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Nina Mansur

מאת: Nina Mansur
נשלח: 11:50 2018 מאי 22 שלישי יום
אל: Preston, Richard (Richard.Preston@usdoj.gov); Hindel, Hannah (CRM)
(Hannah.Hindel@usdoj.gov)
נושא: MLAT in the matter of Avidan
קבצים מצורפים: Image_00036.pdf

Dear Richard,
This MLAT and accompanying documents also will be sent to you by courier.
Thank you,
Nina

State of Israel
Ministry of Justice
Office of the State Attorney
Department of International Affairs



מדינת ישראל
משרד המשפטים
פרקליטות המדינה
המחלקה לעניינים בינלאומיים

May 22, 2018

Mr. Richard Preston, Trial Attorney
Office of International Affairs
U.S. Department of Justice, Criminal Division
1301 NY Ave., NW, Rm. 853
Washington, DC 20005, U.S.A.

Telephone number: 1-202-353-7540

Re: Request for Legal Assistance in a Criminal Matter – "One.f.i." and Avidan

Dear Richard,

Kindly find attached hereto Israel's Request for Legal Assistance in the matter of the company "**One.f.i.**" and Israeli national, **Amos Avidan**. **Avidan** and his company are suspected of defrauding the Israeli investing public.

Please confirm receipt of this letter, together with the MLAT and the Israeli version of the Warning to be read before questioning Avidan. We are sending those materials by email and by courier. Feel free to address me with any question that might arise. I can best be reached at Ninah@justice.gov.il or by What's Up or a phone call to 972-506216206. Thank you for your prompt attention to this serious matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nina Mansur'.

Attorney Nina Mansur
First Senior Deputy to the State Attorney
State Attorney's Office
State of Israel

Beit Maatz P.O.B 49123, 97765 , ירושלים, ת"ד 7"ד 49123, מח"ל 7
Jerusalem, Israel
טל: 972-2-5419609
פקס: 972-2-5419644
Ninah@justice.gov.il



State of Israel
Ministry of Justice
Office of the State Attorney
Jerusalem

To: The Competent Authorities of the United States of America

REQUEST FOR LEGAL ASSISTANCE IN A CRIMINAL MATTER

1. In accordance with the Treaty Between the Government of the United States of America and the Government of the State of Israel on Mutual Assistance in Criminal Matters (hereinafter: the Treaty), the State of Israel hereby requests that the competent authorities of the United States of America grant legal assistance and execute Letters Rogatory in the manner provided for its laws. This assistance is required in order to procure evidence relating to offences in violation of provisions of the following Israeli laws: the Penal Law, 5737-1977, the Regulation of Investment Advice, Investment Marketing and Portfolio Management, 5755-1955, and the Prohibition on Money Laundering Law, 5760-2000.
2. This Request is signed and submitted by the Director of the Department of International Affairs of the Ministry of Justice, who is authorized to submit requests for legal assistance on behalf of Israel.

Factual Background

3. "One.f.i." is an investment company that operated in Jerusalem, Israel. The Israel Police have been investigating suspicions that One.f.i. investors were defrauded in the sum total estimated to be equivalent to approximately **ten million dollars**, as detailed below;
4. The prime suspect in the Israeli investigation is Israeli attorney **Amos Avidan**, Israeli I.D. number 033122920 (hereinafter: "**Avidan**"), who was the General Manager and owner of "One.f.i." (hereinafter: "**the company**"). The company commenced operations in Israel in 2009.
5. In addition, it is suspected that in a different episode, Avidan defrauded an investor of in the amount equivalent to around **\$4,734,435**, as also detailed below.

Episode A:

6. The company offered the public its investment services, entailing automatically generated, constantly re-occurring investments through use of computerized algorithms, which identified exchange differentials involving various foreign currency exchange rates. The company advertised its investment services with the promise that returns would be higher than those of investors in the stock market.
7. Initially, the company published information showing high rates of returns, but it is suspected that this information was falsified and the company had operated a "Ponzi scheme" to provide initial investors with returns on their investments. Statements were provided to investors by the company, showing that their principal was maintained and their portfolios were accumulating profits that were being re-invested by the company. It is suspected that these statements were falsified deliberately. From 2015 onward, investors with the company discovered that their invested principal funds had lost almost all their value. When they demanded the return of the small percentage of equity remaining, their demands were ignored, and no funds were transferred to the investors. Furthermore, the investigation discovered that the

company had operated without the license mandated by law for the management of investment portfolios.

8. Avidan departed from Israel on June 1, 2017, together with his family, and is believed to be living in the United States. Since then, he has not been in contact with investors.
9. The company's computers and documents have been seized by the Israel Police. Statements to investigators by other persons involved in the company indicate that investors' funds were transferred by Avidan to a brokerage company named "**Leverate**" and that only Avidan had access to the computerized investment system and the investors' funds.
10. The Israel Police examined documents of 42 different investors and found evidence that they had entrusted to the company a total of 35 million New Israeli Shekels (approximately equivalent to **10 million dollars**, as of the average exchange rate during that period). The Israel Police found that only 200,000 New Israeli Shekels (approximately equivalent to 50,000 dollars) remained in the company's Israeli bank account at Bank Leumi, following Avidan's departure from Israel. No evidence, as of yet, has been discovered regarding funds transferred to "Leverate".

Episode B:

11. On August 6, 2017, Israeli citizen, **Moshe Rachman** (hereinafter: "**Rachman**") filed a complaint against Avidan with the Israel Police, according to which Avidan had stolen 14 million New Israeli Shekels that Rachman, in the framework of his company "Ramat-Nave Investment Fund LP", had invested with him in September of 2015 and in October of 2016, along with interest due to Rachman according to an agreement signed between the parties. The amount of interest accrued was in excess of 2,617,868 New Israeli Shekels. (The total loss was equivalent to around \$4,734,435 as of June 2017, when Avidan departed from Israel). The 14,000,000 New Israeli Shekels had been transferred by Rachman to a company controlled by Avidan named "**Avidan City Tower Holdings, Inc.**" (hereinafter: "**City Tower**"). The purpose of the transfers was a loan of funds to be invested in an Israeli real estate

project. According to the agreement between the parties, this loan was to be secured by a lien, recorded in the land registry, against said real estate of City Tower, in favor of Ramat-Nave Investment Fund LP. The documents that Avidan transferred to Rachman, purporting to prove the registration of said lien, were forged and no lien had been filed.

12. Of the above amount, four million New Israeli Shekels were transferred to Avidan's personal bank account in the United States. 2,000,000 New Israeli Shekels were transferred on December 1, 2016, equivalent to \$521,975 (as of the exchange rate on that date). An additional sum of 2,000,000 New Israeli Shekels were transferred on January 1, 2017, equivalent to \$519,224 (as of the exchange rate on that date). They were transferred from the following account:

Ramat Nave Investment Fund LP, account no. 199999, Bank Mizrachi, Swift: MIZBGB2L, IBAN: GB85MIZB40522800199999 to the following account:

Beneficiary Name: Amos Avidan, Beneficiary Bank: JP Morgan Chase, Beneficiary Bank SWIFT Code: CHASUS33, Bank Address: 2030 Broadway, New York, NY 10023, Bank Routing Number (ABA) 021000021, Beneficiary Account Number 818502528. Investigators discovered that this was not a transfer account, but rather that Avidan indeed drew at least one check on this account in 2016.

13. Israeli investigators have been informed that Avidan is residing at 19500 Turnberry Way, Aventura, Florida.

Purpose of the Request

14. The U.S authorities are requested to question Avidan, as a suspect in the Israeli investigation, to obtain Avidan's bank account documents and to freeze all of Avidan's assets in the United States for purposes of future forfeiture and transfer to the persons defrauded in the episodes referenced herein. The U.S authorities are also requested to provide information regarding assets held by Avidan's family members and companies controlled by Avidan or his family members.

Details of the Request

Bank Documents and Information Regarding Other Property:

15. The U.S authorities are asked to provide information regarding all properties, including bank accounts, held by Avidan, members of his family, or companies they control, including assets regarding which they have a beneficial interest or signature rights. Avidan's wife is **Tamar Haya Avidan**, Israeli I.D. number 38270476 and Israeli passport number 21207474. Avidan's brother is **Eliyahu Avidan**, Israeli I.D. number 38827333 and Israeli passport number 22076384. Avidan's father is **Inon Avidan**, Israeli I.D. number 65200842 and Israeli passport number 23552977. Avidan's mother is **Ora Avidan**, Israeli I.D. number 53924288 and Israeli passport number 23552976. Companies used by Avidan to launder investors' funds include the following: **One FX (Foreign Exchange) Ltd., One F. Inv Ltd, One Growth Investments Ltd.**
16. The U.S. authorities are requested to provide bank documents for the years 2009 through the present. Said bank documents are to include the documents opening each account, signatory authorization, bank balance statements, records of all transactions of the account (e.g.: deposits, withdrawals, transfers, credit card debits, memorandum of oral orders, e-mail orders and written orders).

Safe Deposit Box:

17. The U.S authorities are requested to determine whether the suspects, member of their family or suspected co-conspirators have maintained a safe deposit box in an American financial institution. If so, the U.S authorities are requested to seize the contents of said safe deposit box and to transfer those contents to the Israeli authorities. Furthermore, the Israeli authorities wish to receive copies of all documents relating to the acquisition of the safe deposit box, payments for its use, the identity of persons having access rights to it, records of the occasions on which the safe deposit box was opened, the identity of the person who accessed it (if such records exist) and any other information or documents related to the safe deposit box.

18. The U.S authorities are requested to provide lists of entry and departure dates regarding visits to their country by Avidan and to provide information regarding his legal status and place of residence and other contact information, in the United States.

Freezing assets

19. The U.S authorities are requested to freeze all assets in the United States of Avidan, companies controlled by him or his family, for purposes of their future forfeiture and transfer to the afore-referenced victims of his fraudulent activities.

Questioning Avidan as a suspect of the Israeli investigation

20. The U.S authorities are requested to question Avidan regarding both of the above criminal episodes. Prior to posing any questions, the U.S authorities are requested to read Avidan the Israeli version of a Warning against self-incrimination, attached hereto.

Participation of Israeli Investigators

21. The U.S authorities are requested to allow Israeli investigators, who are familiar with the facts and evidence of this case, to arrive in the United States in order to participate and assist in the investigation of this matter.

Time Constraints

22. This Request is deemed urgent due to severe damage inflicted upon Israeli investors and the need to prevent further laundering of the funds stolen. The U.S authorities therefore kindly are requested to comply with this Request on an urgent basis.

Confidentiality

23. The U.S authorities are requested to try to seize the afore-referenced assets, prior to informing Avidan that he will be questioned. Until Avidan will be informed that he is

wanted for questioning in this matter, the U.S authorities are requested to maintain strict confidentiality, in order to avoid further laundering of the stolen funds.

The Relevant Provisions of Israeli Law

24. PROHIBITION ON MONEY LAUNDERING LAW, 5760-2000

...Prohibition on Money Laundering

3. (a) *A person performing a property transaction involving property described in paragraphs (1) to (4), (in this Law referred to as "prohibited property"), with the object of concealing or disguising its source, the identity of the owners of the rights, the location, movement or disposition with respect to such property, shall be liable to ten years imprisonment or a fine twenty times greater than the fine specified in section 61(a)(4) of the Penal Law -*

(1) property originating directly or indirectly in an offense;

(2) property used to commit an offense;

(3) property enabling the commission of an offense;

(4) property regarding which an offense was committed.

(b)(1) A person performing a property transaction or transmitting false information with the object of preventing any reporting under sections 7 or 8(a) or in order not to report under section 9, or to cause incorrect reporting under the aforesaid sections, shall be liable to five years imprisonment or a fine eight times greater than the fine in section 61(a)(4) of the Penal Law; for the purposes of this section, "transmitting false information" shall include failure to deliver updated information about any item required to be reported.

(2) A person transmitting false information, as stated in paragraph (1), regarding prohibited property, shall be liable to the punishment established in subsection (a).

4. *A person performing any property transaction, knowing that it is prohibited property, and that such property falls within one of the categories of property specified in the Second Schedule, and at the value determined therein, shall be liable to seven years imprisonment or a fine ten times the fine stated in section 61(a)(4) of the Penal Law; for the purposes of this section, "knowing" does not include disregarding, within the meaning specified in section 20(c)(1) of the Penal Law.";*

Obligation to report on monies at the time of entry into and exit from Israel

9. (a) *In this Chapter, "monies" means cash, bankers' drafts and travelers' checks.*

(b) A person entering or leaving the State of Israel shall be obliged to report on the monies he has with him at the time of entry into or exit from Israel, where the value of the monies is of the amounts prescribed in the Fourth Schedule.

(c) The obligation to report on monies brought into or taken out of Israel, at the rate stated in subsection (b), shall also apply to a person bringing monies into or taking monies out of Israel by mail or by any other method. ...

Breach of obligation to report

10. *A person in breach of the obligation to report imposed on him under section 9 shall be liable to six months' imprisonment or a fine at the rate stated in section 61(a)(4) of the Penal Law, or ten times the amount which was not reported on, all according to the greater amount...."*

25. The Penal Law, 5737-1977:

Obtaining a thing by deceit: Section 415:

"A person who obtains a thing by deceit is liable to imprisonment for three years; if the offence is committed under aggravating circumstances, he is liable to imprisonment for five years."

Forgery: Section 418:

"A person who forges a document is liable to imprisonment for one year; a person who forges a document with intent to obtain any thing by means thereof is liable to imprisonment for three years; if the offence is committed under aggravating circumstances he is liable to imprisonment for five years."

Use of a forged document: Section 420:

"A person who submits or utters or otherwise uses a forged document, knowing it be forged, shall be treated as if he had forged it."

Theft by a director: Section 392:

"If a director or officer of a body corporate steals any property of the body corporate, he is liable to seven years imprisonment."

Theft by agent: Section 393:

"If a person does one of the following, he is liable to seven years imprisonment:

(1) he steals property which he has received with a power of attorney for its disposition;

(2) he steals property which was entrusted to him – alone or jointly with another – to keep in safe custody, or to apply all or part of it or of its proceeds to a particular purpose, or to deliver all or part of it or its proceeds to a particular person;

(3) he steals property which he received – alone or jointly with another – for or on account of another person;

(4) he steals proceeds of a security, or of the disposition of any asset under a power of attorney, having received instructions to use the same for a particular purpose or to pay it to a particular person."

26. The Law of Regulation of Investment Advice, Investment Marketing and Portfolio Management, 5755-1955:

*"39(a). The punishment is two years of imprisonment or a fine...for the following acts:
Providing investment consultation, investment marketing or management of investment portfolios, without a license..."*

Supplementary Information

27. The State of Israel will submit any additional information which the U.S authorities may require in order to enable them to accede to this request.
28. The Department of International Affairs of the Office of the State Attorney in the Ministry of Justice may be contacted with respect to any issues or questions regarding this Request. Attorney Nina Mansur is handling this matter and can be reached by telephone at +972-2-5419613/4, by fax at +972-2-5419644 or by e-mail: Ninah@justice.gov.il.
29. The State of Israel takes this opportunity to express its appreciation to the authorities of The United States for their co-operation and assistance in this case and offers its assurances of reciprocal assistance.

Jerusalem, $\frac{18}{4}$ of May, 2018
of Sivan, 5778



Yuval Kaplinsky
Director
Department of International Affairs
Office of the State Attorney
Ministry of Justice
State of Israel

WARNING

Israel's MLAT in the Matter of One.f.i. and Amos Avidan

Avidan is to be told, prior to posing the questions and reading to him the following Warning, that he has a right, according to Israeli law to consult with an attorney.

The Warning to be read to Amos Avidan before posing to him the questions:

I see before me, **Amos Avidan**, whom I have identified from his _____ and told him that I, _____ (the official position of the investigator), am about to interrogate him on suspicions of committing criminal offenses according to the following Israeli laws and regulations: Section 39(a) of the Law of Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law of 5755-1995 and the following offenses according to the Israeli Penal Law of 5737-1977: Obtaining a Thing by Deceit (Fraud) (Section 415), Theft by a Director or Officer (Section 392), Theft by an Agent (Section 393), Forgery and Use of a Forged Document (Sections 418 and 420); and Sections 3, 4 and 9 of the Prohibition on Money Laundering Law of 5760-2000. I also told him that he is not obligated to speak, that anything he says may be used as evidence against him, but that his abstention from answering questions might be used to strengthen the evidence against him. I also told him that he has the right to consult with an attorney.

EXPRESS HERE

FOR DEPOSIT ONLY

ACCOUNT# 001464825

BITACH INC

Small, illegible text in the top left corner, possibly a routing slip or internal reference.

AMOS A. AVIDAN 03-09
11 HIEM GRANSJRG. APT. 7
JERUSALEM, ISRAEL 97560

263

DATE 7-19-16

PAY TO THE ORDER OF BITACH

\$ 30,000

Thirty thousand

DOLLARS

CHASE

Morgan Chase Bank, N.A.
www.Chase.com

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