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10 Foreign Nationals Charged in Years-Long, Multimillion-dollar Investment and Impersonation Scheme

The Defendants Operated Boiler Rooms in Multiple Countries to Defraud Victims Around the World of Millions of Dollars by Impersonating Prominent Investment Firms and Individuals

October 27, 2021

NEW YORK – The United States Attorney for the Southern District of New York announced today the unsealing of indictments charging 10 individuals in an elaborate scheme to defraud investors in countries around the world.

NICHOLAS RUSSELL JAMES GILLIE, a/k/a “James William Carter,” NEOPHYTOS GEORGIU, a/k/a “Nick,” a/k/a “PT,” a/k/a “The Boss,” URS MEISTERHANS, SCOTT STEVEN NEILSON, LIAM JAMES SMOUT, a/k/a “Pringle,” DANIEL NIELSEN, BRENDA LAVERTY, ANDREW GEORGIU, a/k/a “Andy,” THOMAS ANDREW KENNY, a/k/a “Irish,” and JAKE MARDELL were charged with conspiracy to commit wire fraud, conspiracy to commit money laundering, and aggravated identity theft, in connection with a scheme to impersonate prominent investment firms and individuals to defraud victim investors in countries around the world.

GILLIE, NEOPHYTOS GEORGIU, LAVERTY, ANDREW GEORGIU, and MARDELL were arrested in Cyprus in May 2021. SMOUT was arrested in Spain in July 2021. DANIEL NIELSEN was arrested in Romania in June 2021. KENNY and SCOTT STEVEN NEILSON were arrested in the United Kingdom last month and earlier this month, respectively.

In September 2021, DANIEL NIELSEN was extradited to the United States from Romania. Additional U.S. extradition requests remain pending. MEISTERHANS, a Swiss national, remains at large and has been residing in Switzerland since May 2021 as a fugitive from U.S. justice.

U.S. Attorney Damian Williams said: “As alleged, the defendants carried out an international scheme that fleeced investors out of more than \$6 million, in part by impersonating legitimate investment firms and fabricating the trappings of real investment opportunities, including news articles, advertisements, and other online content, as well as fake contracts and other documents. Now nine of the 10 are in custody, and all of the defendants are charged with multiple felonies in this district.”

IRS-CI Acting Special Agent in Charge Fattorusso said: “This case demonstrates to the world that IRS-CI and our many law enforcement partners continue to uncover and expose fraud wherever it may be located. This alleged scheme took advantage of victims with the promise of valuable financial assets when in reality the funds are alleged to have been stolen and laundered back to the criminal conspirators. We would like to specifically thank HSI, U.S. Postal Inspectors, the U.S. Attorney’s Office for the Southern District of New York, as well as our International J5 partner agencies for their outstanding work in this case.”

USPIS Inspector-in-Charge Philip R. Bartlett said: “International criminals have had a field day on U.S. consumers and investors over the past few years. Whenever making an investment, it is strongly advised to dig deep and review everything you can find about the investment firm, managers and purported returns. Use the power of the internet to search for negative information about the company. In this case, the victims relied on the good names of successful financial firms, only to later realize they had been swindled. Postal Inspectors and their law enforcement partners will always be on the alert to alleged cons like these to maintain honest investment platforms and ensure those who allegedly commit crimes against investors are brought to justice.”

HSI Tampa Special Agent in Charge John Condon said: “Thanks to a collaborative investigative effort between HSI, the IRS-Criminal Investigations and the U.S. Postal Inspectors, this international criminal conspiracy has been stopped.”

As alleged in the Indictments unsealed today[1]:

Beginning in at least 2015, NICHOLAS RUSSELL JAMES GILLIE, NEOPHYTOS GEORGIU, URS MEISTERHANS, SCOTT STEVEN NEILSON, LIAM JAMES SMOUT, DANIEL NIELSEN, BRENDA LAVERTY, ANDREW GEORGIU, THOMAS ANDREW KENNY, and JAKE MARDELL participated in a sophisticated international mass-marketing investment fraud scheme to defraud English-speaking investors from around the world of millions of dollars, and to launder the fraud proceeds and distribute those proceeds among the conspirators. NEOPHYTOS GEORGIU, who owns bars and restaurants in Cyprus, financed the costs of the investment fraud scheme, which was orchestrated by GILLIE, his longstanding partner in Cyprus. MEISTERHANS was a key “banker” – that is, money launderer – in the scheme, who laundered victim funds through bank accounts in the United States and several other countries.

As part of the investment fraud scheme, conspirators purported to be employees of successful financial investment firms and took sophisticated steps to convince victims of the firms’ existence and legitimacy. Those steps commonly included impersonating real financial investment firms, creating fraudulent websites that appeared to be associated with the real firms, creating fraudulent email addresses that appeared to be associated with employees of the real firms, publishing fraudulent news articles relating to the fake firms and their supposed investments, utilizing a widely-used internet search engine to disseminate scheme-related online advertisements, creating fraudulent investment-related contracts and other financial and legal documents, and using the names, titles, signatures, email addresses, and likenesses of real individuals prominent in business and finance. Employing those tactics, among others, and through hard-sell telemarketing calls and emails with victim-investors orchestrated from so-called “boiler rooms” located in Cyprus, Spain, Romania, and Cambodia, the conspirators convinced victims to transfer funds to one or more bank accounts under the conspirators’ control (the “Victim Depository Accounts”) for what the victims understood to be investments in various companies – that is, the purchase of company shares. In reality, however, the conspirators’ purported financial investment firms were fake, the purported share purchases were fraudulent, and the money sent by victims was never returned. The combined losses of victims exceeded \$6 million.

Rather than being used to make investments, the funds that victims transferred to the Victim Depository Accounts were sent back to the conspirators by individuals sometimes referred to by conspirators as “bankers” (the “Bankers”), who were in fact responsible for laundering the proceeds of the investment fraud scheme. For example, fraud proceeds were at times transferred from a Banker to bank accounts held in the names of individuals who do not actually exist, such as “James William Carter” and “Jonathan Timothy Turner,” but in whose names the conspirators had opened bank accounts using fake United Kingdom passports and other documents. The fraud proceeds were

then distributed among the conspirators, as salary or commission, for their participation in the investment fraud scheme.

One component of the years-long investment fraud scheme involved the impersonation, in or about 2019, of a New York-based private investment fund (the “New York Fund”) founded by an internationally renowned billionaire investor (the “Founder”). While impersonating the New York Fund, conspirators fraudulently induced victim-investors from Australia, Europe, and elsewhere to enter into various purported investments, including the supposed purchase of “pre-IPO” shares of a successful and relatively young international company that did not have its shares listed on a public stock exchange (“Company 1”).

GILLIE, 51, a U.K. national, NEOPHYTOS GEORGIU, 60, a dual U.K. and Cypriot national, MEISTERHANS, 60, a Swiss national, SCOTT STEVEN NEILSON, 34, a U.K. national, SMOUT, 26, a U.K. national, DANIEL NIELSEN, 32, a U.K. national, LAVERTY, 40, an Irish national, GEORGIU, 62, a dual U.K. and Cypriot national, KENNY, 33, a U.K. national, and MARDELL, 25, a U.K. national, are each charged with one count of conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349, which carries a maximum sentence of 20 years in prison; one count of conspiracy to commit money laundering, in violation of 18 U.S.C. § 1956, which carries a maximum sentence of 20 years in prison; and one count of aggravated identity theft, in violation of 18 U.S.C. § 1028A, which carries a mandatory minimum sentence of two years in prison. The maximum potential sentences are prescribed by Congress and are provided here for informational purposes only, as any sentencing of these defendants would be determined by a judge.

Mr. Williams praised the outstanding investigative work of the USPIS and HSI, as well as IRS-CI and their partnership with the J5. The J5, known as the Joint Chiefs of Global Tax Enforcement, works together to gather information, share intelligence and conduct coordinated operations against transnational financial crimes. The J5 includes the Australian Taxation Office, the Canadian Revenue Agency, the Dutch Fiscal Information and Investigation Service, Her Majesty's Revenue and Customs from the U.K. and IRS-CI from the U.S. The J5 was formed in 2018 after a call to arms from the OECD Taskforce on Tax Crime. For more information about J5, please visit www.irs.gov/J5.