



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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U.S. Man Residing in Costa Rica Pleads Guilty for Role in Two Separate Multi-Million Dollar Fraud Schemes

*Defendant Charged in Connection with \$10 Million Offshore Sweepstakes Fraud Ploy,
\$2.5 Million High-Yield Investment Scheme*

A U.S. man residing in Costa Rica pleaded guilty today for his role in two separate schemes. One scheme was a \$10 million “sweepstakes scheme” that targeted elderly U.S. residents, and the other was a \$2.5 million high-yield investment fraud scheme, announced Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department’s Criminal Division and U.S. Attorney Jill Westmoreland Rose of the Western District of North Carolina.

Kristian Francis Sierp, 45, formerly of Boca Raton, Florida, pleaded guilty in two cases before U.S. Magistrate Judge David S. Cayer of the Western District of North Carolina. Sentencing is set for June 19 before Chief U.S. District Judge Frank D. Whitney of the Western District of North Carolina.

In the first case, which charged Sierp with participating in a \$10 million telemarketing sweepstakes scheme, Sierp pleaded guilty to one count of conspiracy to commit mail and wire fraud, one count of mail fraud and one count of conspiracy to commit money laundering.

As part of his guilty plea, Sierp admitted that from approximately January 2011 through September 2015, he worked in various illegal Costa Rican call centers belonging to co-conspirator Elliot Rosenberg, where they placed telephone calls to U.S. residents, falsely informing them that they had won a substantial cash prize in a “sweepstakes.” The victims, many of whom were elderly, were told that in order to receive the prize, they had to pay for a purported “refundable insurance fee,” Sierp admitted. Sierp further admitted that after he received victims’ money for an initial fee, he would contact the victims again to demand additional purported fees to cover even larger promised prizes.

Sierp further admitted that he and his co-conspirators continued their attempts to collect additional money from a victim until that victim either ran out of money or discovered the fraudulent nature of the scheme. To further their fraud and mask that they were calling from Costa Rica, Sierp and his co-conspirators often falsely claimed that they were calling on behalf of a U.S. federal agency and utilized voice over internet protocol (VoIP) phones that displayed a

202 area code, giving the false impression that they were calling from Washington, D.C., he admitted.

In the second case, which charged Sierp with engaging in a high-yield investment fraud scheme, Sierp pleaded guilty to one count of conspiracy to commit mail and wire fraud.

As part of his guilty plea in this case, Sierp admitted that he worked with co-conspirators since at least January 2016 to sell stock in Niyato Industries Inc., a Nevada corporation purportedly operated from Charlotte. Sierp admitted that he and his co-conspirators falsely marketed Niyato as a manufacturer of compressed natural gas (CNG) automobiles and a distributor of CNG fuel that had patented technology, valuable contracts and high-profile executives.

Sierp also admitted that he and his co-conspirators falsely sold investors on a promise that Niyato was planning an imminent stock IPO that would reap pre-IPO investors a tenfold return on their investments. In truth, Sierp admitted, he and his co-conspirators knew that Niyato had no facilities, products, patents or plans for an imminent IPO, but rather was merely a vehicle for inducing investor funds. Sierp further admitted that he made all investor sales using a fake name from a telemarketing call center that he owned and operated in Costa Rica.

The U.S. Postal Inspection Service, FBI, Internal Revenue Service Criminal Investigation, Federal Trade Commission and Department of Homeland Security's Homeland Security Investigations investigated the cases. Trial Attorneys William Bowne and Gustav Eyler of the Criminal Division's Fraud Section are prosecuting the cases.

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