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FOR IMMEDIATE RELEASE
May 23, 2008

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**5 MEMBERS OF ROCKLAND COUNTY FAMILY SENTENCED FOR PHONY
'GOLD MINE' INVESTMENT AND INTERNET WHOLESALER SCHEMES**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that JAMES RUSSO, RITA RUSSO, ELIZABETH RUSSO, RUDOLFO RUSSO a/k/a "Rudy", and THOMAS RUSSO, from New City, Rockland County, New York, were sentenced this week on charges related to their participation, over a period of more than 15 years, in a phony "gold mine" investment scheme and various internet wholesaler schemes. JAMES and RITA RUSSO are husband and wife, and ELIZABETH, RUDOLFO a/k/a "Rudy" and THOMAS RUSSO are their adult children. The sentenced were imposed by United States District Judge STEPHEN C. ROBINSON in White Plains federal court.

According to the criminal Complaint and Indictment and statements made in open court during the defendants' sentencings, from at least about September 1987 through about September 2005, the RUSSOS operated several different schemes to defraud. First, the RUSSOS victimized a number of people both here in the United States and in Europe by creating a fraudulent investment scheme involving an alleged gold mining operation in Brazil. The RUSSOS induced their victims to give them more than \$2 million over the course of the last 18 years by making a number of false and fraudulent misrepresentations, creating false and fraudulent documents, and promising their victims they would receive a percentage of the proceeds when the alleged gold mine was eventually sold.

The RUSSOS used various money-laundering techniques to conceal their fraud proceeds, including directing victims to send money via Western Union so that the RUSSOS could more easily convert those payments to untraceable cash, and using structured withdrawals from bank accounts to avoid currency-reporting requirements. In addition, JAMES RUSSO directed that the fraud payments be sent in the names of his wife, RITA RUSSO, and his

children, ELIZABETH, RUDY, and THOMAS RUSSO, in an effort to protect his activities from discovery by law enforcement.

Second, the RUSSOS operated a series of internet wholesaler scams, using the names R & S Wholesale, Russo & Sons Wholesale, GinaLiz Industries, Global Liquidators & Auctioneers, and Action Liquidators. Each of these scams followed a similar pattern: the RUSSOS would incorporate a business and create a website, advertising high-end electronics, home furnishings, and tools, all in original packaging and in new condition, but offered at wholesale prices due to liquidations, closeouts, or overstocks. The RUSSOS would take orders for pallet-sized quantities of this merchandise from customers and direct the customers to wire payment to a designated bank account. Some of the customers never received any merchandise in exchange for their payment, while others received junk, such as burned-out microwave ovens or broken out-of-date telephones, and still others received crates of extremely low-end merchandise, far different in quality and value than the items ordered. The RUSSOS operated these phony businesses in Westchester and Rockland Counties, and victimized people all around the United States and abroad. These internet wholesaler schemes have caused losses to victims in excess of \$1.5 million.

All five RUSSOS pleaded guilty to conspiracy to commit wire fraud and to wire fraud. Defendant JAMES RUSSO was sentenced to 72 months of imprisonment on May 20; Judge ROBINSON stated at the sentencing that he found JAMES RUSSO to be "a heartless and conniving person who was willing to use anyone and everyone who crossed his path." His wife RITA RUSSO was sentenced to 21 months of imprisonment, also on May 20. JAMES and RITA RUSSO were also directed to forfeit a sum of \$3 million, including their home in New City, New York. RUDY RUSSO was sentenced to 36 months of imprisonment on May 22; ELIZABETH RUSSO was sentenced to 18 months of imprisonment on May 23; and THOMAS RUSSO was sentenced to 6 months of home confinement and three years of probation on May 21.

Mr. GARCIA praised the efforts of the Federal Bureau of Investigation and the Criminal Investigation Division of the Internal Revenue Service and thanked them for their assistance in this case.

Assistant United States Attorney MARGARET GARNETT is in charge of this prosecution.

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