



U.S. Department of Justice

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FOR IMMEDIATE RELEASE

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PRESS RELEASE

**FOUNDER OF "NXIVM," A PURPORTED SELF-HELP ORGANIZATION, AND FIVE
OTHERS CHARGED IN SUPERSEDING INDICTMENT WITH RACKETEERING
CONSPIRACY**

New Defendants Include the President of Nxivm and Members of its Executive Board

A superseding indictment was unsealed today in federal court in Brooklyn charging Keith Raniere, Clare Bronfman, Allison Mack, Kathy Russell, Lauren Salzman and Nancy Salzman with racketeering conspiracy involving an array of crimes, including identity theft, extortion, forced labor, sex trafficking, money laundering, wire fraud and obstruction of justice. Bronfman, Russell, Lauren Salzman and Nancy Salzman were arrested this morning. Bronfman will be arraigned this afternoon before United States District Judge Nicholas G. Garaufis in Brooklyn. Russell and the Salzmans will be arraigned before United States Magistrate Judge David J. Stewart in Albany, New York. Raniere and Mack were previously arrested on the original indictment and will be arraigned on the superseding indictment tomorrow before Judge Garaufis in Brooklyn.

Raniere, who founded several pyramid-structured organizations including Nxivm, a purported self-help organization for women, and various related entities, and Mack, a high-ranking member of Nxivm, were previously charged with sex trafficking and forced labor conspiracy in an indictment filed April 20, 2018. Bronfman, a member of Nxivm's executive board; Russell, Nxivm's former bookkeeper; Lauren Salzman, a member of Nxivm's executive board; and Nancy Salzman, the president of Nxivm, were charged for the first time in the superseding indictment.

Richard P. Donoghue, United States Attorney for the Eastern District of New York, and William F. Sweeney, Jr., Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI), announced the superseding indictment.

"As alleged in the superseding indictment, for over a decade, Keith Raniere was the leader of a racketeering conspiracy in which he and members of his inner circle committed a

broad range of serious crimes from identity theft and obstruction of justice to sex trafficking, all to promote and protect Raniere and Nxivm,” stated United States Attorney Donoghue. “This Office and the FBI will continue to investigate and prosecute those who prey on others to such destructive effect.” Mr. Donoghue expressed his grateful appreciation to the FBI for leading the investigation, and thanked the New York State Police, the FBI Albany Field Office, the New York State Office of the Attorney General, the New York State Department of Health, the Internal Revenue Service Criminal Investigation, New York Field Office, and the United States Attorney’s Office for the Northern District of New York for their assistance with the investigation.

“As alleged, this long-running conspiracy crossed multiple avenues of criminal activity, which included, among other things, electronic monitoring; identity theft; extortion; victim smuggling; and illegal trafficking of a victim after a period of unlawful confinement. The details of these alleged crimes become more and more grim as we continue to dig deeper into the conduct of this organization and its intended mission,” stated FBI Assistant Director-in-Charge Sweeney. “Today’s superseding indictment highlights our commitment to bringing justice to Nxivm’s many victims.”

The superseding indictment alleges that from at least 2003 through the present, Raniere and his inner circle of co-defendants comprised an organized racketeering enterprise engaged in criminal activities with the aim of promoting, enhancing and protecting Raniere and members of the enterprise by recruiting others into Nxivm and DOS for financial and personal benefits. Those criminal activities included the following:

- Raniere and Bronfman conspired to commit identity theft arising out of a scheme to obtain the e-mail usernames and passwords of perceived enemies and critics of Raniere in order to monitor their electronic communications.
- Raniere and Bronfman participated in an identity theft conspiracy involving the use of credit card and banking information belonging to one of Raniere’s sexual partners after her death in November 2016. Bronfman sent Raniere regular emails documenting expenses charged to the woman’s credit card for Raniere’s “review and approval.” Those expenses included payments to a chiropractor for Raniere’s benefit, as well as thousands of dollars’ worth of clothing and shoe purchases for the mother of Raniere’s child.
- Bronfman encouraged and induced the illegal entry into the United States of an alien for Bronfman’s financial gain, engaging in international wire transfers to make it fraudulently appear that the victim had the financial resources to obtain an investor visa.
- Raniere and Lauren Salzman trafficked a victim, who was once a sexual partner of Raniere’s, for labor and services. The victim was confined to a room in Clifton Park, New York, for nearly two years as punishment for having romantic feelings for a man who was not Raniere. The victim was told that if she left the room she would be sent to Mexico without any identification documents. As threatened, she was driven to Mexico and her family was instructed by co-conspirators, including Lauren Salzman, not to send the victim her identification documents.

- Ranieri and Lauren Salzman obtained property and services from their slaves through fraud and extortion. After DOS was exposed, Salzman was one of the leaders of a disinformation campaign designed to spread lies about DOS and Nxivm members in order to discredit victims.
- Nancy Salzman, in her role as second-in-command to Ranieri within Nxivm, conspired with Ranieri and others to obstruct justice by altering records in connection with a civil lawsuit initiated by Nxivm against a former Nxivm student. As part of the discovery in the former student's countersuit, Nancy Salzman was ordered to turn over videos of courses the student had taken. Nancy Salzman engaged in a scheme to edit videos of courses she had taught to remove materials that she and her co-conspirators believed would have supported the former student's claims.
- Ranieri and Russell conspired to commit identity theft as part of a scheme to smuggle an alien into the United States through Canada after the alien was denied entry. Russell provided the alien with an identification card bearing the last name and birthday of a dead woman.

The charges in the superseding indictment are allegations, and the defendants are presumed innocent unless and until proven guilty. If convicted, the defendants face up to 20 years' imprisonment for racketeering conspiracy, forced labor conspiracy and wire fraud conspiracy charges, as well as a maximum of 15 years' imprisonment for the identity theft conspiracy charge. In addition, Ranieri and Mack each face mandatory minimum sentences of 15 years' imprisonment, and up to life imprisonment, on related charges of sex trafficking and sex trafficking conspiracy.

The government's investigation is ongoing.

The government's case is being handled by the office's Organized Crime and Gangs Section. Assistant United States Attorneys Moira Kim Penza and Tanya Hajjar are in charge of the prosecution. Assistant United States Attorney Karin Orenstein is in charge of forfeiture proceedings in connection with the case.

The Defendants:

KEITH RANIERE (also known as "Vanguard")

Age: 57

Waterford, New York

CLARE BRONFMAN

Age: 39

Clifton Park, New York

ALLISON MACK
Age: 35
Brooklyn, New York

KATHY RUSSELL
Age: 60
Clifton Park, New York

LAUREN SALZMAN
Age: 42
Clifton Park, New York

NANCY SALZMAN (also known as “Prefect”)
Age: 64
Clifton Park, New York

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