

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

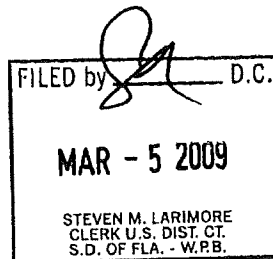
CASE NO. *09-80030-CR-MARRA/VITUNAC*
18 U.S.C. §1343

UNITED STATES OF AMERICA,

vs.

STEVEN DAVID GOLDBERG,

Defendant.



INDICTMENT

THE GRAND JURY CHARGES THAT:

GENERAL ALLEGATIONS

At all times material to this Indictment:

1. GOLDBERG & ASSOCIATES, LLC ("GOLDBERG & ASSOCIATES ") was a Florida corporation with its principal place of business and mailing address listed as 102 N.E. 2nd Street, #387, Boca Raton, Florida 33432.

2. STEVEN DAVID GOLDBERG ("GOLDBERG" or the "defendant") was the manager of GOLDBERG & ASSOCIATES.

3. GOLDBERG & ASSOCIATES was a debt seller that specialized in the acquisition and sale of distressed assets and traditional and non-traditional investment opportunities. The distressed asset industry is based on investors purchasing nonpaying receivable accounts that have been charged off by the credit issuer for pennies on the dollar and then converting these nonpaying

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receivable accounts into paying accounts with the goal of making a profit over and above the purchase price.

4. GOLDBERG & ASSOCIATES had a business checking account with Wachovia Bank, N.A., account number -----2929 ("Wachovia Bank account"). GOLDBERG was the authorized signator on the account.

5. General Electric Capital ("G.E.") was a corporation with its principal place of business and mailing address listed as 3135 Easton Turnpike, Fairfield, Connecticut, 06828. G.E. was a financial institution that specialized in originating consumer debt accounts, including credit card accounts, in the United States and elsewhere. G.E. owned a portfolio of consumer debt accounts. G.E. contracted with Sherman Capital Markets, Inc. to sell a portion of its debt portfolio that contained account files that included G.E. credit card accounts.

6. Sherman Capital Markets, Inc. ("Sherman Capital Markets"), a company located at 200 Meeting Street, Suite #206, Charleston, South Carolina, owned a portfolio of G.E. consumer debt accounts. Sherman Capital Markets contracted with GOLDBERG in his capacity as manager of GOLDBERG & ASSOCIATES to sell a portion of the G.E. debt portfolio that contained 84,736 account files for approximately \$10,923,212.68 ("G.E. debt portfolio"). Defendant GOLDBERG, as manager of GOLDBERG & ASSOCIATES agreed to pay the fee to Sherman Acquisition, LLC, a subsidiary of Sherman Capital Markets, via Electronic Funds Transfer ("EFT"). Sherman Capital Markets sent GOLDBERG the G.E. debt portfolio in an unencrypted and unredacted condition pending the clearance of GOLDBERG's EFT of approximately \$10,923,212.68.

7. Old National Bank, a company located at 1 Main Street, Evansville, Indiana, 47708 owned a portfolio of Old National Bank auto debt accounts. Old National Bank contracted, through

a debt portfolio broker, with defendant GOLDBERG of GOLDBERG & ASSOCIATES to sell a portion of the Old National Bank debt portfolio that contained 1,318 auto debt accounts for approximately \$300,000 (hereinafter the "Old National Bank debt portfolio"). GOLDBERG, as manager of GOLDBERG & ASSOCIATES, agreed to pay the fee to Old National Bank via Electronic Funds Transfer. Old National Bank, through the broker, sent GOLDBERG the debt portfolio in an unencrypted and unredacted condition pending the clearance of GOLDBERG's EFT of \$300,000.

8. Phillip Duff, of Oakley - Duff Group, Inc. d/b/a Lighthouse Consulting and Asset Management, Inc. engaged in the brokering of portfolios of charged off consumer debt. In December 2007, GOLDBERG contacted Duff and hired him to act as a broker between GOLDBERG & ASSOCIATES and buyers of portions of the G.E. debt portfolio that GOLDBERG & ASSOCIATES had acquired from Sherman Capital Markets.

COUNTS 1-7

1. The allegations contained in paragraphs 1 through 8 of the General Allegations section of this Indictment are realleged and incorporated as though fully set forth herein.

2. Beginning from at least as early as in or about December 2007 and continuing through in or about the end of December 2007, at Palm Beach County, in the Southern District of Florida, and elsewhere, the defendant,

STEVEN DAVID GOLDBERG,

together and with others known and unknown to the grand jury, did knowingly and willfully devise and intend to devise a scheme and artifice to defraud and for obtaining money and property of and belonging to individuals and entities, by means of materially false and fraudulent pretenses,

representations, and promises, well knowing that the pretenses, representations, and promises were false when made.

OBJECT OF THE SCHEME AND ARTIFICE TO DEFRAUD

3. It was the purpose and object of the scheme and artifice to defraud for the defendant to unlawfully enrich himself by causing companies to provide him money for the purchase of consumer debt and auto debt accounts, that the defendant and his company had acquired fraudulently and did not own, by means of materially false and fraudulent pretenses, representations and promises regarding the defendant's ownership of the debt portfolios or by failing to state material facts regarding the true ownership of the consumer debt and auto debt accounts.

SCHEME AND ARTIFICE TO DEFRAUD

The manner and means by which the defendant sought to accomplish the object of the fraudulent scheme and artifice included, among others, the following:

4. It was a part of the scheme and artifice to defraud that the defendant failed to pay the agreed upon fee to Sherman Acquisition, LLC for the purchase of the G.E. debt portfolio. Thus GOLDBERG & ASSOCIATES never held title or ownership of the G.E. debt portfolio.

5. It was further a part of the scheme and artifice to defraud that the defendant took subsets of the G.E. debt portfolio that he did not own and provided it to Phillip Duff along with a copy of the sales agreement between GOLDBERG & ASSOCIATES and Sherman Capital Markets. After receiving this documentation, Phillip Duff brokered the sale of approximately five (5) subsets of the G.E. debt portfolio to the purchasers discussed below. The five (5) subsets of the G.E. debt portfolios that GOLDBERG sold to each purchaser were in an encrypted or redacted condition in order to prevent them from gaining full access to the files. These purchasers directly funded the

purchase of the G.E. debt subsets to the GOLDBERG & ASSOCIATES' Wachovia bank account.

New Century Financial Services, Inc.

6. It was a further part of the scheme and artifice to defraud that the defendant, through Phillip Duff, contacted New Century Financial Services, Inc. ("New Century Financial") located in Whippany, New Jersey and entered into an agreement for the sale by GOLDBERG & ASSOCIATES to New Century Financial for a subset of the G.E. debt portfolio, which included approximately 1,370 account files to which the defendant was to transfer title, and ownership free and clear of all liens and encumbrances. Pursuant to the agreement, on or about December 5, 2007, New Century Financial wire transferred \$196,471.33 through PNC Bank in New Jersey to GOLDBERG & ASSOCIATES' Wachovia Bank account in Boca Raton, Florida.

NEIA Finance Company, LLC

7. It was further a part of the scheme and artifice to defraud that the defendant, through Phillip Duff, contacted NEIA Finance Company, LLC ("NEIA") located in Omaha, Nebraska and entered into an agreement for the sale by GOLDBERG & ASSOCIATES to NEIA for a subset of the G.E. debt portfolio, which included approximately 400 debt account files to which the defendant was to transfer title and ownership free and clear of all liens and encumbrances. Pursuant to the agreement, on or about December 6, 2007, NEIA wire transferred a total of \$81,466.29 through US Bank in Nebraska to GOLDBERG & ASSOCIATES' Wachovia bank account in Boca Raton, Florida.

American Acceptance Company, LLC

8. It was further a part of the scheme and artifice to defraud that the defendant, through Phillip Duff, contacted American Acceptance Company, LLC ("American Acceptance") located in

Merrillville, Indiana and entered into an agreement for the sale by GOLDBERG & ASSOCIATES to American Acceptance of a subset of the G.E. debt portfolio, which included approximately 1,300 debt account files to which the defendant was to transfer title and ownership free and clear of all liens and encumbrances. American Acceptance agreed to purchase the subset of the G.E. debt portfolio from GOLDBERG & ASSOCIATES in two separate installments. Pursuant to the agreement, on or about December 6, 2007, American Acceptance wire transferred \$101,332.62 to GOLDBERG & ASSOCIATES as the first of two payments to its Wachovia account in Boca Raton, Florida. On or about December 26, 2007, American Acceptance wire transferred the final payment of \$101,332.62 to GOLDBERG & ASSOCIATES' Wachovia account in Boca Raton, Florida

Walter Street Financial, Inc.

9. It was further a part of the scheme and artifice to defraud that the defendant, through Phillip Duff, contacted Water Street Financial, Inc. ("Walter Street Financial") located in Timonium, Maryland and entered into an agreement for sale by GOLDBERG & ASSOCIATES to Water Street Financial of a subset of the G.E. debt portfolio, which included approximately 1,200 debt accounts to which the defendant was to transfer title and ownership free and clear of all liens and encumbrances. Pursuant to the agreement, on or about December 10, 2007, Water Street Financial transferred a total of \$144,658.24 through K Bank in Maryland to GOLDBERG & ASSOCIATES' Wachovia account in Boca Raton, Florida.

HEK Acceptance, Inc.

10. It was further a part of the scheme and artifice to defraud that the defendant, through Phillip Duff, contacted HEK Acceptance, Inc., a.k.a Goodman & Poeszat, LLC located in Southfield, Michigan and entered into an agreement for the sale by GOLDBERG & ASSOCIATES of a subset

of the G.E. debt portfolio, which included 6,521 debt accounts to which the defendant was to transfer title and ownership free and clear of all liens and encumbrances. Pursuant to the agreement, on or about December 11, 2007, HEK Acceptance, Inc. wired transferred \$130,652.47 through LaSalle Bank Midwest, in Michigan to GOLDBERG & ASSOCIATES' Wachovia bank account in Boca Raton, Florida.

NorAm Capital Holdings

11. It was a part of the scheme and artifice to defraud that the defendant, through a debt portfolio broker, contacted NorAm Capital Holdings ("NorAm") located in Corinth, Texas. NorAm and GOLDBERG & ASSOCIATES entered into an agreement for the sale by GOLDBERG & ASSOCIATES to NorAm of a subset of the Old National Bank debt portfolio that included approximately 1,318 account files. The agreement indicated that upon receiving payment, GOLDBERG was to convey to NorAm title and ownership free and clear of all liens and encumbrances. On or about December 17, 2007, NorAm wired transferred \$431,229 through Chase Bank, in Texas to GOLDBERG & ASSOCIATES' Wachovia bank account in Boca Raton, Florida. As part of the scheme and artifice to defraud, the defendant failed to pay the agreed upon fee to Old National Bank for the auto debt portfolio. Thus, GOLDBERG & ASSOCIATES never held title or ownership of the Old National Bank debt portfolio.

12. Pursuant to the scheme and artifice to defraud, the defendant received approximately \$1,200,000.00 in EFT for the purported sale of G.E. debt portfolio and Old National Bank debt accounts to which GOLDBERG had no right or title. Furthermore, GOLDBERG used funds he received from NorAm to purchase a property located at 2001 Coconut Road, Boca Raton, Florida.

USE OF THE WIRES

13. On or about the dates enumerated as to each count, in Palm Beach County, in the Southern District of Florida, and elsewhere, for the purpose of executing the aforesaid scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises, the defendant did knowingly transmit or cause to be transmitted in interstate or foreign commerce, by means of wire communications, certain signs, signals and sounds, as more particularly described below in each count:


<u>COUNT</u>	<u>DATE</u>	<u>WIRE COMMUNICATION</u>
1	12/5/07	Wire transfer of \$196,471.33 from New Century Financial through PNC Bank, in New Jersey to Wachovia Bank, in Boca Raton, Florida, for the account of Goldberg & Associates.
2	12/6/07	Wire transfer of \$81,466.29 from NEIA through US Bank in Nebraska to Wachovia Bank, in Boca Raton, Florida, for the account of Goldberg & Associates.
3	12/6/07	Wire transfer of \$101,332.62 from American Acceptance through JP Morgan Chase Bank, in Indiana to Wachovia Bank, in Boca Raton, Florida, for the account of Goldberg & Associates.
4	12/10/07	Wire transfer of \$144,658.24 from Water Street Financial through K Bank, in Maryland to Wachovia Bank, in Boca Raton, Florida, for the account of Goldberg & Associates.
5	12/11/07	Wire transfer of \$130,653.47 from HEK Acceptance, Inc. through La Salle Bank Midwest, in Michigan to Wachovia Bank, in Boca Raton, Florida, for the account of Goldberg & Associates.

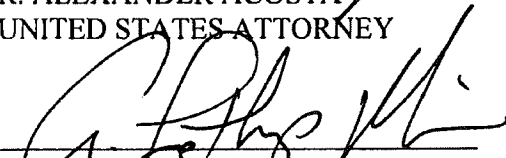
6	12/17/07	Wire transfer of \$431,229 from NorAm through Chase Bank, in Texas to Wachovia Bank, in Boca Raton, Florida, for the account of Goldberg & Associates.
7	12/26/07	Wire transfer of \$101,332.62 from American Acceptance through JP Morgan Chase, in Indiana to Wachovia Bank, in Boca Raton, Florida, for the account of Goldberg & Associates.

All in violation of Title 18, United States Code, Sections 1343 and 2.

A TRUE BILL

FOREPERSON 


R. ALEXANDER ACOSTA
UNITED STATES ATTORNEY


LATHROP MORRIS
ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: STEVEN DAVID GOLDBERG

Case No: 09-80030-CR-MARRA/VITUNAC

Counts #: 1- 8

Wire Fraud

18 U.S.C § 1343

*** Max. Penalty:** 30 Years' Imprisonment, \$1,000,000 Fine

Counts #:

***Max. Penalty:**

Count #:

***Max. Penalty:**

Count #:

***Max. Penalty:**

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA


CASE NUMBER: 09-80030-CR-MARRAS/VIKUNA C

BOND RECOMMENDATION

DEFENDANT: STEVEN DAVID GOLDBERG

Pre-Trial Detention

(Personal Surety) (Corporate Surety) (Cash) (Pre-Trial Detention)

By: 
AUSA: LOTHROP MORRIS

Last Known Address: 2001 Coconut Road

Boca Raton, Florida

What Facility: _____

Agent(s): _____

(FBI) (SECRET SERVICE) (DEA) (IRS) (ICE) (**OTHER**)

United States District Court
Southern District of Florida
WEST PALM BEACH DIVISION

UNITED STATES OF AMERICA

JUDGMENT IN A CRIMINAL CASE

v.

Case Number - 9:09-80030-CR-MARRA-1

STEVEN DAVID GOLDBERG

USM Number: 73395-004

Counsel For Defendant: Robert Adler, Esq.
Counsel For The United States: Lothrop Morris, AUSA
Court Reporter: Stephen Franklin

The defendant pleaded guilty to Counts One and Nine of the Superseding Indictment on August 14, 2009. The defendant is adjudicated guilty of the following offenses:

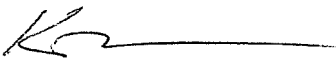
<u>TITLE/SECTION NUMBER</u>	<u>NATURE OF OFFENSE</u>	<u>OFFENSE ENDED</u>	<u>COUNT</u>
18 U.S.C. §§ 1343 and 2	Wire Fraud	December 2007	One
18 U.S.C. §§ 1341 and 2	Mail Fraud	December 26, 2007	Nine

The defendant is sentenced as provided in the following pages of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

Remaining counts are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of any material changes in economic circumstances.

Date of Imposition of Sentence:
11/13/09



KENNETH A. MARRA
United States District Judge

November 13, 2009

DEFENDANT: STEVEN DAVID GOLDBERG
CASE NUMBER: 9:09-80030-CR-MARRA-1

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a term of **71 months** as to Counts One and Nine, to be served concurrently.

The Court makes the following recommendations to the Bureau of Prisons:

The defendant be designated to an institution in Miami/South Florida as close to family as possible.

The defendant is remanded to the custody of the United States Marshal.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____

at _____, with a certified copy of this judgment.

UNITED STATES MARSHAL

By: _____
Deputy U.S. Marshal

DEFENDANT: STEVEN DAVID GOLDBERG
CASE NUMBER: 9:09-80030-CR-MARRA-1

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of **Three (3) years** as to Counts One and Nine, to be served concurrently.

The defendant must report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.

The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon.

The defendant shall cooperate in the collection of DNA as directed by the probation officer.

If this judgment imposes a fine or a restitution, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as any additional conditions on the attached page.

STANDARD CONDITIONS OF SUPERVISION

1. The defendant shall not leave the judicial district without the permission of the court or probation officer;
2. The defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
3. The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
4. The defendant shall support his or her dependents and meet other family responsibilities;
5. The defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
6. The defendant shall notify the probation officer **at least ten (10) days prior** to any change in residence or employment;
7. The defendant shall refrain from the excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
8. The defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
9. The defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
10. The defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer;
11. The defendant shall notify the probation officer within **seventy-two (72) hours** of being arrested or questioned by a law enforcement officer;
12. The defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court; and
13. As directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: STEVEN DAVID GOLDBERG
CASE NUMBER: 9:09-80030-CR-MARRA-1

SPECIAL CONDITIONS OF SUPERVISION

The defendant shall also comply with the following additional conditions of supervised release:

Employment Requirement - The defendant shall maintain full-time, legitimate employment and not be unemployed for a term of more than 30 days unless excused for schooling, training or other acceptable reasons. Further, the defendant shall provide documentation including, but not limited to pay stubs, contractual agreements, W-2 Wage and Earnings Statements, and other documentation requested by the U.S. Probation Officer.

Financial Disclosure Requirement - The defendant shall provide complete access to financial information, including disclosure of all business and personal finances, to the U.S. Probation Officer.

Mental Health Treatment - The defendant shall participate in an approved inpatient/outpatient mental health treatment program. The defendant will contribute to the costs of services rendered (co-payment) based on ability to pay or availability of third party payment.

No New Debt Restriction - The defendant shall not apply for, solicit or incur any further debt, included but not limited to loans, lines of credit or credit card charges, either as a principal or cosigner, as an individual or through any corporate entity, without first obtaining permission from the United States Probation Officer.

Self-Employment Restriction - The defendant shall obtain prior written approval from the Court before entering into any self-employment.

DEFENDANT: STEVEN DAVID GOLDBERG
CASE NUMBER: 9:09-80030-CR-MARRA-1

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on the Schedule of Payments sheet.

<u>Total Assessment</u>	<u>Total Fine</u>	<u>Total Restitution</u>
\$200.00	\$	\$See below

It is further ordered that the defendant shall pay restitution in the amount of \$to be determined. During the period of incarceration, payment shall be made as follows: (1) if the defendant earns wages in a Federal Prison Industries (UNICOR) job, then the defendant must pay 50% of wages earned toward the financial obligations imposed by this Judgment in a Criminal Case; (2) if the defendant does not work in a UNICOR job, then the defendant must pay \$25.00 per quarter toward the financial obligations imposed in this order.

Upon release of incarceration, the defendant shall pay restitution at the rate of 10% of monthly gross earnings, until such time as the court may alter that payment schedule in the interests of justice. The U.S. Bureau of Prisons, U.S. Probation Office and U.S. Attorney's Office shall monitor the payment of restitution and report to the court any material change in the defendant's ability to pay. These payments do not preclude the government from using other assets or income of the defendant to satisfy the restitution obligations.

The determination of restitution is deferred until January 22, 2010. An *Amended Judgment in a Criminal Case (AO 245C)* will be entered after such a determination.

*Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18, United States Code, for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: STEVEN DAVID GOLDBERG
CASE NUMBER: 9:09-80030-CR-MARRA-1

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties are due as follows:

A. Lump sum payment of **\$200.00** due immediately.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

The assessment/fine/restitution is payable to the CLERK, UNITED STATES COURTS and is to be addressed to:

**U.S. CLERK'S OFFICE
ATTN: FINANCIAL SECTION
400 NORTH MIAMI AVENUE, ROOM 8N09
MIAMI, FLORIDA 33128-7716**

The assessment/fine/restitution is payable immediately. The U.S. Bureau of Prisons, U.S. Probation Office and the U.S. Attorney's Office are responsible for the enforcement of this order.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.