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MULTI-MILLION DOLLAR GIFT CARD “WASHING” RING BUSTED
FOLLOWING LONG-TERM INVESTIGATION

*Thirteen People Indicted And Charged With Enterprise Corruption And Other Crimes;
Defendants Allegedly Pocketed a Million Dollars Per Month
Buying Gift Cards With Fraudulent Credit Cards Then Going on Shopping Sprees
At Bloomingdale’s, Nordstrom’s, Macy’s, Target and Other Retailers*

Acting Queens District Attorney John M. Ryan, joined by New York City Police Commissioner James P. O’Neill and New York State Department of Financial Services Superintendent Linda A. Lacewell, today announce that a Queens County grand jury has indicted 13 individuals charging them with enterprise corruption, grand larceny, conspiracy, money laundering and other crimes for allegedly running a complex gift card “washing” scheme. The scam, which generated roughly \$1 million every month for two years, included buying credit card numbers from the dark web, going on shopping sprees with the legitimate gift cards and using an online option to exchange gift cards for cash, as well as laundering money through a Bronx check cashing establishment.

Acting District Attorney Ryan said, “This indictment is the culmination of a three-year-long investigation into a multi-faceted illegal operation that bilked millions of dollars from banks and department stores, and caused extreme damage to the credit scores of innumerable citizens. The defendants charged in this case “washed” gift cards purchased with fraudulent credit cards to fill their pockets and bank accounts with millions of dollars - the bosses allegedly even did home improvements using these scrubbed gift cards. This criminal enterprise has been shut down and the defendants face prison time for their alleged greed at the expense of others.”

Continuing, Acting DA Ryan said, “I want to thank the hard-working detectives of the NYPD’s Grand Larceny Division for their tireless work and the State’s Department of Financial Services for their efforts in this long-term investigation. This office is committed to working with all our law enforcement partners to take down criminal elements that set up shop in our neighborhoods. This should serve as a warning to others - if you base your illegal operation in Queens County you will be caught and you will be prosecuted.”

Police Commissioner O’Neill said, “The NYPD and its law enforcement partners remain committed to targeting criminals who exploit victims’ personal information and profit through fraud. I commend the NYPD detectives, Queens District Attorney and New York State Department of Financial Services for their efforts and cooperation in this investigation involving enterprise

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corruption, grand larceny, and conspiracy. Together, we will continue to be relentless in fighting crime that impacts the people we serve wherever, and however, it occurs.”

Superintendent Lacewell said, “The defendants are charged with a multimillion-dollar gift card fraud scheme that victimized banks and retail stores and hurt the credit ratings of countless law-abiding citizens. We are proud to have worked with the Queens DA’s Office to bring this alleged scheme to an end.”

The District Attorney’s Office identified the main defendants of this illegal operation as Christopher Nathoo, 33, of 256th Street in Glen Oaks, Queens, and his brother Bryan Nathoo, 30, of Arista Drive, Dix Hills, Suffolk County. The two men, their wives and nine other individuals are charged in a 192-count indictment with enterprise corruption, grand larceny, conspiracy and other crimes. All 13 defendants are awaiting arraignment before Queens Supreme Court Justice Charles Lopresto. **(See Addendum for details on each defendant).**

According to the charges, in late 2015, the NYPD’s Grand Larceny Division began investigating a fence - an illegal operation based at 150th Street in Jamaica, Queens, and then relocated to Liberty Avenue, also in Jamaica, Queens. This fence allegedly bought gift cards purchased with fraudulent credit cards. Defendant Christopher Nathoo was the alleged boss or owner of the operation and Bryan Nathoo was the alleged co-owner. The two defendants allegedly paid cash for gift cards that had been purchased using fraudulent credit cards. The two are accused of re-selling those gift cards to Cardcash.com, an online gift card exchange business. But this was just part of the elaborate scheme.

Continuing, according to the charges, Acting DA Ryan said, the illegal enterprise had specific roles for each individual involved: Fence Manager, Swipers, Shoppers, Fence Employees, Money Launderer and more. Swipers acquired stolen credit card numbers from the dark web and embossed the information onto blank cards. The swipers would then use these fraudulent credit cards and go to big stores, such as Bloomingdale’s, Macy’s, Nordstrom’s and Target and buy legitimate store gift cards for varying sums. The swipers would then sell the legitimate gift cards to the fence.

According to the charges, these gift cards would then go through a “washing” process. Swipers or shoppers would go to department stores and buy merchandise, return the items for either a “cleaned” gift card or store credit - cards that are further removed from the fraudulently-purchased gift card and therefore less likely to be connected to the fraudulently-purchased one and deactivated by the bank.

Acting DA Ryan added that, according to the charges, defendants Christopher and Bryan Nathoo allegedly allocated some of the shopping duties to their wives, Hama Nathoo and Annarrisa Nathoo, respectively. Some shoppers would repeatedly buy merchandise, return it for another gift card and repeat the process over and over again to get further and further away from the first fraudulently-purchased gift card. Hama Nathoo allegedly used the “cleaned” gift cards for personal purchases, including obtaining Home Depot gift cards and buying items to renovate the couple’s home. Annarrisa Nathoo also allegedly used “cleaned” cards to make online purchases for herself and also used the gift cards to remodel the couple’s new home purchased in Suffolk County, Long Island.

Continuing, according to the charges, the fence employees - or shoppers - were paid \$10 an hour or \$100 for a day’s work. The fence would pay the swipers a percentage for each gift card - the

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cleaner the card the more valuable the exchange.

According to the indictment, an employee of Cardcash.com exclusively handled the Nathoo brothers business and allegedly bought the illegal enterprise's gift cards - with the website earning a profit of up to 20 percent of the value of the gift cards. At times, this employee also met with defendants Christopher and Bryan Nathoo to deliver checks from Cardcash.com. The brothers allegedly laundered the proceeds of their business through shell companies - that existed in name

only - with the assistance of the manager of Uniondale Check Cashing in the Bronx. The Bronx check cashing establishment would collect a 2 percent take for each transaction with the manager pocketing 1 percent for himself.

Acting DA Ryan added that, for the years 2016 and 2017, the operation generated approximately \$1 million in profits every single month from this gift card "washing" scheme. In 2018, profits dipped but the illegal fence still made money. During the execution of a court-authorized search warrant this morning, police allegedly recovered more than 8,000 gift cards from various retailers, as well as Visa, Mastercard and American Express gift cards.

The investigation was conducted by the New York City Police Department's Detective Christopher Nieves, with Sergeant Kevin Gierloff, of the Grand Larceny Division, and Sergeant Joseph Corideo, of the Intelligence Division, with the assistance of Detective Scott Gould, of the Asset Forfeiture, under the supervision of Captain Patrick Davis and Inspector Jason Savino, Commanding Officer, and Deputy Chief Joseph Dowling, of the Grand Larceny Division, Deputy Inspector Christopher Flanagan, Commanding Officer of the Financial Crimes Task Force, and under the overall supervision of Assistant Chief James Essig, Detective Bureau, Assistant Chief Christopher McCormack, of the Criminal Enterprise Division, Chief Thomas Galati, of the Intelligence Bureau, and Chief of Detectives Dermot Shea.

Vincent Cannavale with the New York State Department of Financial Services also assisted in the investigation.

The Queens District Attorney's Office would also like to acknowledge the assistance of Homeland Security Investigations New York, the investigative arm of the U.S. Department of Homeland Security.

The District Attorney's Office would also like to thank John Moore, the Organized Retail Crime Manager at Macy's Inc./BMS, Sean Browne, of Home Depot Investigations, Target's Loss Prevention, for their help in the investigation.

Assistant District Attorney Hana C. Kim, Supervisor in the District Attorney's Organized Crime and Rackets Bureau, is prosecuting the case, under the supervision of Assistant District Attorneys Gerard A. Brave, Bureau Chief, Catherine C. Kane and Mary M. Lowenburg, Deputy Bureau Chiefs, and under the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney Wilbert J. LeMelle.

It should be noted that an indictment is merely an accusation and that a defendant is presumed innocent until proven guilty.

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Note to Editors: Press release e-version posted at www.queensda.org.

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ADDENDUM

All defendants, except where indicated, face a minimum of one to three years or a maximum of eight and a third to 25 years in prison, if convicted.

CHRISTOPHER NATHOO, 33, of 256th Street in Queens, is the alleged Boss. Nathoo is charged with enterprise corruption, fifth-degree conspiracy, third- and fourth-degree criminal possession of stolen property and first-degree falsifying business records.

***BRYAN NATHOO**, 30, of Arista Drive in Suffolk County, Long Island, is the alleged Co-Owner/Second-in-Command. The defendant is charged with enterprise corruption, fifth-degree conspiracy, fourth-degree criminal possession of stolen property and first-degree falsifying business records.

AJAY BANGAY, 28, of 133rd Street in Queens, is the alleged Manager of Fence. The defendant is charged with enterprise corruption, fifth-degree conspiracy, fourth-degree criminal possession of stolen property and first-degree falsifying business records.

***ANNARISSA NATHOO**, 32, of Arista Drive in Suffolk County, Long Island, is an alleged Shopper. The defendant is charged with enterprise corruption, fifth-degree conspiracy and fourth-degree criminal possession of stolen property.

HAMA NATHOO, 32, of 256th Street in Queens, is an alleged Shopper. The defendant is charged with enterprise corruption, fifth-degree conspiracy and fourth-degree criminal possession of stolen property.

AMELIA "MILLIE" SALAMALAY, 27, of 189th Street in Queens, is an alleged Fence Employee. The defendant is charged with enterprise corruption, fifth-degree conspiracy and fourth-degree criminal possession of stolen property.

***RASHAAD SOLOMON**, 22, of Patchogue in Suffolk County, Long Island, is an alleged Shopper. The defendant is charged with enterprise corruption, fifth-degree conspiracy and fourth-degree criminal possession of stolen property.

FREDIE POLO, 58, of Andrea Place in Staten Island, is an alleged Shopper. The defendant is charged with enterprise corruption, fifth-degree conspiracy and fourth-degree criminal possession of stolen property.

MAYIR "ALEX" KRESSNER, 37, of Canary Drive in Lakewood, New Jersey, is an employee of Card Cash. The defendant is charged with enterprise corruption, fifth-degree conspiracy and fourth-degree criminal possession of stolen property.

AQEEL KHAN, 40, of Old South Road in Queens, is the alleged Money Launderer. The defendant is charged with enterprise corruption, fifth-degree conspiracy, first-degree falsifying business records and fourth-degree criminal possession of stolen property.

VOLNEY MYERS, 33, of Hungry Harbor Road in Queens, is the alleged Swiper/Boss. The defendant is charged with enterprise corruption, fifth-degree conspiracy, second-degree criminal

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possession of a forged instrument, fourth-degree attempted grand larceny and fourth-degree criminal possession of stolen property. If convicted, the defendant faces a minimum of four and a half to nine years or up to a maximum of 12 ½ to 25 years in prison, as a predicate felon.

***LAVAU AUGUSTE**, 26, of 101st Avenue in Queens, is an alleged Swiper. The defendant is charged with enterprise corruption, fifth-degree conspiracy and fourth-degree criminal possession of stolen property.

EVAN CHRISTIAN, 23, of Forest Road in Nassau County, Long Island, is an alleged Swiper. The defendant is charged with enterprise corruption, fifth-degree conspiracy and fourth-degree criminal possession of stolen property.

*Defendant unapprehended at present time.

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