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**LEADER OF \$200 MILLION REAL ESTATE INVESTMENT SCAM
 CHARGED IN 45-COUNT INDICTMENT WITH FRAUD AND MONEY
 LAUNDERING**

FOR IMMEDIATE RELEASE
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Alleged Scheme Defrauded Investors in Multiple States and Abroad

NEWARK, N.J. – Eliyahu Weinstein, a/k/a “Eli Weinstein,” a/k/a “Edward Weinstein,” a/k/a “Eddie Weinstein,” was indicted today by a federal grand jury in Newark on charges alleging he ran an investment fraud scheme causing losses of at least \$200 million, New Jersey U.S. Attorney Paul J. Fishman announced.

The 45-count Indictment charges Weinstein, 36, of Lakewood, N.J., with one count of conspiracy to commit wire fraud, 29 counts of wire fraud, two counts of wire fraud while on pretrial release, one count of bank fraud and 12 counts of money laundering. Weinstein will be arraigned on the Indictment on a date to be determined.

Weinstein was previously charged by Complaint on Aug. 12, 2010, along with then Manalapan, N.J., resident Vladimir Siforov, 44. Both defendants were charged with one count of wire fraud and Weinstein was charged with one count of bank fraud. Siforov, who remains a fugitive, is named in three wire fraud counts in the Indictment.

“According to the Indictment, Weinstein’s exploitation of investors’ trust was so shameless he used doctored documents for properties he didn’t own – including in a town that doesn’t exist – and continued to commit crimes while out on bail,” said U.S. Attorney Fishman. “With promises of sound investments and charitable donations, he allegedly stole \$200 million, spending freely on fancy cars, jewelry and gambling trips. And in using victims’ money to collect Judaica, Weinstein robbed from his own community’s present to stockpile artifacts of its past.”

According to the Indictment and other documents filed in Newark federal court:

From at least as early as June 2004 through August 2011, Weinstein, with the help of Siforov and others, orchestrated a real estate investment fraud scheme out of Lakewood that has resulted in losses to victim investors of at least \$200 million.

To induce victims to invest, Weinstein and others made various types of materially false and misleading statements and omissions. For example, Weinstein and others represented to victims that Weinstein’s inside access to certain real estate opportunities allowed him to buy particular properties at below-market prices. Weinstein and others also told victims that their money would be used to purchase a specific property, and the property would be quickly resold – or “flipped” – to a third-party purchaser lined up by Weinstein. Victims were also told that their money would be held in escrow until the closing of a purported real estate transaction.

Weinstein bolstered his lies by creating, and causing to be created, various types of fraudulent documents,

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EN ESPAÑOL

including “show checks,” which Weinstein led victims to believe represented Weinstein’s investments in specific transactions but were never deposited; forged checks, which had actually been negotiated for small amounts, but Weinstein altered to appear worth millions of dollars; operating agreements, which showed that victims had ownership interests in specific properties they did not; and various kinds of forged legal documents, including leases, mortgages, and deeds.

Weinstein initially targeted victims from the Orthodox Jewish community, of which he was a member, exploiting his standing in and knowledge of the customs and practices of the community to further the scheme. Weinstein abused the community’s practice of engaging in transactions based on trust and without paperwork to obtain money from his victims without substantial written records. Weinstein would then falsely represent that specific real estate transactions existed, that the victims’ monies were used to fund those transactions, or that the victims’ profits from those transactions were being “rolled” into new investments.

By 2010, Weinstein had tarnished his reputation in the community due to the massive losses caused by the scheme. In April 2010, Weinstein and others began soliciting victims from outside of the Orthodox Jewish community, whom they defrauded out of millions of dollars.

Weinstein then took significant portions of his victims’ money, which had been provided for specific real estate transactions, and used it for other purposes he did not disclose to victims. These included funding unrelated real estate transactions in which Weinstein was engaged; paying prior victims; and making charitable and religious contributions which he used to elevate his reputation within the Orthodox Jewish community.

Weinstein also used millions of dollars fraudulently obtained from his victims to fund his own lavish spending, including millions of dollars worth of antique Judaica and other artwork; a multimillion-dollar collection of jewelry and watches; gambling in Las Vegas and elsewhere; and his personal expenses, including millions of dollars in credit card bills, millions of dollars in legal bills, and luxury car lease payments.

If convicted of the wire fraud charges, Weinstein and Siforov each face a maximum potential penalty of 20 years in prison and a \$250,000 fine per count. If convicted on the wire fraud while on pretrial release charges, Weinstein faces a maximum potential penalty of 30 years in prison per count. Weinstein also faces a maximum potential penalty of 20 years in prison and a \$250,000 fine on the wire fraud conspiracy charge; 30 years in prison and a \$1 million fine on the bank fraud charge; and a maximum potential penalty of 10 years in prison and a \$250,000 fine on each of the money laundering charges.

U.S. Attorney Fishman praised special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward in Newark, for their work leading the investigation of this case. He also credited special agents of IRS – Criminal Investigation, under the direction of Special Agent in Charge Victor W. Lessoff, for their important contributions to the investigation.

The government is represented by Assistant U.S. Attorneys Zach Intrater and Gurbir S. Grewal of the U.S. Attorney’s Office Economic Crimes Unit in Newark.

The charges and allegations contained in the Indictment are merely accusations, and the defendants are considered innocent unless and until proven guilty.

If you believe you are a victim of or otherwise have information concerning this alleged scheme, you are encouraged to contact the FBI at 973-792-3000.

This case was brought in coordination with President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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Weinstein, Eliyahu Indictment

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