

JUDGE CHIN

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - x

UNITED STATES OF AMERICA :

INDICTMENT

- v. -

10 CRIM 351

ANTHONY DIGATI, :

Defendant. :

- - - - - x

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 4/21/10

COUNT ONE

The Grand Jury charges:

BACKGROUND

1. ANTHONY DIGATI, the defendant, a resident of California, is a former registered agent and manager of New York Life Insurance Company, a Fortune-500 insurance company located in New York, New York ("New York Life").

2. In or about June 2007, ANTHONY DIGATI, the defendant, contacted a representative of New York Life and purchased variable universal life insurance from New York Life.

3. Variable universal life insurance ("VUL") is, in sum and substance, a type of cash-value insurance policy. Unlike either term or traditional whole-life insurance, VUL policies allow the insured to choose how the premiums are invested, usually from a universe of ten to twenty-five funds. As a result, the policy's cash value as well as the death benefit can fluctuate with the performance of the investments that the policy

holder chose.

DIGATI'S INITIAL COMPLAINTS TO NEW YORK LIFE

4. In or about January 2010, ANTHONY DIGATI, the defendant, contacted a customer service representative (the "Representative") at New York Life by telephone. During the call, DIGATI provided a policy number that corresponded to a VUL insurance policy owned by DIGATI (the "VUL Policy"). DIGATI also provided unique personal identifiers, including his date of birth, the last four digits of his social security number, and his home address in Chino, California. During the telephone call, DIGATI expressed, in sum and substance, that he was dissatisfied with the performance of his VUL Policy.

5. On or about February 8, 2010, New York Life received a letter dated February 4, 2010 in its office in New York, New York, from ANTHONY DIGATI, the defendant. In sum and substance, the letter expressed DIGATI's dissatisfaction with the performance of the VUL Policy DIGATI had purchased from New York Life. Among other things, DIGATI demanded that New York Life return all of the premiums he had paid to date. The letter was signed, and below the signature was the name "Anthony Digati," a phone number (the "Digati Phone Number"), and the email address "adigati@earthlink.net."

6. By letter dated February 11, 2010, a New York Life representative advised ANTHONY DIGATI, the defendant, in

substance and in part, that the premiums would not be returned, and that, as set forth in the prospectus for the VUL Policy, the performance of VUL is impacted by stock market activity.

DIGATI'S EXTORTIONATE THREATS TO NEW YORK LIFE

A. The February 22, 2010 Extortionate Email from Digati

7. On or about February 22, 2010, more than one dozen New York Life employees, executives, and one board member, many of whom were located in New York, New York, received an email signed "Anthony Digati" from the email address "anthony@newyorklifeproducts.com." The email read, in part:

[An employee of New York Life] denied my claim with your company.

I HIGHLY suggest you visit this website and contact me afterwards.

<http://www.newyorklifeproducts.com>

I'm sorry it had to come to this, but I guess you won't listen to what the customers [sic] concerns are. You enjoy ripping policy holders off with obscure products bought because of the trust you have established over 160+ years. You enjoy misleading the public and I will make it my purpose in life to educate them.

B. The Extortionate Website

8. From on or about February 22, 2010, up to and including on or about March 6, 2010, the website "www.newyorklifeproducts.com" (the "Website"), which was registered by ANTHONY DIGATI, the defendant, displayed the name

"Anthony Digati," the Digati Phone Number, and the email address "anthony@newyorklifeproducts.com." It also included, among other things, the following text:

a. "I HIGHLY SUGGEST YOU READ EVERY WORD ON THIS WEBSITE WITH A IT GUY, AS WELL AS SOMEONE WHO HAS THE AUTHORITY TO WRITE ME A CHECK. These actions described below will go live MARCH 8, 2010."

b. "These things, unless you honor the below claim, WILL HAPPEN on March 8, 2010."

c. "As you have denied my claim I can only respond in this way. You no longer have a choice in the matter, unless of course you want me to continue with this outlined plan. I have nothing to lose, you have everything to lose."

d. "I must now make demand in the following manner: . . . The total amount of paid premiums on these policies is \$49,575.97. Because of the denial, lack of trust and my inconvenience and your misleading product, I must now ask that the amount of claim will be multiplied by 4. My demand is now for \$198,303.88. This amount is NOT negotiable, you had your chance to make me an offer, now I call the shots."

e. "At this point you're probably asking yourselves why should I even listen to this crazy fool, what can he do and why should I pay him. *NUISANCE VALUE* is why, I am going to cause you millions of dollars in lost revenue, good

faith and general trust in your company."

- f. "Now for How: My Plan for NYL"
 - i. "Ask your IT guy where the search engines are going to index a website entitled New York Life Products listing every product and service you have with 56 pages of relevant content? The files are already there, I just need to change a few extensions to go live."
 - ii. "I belong to every forum I could find that deals with financial services (over 200). I have over 2000 posts on these forums with my signature, on March 8th, 2010, my signature will be changed to reflect this websites [sic] name, that is over 2000 links to this website OVERNIGHT."
 - iii. "I have 6 MILLION emails going out to couples with children age 25-40, this email campaign is ordered and paid for. 2 million go out on the 8th and every two days 2 million more for three weeks rotating the list. Of course it is spam, I hired a spam service, I could care less, The damage [sic] will be done."
 - iv. "I am a huge social networker, and I am highly experienced. 200,000 people will be directly contacted by me through social networks, slamming your integrity and directing them to this website within days."
 - v. "I also have a list that includes EVERY AGENT you have in the USA. An email will go out to them as well directing them to this website. That should cause your employee line to ring!"
- g. "I think you get the idea, I am going to drag your company name and reputation, through the muddiest waters

imaginable. This will cost you millions in lost revenues, trust and credibility not to mention the advertising you will be buying to counter mine. Sad thing is it's almost free for me!"

h. "What will I do for you to settle with me? Never put up the site and destroy its content. Transfer ownership of this website and its domain name to you. Promise and sign an NDA [non-disclosure agreement] that I will never utter the words New York Life again. You may also strike me from your records as a policyholder[.] I will also forfeit any retirement benefits owed to me. Anything else you want me to sign to protect the integrity of New York Life".

i. "The process is in motion and will be released on March 8th, 2010. If you delay and the site goes live, The price will then be \$3,000,000.00."

j. "By the way: Yes, I am crazy . . . Yes, I am vindictive. Yes, I am extremely upset. Yes, I will do everything that I said. I have absolutely nothing to lose or any fear of retaliation, no judge in the world is going to rule for a 200 billion dollar company when there is a lonely customer that you stole from!"

k. "There is really nothing to discuss, please have your attorneys prepare the releases, arrange for the release of funds. Contact me for review of the documents and I will notify you of how we will handle the exchange after we agree on

the releases."

C. The February 24, 2010 Extortionate Email from Digati

9. On or about February 24, 2010, more than one dozen New York Life employees, executives, and one board member, many of whom were located in New York, New York, received another email from ANTHONY DIGATI, the defendant, from the email address "anthony@newyorklifeproducts.com." The email read, in substance and in part: "Dear New York Life People, Were [sic] already number 3 on Google. Clock is ticking, and I haven't even put up content yet. :-)" The email also provided another link to the Website.

STATUTORY ALLEGATION

10. From on or about February 22, 2010, up to and including on or about March 6, 2010, in the Southern District of New York and elsewhere, ANTHONY DIGATI, the defendant, unlawfully, knowingly, and willfully, and with intent to extort from a corporation any money and other thing of value, did transmit in interstate commerce communications containing a threat to injure the property and reputation of the addressee, to wit, DIGATI, in a message posted on a website and in emails transmitted to New York Life, in New York, New York and elsewhere, threatened to make public statements and transmit spam in an effort to damage the reputation of New York Life and cost it millions of dollars in revenue unless New York Life, among

other things, paid DIGATI at least \$198,303.88 by March 8, 2010, and \$3,000,000 thereafter.

(Title 18, United States Code, Sections 875(d) and 2.)

Forfeiture Allegation

11. As a result of committing the extortion offense, in violation of Title 18, United States Code, Section 875(d), alleged in Count One of this Indictment, ANTHONY DIGATI, the defendant, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense, including but not limited to any and all computer and other equipment seized on or about March 6, 2010 from ANTHONY DIGATI, the defendant.

Substitute Asset Provision

12. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third person;

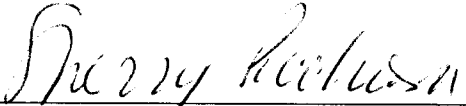
(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or


(e) has been commingled with other property which

cannot be subdivided without difficulty;
it is the intent of the United States, pursuant to 21 U.S.C.
§ 853(p), to seek forfeiture of any other property of said
defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 28, United States Code, Section 2461.)



FOREPERSON



PREET BHARARA
United States Attorney JSK

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(18 U.S.C. §§ 2, 875(d).)

PREET BHARARA

United States Attorney.

A TRUE BILL

Sherry Robinson

Foreperson.

4/21/14

*Pld. true bill 11-1-87 in case
in regard to Judge Chou for all*

purpose.

Mag Judge Robinson