirators' fraud.

y. Consistent with that plan, the Conspirators worked together to mislead and conceal material facts from investors, including that:

(i) Mike Konig was actually Weinstein and had a history of fraud;

- (ii) Weinstein was the source of nearly every purported deal that formed the basis of Tryon's investments;
- (iii) Weinstein admitted to having provided false and misleading information about several of those deals;
- (iv) Weinstein misappropriated Tryon investor money for other purposes; and
- (v) neither Tryon nor Optimus could account for where and how Weinstein spent investor money.

Overt Acts

6. To further the conspiracy and effect its illegal objects, the following overt acts, among others, were committed in the District of New Jersey and elsewhere:

a. In or around mid-April 2022, EREZ signed a letter on his own letterhead that was intended to be distributed to Optimus investors regarding a purported deal with an Israeli pharmaceutical company, which contained material misstatements concerning purported delays with the deal and financing related to the deal.

b. In or around March 2023, EREZ, together with others, caused a letter to be drafted on Optimus letterhead seeking to mollify Tryon investors who were concerned about their delayed payments, which contained a number of false statements and material omissions, including falsely referring to "significant returns" from deals and attributing the lack of payouts for certain investments to delays related to "decreased demand for PPE."

In violation of Title 18, United States Code, Section 371.

COUNT TWO

(Conspiracy to Launder Monetary Instruments)

1. The allegations set forth in paragraphs 1, 2, and 4 through 6 of Count One of this Information are realleged here.

The Conspiracy

2. From in or around 2021 through in or around July 2023, in the District of New Jersey, and elsewhere, the defendant,

SHLOMO EREZ,

did knowingly and intentionally conspire and agree with others to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, the scheme to defraud Optimus and Tryon investors, in violation of Title 18, United States Code, Section 1343 (the “Fraud Scheme”), knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity: (a) with the intent to promote the carrying on of such specified unlawful activity; and (b) knowing the transaction was designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of the Fraud Scheme, contrary to Title 18, United States Code, Sections 1956(a)(1)(A)(i) and (a)(1)(B)(i).

Goal of the Conspiracy

3. The goal of the conspiracy was for EREZ and the other Conspirators to engage in various financial transactions with funds derived from the Fraud Scheme in order to, among other things: (a) conceal and disguise the nature, source,

ownership, and control of the proceeds of those funds; and (b) promote the carrying on of the Fraud Scheme.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:

a. During and in furtherance of the Fraud Scheme, EREZ opened bank accounts to hold money for Weinstein that EREZ knew was the proceeds of unlawful activity, including the Fraud Scheme, and transferred it for the benefit of Weinstein and his Conspirators.

b. EREZ created entities to invest funds, which EREZ knew were from the proceeds of unlawful activity, including the Fraud Scheme, in real estate companies for the benefit of Weinstein and his associates, including the Miami Penthouse and the Morocco Land Deal.

c. For example, in or around October 2021, EREZ opened a bank account ending in -5831 (the “5831 Account”), which EREZ used to engage in millions of dollars of financial transactions for Weinstein.

d. On or about December 16, 2021, EREZ received a deposit from Optimus into the 5831 Account of approximately \$3.95 million, which was substantially derived from Optimus investors who invested in a purported deal to finance the purchase and sale of approximately 10 million N-95 masks to an Israeli pharmaceutical company as part of the Fraud Scheme. EREZ was aware that the investor money was specifically intended for the deal. Nevertheless, from on or about December 20, 2021 through on or about December 23, 2021, EREZ, at Weinstein’s direction, sent wires from the 5381 Account totaling approximately \$1.6 million to

foreign bank accounts for the purpose of investing in the Morocco Land Deal, and approximately \$100,000 for the purpose of investing in the Miami Penthouse Apartment.

e. Similarly, on or about February 15, 2022, EREZ received a deposit into the 5381 Account from Optimus of approximately \$1.1 million derived at least, in part, from investors. On or about February 16, 2022, EREZ, at Weinstein's direction, wired approximately \$1 million to finance an option to purchase the Miami Penthouse Apartment.

In violation of Title 18, United States Code, Section 1956(h).

COUNT THREE

(Conspiracy to Obstruct Justice)

1. The allegations set forth in paragraphs 1, 2, and 4 through 6 of Count One and paragraphs 3 and 4 of Count Two of this Information are realleged here.

2. At all times relevant to this Information:

a. The commutation of Weinstein's 24-year prison sentence still left intact the final judgments in Weinstein I and Weinstein II, which required Weinstein to serve three years of supervised release and pay restitution to his victims, the outstanding balance of which totaled more than \$228 million dollars (the "Judgments"). In or around February 2021, after Weinstein began serving his three-year term of supervised release, Weinstein signed and acknowledged a Judgment Modification, which precluded Weinstein from engaging in certain business and other activities while on supervised release. These limitations included: (a) liquidating assets, except in service of paying restitution, and (b) playing a role, directly or indirectly, in soliciting money from investors.

b. When a defendant like Weinstein is placed on supervised release, he must "be supervised by a probation officer," 18 U.S.C. § 3601, who is appointed by and acts "under the direction of" the District Court, 18 U.S.C. § 3602. During a defendant's supervised release, the probation officer must periodically "report" the defendant's "conduct and condition to the sentencing court." 18 U.S.C. § 3603(2). Where appropriate, the District Court has the authority to revoke a defendant's term of supervised release. 18 U.S.C. § 3583.

c. Weinstein was serving his term of supervised release under the supervision of the U.S. Probation Office in the District of New Jersey (“Probation”).

d. Despite the clear terms of Weinstein’s supervised release, and unbeknownst to Probation or the District Court, since at least in or around December 2021, the Conspirators actively subverted and obstructed the Judgments and the Judgment Modification by: (a) hiding Weinstein’s unsanctioned business activities, and (b) hiding and diverting funds and assets that should have gone towards restitution.

3. From in or around 2021 through in or around July 2023, in the District of New Jersey, and elsewhere, the defendant,

SHLOMO EREZ,

with others known and unknown, did knowingly and willfully combine, conspire, confederate, and agree with each other and others to commit an offense against the United States, namely obstruction of justice, contrary to Title 18, United States Code, Section 1503.

Goal of the Conspiracy

4. The goal of the conspiracy was for EREZ and the other Conspirators to subvert and obstruct the Judgments and the Judgment Modification.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that:

Obstructing Probation’s Official Function

a. EREZ and others agreed to conceal Weinstein’s business activities and role in Optimus, despite knowing that it violated his terms of

supervision. EREZ and others furthered this scheme by, among other things, making Weinstein a silent partner in their business ventures, and using those accounts to transfer money at Weinstein's direction, while concealing that Weinstein was behind the transfers. Once Weinstein's true identity was disclosed to Anderson and Curry in August 2022, they agreed with EREZ and the other Conspirators to continue concealing Weinstein's identity and business activities from Probation.

b. By working with Weinstein to conceal his many business activities—all of which explicitly violated the terms of his supervised release—EREZ and others obstructed Weinstein's Probation officer's ability to supervise him. This obstruction caused Weinstein's Probation officer to, among other things, unknowingly provide false information to the District Court. Specifically, on or about December 15, 2022, because of the Conspirators' obstruction, Weinstein's Probation officer reported to the Court that Weinstein was in compliance with his conditions of supervision, including “compl[y]ing with [Probation's] efforts to verify the legitimacy of his income and nature of employment.”

Obstructing the Restitution Judgments

c. In ordering Weinstein to pay restitution to the victims of Weinstein I and Weinstein II, the Judgments stated, “the defendant shall notify the court and United States Attorney of any material change in the defendant's economic circumstances.”

d. Since in or around 2021, by concealing Weinstein's assets, EREZ, Weinstein, and others thwarted the efforts of both the Court and the United States

Attorney to collect restitution and have an accurate picture of Weinstein's economic circumstances.

e. During calls and meetings, Weinstein admitted that he held a beneficial interest in significant assets nominally controlled by EREZ, including the Miami Penthouse Apartment, and the Conspirators discussed that the Government would seize any of Weinstein's assets if it learned about them.

Overt Acts

6. To further the conspiracy and effect its illegal objects, EREZ, Weinstein, and others committed the following overt acts, among others, in the District of New Jersey and elsewhere:

a. On or about August 29, 2022, EREZ participated in a meeting with Weinstein, Bromberg, Wittels, and others during which Weinstein stated that EREZ controlled millions of dollars on Weinstein's behalf.

b. On or about August 31, 2022, EREZ participated in another meeting with Weinstein, Bromberg, Wittels, and others during which Weinstein and Bromberg discussed the need to conceal Weinstein's financial stake in Saniton Plastic, including the following:

WEINSTEIN: Do you think the feds won't take Saniton away? . . . They absolutely will.

BROMBERG: They will in a f*cking second.

WEINSTEIN: No question . . . I'm just saying it's a fact. They're gonna do a claw back on every business deal that I'm going through, every single investment.

In violation of Title 18, United States Code, Section 371.

FORFEITURE ALLEGATIONS

1. Upon conviction of the conspiracy to commit securities fraud in violation of Title 18, United States Code, Section 371, as charged in Count One of this Information, or the conspiracy to obstruct justice in violation of Title 18, United States Code, Section 371, as charged in Count Three of this Information, defendant SHLOMO EREZ shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real and personal, that constitutes or is derived from proceeds traceable to the commission of such offenses.

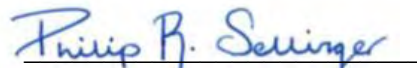
2. Upon conviction of the conspiracy to launder monetary instruments in violation of Title 18, United States Code, Section 1956(h), as alleged in Count Two of this Information, defendant SHLOMO EREZ shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real and personal, involved in such offense, and any property traceable to such property.

Substitute Assets Provision

3. 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 person;
- (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 subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.


PHILIP R. SELLINGER
United States Attorney