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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY _____

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8
9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 Daniel Nicherie individually and as
12 Trustee for the Six Children
13 Educational Trust,
14 Plaintiff,

15 vs.

16 ANTHONY J. PELLICANO,
17 KENNETH ALAN PRATT, DR. GIL
18 MILEIKOWSKI, MARK JOSEPH
19 ARNESON, CRAIG LOUIS
20 STEVENS, CITY OF LOS
21 ANGELES, a Municipal Corporation,
22 CITY OF BEVERLY HILLS, a
23 Municipal Corporation,
24 ALEXANDER PROCTOR, MARVIN
25 EARL GREEN, MENACHEM
26 KLEIN AKA MIKE KLEIN,
27 AMIRAM MOSHE SHAFRIR aka
28 AMIRAM MOSHE
FISCHER aka AMI SHAFRIR,
SARIT HATT SHAFRIR, RAFAEL

Case No.: CV-06-6434-DSF

THIRD AMENDED
COMPLAINT

1. 18 USC 1964
2. 18 USC 1964
3. 18 USC 1964
4. 42 USC 1983
5. 42 USC 1985
6. 42 USC 1986
7. Bivens Action
8. Section 52.1 California Civil Code
9. Section 2891(e) California Public Utilities Code
10. Section 637.2 California Penal Code
11. 18 USC 2520
12. Invasion of Privacy & Indemnification
13. Section 1798.45 California Civil Code
14. Fraud
15. Quiet Title
16. Actual Fraud
17. Conversion
18. Constructive Trust
19. Accounting & Common Counts
20. 31 USC 3730(b)

1 COHEN aka RAFFI COHEN,
2 KENNETH HOWARD TAVES, HAI
3 WAKNINE, ASSAF WAKNINE,
4 JUDAH HERTZ, MOUKI COHEN,
5 MOSHE HAIMOVITCH, JACOB
6 "COOKIE" ORGAD, CHAMELEON
7 STRATEGIC OPERATIONS, a
8 business entity form unknown,
9 CHAMELEON STRATEGIC
10 OPERATIONS, INC., a California
11 Corporation, SHELDON HAROLD
12 SLOAN, individually and as President
13 of Sheldon H. Sloan, a Professional
14 Corporation, SHELDON H. SLOAN,
15 A PROFESSIONAL
16 CORPORATION, a California
17 corporation, AT&T
18 COMMUNICATIONS OF
19 CALIFORNIA, INC., a California
20 Corporation (as successor to SBC
21 Communications and Bell South
22 Corporation), QWEST
23 COMMUNICATIONS CORP-
24 ORATION, A Delaware Corporation
25 (as successor to U.S. West), MCI
26 COMMUNICATIONS
27 SERVICES, INC., a Delaware
28 Corporation, VERIZON GLOBAL

1 NETWORKS, INC., A Delaware
2 Corporation, JOHN
3 HENDRICKSON, JOHN
4 MASTERSON, RAYFORD EARL
5 TURNER, JORGE LUIS GOMEZ,
6 MARIA GUADELUPE OLMOS,
7 DAVID ALI SAZEGAR, HELMUT
8 BRUNJES aka CHARLES
9 OBERMAN, ALEXANDER
10 TASSOFF, ESTATE OF IRVING
11 DAVID RUBIN aka IRVING
12 SEYMOUR RUBIN, a deceased
13 individual, ESTATE OF BARRY
14 KRUGEL, a deceased individual,
15 ESTATE OF EARL LESLIE
16 KRUGEL, a deceased individual,
17 JEWISH DEFENSE LEAGUE, an
18 unincorporated association,
19 TRAFFIX, INC., a Delaware
20 corporation, MERCANTILE
21 CAPITAL, LLC, a Pennsylvania
22 limited liability company,
23 GOINTERNET.NET, INC., a
24 Delaware corporation, Neal Saferstein,
25 and Does 1-200, inclusive,

26
27 Defendants
28

1 Plaintiff DANIEL NICHERIE, individually and as Trustee for the SIX
2 CHILDREN EDUCATIONAL TRUST, alleges:

3 1. Plaintiff DANIEL NICHERIE is an inmate in the Metropolitan
4 Detention Center Los Angeles (MDC-LA), City of Los Angeles, County of Los
5 Angeles, State of California in the custody of the United States Bureau of
6 Prisons. Plaintiff is trustee for Six Children Educational Trust. Plaintiff at all
7 relevant times herein was the President and CEO of Federal TransTel Inc., an
8 Alabama corporation. (herein sometimes referred to as FTT).

9 2. Plaintiff SIX CHILDREN EDUCATIONAL TRUST, has a legal
10 and equitable ownership interest in Federal Transtel Inc., including legal and
11 equitable interests in rents and profits from three residential real estate
12 investments more particularly described as follows (1) 5502 Drover Drive San
13 Diego CA 92115, APN #461-471-12-00, (2) 2015 Mount Olympus Los Angeles
14 CA 90046 and (3) 1400 Laurel Way, Beverly Hills CA 90210.

15 3. Defendant Anthony J. Pellicano, (herein sometimes referred to as
16 “Pellicano”) is currently an inmate in Metropolitan Detention Center (MDC-LA)
17 in Los Angeles, County of Los Angeles, California. Pellicano was formerly a
18 private investigator licensed by the State of California and did business under
19 several names, including as Pellicano Investigative Agency, Ltd., Anthony J.
20 Pellicano Negotiations, Forensic Audio Lab, and Syllogistic Research Group at
21 9200 Sunset Blvd., Ste 322, Beverly Hills CA 90210 and other locations.
22 Plaintiff is informed and believes and thereon alleges that prior to becoming
23 licensed in California, Pellicano was licensed as a private investigator by
24 authorities in Illinois and that his licensure had been revoked in that jurisdiction.

25 4. Defendant Kenneth Alan Pratt (herein sometimes referred to as
26 Pratt) is an attorney licensed by the California State Bar Association who is a
27 resident of the City of Novato, County of Marin, State of California.
28

1 5. Defendant Dr. Gil Mileikowsky (heretofore incorrectly spelled as
2 Mileikowski and hereby amended and is herein sometimes referred to as
3 Mileikowsky) is a resident of the County of Los Angeles, State of California.

4 6. Defendant Mark Joseph Arneson (herein sometimes referred to as
5 Arneson) was a peace officer of the State of California employed by the Los
6 Angeles Police Department at all relevant times herein. Arneson resides in the
7 County of Los Angeles, State of California

8 7. Defendant Craig Louis Stevens (herein sometimes referred to as
9 Stevens) was a peace officer of the State of California employed by the Beverly
10 Hills Police Department at all relevant times herein. Plaintiff is informed and
11 believes and thereon alleges that Stevens resides in the County of San Diego,
12 State of California.

13 8. Defendant City of Los Angeles (herein sometimes referred to as
14 Los Angeles) is a municipal corporation of the State of California which at all
15 times relevant herein was the employer of defendant Arneson.

16 9. Defendant City of Beverly Hills (herein sometimes referred to as
17 Beverly Hills) is a municipal corporation of the State of California which at all
18 times relevant herein was the employer of defendant Stevens.

19 10. Defendant Alexander Proctor (herein sometimes referred to as
20 Proctor) is a resident of the Federal Correctional Institute, in Jesup, County of
21 Wayne, the State of Georgia.

22 11. Plaintiff is informed and believes and thereon alleges that defendant
23 Marvin Earl Green (herein sometimes referred to as Green) is a resident of the
24 County of Los Angeles, State of California.

25 12. Defendant Menachem Klein aka Mike Klein (herein sometimes
26 referred to as Klein) is a resident of Bell Canyon in the County of Los Angeles,
27 State of California.

1 13. Defendant Amiram Moshe Shafrir aka Amiram Moshe Fischer aka
2 Ami Shafrir (herein sometimes referred to as Ami Shafrir) is a resident of the
3 County of Los Angeles, State of California.

4 14. Defendant Sarit Hatt Shafrir (herein sometimes referred to as Sarit
5 Shafrir) is a resident of the County of Los Angeles and of the State of California.

6 15. Defendant Rafael Cohen aka Raffi Cohen (herein sometimes
7 referred to as Raffi Cohen) is a resident of the County of Los Angeles, State of
8 California.

9 16. Defendant Kenneth Howard Taves (herein sometimes referred to as
10 Taves) is an inmate in the Correctional Institution Taft in the County of Kern,
11 State of California.

12 17. Defendant Hai Waknine is an inmate in Metropolitan Detention
13 Center- LA (MDC-LA) in the County of Los Angeles, State of California.

14 18. Plaintiff is informed and believes and thereon alleges that defendant
15 Assaf Waknine is a resident of the County of Los Angeles, State of California,
16 last known to reside in Encino, California.

17 19. Defendant Judah Hertz (herein sometimes referred to as Hertz) is a
18 resident of the City of Beverly Hills, County of Los Angeles, State of California.

19 20. Defendant Mouki Cohen (herein sometimes referred to as Mouki
20 Cohen) is a resident of the County of Los Angeles and of the State of California.
21 Defendant Mouki Cohen is the de facto director of Chameleon Strategic
22 Operations, (herein sometimes referred to as Chameleon) which has been
23 licensed as a California private detective agency as both a fictitious business
24 name and as a California Corporation.

25 21. Plaintiff is informed and believes and thereon alleges that
26 Defendant Moshe Haimovitch (herein sometimes referred to as Haimovitch) is a
27 resident of the County of Los Angeles, State of California and is de jure owner
28 and “qualified manager” of Chameleon Strategic Operations.

1 22. Plaintiff is informed and believes and thereon alleges that at all
2 times relevant herein, Jacob "Cookie" Orgad (herein sometimes referred to as
3 Orgad) is a de facto owner and/or financier of Chameleon Strategic Operations.
4 Defendant Orgad's whereabouts are unknown to Plaintiff.

5 23. Defendant Chameleon Strategic Operations (herein sometimes
6 referred to as Chameleon) is a detective agency formerly licensed by the
7 California Bureau of Security & Investigative Services (BSIS) under license
8 number PI-24643, a business entity form unknown, which was headquartered in
9 the County of Los Angeles, State of California.

10 24. Defendant Chameleon Strategic Operations, Inc. (herein sometimes
11 referred to as Chameleon, Inc.) is a detective agency formerly licensed by the
12 California Bureau of Security & Investigative Services (BSIS) under license
13 number PI-25042, a California corporation, which was headquartered in the
14 County of Los Angeles, State of California, which is the successor entity to
15 Chameleon Strategic Operations.

16 25. Defendant Sheldon Harold Sloan, (herein sometimes referred to as
17 Sloan), individually and as President of Sheldon H. Sloan, a Professional
18 Corporation, is a resident of the County of Los Angeles, State of California.

19 26. Defendant Sheldon H. Sloan, A Professional Corporation, (herein
20 sometimes referred to as Sloan, Inc.) is a California corporation headquartered
21 in the County of Los Angeles, State of California.

22 27. Defendant AT&T communications of California, Inc., a California
23 Corporation (as successor to SBC Communications and Bell South Corporation)
24 (herein sometimes referred to as AT&T) is headquartered in Somerset County,
25 State of New Jersey.

26 28. Defendant QWEST Communications Corporation, a Delaware
27 Corporation (as successor to U.S. West), (herein sometimes referred to as
28 QWEST) is headquartered in Denver County, Colorado.

1 29. Defendant MCI Communications Services, Inc. a Delaware
2 Corporation, (herein sometimes referred to as MCI) is headquartered in
3 Loudoun County, Virginia.

4 30. Defendant Verizon Global Networks, Inc., a Delaware Corporation,
5 (herein sometimes referred to as Verizon) is headquartered in Arlington,
6 Virginia.

7 31. Plaintiff is informed and believes and thereon alleges that
8 Defendant John Hendrickson (herein sometimes referred to as Hendrickson) is
9 an employee or former employee of defendant AT&T and/or its predecessor
10 SBC Communications in the asset management department.

11 32. Plaintiff is informed and believes and thereon alleges that
12 Defendant John Masterson (herein sometimes referred to as Masterson) is an
13 employee or former employee of defendant MCI Communication Services, Inc
14 in the asset management department.

15 33. Defendant Rayford Earl Turner (herein sometimes referred to as
16 Turner) is a resident of the County of Los Angeles, State of California who was
17 formerly employed by SBC Communications, the predecessor of defendant
18 AT&T .

19 34. Defendant Jorge Luis Gomez (herein sometimes referred to as
20 Gomez) is a resident of the County of Los Angeles, State of California.

21 35. Defendant Maria Guadalupe Olmos (herein sometimes referred to
22 as Olmos) is a resident of the County of Los Angeles, State of California.

23 36. Defendant David Ali Sazegar (herein sometimes referred to as
24 Sazegar) is a resident of the County of Los Angeles and of the State of
25 California.

26 37. Plaintiff is informed and believes and thereon alleges that defendant
27 Helmut Brunjes aka Charles Oberman (herein sometimes referred to as Brunjes)
28 is a resident of the Federal Republic of Germany.

1 38. Plaintiff is informed and believes and thereon alleges that defendant
2 Alexander Tassoﬀ (herein sometimes referred to as Tassoﬀ) is a resident of
3 either the Federal Republic of Germany or of the State of Israel.

4 39. Defendant Estate of Irving David Rubin aka Irving Seymour Rubin,
5 a deceased individual, (herein sometimes referred to as Rubin) is the estate of
6 the now deceased leader of the Jewish Defense League, an unincorporated
7 association. At all times relevant herein, Rubin acted within the course and
8 scope of his duties as leader of the Jewish Defense League and resided in the
9 County of Los Angeles, State of California.

10 40. Defendant Estate of Barry Krugel, a deceased individual, is the
11 estate of an individual (herein sometimes referred to as Barry Krugel) who
12 formerly resided in the County of Los Angeles, State of California. At all times
13 relevant herein, Barry Krugel was a de facto member and/or affiliate of the
14 Jewish Defense League (herein sometimes referred to as JDL) and acted within
15 the course and scope of its activities.

16 41. Defendant Estate of Earl Leslie Krugel, a deceased individual
17 (herein sometimes referred to as Earl Krugel), is the estate of the now deceased
18 number two leader of the JDL, an unincorporated association. At all times
19 relevant herein, Earl Krugel acted within the course and scope of his duties as
20 number two leader of the JDL and resided in the County of Los Angeles, State
21 of California. Barry Krugel and Earl Krugel are twin brothers who were
22 distinguished between the clean shaven (Barry) and having the nickname or
23 moniker within the JDL of “Apeshit,” while Earl Krugel maintained a mustache
24 and was known by the nickname or moniker within the JDL as “the Munchkin.”

25 42. Defendant Jewish Defense League, an unincorporated association,
26 (herein sometimes referred to as JDL) is headquartered in the County of Los
27 Angeles, State of California. At all times relevant herein the JDL constituted a
28

1 Racketeering Influenced Corrupt Organization (RICO) or RICO enterprise as
2 defined in 18 USC 1961 et seq.

3 43. Defendant Traffix, Inc., a Delaware corporation, (herein sometimes
4 referred to as Traffix) is headquartered in Pearl River, Rockland County, State
5 of New York. Plaintiff is informed and believes and thereon alleges that said
6 entity is a *de facto* “RICO Enterprise” which is operated and controlled by the
7 “Bonanno Crime Family” of the Mafia or *La Cosa Nostra*.

8 44 Defendant Mercantile Capital, LLC (herein sometimes referred to
9 as Mercantile Capital) is a Pennsylvania limited liability company headquartered
10 in Montgomery County, State of Pennsylvania.

11 45. Plaintiff is informed and believes that Defendant GoInternet.net,
12 Inc. (herein sometimes referred to as GoInternet) is a Delaware corporation
13 headquartered in the State of Pennsylvania.

14 46. Defendant Neal Saferstein (herein sometimes referred to as
15 Saferstein) is a resident of the County of Philadelphia, State of Pennsylvania.

16 47. Defendant Marco Garibaldi initially designated as Doe 31 (herein
17 sometimes referred to as Garibaldi) is a resident of the County of Los Angeles,
18 State of California.

19 48. Defendant Priscilla Beaulieu Presley initially designated as Doe 32
20 (herein sometimes referred to as Presley) is a resident of the County of Los
21 Angeles, State of California.

22 49. Defendants Does 1-200, inclusive are any and all individuals and/or
23 entities whose true full names and capacities are unknown or not fully known to
24 Plaintiff who elects to sue these defendants under the fictitious name of Doe
25 until such time as he can amend this pleading under the provisions of Section
26 474 of the California Code of Civil Procedure.

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28 ////

1 RICO CAUSES OF ACTION
2 18 USC 1964(c) [RICO]
3 THE CONTINUING CRIMINAL ENTERPRISE AND
4 PATTERN OF RACKETEER INFLUENCED CORRUPT
5 ORGANIZATION ENTERPRISES

6 50. Each of the Racketeer Influenced Corrupt Organization (RICO)
7 causes of action stated herein are inter-related by the nexus of the participation
8 of Defendant Anthony J. Pellicano. Pellicano's modus operandi involved
9 conducting investigations of persons such as Plaintiff Daniel Nicherie, his
10 family and his businesses, through lawful and unlawful means including but not
11 limited to illegal wiretapping and other invasions of privacy. When Pellicano
12 discovered by any means, lawful or unlawful, that Plaintiff Nicherie or persons
13 like him had adversarial or potentially adversarial relations with anybody,
14 Pellicano would in turn approach them and solicit them to become his clients
15 and sell them information and services relating to the information he had
16 garnered concerning Plaintiff Nicherie or such person in violation of Section
17 7539(a) of the California Business & Professions Code. Defendant Pellicano in
18 turn would begin to spy on these new clients and if he determined that there was
19 information which he could sell to others, including but not limited to Plaintiff
20 Nicherie, he then proceeded to profit by soliciting Nicherie and/or others with
21 adversarial relations to his new clients in a never ending and constantly
22 expanding web.

23 51. Plaintiff is informed and believes and thereon alleges that at all
24 times relevant herein, defendants were a part of criminal organizations including
25 but were not limited to "The Jerusalem Network" of the Israeli Mafia, the
26 "Bonanno crime family," the "Klein crime family" headed by Menachem
27 "Mike" Klein composed of Jews and Israelis of Hungarian descent or origin, the
28 "Red Mafiya" aka "Organizatzion" and the Jewish Defense League ("JDL"),

1 52. The following activities and actions are included in the past and
2 ongoing schemes constituting the pattern of racketeering activity of these allied
3 organizations include but are not limited to:

4 A. The sale of controlled substances and the laundering of the
5 proceeds of that money;

6 B. The guarding of a drug shipment from Mexico by members
7 of JDL;

8 C. Bunco extortion schemes in which lawyers (including a
9 former Deputy District Attorney), investigators (both licensed and unlicensed
10 investigators operating unlawfully), and recording industry producers would
11 convince their own clients and/or business associates (including a series of
12 schemes directed against African-American “rap” recording artists) that they
13 were the targets of purported hit men and thereafter extort money from them by
14 claiming they were merely the conduits to pay off the hit men to make the
15 problem go away;

16 D. The attempted takeover of United Business Exchange in an
17 internecine squabble between elements of the “Hungarian Mafia” (Laszlo
18 Grabecz in alliance with the brother of a DEA agent, Peter Tripp aka
19 Trippichino) and the Klein Crime Family aligned with JDL leaders (Irving
20 David Rubin aka Irving Seymour Rubin, Earl Leslie Krugel, and Barry Krugel);

21 E. The fraudulent billing of 17,000 clients by the Shafrirs which
22 was uncovered by accountants working for Ami and Sarit Shafrir who insisted
23 on writing refund checks to some of these defrauded victims. This scheme has
24 left a contingent liability for un-cashed checks totaling millions of dollars;

25 F. The evasion of IRS and California Franchise Tax Board tax
26 consequences via transfers of stock and real estate to Cook Islands trusts.

27 G. Repeated “Ponzi” or “bustout” schemes,
28

1 H. Schemes involving the solicitation of bribes by at least two
2 (2) law enforcement officers,

3 J. "Small billing fraud" and identity theft schemes perpetrated
4 through Federal Transtel Inc. and other telephone billing company contractors
5 and through related criminal enterprises (including but not limited to Traffix,
6 Inc. which conspired with Defendant Ami Shafir to defraud the creditors and
7 billed clients for bogus or non existent charges) on approximately 17,000
8 customers in one such scheme alone, and

9 K. A scheme to defraud and extort Plaintiffs out of real estate,
10 their interests in real estate, and to defraud government agencies out of business
11 and other taxes due and owing from said real estate transactions.

12 ONGOING CONSPIRACY

13 53. The acts and omissions of the conspirators alleged herein are
14 continuing and will not be voluntarily remitted, wherein, all statutes of
15 limitations are tolled as the overt acts are continuing. In doing the acts and
16 omissions herein, at all times herein mentioned, each of the defendants sued
17 herein was the agent and employee of each of the remaining defendants and was
18 at all times acting within the purpose and scope of such agency and
19 employment, and each of them did the acts and things herein alleged pursuant
20 to, and in furtherance of, the conspiracy and above-alleged agreement.

21 RICO PREDICATE ACTS

22 AND RELATED CRIMINAL ACTIVITIES

23 54. In doing the acts and omissions alleged herein, the defendants and
24 each of them engaged in a series of acts which is generally but not fully or
25 accurately described in the Indictments issued in United States District Court
26 Case No. CR-05-1046-DSF, United States vs. Anthony Pellicano et al, including
27 the following which caused actual damage to plaintiff:
28

1 A. Unlawfully accessing Los Angeles Police Department and
2 Beverly Hills Police Department computer systems to obtain information
3 (defendants Arneson and Stevens) on behalf of defendant Anthony Pellicano in
4 violation of the California Information Practices Act, Article One, Section One
5 of the California Constitution, and other laws designed to protect the privacy of
6 the public and of Plaintiff;

7 B. Unlawfully accessing proprietary information of SBC
8 Communications in violation of Section 2891 of the California Public Utility
9 Code (defendants Pellicano and Turner);

10 C. Burglarizing Plaintiff's homes in Mill Valley and San Diego
11 (defendants Pellicano, Pratt and Mileikowsky);

12 D. Violation of Sections 631, 632, 632.5, 632.6, and 632.7 of
13 the California Penal Code at locations in Mill Valley, County of Marin, and San
14 Diego, County of San Diego, California and potentially other locations and
15 jurisdictions (defendants Pellicano, Pratt, Mileikowski, Ami and Sarit Shafrir);

16 E. Violation of 18 USC 2511 at locations in Mill Valley,
17 County of Marin, and San Diego, County of San Diego, California and
18 potentially other locations and jurisdictions (defendants Pellicano, Pratt,
19 Mileikowski, Ami and Sarit Shafrir);

20 F. Money laundering in violation of 18 USC 1956 (defendants
21 Pellicano, Ami and Sarit Shafrir, Tassoff, Brunjes, Rafael, Taves, Hai and Assaf
22 Waknine, Judah Hertz, Mouki, Haimovitch, Sloan, Chameleon, Sheldon H.
23 Sloan a Professional Corporation, Gomez, Olmos, and Sazegar), bribing federal
24 officials in violation of 18 USC 201 (defendants Sloan, Ami Shafrir, Does 91
25 and 92);

26 G. Defendants Pellicano, Arneson, and Stevens conspiring to
27 commit bribery;

1 H. Defendants Pellicano, Arneson, Stevens, Pratt, Mileikowski,
2 Proctor, Green, Klein, Ami, Rafael, Hai and Assaf Waknine, Hertz, Mouki,
3 Orgad, Haimovitch, Chameleon Strategic Operations (both entities), Sloan,
4 Rubin, Barry and Earl Krugel, and JDL threatening Plaintiff or causing Plaintiff
5 and his family to be threatened with violence in the commission of extortion
6 regarding Plaintiff's business dealings, including but not limited to the
7 conducting of physical raids of 8335 Sunset Boulevard, Los Angeles and 8670
8 Wilshire Boulevard, Beverly Hills in which attorneys and private investigators
9 were used to convince responding police officers that these burglaries,
10 trespasses, robberies and extortions being committed in their presence were
11 merely "civil disputes;" and including but not limited to defendants Proctor and
12 Green engaging in unlawful surveillance of Plaintiff and his family acting as
13 independent contractors in violation of the California Private Investigator Act,
14 Section 7520 et seq Business & Professions Code; Defendant Klein demanding
15 a payment of \$200,000.00 under threat of death to Plaintiff which forced
16 Plaintiff to agree to remain quiet while Gus Aguilar of Chicago Title processed
17 and paid that sum out of escrow funds to satisfy an obviously phony and
18 fabricated deed of trust. In these real estate closings \$13,000,000 in real estate
19 was sold to third parties (8670 Wilshire sold for \$9,500,000.00 and 8335 Sunset
20 sold for \$3,200,000.00).

21 (i) The true gain on the properties not disclosed by
22 defendants Ami and Sarit Shafrir was \$13,000,000 - meaning that 30% of the
23 proceeds were owed as capital gains to the California Franchise Tax Board and
24 the Internal Revenue Service. However, Defendants Ami and Sarit Shafrir
25 conspired to defraud the IRS and FTB by allowing phony structured loans to be
26 paid rather than money due in taxes forwarded to the taxing authorities;

27 (ii) Defendants Ami and Sarit Shafrir created false tax
28 returns with bogus "cash basis" accounting entries on their shell corporations

1 which reflected a “cash basis” that they knew was untrue. They did this to
2 minimize their taxes and capital gains.

3 (iii) Plaintiff disclosed this scheme to the Criminal
4 Investigation Division agents of the IRS and described the scheme as follows in
5 paragraphs iv - x:

6 (iv) Defendants Ami and Sarit Shafrir borrowed money
7 from the accounts of Amtec Audio Text, Inc. in 1994 and paid Dino De
8 Laurentiis \$4.5 million for the building at 8670 Wilshire Boulevard. Instead of
9 putting a trust deed in the name of Amtec, or putting the building in the
10 corporate name, defendants Ami and Sarit Shafrir created an offshore asset
11 protection veil to avoid capital gains taxes and business taxes to the City of
12 Beverly Hills.

13 (v) Defendants Ami and Sarit Shafrir created a partnership
14 in which an offshore trust in the Cook Islands held a 99% interest. The limited
15 partnership was a California vehicle with no assets or value to it other than the
16 8670 Wilshire building which was placed in the partnership. Thus, defendants
17 Ami and Sarit Shafrir were giving tax collecting authorities the impression the
18 California partnership was going to pay taxes on its rental income to the City of
19 Beverly Hills, and capital gains taxes to the State of California

20 (vi) Defendants Ami and Sarit Shafrir then filed tax returns
21 showing a cash basis of \$4.5 million. However, the owner of the building never
22 paid debt service on this “loan” nor treated this property as anything other than a
23 “gift.” Defendants Ami and Sarit Shafrir, in turn, who had borrowed the money
24 from Amtec did not pay interest or treat the loan as anything other than a
25 “bonus” - but refused to issue themselves a 1099 Miscellaneous Income
26 Statement to the IRS.

27 (vii) When defendants Ami and Sarit Shafrir sold the
28 building in 2003 to a third party, they filed forms with the IRS and California

1 Franchise Tax Board [FTB] claiming their entity was exempt from withholding
2 of capital gains taxes despite the fact that they knew the entity was controlled by
3 a foreign trust and they were insolvent and would never pay the capital gains
4 taxes on the “gain” of \$9,500,000.

5 (viii) Since defendants Ami and Sarit Shafrir treated all their
6 entities as Subchapter “S”. all the “gains” and “losses” inure to them.
7 Defendants Ami and Sarit Shafrir refused to reconcile their consolidated returns
8 to reflect the debt and credits which would show they had a “cash basis” in 8670
9 Wilshire building of “0.” Defendants Ami and Sarit Shafrir continued to reflect
10 that the partnership paid \$4,500,000 instead of reflecting a forgiveness of a loan
11 at the time of purchase of \$4,500,000 on which the partnership should have paid
12 taxes.

13 (ix) Despite alleged audits by the IRS and FTB and State of
14 Michigan the capital gains taxes due on the sale of only these two properties
15 have not been paid to the IRS or FTB since the two IRS liens totaling
16 \$1,400,000.00 are still outstanding and unpaid. Plaintiff, who was certified as a
17 whistle to the taxing authorities by filing a 211 Reward for Information and
18 disclosing these tax evasion schemes to federal agents, has not been contacted
19 about his reward or additional information needed for a thorough audit.

20 (x) Other material witnesses and accountants who provided
21 the raw material utilized in the proffer and confession of Sarit Shafrir to federal
22 investigators relating to these schemes have not been contacted by the tax
23 auditors reviewing the tax returns of defendants Ami and Sarit Shafrir tax
24 returns between 1995 to the present.

25 I. Attempted murder (Section 664/187 California Penal Code)
26 of a private investigator and aiding and abetting the attempted murder of a
27 private investigator (defendants Rafael, Pellicano, Stevens, Ami Shafrir),
28 followed by the stalking of the same private investigator and the investigator’s

1 children to intimidate the private investigator for participating in the legal
2 defense of Plaintiff's rights,

3 J. Violations of 18 USC 1512 (all Defendants),

4 K. Violations of 18 USC 1513 (all Defendants),

5 L. Violation of 18 USC 1518 by defendant Sarit Shafrir, acting
6 on behalf of herself and all other defendants obtaining from an agent or agents
7 of law enforcement the private cellular phone number of Plaintiff's Food &
8 Drug Administration "handler" in connection with Plaintiff's undercover
9 activities on behalf of the FDA, United States Department of Defense and other
10 federal agencies, and telephoning Plaintiff's handler to obstruct Plaintiff's
11 investigation of criminal activities of the Defendants;

12 M. Engaging in a pattern and practice of extorting gay and
13 lesbian military personnel and/or extorting heterosexual military personnel by
14 threatening false accusations that they were gay/lesbian; and by engaging in a
15 pattern and practice of targeting primarily gay/lesbian, African-American,
16 Latino, and other minority communities for identity theft, fraud, and the sale of
17 illicit pharmaceutical drugs;

18 N. Violation of 18 USC 1542 by defendant Sarit Shafrir
19 obtaining a passport under false pretenses in violation of a court ordered
20 injunction and utilizing it to to transport data used for identity theft, extortion
21 and fraud against members of the American armed services and others to Israel,
22 where she was searched by the Mishmar Hagvuel (Israel Border Police) who
23 disclosed and uncovered the transportation of these databases which led to an
24 undercover sting investigation of the participants who were partners with the
25 Shafrirs on a porn website known as: www.dreamfactory.com. This undercover
26 sting operation conducted through the Inspector General of the Department of
27 Defense was revealed to clients of Federal Transtel, Inc. to discourage them
28 from sending billings through Federal Transtel, Inc. The retaliation by

1 defendants Ami and Sarit Shafrir included inducement and encouragement to the
2 clients of FTT, Inc. to file an involuntary bankruptcy against FTT, Inc. which
3 caused the phone companies to withhold payments to FTT, Inc. and segregate all
4 payments in the Evergreen Reserves accounts maintained by the phone
5 companies. Defendants Ami and Sarit Shafrir have since been assigned all
6 rights to over \$10,000,000.00 in reserves belonging to FTT, Inc. which are to
7 flow to them and their creditors, including IRS, FTB, State of Michigan use tax
8 investigators and the tens of thousands of consumers who are entitled to a
9 refund. Through communications in response to www.freenicherie.com it has
10 been learned that the Shafrirs are attempting to evade payment to their creditors
11 by directing funds into their attorney's client-trust accounts to shield it from
12 inspection.

13 O. Violation of 18 USC 1957 (defendants Pellicano, Pratt, Mileikowski,
14 Klein, Ami and Sarit Shafrir, Rafael, Taves, Hai and Assaf Waknine, Judah
15 Hertz, Sloan, Gomez, Olmos, Sazegar, Brunjes, Tassoff, Does 1-90),

16 P. Other acts and omissions not yet fully known to Plaintiff.

17 55. Other acts and omissions engaged in by the defendants in violating
18 the above statutes include but are not limited to the following:

19 A. When Plaintiff received death threats while at the premises
20 of 8335 Sunset Blvd. Los Angeles and at 8670 Wilshire Blvd. Beverly Hills,
21 Plaintiff as a reasonable and prudent person dialed "911." The responding
22 officer from the Beverly Hills Police Department, defendant Stevens, proceeded
23 to aid and abet the extortionate threats of violence by covering up the crimes;

24 B Defendant Turner obtained telephone toll information to
25 enable defendant Pellicano to seek out new potential clients who were involved
26 in business or personal disputes with Plaintiff enabling him to peddle
27 information to them concerning Plaintiff and provide them with a collateral
28 advantage in their dealings and transactions with Plaintiff, as well as expose

1 Plaintiff's activities as a federal and local law enforcement whistle blower to
2 them;

3 C Defendant Mileikowsky hired defendant Pratt who in turn
4 hired defendant Pellicano to install illegal wiretapping devices to spy on
5 Plaintiff and his family at his home in Mill Valley, where defendant Pratt had
6 established an office on the premises. Defendant Pratt gave defendant Pellicano
7 access to the premises for the purpose of committing felonies on the premises in
8 violation of Section 459 of the California Penal Code, burglary. Subsequently,
9 Pellicano installed wiretapping devices at Plaintiff's home in San Diego by
10 illegally gaining entry in violation of Section 459 of the California Penal Code;
11 Defendant Pratt, in violation of California State Bar Rules of Professional
12 Conduct Rule 3-310, failed and concealed from Plaintiff his failure to make full
13 disclosure of his conflict of interest to Plaintiff and to receive informed written
14 consent before continuing his representation of Defendant Mileikowsky at the
15 point where the interests of Plaintiff and of Mileikowsky became adversarial. In
16 violation of his fiduciary duties to Plaintiff, Pratt told Mileikowsky information
17 which he had received within the confines of attorney-client privilege from
18 Plaintiff, including but not limited to the fact that FTT (Federal TransTel) had
19 learned that Defendant Traffix, Inc. was running fraudulent billings through its
20 billing system.

21 D Defendant Pellicano installed illegal wiretapping devices in
22 Mill Valley and San Diego and other areas on behalf of other defendants in
23 violation of state law;

24 E Defendant Pellicano installed illegal wiretapping devices in
25 Mill Valley and San Diego and other areas on behalf of other defendants in
26 violation of federal law;

27 F Defendants Pellicano, Ami and Sarit Shafrir, Tassoff,
28 Brunjes, Raffi Cohen, Taves, Hai and Assaf Waknine, Hertz, Mouki Cohen,

1 Haimovitch, Sloan, Chameleon, Sheldon H. Sloan a Professional Corporation,
2 Gomez, Olmos, and Sazegar engaging in or aiding and abetting transfer of
3 money to a variety of offshore accounts and RICO enterprises including but not
4 limited to Rockport Investments (Cook Islands), Hungarian Broadcasting
5 Company and its subsidiaries (Hungary and the Netherlands), as well as to
6 locations in Vanuatu and the Cayman Islands; and, embezzling through
7 fraudulent misrepresentation to effect the transfer of ownership of Plaintiff's
8 assets, including but not limited to his home in San Diego; these defendants
9 along with defendants Raffi Cohen and Klein also invented bogus business
10 entities to create non-existent debts, liens, and other encumbrances for the
11 purpose of evading taxes and effecting fraudulent transfers, arranged phony
12 sublets at 8335 Sunset Blvd. Los Angeles and 8670 Wilshire Blvd. Beverly Hills
13 for the purpose of defrauding the cities of Los Angeles and Beverly Hills out of
14 business taxes and other revenues through accounting fraud, which were
15 expressly aided and abetted as to 8670 Wilshire Blvd by defendant Stevens.
16 Another method of cheating cities out of taxes was by transferring the buildings
17 to non-existent third parties created solely for the transaction itself who then
18 transferred the property to the real owner, concealing the actual capital gains by
19 never filing a tax return for the purported third party entities

20 G Defendants Pellicano, Arneson, and Stevens conspiring to
21 commit bribery;

22 H. Defendant Rafael Cohen attempting to run down a licensed
23 private investigator with his vehicle in violation of Sections 664/187 of the
24 California Penal Code because she had served him with legal process on behalf
25 of Plaintiff, in further violation of Section 241(b) of the California Penal Code, a
26 crime that was purportedly investigated by, and in fact aided and abetted, by
27 defendants Stevens and Pellicano;

1 I. All Defendants Violating 18 USC 1513 by repeatedly
2 threatening and harassing Plaintiff when his whistle blowing activities were
3 discovered by defendant Pellicano's illegal wiretapping investigation, thus
4 forcing the dismissal by duress, intimidation and coercion of Case No. BC
5 284007 on December 24, 2002 through threats of death by defendants Klein,
6 Waknine, and Shafrir.

7 J. Defendants Pellicano, Arneson, Stevens, Ami Shafrir, Mouki
8 Cohen, Orgad, Haimovitch, both Chameleon entities, Sloan, Klein, Rubin, both
9 Krugels, and JDL participating in raids on 8335 Sunset Boulevard, Los Angeles
10 and 8670 Wilshire Boulevard, Beverly Hills for the purpose of stealing
11 computers and computer data relevant to federal corruption investigations;

12 K. Violation of 18 USC 1952 by defendants Pellicano, Ami and
13 Sarit Shafrir, Taves, Hai and Assaf Waknine, Judah Hertz, Sloan, Gomez,
14 Olmos, Sazegar, Brunjes, and Tassoff by engaging in foreign travel to arrange
15 various money laundering activities, including but not limited to the illicit travel
16 by defendant Brunjes, a wanted fugitive under the name "Charles Oberman," in
17 and out of the United States;

18 L. Violation of 18 USC 1957 by defendants Pellicano, Pratt,
19 Mileikowsky, Klein, Ami and Sarit Shafrir, Raffi Cohen, Taves, Hai and Assaf
20 Waknine, Judah Hertz, Sloan, Gomez, Olmos, Sazegar, Brunjes, Tassoff, Does
21 1-90 through a series of briberies, extortions, and money laundering activities
22 including but not limited to transfers of funds to Rockport Trust, Hungarian
23 Broadcasting Company and its subsidiaries.

24 FIRST CAUSE OF ACTION

25 18 USC 1964(c) [RICO]

26 AGAINST DEFENDANTS ANTHONY J. PELLICANO, KENNETH
27 ALAN PRATT, DR. GIL MILEIKOWSKY AND DOES 1-30
28

1 56. Within the First Cause of Action under the Racketeer Influenced
2 Corrupt Organization Act (RICO) Plaintiff reincorporates and re-alleges as
3 though fully set forth herein each and every allegation contained within the
4 preceding paragraphs 1 through 55 inclusive.

5 57. Defendants Pellicano, Pratt, Mileikowsky and Does 1-30
6 constituted members of an alliance of RICO enterprises within the meaning of
7 18 USC 1961 et seq.

8 58. In late 2001, Plaintiff was living in Mill Valley, California. He was
9 personally represented by defendant Kenneth Alan Pratt, who was an attorney
10 and member of the California State Bar Plaintiff provided defendant Pratt with
11 an office on the premises of plaintiff's home in Mill Valley. Defendant Pratt
12 was representing various familial and business interests on behalf of plaintiff.

13 59. In his capacity as President and CEO of Federal TransTel. Inc.
14 (FTT), Plaintiff Nicherie obtained the business of Defendant Dr. Gil
15 Mileikowsky to have FTT perform medical billing services on behalf of
16 Mileikowsky's medical practice.

17 60. In the course and scope of performing those billing services,
18 Plaintiff Nicherie determined that numerous billings by defendant Mileikowsky
19 directed to Cedars Sinai Medical Center and Encino Tarzana Medical Center (a
20 subsidiary of Tenet Healthcare) were fraudulent and were being done in
21 violation of 18 USC 1341 and 18 USC 1343 and potentially other "RICO
22 predicate act" statutes. Plaintiff therefore advised defendant Mileikowsky that
23 those services could not be billed by FTT on behalf of defendant

24 61. Defendant Mileikowsky became enraged that Plaintiff Nicherie
25 refused to allow these billing practices to continue through FTT. Defendant
26 Mileikowsky then hired defendant Kenneth Alan Pratt to engage the services of
27 defendant Pellicano to investigate plaintiff with the "investigation" to include
28 illegal wiretapping of plaintiff's telephones. Defendant Pratt allowed Pellicano

1 access to plaintiff's home in order to install the illegal wiretaps. Defendant Pratt,
2 in violation of California State Bar Rules of Professional Conduct Rule 3-310,
3 failed and concealed from Plaintiff his failure to make full disclosure of his
4 conflict of interest to Plaintiff and to receive informed written consent before
5 continuing his representation of Defendant Mileikowsky at the point where the
6 interests of Plaintiff and of Mileikowsky became adversarial. In violation of his
7 fiduciary duties to Plaintiff Nicherie, Pratt told Mileikowsky information which
8 he had received within the confines of attorney-client privilege from Plaintiff
9 Nicherie, including but not limited to the fact that Plaintiff had discovered that
10 FTT (Federal TransTel) was being used as a conduit by Defendant Traffix, Inc.
11 by running fraudulent billings through FTT's billing system.

12 62. As a proximate result of the wiretaps of plaintiff's home in Mill
13 Valley, a subsequent wiretap by Pellicano at plaintiff's home in San Diego, and
14 through wire taps of his businesses, defendant Pellicano learned of various
15 disputes in which plaintiff was embroiled, including disputes with defendant
16 Ami Shafir, actor Johnny Depp and others, and approached these persons with
17 information that he had gleaned from the wiretaps to enable him to take them on
18 as clients.

19 63. At all times relevant herein, defendant Pellicano's modus operandi
20 was to sell information and take actions for and against his own clients' interests
21 and those of their adversaries without any regard for ethical standards against
22 such conflicts of interests.

23 64. The installing of said wiretaps in plaintiff's home in Mill Valley, in
24 his home in Sand Diego and in his businesses were violations of both state and
25 federal law.

26 65. In the course and scope of his illegal wiretapping of Plaintiff,
27 Pellicano learned that Plaintiff was a federal whistle blower regarding a variety
28 of illegal activities, including but not limited to the trafficking of expired and/or

1 stolen pharmaceutical drugs that were sold at purported “discounts” to
2 unscrupulous pharmacies in low-income and primarily minority group
3 neighborhoods (e.g., African-American, Hispanic, and Asian-American); “Small
4 billing fraud” and identity theft schemes perpetrated through Federal Transtel
5 Inc. and other telephone billing company contractors and through related
6 criminal enterprises (including but not limited to Traffix, Inc. which conspired
7 with Defendant Ami Shafrir to defraud the creditors and billed clients for
8 bogus or non existent charges) on approximately 17,000 customers in one such
9 scheme alone, and massive identity theft and small billing increment frauds; and
10 other illegal activities. Pellicano made various people aware of these undercover
11 activities by Plaintiff, including officials of the telecommunications companies,
12 illegal pharmaceutical traffickers, members of the Bonanno crime family, the
13 Jerusalem Network, the Klein crime family and others so that they could take
14 punitive steps against Plaintiff to discredit and destroy him.

15 66. Plaintiff has been damaged in an amount exceeding the
16 jurisdictional minimum of the court, wherefore, Plaintiff brings suit on this
17 cause of action for damages in an amount according to proof, to be trebled
18 pursuant to 18 USC 1964(c) and reasonable attorney fees and costs under 18
19 USC 1964(c), and wherein, the Defendant’s acts and omissions were fraudulent,
20 malicious, and oppressive, for punitive damages in an amount to be proven at
21 trial as to defendants Anthony J. Pellicano, Kenneth Alan Pratt, Dr. Gil
22 Mileikowsky and does 1-30. Plaintiff also seeks imposition of a constructive
23 trust over the assets of the Defendants derived from their unlawful activities.

24 SECOND CAUSE OF ACTION

25 18 USC 1964(c) [RICO]

26 AGAINST DEFENDANTS ANTHONY J. PELLICANO, KENNETH ALAN
27 PRATT, DR. GIL MILIESKOWSKY, MARK JOSEPH ARNESON, CRAIG
28 LOUIS STEVENS, CITY OF LOS ANGELES, a Municipal Corporation, CITY

1 OF BEVERLY HILLS, a Municipal Corporation, ALEXANDER PROCTOR
2 MARVIN EARL GREEN, MENACHEM KLEIN AKA MIKE KLEIN,
3 AMIRAM MOSHE SHAFRIR aka AMIRAM MOSHE FISCHER aka AMI
4 SHAFRIR, SARIT HATT SHAFRIR, RAFAEL COHEN aka RAFFI COHEN,
5 KENNETH HOWARD TAVES, HAI WAKNINE, ASSAF WAKNINE,
6 JUDAH HERTZ, MOUKI COHEN, MOSHE HAIMOVITCH, JACOB
7 “COOKIE” ORGAD, CHAMELEON STRATEGIC OPERATIONS, a
8 business entity form unknown, CHAMELEON STRATEGIC OPERATIONS,
9 INC., a California Corporation, SHELDON HAROLD SLOAN, individually
10 and as President of Sheldon H. Sloan, a Professional Corporation, SHELDON
11 H. SLOAN, A PROFESSIONAL CORPORATION, a California corporation,
12 RAYFORD EARL TURNER, JORGE LUIS GOMEZ, MARIA GUADELUPE
13 OLMOS, DAVID ALI SAZEGAR, HELMUT BRUNJES aka CHARLES
14 OBERMAN, ALEXANDER TASSOFF, ESTATE OF IRVING DAVID
15 RUBIN aka IRVING SEYMOUR RUBIN, a deceased individual, ESTATE OF
16 BARRY KRUGEL, a deceased individual, ESTATE OF EARL LESLIE
17 KRUGEL, a deceased individual, JEWISH DEFENSE LEAGUE, an
18 unincorporated association, MARCO GARIBALDI (DOE 31), PRISCILLA
19 BEAULIEU PRESLEY (DOE 32), Neal Saferstein, and Does 33-60, inclusive,

20 67. Within the Second Cause of Action under the Racketeer Influenced
21 Corrupt Organization Act (RICO) Plaintiff reincorporates and re-alleges as
22 though fully set forth herein each and every allegation contained within the
23 preceding paragraphs 1-55 and paragraphs 57-65 inclusive

24 68. Defendants Anthony J. Pellicano, Kenneth Alan Pratt, Dr. Gil
25 Mileikowsky, Mark Joseph Arneson as an employee of the City of Los Angeles,
26 Craig Louis Stevens as an employee of the City of Beverly Hills, City of Los
27 Angeles, a Municipal corporation, City of Beverly Hills, a Municipal
28 corporation, Alexander Proctor, Marvin Earl Green, Menachem Klein AKA

1 Mike Klein, Amiram Moshe Shafrir aka Amiram Moshe Fischer aka Ami
2 Shafrir, Sarit Hatt Shafrir, Rafael Cohen aka Raffi Cohen, Kenneth Howard
3 Taves, Hai Waknine, Assaf Waknine, Judah Hertz, Mouki Cohen, Moshe
4 Haimovitch, Jacob “Cookie” Orgad, Chameleon Strategic Operations, a business
5 entity form unknown, Chameleon Strategic Operations, Inc., a California
6 corporation, Sheldon Harold Sloan, individually and as President of Sheldon H.
7 Sloan, a Professional Corporation, Sheldon H. Sloan, a Professional corporation,
8 a California corporation, Jorge Gomez, Maria Guadalupe Olmos, David
9 Sazegar, Helmut Brunjes aka Charles Oberman, Alexander Tassoff, Estate of
10 Irving David Rubin aka Irving Seymour Rubin, a deceased individual, Estate of
11 Barry Krugel, a deceased individual, Estate OF Earl Leslie Krugel, a deceased
12 individual, Jewish Defense League, an unincorporated association, Marco
13 Garibaldi (Doe 31), Priscilla Beaulieu Presley (DOE 32), Neal Saferstein and
14 Does 33-60, inclusive constituted members of an alliance of RICO enterprises
15 within the meaning of 18 USC 1961 et seq. At all time relevant herein, these
16 criminal organizations included but were not limited to “The Jerusalem
17 Network” of the Israeli Mafia, the “Bonanno crime family,” the “Klein crime
18 family” headed by Menachem “Mike” Klein composed of Jews and Israelis of
19 Hungarian descent or origin, the “Red Mafiya” aka “Organizatzion” and the
20 Jewish Defense League (“JDL”).

21 69. Defendants Pellicano, Pratt and Mileikowski burglarized plaintiff's
22 homes in Mill Valley and San Diego, California.

23 70. Defendant Pellicano wiretapped plaintiff's home in Mill Valley, his
24 home in San Diego and his various businesses. As a proximate result of the
25 illegal wiretapping of plaintiff, Pellicano solicited employment from defendant
26 Ami Shafrir and in the course and scope of this employment, obtained personal
27 information about plaintiff and his family and engaged in extortion against
28 plaintiff.

1 71. In the course and scope of his employment by Defendant Ami
2 Shafrir, Defendant Pellicano entered into an elaborate scheme of “bunco
3 extortion,” that had been developed and used by Defendant Klein, as described
4 in paragraph 51(c). In this plot, a hand grenade was placed under the hood of
5 Plaintiff’s mother’s vehicle, a photograph of C-4 explosives was left on the seat
6 of a vehicle where Plaintiff would find it, and various death threats were made
7 to Plaintiff. Plaintiff thereupon paid Defendant Pellicano \$200,000.00 and
8 agreed to drop a lawsuit against Defendant Ami Shafrir as the price for safety
9 for himself and his family.

10 72. Defendant Klein demanded a payment of \$200,000.00 under threat
11 of death to Plaintiff which forced Plaintiff to agree to remain quiet while Gus
12 Aguilar of Chicago Title processed and paid that sum out of escrow funds to
13 satisfy an obviously phony and fabricated deed of trust.

14 73. Defendants Pellicano, Arneson, Stevens, Pratt, Mileikowsky,
15 Proctor, Green, Klein, Ami Shafrir, Raffi Cohen, Hai and Assaf Waknine, Hertz,
16 Mouki Cohen, Orgad, Haimovitch, Chameleon Strategic Operations (both
17 entities), Sloan, Rubin, Barry and Earl Krugel, and JDL threatened Plaintiff or
18 caused Plaintiff and his family to be threatened with violence in the commission
19 of extortion regarding Plaintiff’s business dealings, including but not limited to
20 the conducting of physical raids of 8335 Sunset Boulevard, Los Angeles and
21 8670 Wilshire Boulevard, Beverly Hills in which Sheldon Sloan, an attorney
22 and private investigators from Chameleon Strategic Operations, and/or
23 Chameleon Strategic Operations Inc. were used to convince responding police
24 officers including defendant Stevens that these burglaries, trespasses, robberies
25 and extortions being committed in their presence were merely “civil disputes;”.

26 74. Defendants Proctor and Green engaging in unlawful surveillance of
27 Plaintiff and his family acting as independent contractors in violation of the
28

1 California Private Investigator Act, Section 7520 et seq Business & Professions
2 Code;

3 75. A forced real estate closing of 8670 Wilshire Boulevard was sold for
4 \$9,500,000.00 and 8335 Sunset Boulevard sold for \$3,200,000.00, grossly under
5 priced.

6 76 Defendant Sarit Shafrir obtaining a passport under false pretenses
7 in violation of a court ordered injunction and utilizing it to transport data used
8 for identity theft, extortion and fraud against members of the American armed
9 services and others to Israel, where she was searched by the Mishmar Hagvuel
10 (Israel Border Police) who disclosed and uncovered the transportation of these
11 databases which led to an undercover sting investigation of the participants who
12 were partners with defendants Ami and Sarit Shafrir on a porn website known as
13 www.dreamfaktory.com. This undercover sting operation conducted through the
14 Inspector General of the Department of Defense was revealed to clients of
15 Federal Transtel, Inc. by the defendants herein to discourage such clients from
16 sending billings through Federal Transtel, Inc. The retaliation by defendants
17 Ami and Sarit Shafrir included inducement and encouragement to the clients of
18 FTT, Inc. to file an involuntary bankruptcy against FTT, Inc. which caused the
19 phone companies to withhold payments to FTT, Inc. and segregate all payments
20 in the FTT, Inc. Evergreen Reserves accounts maintained by the phone
21 companies. Defendants Ami & Sarit Shafrir have since been assigned all rights
22 to over \$10,000,000.00 in reserves which equitably belong to FTT but are to
23 flow to defendants and their creditors, including IRS, FTB, State of Michigan
24 use tax investigators and the tens of thousands of consumers who are entitled to
25 a refund. Through communications in response to www.freenicherie.com it has
26 been learned that defendants Ami and Sarit Shafrir are attempting to evade
27 payment to their creditors by directing funds into their attorney's client-trust
28 accounts to shield the transfers. Plaintiffs are also informed and believe and

1 thereon allege that Ami and Sarit Shafrir, and their attorneys, have “structured
2 their assets” by creating “poison pill” liens on their real estate and other
3 properties, such as through the filing of Uniform Commercial Code liens with
4 the California Secretary of State, in which the attorneys claim to have liens for
5 legal fees prioritized ahead of tax collecting authorities. By these ruses, the
6 Shafrirs and their attorneys effectively dissuade taxing authorities from seizing
7 their real estate and other assets.

8 77. In the course and scope of his illegal wiretapping of Plaintiff,
9 Pellicano learned that Plaintiff was a federal whistle blower regarding a variety
10 of illegal activities, including but not limited to the trafficking of expired and/or
11 stolen pharmaceutical drugs that were sold at purported “discounts” to
12 unscrupulous pharmacies in low-income and primarily minority group
13 neighborhoods (e.g., African-American, Hispanic, and Asian-American);
14 Pellicano made various people aware of these undercover activities by Plaintiff,
15 illegal pharmaceutical traffickers, members of the Bonanno crime family, the
16 Jerusalem Network, the Klein crime family and others so that they could take
17 punitive steps against Plaintiff to discredit and destroy him.

18 78. Despite alleged audits by the IRS and FTB and State of Michigan the
19 capital gains taxes due on the sale of the two Wilshire and Sunset properties
20 have not been paid to the IRS or FTB since the two IRS liens totaling
21 \$1,400,000.00 are still outstanding and unpaid. Plaintiff, who was certified as a
22 whistle blower to the taxing authorities by filing a 211 Reward for Information
23 and disclosing these tax evasion schemes to federal agents, has not been
24 contacted about his reward or additional information needed for a thorough
25 audit.

26 79. Defendant Sarit Shafrir, acting on behalf of herself and all other
27 defendants obtained from Nextel Communications, Inc. by means of identity
28 theft Plaintiff’s cellular telephone bill and from that began calling everybody he

1 had called to accuse Plaintiff of being a thief. This included the private cellular
2 phone number of Plaintiff's Food & Drug Administration "handler" in
3 connection with Plaintiff's undercover activities on behalf of the FDA, United
4 States Department of Defense and other federal agencies, and telephoning
5 Plaintiff's handler to obstruct Plaintiff's investigation of criminal activities of
6 the Defendants. Defendant Sarit Shafrir subsequently lied to a federal agent, a
7 Special Agent of the United States by falsely claiming to her that Defendant
8 Ami Shafrir had obtained this telephone bill in civil proceedings discovery.
9 This representation by Sarit Shafrir was done in willful violation of 18 USC
10 1001. Plaintiff is informed and believes and thereon alleges that Defendant Sarit
11 Shafrir also obtained his other telephone bills from other telecommunications
12 companies in a like manner (i.e., the same manner for which officers of Hewlett
13 Packard have been indicted) who are defendants in this action.

14 80. When Plaintiff received death threats while at the premises of 8335
15 Sunset Boulevard. Los Angeles and at 8670 Wilshire Blvd. Beverly Hills,
16 Plaintiff as a reasonable and prudent person dialed "911." Defendant Stevens of
17 the Beverly Hills Police Department responded and proceeded to aid and abet
18 the extortionate threats of violence by covering up the crimes;

19 81. Defendants Pellicano, Ami and Sarit Shafrir, Tassoff, Brunjes,
20 Raffi Cohen, Taves, Hai and Assaf Waknine, Judah Hertz, Mouki Cohen,
21 Haimovitch, Sloan, Chameleon, Sheldon H. Sloan a Professional Corporation,
22 Gomez, Olmos, and Sazegar engaging in or aiding and abetting transfer of
23 money to a variety of offshore accounts and RICO enterprises including but not
24 limited to Rockport Investments (Cook Islands), Hungarian Broadcasting
25 Company and its subsidiaries (Hungary and the Netherlands), as well as to
26 locations in Vanuatu and the Cayman Islands; and, embezzling through
27 fraudulent misrepresentation the transfer of ownership of Plaintiff's assets,
28 including but not limited to his home in San Diego These defendants along with

1 Raffi Cohen and Klein also invented bogus business entities to create non-
2 existent debts, liens, and other encumbrances for the purpose of evading taxes
3 and effecting fraudulent transfers, arranged phony sublets at 8335 Sunset Blvd.
4 Los Angeles and 8670 Wilshire Blvd. Beverly Hills for the purpose of
5 defrauding the cities of Los Angeles and Beverly Hills out of business taxes and
6 other revenues through accounting fraud, which were expressly aided and
7 abetted as to 8670 Wilshire Blvd by defendant Stevens. Another method of
8 cheating cities out of taxes was by transferring the buildings to non-existent
9 third parties created solely for the transaction itself who then transferred the
10 property to the real owner, concealing the actual capital gains by never filing a
11 tax return for the purported third party entities

12 82. Defendants Klein, Assaf Waknine and Ami Shafrir threatened
13 plaintiff with death as well as repeatedly intimidating, and harassing Plaintiff
14 when his whistle blowing activities were discovered by Pellicano's illegal
15 wiretapping investigation, and forced him to dismiss, his whistle blower Case
16 No. BC 284007 on December 24, 2002

17 83. Plaintiff has been damaged in an amount exceeding the
18 jurisdictional minimum of the court, wherefore, Plaintiff brings suit on this
19 cause of action for damages in an amount according to proof, to be trebled
20 pursuant to 18 USC 1964(c) and reasonable attorney fees and costs under 18
21 USC 1964(c), and wherein, the Defendant's acts and omissions were fraudulent,
22 malicious, and oppressive, for punitive damages in an amount to compensate for
23 same in an amount to be proven at trial as to all defendants except the City of
24 Los Angeles and the City of Beverly Hills.. Plaintiff also seeks imposition of a
25 constructive trust over the assets of the Defendants derived from their unlawful
26 activities.

27 ////

28 ////

1 THIRD CAUSE OF ACTION

2 18 USC 1964(c) [RICO]

3 AGAINST DEFENDANTS ANTHONY J. PELLICANO, AT&T
4 COMMUNICATIONS OF CALIFORNIA, INC., a California Corporation (as
5 successor to SBC Communications and Bell South Corporation), QWEST
6 COMMUNICATIONS CORPORATION, a
7 Delaware Corporation (as successor to U.S. West), MCI COMMUNICATIONS
8 SERVICES, INC., a Delaware Corporation, VERIZON GLOBAL
9 NETWORKS, INC., A Delaware Corporation, MARK JOSEPH ARNESON,
10 CRAIG LOUIS STEVENS, KENNETH HOWARD TAVES, ASAF
11 WAKNINE, JOHN HENDRICKSON, JOHN MASTERSON, RAYFORD
12 EARL TURNER, TRAFIX, INC., a Delaware corporation, MERCANTILE
13 CAPITAL, LLC, a Pennsylvania limited liability company,
14 GOINTERNET.NET, INC., a Delaware corporation, Neal Saferstein, and Does
15 61-90, inclusive,

16 84. Within the Third Cause of Action under the Racketeer Influenced
17 Corrupt Organization Act (RICO) Plaintiff reincorporates and re-alleges as
18 though fully set forth herein each and every allegation contained within the
19 preceding paragraphs 1 -55 inclusive, 57-65 inclusive, and 67-82 inclusive.

20 85. Defendants Anthony J. Pellicano, AT&T Communications of
21 California, Inc., a California Corporation (as successor to SBC Communications
22 and Bell South Corporation), QWEST Communications Corporation, a
23 Delaware Corporation (as successor to U.S. West), MCI Communications
24 Services, Inc., a Delaware corporation, Verizon Global Networks, Inc., A
25 Delaware Corporation, Mark Joseph Arneson, Craig Louis Stevens, Kenneth
26 Howard Taves, Assaf Waknine, John Hendrickson, John Masterson, Rayford
27 Earl Turner, Traffix, Inc., a Delaware corporation, Mercantile Capital, LLC, a
28 Pennsylvania limited liability company, GoInternet.Net, Inc., a Delaware

1 corporation, Neal Saferstein, and Does 61-90, inclusive, constituted members of
2 an alliance of RICO enterprises within the meaning of 18 USC 1961 et seq. At
3 all time relevant herein, defendants were connected to criminal organizations
4 included but not limited to “The Jerusalem Network” of the Israeli Mafia, the
5 “Bonanno crime family,” the “Klein crime family” headed by Menachem
6 “Mike” Klein composed of Jews and Israelis of Hungarian descent or origin, the
7 “Red Mafiya” aka “Organizatzion” and the Jewish Defense League (“JDL”).

8 86. Plaintiff is informed and believes and thereon alleges that
9 Defendants MCI, AT&T, Qwest, and Verizon were clients of Defendant
10 Pellicano and that Pellicano was instrumental in protecting their “Evergreen
11 Reserve Funds” from public or governmental scrutiny, operating in tandem with
12 their assets management departments. Through his contacts with these
13 telecommunications companies, Defendant Pellicano was given introduction and
14 access to Defendants Arneson and Stevens who were employees of the City of
15 Los Angeles and the City of Beverly Hills respectively and who had pre-existing
16 relationships with these companies.

17 87. When Plaintiff was employed as president of Federal TransTel
18 (FTT), a telephone billing company, he began to insist upon the telephone
19 companies making payments from their “Evergreen Reserve Funds” to FTT.
20 The Evergreen Reserve Funds were held by the telephone companies supposedly
21 as a hedge for incorrect or unauthorized billings. There was no standard by
22 which such funds were held and for how long. When Plaintiff first became
23 president, the companies owed FTT an aggregate of over \$13 million. Plaintiff
24 was able to reduce that amount to \$10.5 million.

25 88. In response to Plaintiff’s legitimate and proper demands of the
26 telecommunication companies to pay what they owed to FTT,
27 telecommunication company asset management employees, including but not
28 limited to Defendants Hendrickson, Masterson, and DOE 1 (Joan LNU, an

1 employee of AT&T) solicited bribes from Plaintiff in the form of nepotistic
2 hiring of their friends and/or relatives by FTT. In order to receive payments of
3 legitimately owed moneys to FTT, Plaintiff was forced to hire approximately 15
4 (fifteen) individuals at the express request and insistence of these defendants.

5 89. Defendant Pellicano, in the course and scope of his illegal
6 wiretapping of Plaintiff, learned that Plaintiff was a federal whistle blower
7 regarding a variety of illegal activities, including but not limited to the
8 trafficking of expired and/or stolen pharmaceutical drugs that were sold at
9 purported “discounts” to unscrupulous pharmacies in low-income and primarily
10 minority group neighborhoods (e.g., African-American, Hispanic, and Asian-
11 American); the unlawful diversion of use taxes from government agencies
12 through telephone company billing arrangements [including but not limited to
13 nearly \$1 million diverted from the State of Michigan, for which Pellicano made
14 payments to Cassis Travel as bribes on behalf of a former Governor and former
15 State Treasurer of Michigan to insure that the resulting Michigan State Tax Lien
16 would never be collected]; massive identity theft and small billing increment
17 frauds; and other illegal activities. Pellicano made various people aware of
18 these undercover activities by Plaintiff, including officials of the
19 telecommunications companies, illegal pharmaceutical traffickers, members of
20 the Bonanno crime family, the Jerusalem Network, the Klein crime family and
21 others so that they could take punitive steps against Plaintiff to discredit and
22 destroy him.

23 90. Defendant Turner, an employee of SBC predecessor of defendant
24 AT&T obtained telephone toll information to enable Pellicano to seek out new
25 potential clients who were involved in business or personal disputes with
26 Plaintiff enabling him to peddle information to them concerning Plaintiff and
27 provide them with a collateral advantage in their dealings and transactions with
28

1 Plaintiff, as well as to expose to them Plaintiff's activities as a federal and local
2 law enforcement whistleblower.

3 91. The fraudulent billing of 17,000 clients by defendants Ami and
4 Sarit Shafrir was uncovered by accountants working for defendant Ami and
5 Sarit Shafrir who insisted on writing refund checks to some of these defrauded
6 victims. Plaintiff is informed and believes that the checks were not delivered to
7 the victims. This scheme has left a contingent liability for un-cashed checks
8 totaling millions of dollars.

9 92. Upon Plaintiff's demand for a release of funds from the reserves,
10 the telephone companies immediately froze the account and refused to deliver
11 the FTT funds to plaintiff who is legitimately entitled to them in his own right
12 and as Trustee for Six Children Educational Trust. Plaintiff is informed and
13 believes and thereon alleges that \$10,000,000. in funds of FTT from the
14 Evergreen Reserves Account are to be delivered wrongfully to defendants Ami
15 and Sarit Shafrir.

16 93. "Small billing fraud" and identity theft schemes were perpetrated
17 through Federal Transtel and other telephone billing company contractors and
18 through related criminal enterprises (including but not limited to defendant
19 Traffix, Inc. which conspired with Defendant Ami Shafrir to defraud the
20 creditors and billed clients for bogus or non existent charges) on approximately
21 17,000 customers in one such scheme alone. Plaintiff, subsequent to learning of
22 the billing practices of Traffix, Inc. (a) Refused to do any further business
23 with Traffix, Inc; (b) Gave formal written notice to the telecommunications
24 company defendants named herein of the fraudulent billing practices of Traffix,
25 Inc. (c) Gave formal written notice to the other billing companies of the
26 fraudulent billing practices of Traffix, Inc. Instead of refusing to do business
27 with Traffix, Inc., the telecommunications company defendants retaliated
28 against Plaintiff and FTT by (a) increasing his reserve account requirements in a

1 manner calculated to put FTT out of business and (b) continued to do business
2 with Traffix, Inc. through other billing companies, such as Integratel. Plaintiff
3 was personally informed by Traffix, Inc., and believes, and thereon alleges, that
4 Traffix, Inc. was operated and controlled by the Bonanno Crime Family of the
5 Mafia or *La Cosa Nostra* and was threatened in an act of extortion by Traffix,
6 Inc., a “RICO Predicate Act” as defined in 18 USC 1961(1)(A) is he did not
7 continue doing business with Traffix, Inc. By their retaliation of increasing
8 FTT’s reserve accounts, the telecommunications company defendants conspired
9 with and aided the act of extortion of Traffix, Inc. committed against Plaintiff.

10 94. Plaintiff has been damaged in an amount exceeding the
11 jurisdictional minimum of the court, wherefore, Plaintiff brings suit on this
12 cause of action for damages in an amount according to proof, to be trebled
13 pursuant to 18 USC 1964(c) and reasonable attorney fees and costs under 18
14 USC 1964(c), and wherein, the Defendant’s acts and omissions were fraudulent,
15 malicious, and oppressive, for punitive damages in an amount to compensate for
16 same in an amount to be proven at trial as to all defendants except the City of
17 Los Angeles and the City of Beverly Hills.. Plaintiff also seeks imposition of a
18 constructive trust over the assets of the Defendants derived from their unlawful
19 activities.

20 **FOURTH CAUSE OF ACTION**

21 42 USC 1983

22 **VIOLATION OF CIVIL RIGHTS UNDER COLOR OF AUTHORITY**
23 **AGAINST ARNESON, STEVENS, CITY OF LOS ANGELES, CITY OF**
24 **BEVERLY HILLS AND DOES 2-15, INCLUSIVE**

25 95. Within the Fourth Cause of Action under 42 USC 1983, Plaintiff
26 reincorporates and re-alleges each and every allegation contained within the
27 preceding paragraphs 1-55 inclusive, and each and every allegation contained
28

1 within the preceding First, Second, and Third Cause of Action, as though fully
2 set forth herein.

3 96. In doing the acts and omissions alleged herein, and in conspiring
4 with the other defendants to do so, defendants Arneson and Stevens violated 18
5 USC 241 and Plaintiff's rights under the First and Fourteenth Amendments to
6 the United States Constitution, Article I, Sections 1, 2, 7, 13, and 19 of the
7 California Constitution, and Articles 9, 12, 14, 17, 19, and 25 of the
8 International Covenant on Civil & Political Rights.

9 97. Plaintiff has been damaged by the acts and omissions of these
10 defendants and brings suit for actual damages in an amount according to proof at
11 trial, for reasonable attorney fees under 42 USC 1988(b), investigative costs
12 under 42 USC 1988(c), and wherein their acts and omissions were oppressive
13 and malicious, for punitive damages in an amount to be proven at trial as to all
14 defendants except the City of Los Angeles and the City of Beverly Hills.

15 FIFTH CAUSE OF ACTION

16 42 USC 1985

17 AGAINST ALL DEFENDANTS

18 98. Within the Fifth Cause of Action under 42 USC 1985, Plaintiff
19 reincorporates and re-alleges each and every allegation contained within the
20 preceding paragraphs 1-55 inclusive, and each and every allegation contained
21 within the preceding First through Four Causes of Action, as though fully set
22 forth herein.

23 99. In doing the acts and omissions alleged herein, Defendants
24 conspired to prevent Plaintiff from testifying as a witness in criminal
25 proceedings which would have been brought against them as a result of his
26 activities as a federal whistleblower, in violation of his rights under 42 USC
27 1985(2).
28

1 100. In doing the acts and omissions alleged herein, Defendants
2 conspired to prevent Plaintiff exercising his rights under the Constitution of the
3 United States, the Constitution of the State of California, and the International
4 Covenant on Civil and Political Rights in violation of 42 USC 1985(3).

5 101. Plaintiff has been damaged by the acts and omissions of these
6 defendants and brings suit for actual damages in an amount according to proof at
7 trial, for reasonable attorney fees under 42 USC 1988(b), investigative costs
8 under 42 USC 1988(a), and wherein their acts and omissions were oppressive
9 and malicious, for punitive damages in an amount to be proven at trial as to all
10 defendants except the City of Los Angeles and the City of Beverly Hills.

11 SIXTH CAUSE OF ACTION

12 42 USC 1986

13 AGAINST DEFENDANTS ARNESON, STEVENS, CITY OF LOS
14 ANGELES, CITY OF BEVERLY HILLS, DOES 2-15, INCLUSIVE and 91
15 and 92

16 102. Within the Sixth Cause of Action under 42 USC 1986, Plaintiff
17 reincorporates and re-alleges each and every allegation contained within the
18 preceding paragraphs 1-48, inclusive, and each and every allegation contained
19 within the preceding First through Third Causes of Action, as though fully set
20 forth herein.

21 103. As peace officers of the State of California or the United States of
22 America, respectively, defendants Arneson, Stevens, Doe 91, and Doe 92 were
23 obligated to protect and defend the rights of Plaintiff and to prevent the
24 conspiratorial acts and omissions alleged herein from taking place.

25 104. At all times relevant herein, various Doe defendants who were in
26 supervisory authority over defendants Arneson, Stevens, Doe 91 and Doe 92
27 and/or prosecutors who knew or should have known that they were engaged in
28 unlawful conspiratorial activities failed to exercise their obligations to prevent

1 those acts and omissions from taking place are allowing them to continue
2 unabated.

3 105. Plaintiff has been damaged by the acts and omissions of these
4 defendants and brings suit for damages in the statutory amount of \$5,000.00
5 each.

6 SEVENTH CAUSE OF ACTION
7 "A BIVENS ACTION"
8 AGAINST DOES 16-25, INCLUSIVE

9 106. Within the Seventh Cause of Action under Bivens v Six Unknown
10 Agents, 403 US 388 (1971), Plaintiff reincorporates and re-alleges each and
11 every allegation contained within the preceding paragraphs 1-55, inclusive, and
12 each and every allegation contained within the preceding First through Fourth
13 Causes of Action, as though fully set forth herein.

14 107. In doing the acts and omissions alleged herein, and in conspiring
15 with the other defendants to do so, Does 91 and 92 violated 18 USC 241 and
16 Plaintiff's rights under the First and Fourteenth Amendments to the United
17 States Constitution, Article I, Sections 1, 2, 7, 13, and 19 of the California
18 Constitution, and Articles 9, 12, 14, 17, 19, and 25 of the International Covenant
19 on Civil & Political Rights.

20 107. Plaintiff has been damaged by the acts and omissions of these
21 defendants and brings suit for actual damages in an amount according to proof
22 and wherein, the acts and omissions of these defendants were oppressive and
23 malicious, for punitive damages in an amount according to proof.

24 EIGHTH CAUSE OF ACTION
25 BANE CIVIL RIGHTS ACT
26 AGAINST ALL DEFENDANTS

27 108. Within the Eighth Cause of Action under Section 52.1 of the
28 California Civil Code, Plaintiff reincorporates and re-alleges each and every

1 allegation contained within the preceding paragraphs 1-55 inclusive, and each
2 and every allegation contained within the preceding First through Seventh
3 Causes of Action, as though fully set forth herein.

4 109. In doing the acts and omissions alleged herein, and in conspiring
5 with the other defendants to do so, the Defendants violated 18 USC 241 and
6 Plaintiff's rights under the First and Fourteenth Amendments to the United
7 States Constitution, Article I, Sections 1, 2, 7, 13, and 19 of the California
8 Constitution, and Articles 9, 12, 14, 17, 19, and 25 of the International Covenant
9 on Civil & Political Rights.

10 110. Threats of violence and intimidation were repeatedly made against
11 Plaintiff and his family by the Defendants including but not limited to the use of
12 a hand grenade and C-4 explosives, the use of a vicious dog named "Uzi" owned
13 by Defendant Klein, the use of numerous thugs acting as so-called
14 "investigators" under the auspices of Chameleon Strategic Operations, and the
15 threats of the Bonanno Crime Family made through an officer of Traffix, Inc. as
16 well as a west coast Bonanno Crime Family soldier who was video-taped in the
17 commission of extortion by law enforcement authorities against Plaintiff.

18 111. Plaintiff has suffered damages for which he brings suit under
19 Section 52.1 of the California Civil Code according to proof, for punitive
20 damages according to proof as to all defendants except the City of Los Angeles
21 and the City of Beverly Hills, for a \$25,000.00 for each incident according to
22 proof against each defendant, and for reasonable attorney fees.

23 NINTH CAUSE OF ACTION

24 SECTION 2891(e) CALIFORNIA PUBLIC UTILITIES CODE

25 AGAINST TURNER, AT&T and DOES 26-35, INCLUSIVE

26 112. Within the Ninth Cause of Action under Section 2891(e) of the
27 California Public Utilities Code, Plaintiff reincorporates and re-alleges each and
28 every allegation contained within the preceding paragraphs 1-55, inclusive, and

1 each and every allegation contained within the preceding First Cause of Action,
2 as though fully set forth herein.

3 113. In doing the acts and omissions alleged herein Defendant Turner
4 acted within the course and scope of his duties as an employee of AT&T and
5 AT&T is therefore liable for his participation in the aforementioned conspiracy
6 under the provisions of Section 2891(e) of the Public Utilities Code and the
7 damages caused to Plaintiff.

8 114. Plaintiff has been damaged by the acts and omissions of these
9 defendants and brings suit for actual damages in an amount according to proof at
10 trial, and wherein their acts and omissions were oppressive and malicious, for
11 punitive damages in an amount to be proven at trial.

12 TENTH CAUSE OF ACTION
13 SECTION 637.2 OF THE CALIFORNIA PENAL CODE
14 AGAINST ALL DEFENDANTS

15 115. Within the Tenth Cause of Action under Section 637.2 of the
16 California Penal Code, Plaintiff reincorporates and re-alleges each and every
17 allegation contained within the preceding paragraphs 1-48, inclusive, and each
18 and every allegation contained within the preceding First Cause of Action, as
19 though fully set forth herein.

20 116. In doing the acts and omissions alleged herein constitute repeated
21 violations of California Penal Code Sections entitling Plaintiff to compensation
22 under Section 637.2 of the Penal Code.

23 117. Plaintiff has suffered actual damages and brings suit for actual
24 damages to be trebled pursuant to the provisions of Section 637.2 Penal Code.

25 ////

26 ////

27 ////

28 ////

1 ELEVENTH CAUSE OF ACTION

2 18 USC 2520

3 AGAINST ALL DEFENDANTS

4 119.. Within the Eleventh Cause of Action under 18 USC 2520, Plaintiff
5 reincorporates and re-alleges each and every allegation contained within the
6 preceding paragraphs 1-55, inclusive, and each and every allegation contained
7 within the preceding First Three Causes of Action, as though fully set forth
8 herein.

9 120. Plaintiff has suffered damages from the violations of 18 USC 2511
10 committed and/or attempted against him, wherefore he brings action under 18
11 USC 2520(c)(2) for the greater of actual damages and any profits derived from
12 the sale \$100.00 per day or \$10,000.00, for punitive damages according to proof
13 under 18 USC 2520(b)(2) as to all defendants except the City of Los Angeles
14 and the City of Beverly Hills, and attorney and investigative fees and costs
15 under 18 USC 2520(b)(3).

16 TWELFTH CAUSE OF ACTION

17 INVASION OF PRIVACY AND INDEMNIFICATION

18 AGAINST ALL DEFENDANTS

19 121. Within the Twelfth Cause of Action for Invasion of Privacy, Plaintiff
20 reincorporates and re-alleges each and every allegation contained within the
21 preceding paragraphs 1-55, inclusive, and each and every allegation contained
22 within the preceding First through Eleventh Causes of Action, as though fully
23 set forth herein.

24 122. In doing the acts and omissions alleged herein, Defendants and
25 each of them invaded Plaintiff's constitutional and other legal and civil rights to
26 privacy acts, which defendants violated against Plaintiff and against other
27 unsuspecting victims who have communicated with Plaintiff in his role as
28 president of Federal Transtel, Inc. These consumers had no idea as to why

1 charges were appearing on their phone bills and credit card bills. These
2 consumers requested that defendants reimburse and retract these bogus charges
3 from their bills.

4 123. Sarit and Ami Shafrir indemnified Plaintiff from any cause of
5 action or Class Action suit brought on behalf of the defrauded consumers. One
6 class of victims totaling 17,000 individuals was disclosed by the accountants for
7 the Shafrirs who had insisted refund checks be issued to some of these victims in
8 that class. The refund checks were issued and signed but never mailed by the
9 Shafrirs. These consumers have communicated recently with Plaintiff through
10 information uncovered in a website known as www.freenicherie.com. On this
11 site are some of the names of the aggrieved consumers. Plaintiff has referred
12 these individuals to the FTC for reimbursement as well as to the telephone
13 companies who are holding in trust the Evergreen Reserves to compensate
14 victims of identity theft and fraudulent billing.

15 124. The telephone companies named in these suits have been requested
16 to communicate and refund these consumers. Indemnification to this Plaintiff
17 from any suits brought by these individuals is hereby requested. An order from
18 this court protecting and shielding this Plaintiff from liability to these defrauded
19 individuals is requested in this suit. There is over \$10,000,000.00 currently on
20 deposit with the phone companies who allowed fraudulent and bogus charges to
21 be billed to their clients.

22 125. Defendants should be required to refund and account for these
23 monies and assure proper payment and refund of these fraudulent charges.
24 Defendants have ignored and delayed and obstructed the orderly repayment of
25 these refunds to thousands of individuals. In the event of a short-fall in the
26 withheld Evergreen Reserves with the phone companies defendants Ami and
27 Sarit Shafrir have issued indemnifications and hold harmless agreements to their
28 employees and agents to shield them from liability and to enable them to freely

1 disclose the events surrounding the theft and fraudulent billing on these
2 consumers.

3 126. Defendants Sarit and Ami Shafrir have claimed indigence and
4 poverty after hiding their assets with a variety of “front men” and shell
5 corporations. This scheme commenced upon the disclosure to the FTC of
6 massive identity theft and fraud by defendants Sarit and Ami Shafrir and their
7 partner Kenneth Taves. Defendants Sarit and Ami Shafrir conspired to transfer
8 their assets and create a tax loss by wiring money from First Credit Bank in the
9 amount of \$5,000,000.00 designated to Hungarian Broadcasting Corporation
10 which then transferred the money to other Shafrir designees to hold on their
11 behalf.

12 127. Defendant Alex Tassoff in Germany is but one of these individuals
13 according to sworn declarations given to federal agents. This testimony is in
14 complete contradiction and disregard to sworn declarations given to the
15 honorable Kenneth Black of Los Angeles Superior Court in divorce proceedings
16 known as Shafrir vs. Shafrir. In the divorce which was structured to shield some
17 of the assets from seizure by the FTC in FTC vs. Ken Taves and NetOptions
18 Defendants Sarit and Ami Shafrir both claimed indigence. Both were found by
19 Judge Kenneth Black to be perjurers. Judge Black sanctioned Ami Shafrir by
20 removing his attorneys Richard Sherman, Esq. and Robert Young, Esq. from
21 representing Ami Shafrir and filed a criminal referral relating to perjured
22 financial statements and disclosures given to the court under penalty of perjury.
23 In particular, Judge Black found that Mr. Sherman utilized his attorney-client
24 trust account to hide \$200,000.00 wired by the Shafrirs from off-shore. Mr.
25 Sherman admitted to giving cash payments to Mr. Shafrir in structured amounts
26 of \$9,000.00 to \$9,900.00 to avoid disclosure by banking authorities. All this
27 while was done while Ami Shafrir claimed poverty and indigence. Judge Black
28 ordered Sarit Shafrir to pay spousal support to Ami Shafrir as the sanction for

1 her perjured statements. This was based upon a declaration filed by Ami Shafrir
2 with Judge Black entitled “77 Lies of Sarit Shafrir”. The appearance by the
3 Defendants Sarit and Ami Shafrir of an acrimonious divorce was done to
4 confuse their creditors and create a “smoke screen” to their tax evasion schemes.

5 128.. When Plaintiff, who was managing Federal Transtel, Inc.,
6 uncovered these felonies as part of Federal Transtel’s attempt to recover
7 millions of dollars looted by the Shafrirs he disclosed these tax evasion and
8 identity theft schemes to the proper law enforcement agencies and taxing
9 authorities. Defendants conspired to silence and muzzle Plaintiff and intimidate
10 and harass his family. Plaintiff prays for an order of indemnification of this
11 honorable court.

12 129. Plaintiff has been damaged by the acts and omissions of these
13 defendants and brings suit for actual damages in an amount according to proof at
14 trial, and wherein their acts and omissions were oppressive and malicious, for
15 punitive damages in an amount to be proven at trial as to all defendants except
16 the City of Los Angeles and the City of Beverly Hills. Plaintiff also seeks court
17 enforcement of all indemnification agreements.

18 THIRTEENTH CAUSE OF ACTION
19 INFORMATION PRACTICES ACT, SECTION 1798.45
20 OF THE CALIFORNIA CIVIL CODE
21 AGAINST DEFENDANTS ARNESON, STEVENS, CITY OF
22 LOS ANGELES, CITY OF BEVERLY HILLS AND DOES 2-15, INCLUSIVE

23 130. Within the Thirteenth Cause of Action for violation of the
24 Information Practices Act, Plaintiff reincorporates and re-alleges each and every
25 allegation contained within the preceding paragraphs 1-55, inclusive, and each
26 and every allegation contained within the preceding First through Twelfth
27 Causes of Action, as though fully set forth herein.
28

1 131. In doing the acts and omissions alleged herein, Defendants violated
2 the provisions of Section 1798.24 of the California Civil Code by Arneson and
3 Stevens providing personal information concerning the Plaintiff to Defendant
4 Pellicano and others.

5 132.. Defendant City of Los Angeles and Does 2-15, inclusive maintain a
6 pattern and practice of aiding and abetting violations of the Information
7 Practices Act by (a) failing to notify known victims of violations, (b) failing to
8 interview victims during investigations of violations, (c) failing to appropriately
9 discipline perpetrators of violations, and (d) promoting violators to reward them
10 for maintaining silence about the actual ramifications of their violations, such as
11 the City did in the case of William Baumann. The City of Los Angeles also
12 failed to take appropriate disciplinary action against Defendant Arneson when
13 he was caught unlawfully obtaining photographs of attractive females while on
14 duty in Pacific Division at Venice Beach, purportedly for use in creating photo –
15 identification “six-packs” of suspected prostitutes.

16 133. Plaintiff has been damaged by the acts and omissions of these
17 defendants and brings suit for actual damages in an amount according to proof at
18 trial, including damages for mental suffering as provided by Section 1798.48 of
19 the California Civil Code, as well as reasonable attorney fees, and wherein their
20 acts and omissions were oppressive and malicious, for punitive damages in an
21 amount to be proven at trial as to all defendants except the City of Los Angeles
22 and the City of Beverly Hills.

23 FOURTEENTH CAUSE OF ACTION

24 FRAUD

25 AGAINST PRATT AND DOES 31-35, INCLUSIVE

26 134. Within the Fourteenth Cause of Action for Common Counts,
27 Plaintiff reincorporates and re-alleges each and every allegation contained
28 within the preceding paragraphs 1-55, inclusive, and each and every allegation

1 contained within the preceding First Three Causes of Action, as though fully set
2 forth herein.

3 135.. Defendant Pratt entered into an unlawful oral agreement in
4 violation of Section 6148 of the California Business & Professions Code in
5 which Pratt was paid approximately \$30,000.00 to perform a legal service for
6 Plaintiff's spouse in defense of a probate action. The oral agreement provided
7 that Pratt was to refund the money to Plaintiff upon distribution of proceeds at
8 the end of the probate action. The oral agreement contemplated that Defendant
9 Pratt would only engage in lawful litigation tactics.

10 136. In spite of Defendant Pratt's assurances to Plaintiff that the filing of
11 a "tactical" complaint was lawful, Plaintiff is informed and believes and thereon
12 alleges that in fact the action filed by Pratt, an elder abuse complaint, was a
13 malicious tactical complaint and that such tactics by Pratt, i.e., filing bogus and
14 malicious elder abuse complaints in probate court are a pattern of his law
15 practice. Plaintiff is informed and believes and thereon alleges that Pratt
16 routinely does this with impunity because he is protected by prominent
17 associates and colleagues in the Marin County Bar Association. Because Pratt
18 caused this complaint to be filed as part of the work for which he had been paid,
19 Pratt is not entitled to compensation because the work was done in violation of
20 public policy.

21 137.. In express violation of his agreement with Plaintiff, Pratt failed to
22 return the moneys that he had been paid by Plaintiff, and further took actions
23 directly contrary to Plaintiff's interests by suing Plaintiff's sister in law, Kristine
24 Larson (now Kristine Ault), for an additional sum of money to which he was not
25 entitled.

26 138. In reasonable reliance on the representations of Pratt as to the
27 legitimacy of his legal tactics and that he would return Plaintiff's retainer upon
28 recovery of a probate settlement, Plaintiff paid Pratt a retainer as requested.

1 139. Pratt breached the covenant of good faith and fair dealing as well as
2 State Bar Rules of Professional Conduct 3-100, 3-200, 3-210, and 3-310 in
3 doing the acts and omissions alleged herein. Pratt expressly violated the
4 provisions of Rule 3-310 by failing to obtain the written informed consent of
5 Plaintiff and of Defendant Mileikowsky to waive conflicts of interest when they
6 became adversarial and when Pratt revealed to Defendant Mileikowsky the
7 existence and nature of the fraudulent billings done by Traffix, Inc. through
8 FTT, information which he had learned within the course and scope of his
9 attorney-client relationship with Plaintiff Nicherie.

10 140. Plaintiff has been damaged by the acts and omissions of these
11 defendants and brings suit for actual damages in an amount according to proof at
12 trial, and wherein their acts and omissions were oppressive and malicious, for
13 punitive damages in an amount to be proven at trial.

14 FIFTEENTH CAUSE OF ACTION

15 QUIET TITLE

16 BY ALL PLAINTIFFS AGAINST DEFENDANTS GOMEZ,

17 OLMOS, SAZEGAR, SHAFRIR AND Does 36-50 inclusive

18 141. Within the Fifteenth Cause of Action for Quiet Title, Plaintiff
19 reincorporates and re-alleges each and every allegation contained within the
20 preceding paragraphs 1-55, inclusive, and each and every allegation contained
21 within the preceding First Three Causes of Action, as though fully set forth
22 herein.

23 142. Plaintiffs are the beneficial owners of the properties alleged herein
24 and thus now seek a judgment that they are the legal owners in fee simple of the
25 property and that defendants have no interest in the property adverse to the
26 plaintiffs, as the defendants sued herein have so badly managed the properties
27 referenced above having committed fraud, waste and conversion, as set forth in
28 this complaint.

1 143. Plaintiff has suffered economic and non-economic damages in an
2 amount to be proven at trial and wherein, the acts and omissions of the
3 defendants and each of them sued in this cause of action are fraudulent,
4 malicious, and oppressive as to Plaintiffs' rights, Plaintiffs are entitled to
5 recover punitive damages in an amount according to proof at trial.

6 SIXTEENTH CAUSE OF ACTION
7 ACTUAL FRAUD BY CONCEALMENT & INTENTIONAL
8 MISREPRESENTATION
9 BY ALL PLAINTIFFS AGAINST DEFENDANTS GOMEZ,
10 OLMOS, SAZEGAR, SHAFRIR AND Does 36-50 inclusive

11 144. Within the Sixteenth Cause of Action for Actual Fraud, Plaintiff
12 reincorporates and re-alleges each and every allegation contained within the
13 preceding paragraphs 1-55, inclusive, and each and every allegation contained
14 within the preceding First, Second, Third and Fifteenth Causes of Action, as
15 though fully set forth herein.

16 145. In doing the acts and omission alleged herein, Defendants Gomez,
17 Olmos, Sazegar, and Shafir intentionally misrepresented and concealed their
18 intentions and transactions in managing the property identified in paragraph 2,
19 from Plaintiffs.

20 146. At all times relevant herein, these Defendants were obligated to tell
21 Plaintiffs the truth about their intentions and transactions.

22 147. In reasonable reliance upon the representations of these Defendants,
23 Plaintiffs gave them access to and title to properties and moneys.

24 148.. Plaintiff has suffered economic and non-economic damages in an
25 amount to be proven at trial and wherein, the acts and omissions of the
26 defendants and each of them sued in this cause of action are fraudulent,
27 malicious, and oppressive as to Plaintiffs' rights, Plaintiffs are entitled to
28 recover punitive damages in an amount according to proof at trial.

1 SEVENTEENTH CAUSE OF ACTION

2 CONVERSION OF MONIES

3 BY ALL PLAINTIFFS AGAINST DEFENDANTS GOMEZ,

4 OLMOS, SAZEGAR, AMI SHAFRIR AND Does 36-50 inclusive

5 149. Within the Seventeenth Cause of Action for Conversion, Plaintiff
6 reincorporates and re-alleges each and every allegation contained within the
7 preceding paragraphs 1-55, inclusive, and each and every allegation contained
8 within the preceding First, Second, Third, Fifteenth, and Sixteenth Causes of
9 Action, as though fully set forth herein.

10 150. In doing the acts and omissions alleged herein Defendants Gomez,
11 Olmos, Sazegar, and Shafrir converted monies due and owing to Plaintiffs.

12 151.. Plaintiff has suffered economic and non-economic damages in an
13 amount to be proven at trial and wherein, the acts and omissions of the
14 defendants and each of them sued in this cause of action are fraudulent,
15 malicious, and oppressive as to Plaintiffs' rights, Plaintiffs are entitled to
16 recover punitive damages in an amount according to proof at trial.

17 EIGHTEENTH CAUSE OF ACTION

18 CONSTRUCTIVE TRUST

19 BY ALL PLAINTIFFS AGAINST DEFENDANTS GOMEZ,

20 OLMOS, SAZEGAR, SHAFRIR AND Does 36-50 inclusive

21 152. Within the Sixteenth Cause of Action for Constructive Trust,
22 Plaintiff reincorporates and re-alleges each and every allegation contained
23 within the preceding paragraphs 1-55, inclusive, and each and every allegation
24 contained within the preceding First, and Thirteenth through Fifteenth Causes
25 of Action, as though fully set forth herein.

26 153. By reason of the fraudulent and otherwise wrongful manner in
27 which the defendants or any of them, obtained their alleged right, claim or
28 interest in and to the property, defendants and each of them, have no legal or

1 equitable right, claim or interest therein, but, instead, Defendants and each of
2 them are involuntary trustees holding said property and profits therefrom in
3 constructive trust for Plaintiffs with the duty to convey the same to Plaintiffs
4 forthwith.

5 154. By reason of the conduct of the Defendants Plaintiffs are entitled to
6 a declaration that Defendants hold the properties identified in paragraph 2 as
7 constructive trustees for the benefit of the Plaintiffs.

8 NINETEENTH CAUSE OF ACTION
9 ACCOUNTING AND COMMON COUNTS

10 BY ALL PLAINTIFFS AGAINST DEFENDANTS GOMEZ,
11 OLMOS, SAZEGAR, SHAFRIR AND Does 36-50 inclusive

12 155. Within the Nineteenth Cause of Action for Common Counts,
13 Plaintiff reincorporates and re-alleges each and every allegation contained
14 within the preceding paragraphs 1-55, inclusive, and each and every allegation
15 contained within the preceding First, Second Third and Fifteenth through
16 Eighteenth Causes of Action, as though fully set forth herein.

17 156. Plaintiffs and Defendants Gomez, Olmos, Sazegar and Shafrir
18 entered into oral agreements concerning the mutual obligations of the parties
19 concerning the handling of monies in which these Defendants became obligated
20 to Plaintiffs for monies in amounts to be ascertained, which Plaintiff has
21 demanded of them and which they refuse to provide to Plaintiffs.

22 160. Plaintiffs are entitled to an accounting and for return of the funds
23 due and owing to Plaintiffs and therefore brings suit for an amount to be proven
24 at trial on the issues herein.

25 ////
26 ////
27 ////
28 ////

1 TWENTIETH CAUSE OF ACTION
2 UNDER THE FALSE CLAIMS ACT
3 31USC3730(b)

4 BY DANIEL NICHERIE ON BEHALF OF THE UNITED STATES OF
5 AMERICA

6 AGAINST DEFENDANTS ANTHONY J. PELLICANO, AMIRAM MOSHE
7 SHAFRIR aka AMIRAM MOSHE FISCHER aka AMI SHAFRIR, SARIT
8 HATT SHAFRIR, KENNETH HOWARD TAVES, ASSAF WAKNINE,
9 JUDAH HERTZ, AT&T COMMUNICATIONS OF CALIFORNIA, INC., a
10 California Corporation (as successor to SBC Communications and Bell South
11 Corporation), QWEST COMMUNICATIONS CORPORATION, a Delaware
12 Corporation (as successor to U.S. West), MCI COMMUNICATIONS
13 SERVICES, INC., a Delaware Corporation, VERIZON GLOBAL
14 NETWORKS, INC., a Delaware Corporation, JOHN HENDRICKSON, JOHN
15 MASTERSON, TRAFFIX, INC., a Delaware corporation, MERCANTILE
16 CAPITAL, LLC, a Pennsylvania limited liability company,
17 GOINTERNET.NET, INC., a Delaware corporation, NEAL SAFERSTEIN, and
18 Does 1-200

19 PLAINTIFF DANIEL NICHERIE ON BEHALF OF THE UNITED STATES
20 OF AMERICA alleges:

21 161. Within the Twentieth Cause of Action under the False Claims Act,
22 31 USC 3730(b), Plaintiff Daniel Nicherie on behalf of the United States of
23 America, reincorporates and re-alleges as though fully set forth herein each and
24 every allegation contained within the preceding Nineteen Causes of Action.

25 162. In doing the acts and omissions alleged herein:

26 (a) Defendants Hertz and Mercantile Capital, LLC used or
27 invested, directly or indirectly, income and/or the proceeds of income acquired
28 through the scheme described herein, in acquisition of any interest in, or the

1 establishment or operation of, enterprises which are engaged in, or the activities
2 of which affect, interstate or foreign commerce in violation of 18 USC 1962(a);

3 (b) Defendants Amiram Moshe Shafir, Sarit Hatt Shafir,
4 Kenneth Howard Taves, Assaf Waknine, Traffix, Inc., Gointernet.Net, Inc. and
5 Neal Saferstein conducted "small increment billing" frauds repeatedly which
6 targeted the United States government and its employees who had authority to
7 use government credit cards and to make use of government telephones;

8 (c) Defendant Anthony J. Pellicano exposed Plaintiffs whistle
9 blowing activities to the Federal Trade Commission to telecommunications
10 companies AT&T COMMUNICATIONS OF CALIFORNIA, INC., a California
11 Corporation (as successor to SBC Communications and Bell South
12 Corporation), QWEST COMMUNICATIONS CORPORATION, a Delaware
13 Corporation (as successor to U.S. West), MCI COMMUNICATIONS
14 SERVICES, INC., a Delaware Corporation, VERIZON GLOBAL
15 NETWORKS, INC., a Delaware Corporation) who profited from the activities
16 of the Defendants identified in paragraph (b), above, and urged the adoption of
17 retaliatory measures against Plaintiff, including but not limited to convincing the
18 telecommunications companies to dramatically increase the size of their
19 "Evergreen" or billing error reserve funds withheld from Federal TransTel and
20 thereby pressure and destroy Federal TransTel as a business;

21 (d) Defendants AT&T COMMUNICATIONS OF CALIFORNIA, INC., a
22 California Corporation (as successor to SBC Communications and Bell South
23 Corporation), QWEST COMMUNICATIONS CORPORATION, a Delaware
24 Corporation (as successor to U.S. West), MCI COMMUNICATIONS
25 SERVICES, INC., a Delaware Corporation, VERIZON GLOBAL
26 NETWORKS, INC., a Delaware Corporation profited from the activities of the
27 Defendants identified in paragraph (b) above and aided extortionate threats by
28 Traffix, Inc., a *de facto* "RICO Enterprise" of the Bonanno Crime Family as

1 heretofore alleged by increasing FTT's reserve accounts to put FTT out of
2 business;

3 (e) Defendants Masterson and Hendrickson, acting on behalf of
4 their employers, threatened to and did retaliate against Plaintiff Daniel Nicherie
5 in an effort to silence his whistle blowing on their acts and omissions to the
6 Federal Trade Commission and other government agencies;

7 (f) Defendant Masterson, in the course and scope of his
8 employment and agency, pressured Plaintiff Daniel Nicherie to hire his relatives
9 and friends by unlawfully threatening to withhold payments due to Federal
10 TransTel;

11 163. Various Doe defendants engaged in inter-related fraudulent
12 schemes against the United States of America including but not limited to the
13 use of billings through telecommunications companies and independently
14 contracted billing companies. These inter-related schemes involved:

15 (a) the sales of pharmaceutical drugs that had expired, damaged
16 through lack of proper refrigeration and handling, and/or had been stolen and
17 which have been the subject of Food & Drug Administration Office of Criminal
18 Investigations Case Nos. 96- SDC-703-0148(J) ("Operation Grey Pill"), 99-
19 SDC-703-487(J), and 99-MIF-703- 01215;

20 (b) the sales of office supplies to federal and especially military
21 employees that have been investigated by the Department of Defense and other
22 agencies as "Operation Empty Box;"

23 (c) creation of illicit business entities in order to purchase
24 pharmaceutical drugs illegally at Federal Supply Schedule prices for re-sale.

25 . The acts and omissions described herein have resulted in a series of
26 arrests and criminal and civil prosecutions based in part upon the whistle
27 blowing activities of plaintiff Daniel Nicherie, including but not limited to the
28 following:

1 (a) Sarit Hatt Shafrir was arrested by the Mishmar Hagvuel (Israel
2 Border Police) when she attempted to enter Israel with a CD of digital billing
3 information for thousands of members of the United States armed services;

4 (b) Defendant Taves was prosecuted and sentenced to federal
5 prison for fraud;

6 (c) Defendant Anthony J. Pellicano is being prosecuted for illegal
7 wiretapping activities; additional related acts and omissions by Pellicano
8 included his having obtained information concerning Plaintiffs whistle blowing
9 activities which the telecommunications companies used to retaliate against
10 Plaintiff and to counter his efforts to assist the United States of America;

11 (d) Federal criminal prosecutions of Anthony John Sposato, Fred
12 Solmor, Martin George Thuna, Irving J. Levin, and others;

13 (e) Defendant Neal Saferstein, a former vice president of
14 telecommunications companies (defendants herein), began Gointernet.Net, Inc.
15 and was sued and judgment entered by the Federal Trade Commission for his
16 illicit billing schemes.

17 . The United States of America has been damaged by the acts and omissions of
18 the defendants herein, wherein, the United States of America is entitled to
19 recover of the defendants an amount to be proven at trial on the matter herein, to
20 be trebled according to 31 USC 3729(a), and plaintiff Daniel Nicherie is entitled
21 to recover 25-30 of the recovery along with costs, attorney fees and expenses of
22 the suit herein pursuant to 31 USC 3730 (d)(2).BY DANIEL NICHERIE ON
23 BEHALF OF THE UNITED STATES OF AMERICATWENTIETH CAUSE
24 OF ACTION UNDER THE FALSE CLAIMS ACT 31USC3730(b).

25 WHEREFORE, PLAINTIFF PRAYS FOR RELIEF AS FOLLOWS:

- 26 1. For judgment for Plaintiff and against the defendants and each of them;
27 2. For damages according to proof;

- 1 3. For statutory trebling of damages as set forth in 18 USC 1964 and Section
- 2 637.2 of the California Penal Code on the First and Eighth Causes of Action;
- 3 4. For statutory civil penalties as set forth in the Sixth Cause of Action in the
- 4 amount of \$25,000 against each defendant for each incident proven;
- 5 5. On the Ninth Cause of Action under 18 USC 2520(c)(2) for the greater of
- 6 actual damages and any profits derived from the sale \$100.00 per day or
- 7 \$10,000.00, for punitive damages according to proof under 18 USC 2520(b)(2);
- 8 6. For reasonable attorney fees as provided by statute;
- 9 7. For investigative and expert witness fees and costs as provided by statute.
- 10 8. For the imposition of a constructive trust on the defendants' assets as
- 11 provided in the First and Sixteenth Causes of Action;
- 12 9. For declaratory relief to quiet title as to the Thirteenth Cause of Action;
- 13 10. For injunctive relief;
- 14 11. For judgment for the United States Government according to proof.
- 15 12. For such other and further relief as to the court may seem just and proper.

17 *Marguerite M. Buckley*

18
19 MARGUERITE M. BUCKLEY

20 Attorney for Plaintiffs