

Feds Bust Another Ticket Resale Ponzi, Say CEO Took \$70M

By Jack Newsham

Law360, New York (May 31, 2017, 8:49 PM EDT) -- Federal prosecutors accused a Long Island, New York, man on Wednesday of defrauding investors in a ticket resale business out of at least \$70 million, echoing charges filed four months ago against two other men in an unrelated but similar scheme.

Jason Nissen, 44, was charged with wire fraud for allegedly using doctored bank statements to pretend that his National Event Co. was doing better business than it actually did. The government claims that in reality, Nissen was using every scrap of cash he could get to make promised payouts until coming clean with an investor who taped their conversations earlier this month.

The scheme ran since at least 2015 and was largely funded by a \$40 million investment from an unnamed private equity firm and some \$32 million from a diamond wholesaler, prosecutors say. Nissen is charged with inflating the number of tickets he was selling and telling victims that he was putting their money to productive use when he was actually using it for personal expenditures and outlays he had committed to make to earlier lenders and investors.

"Jason Nissen claimed he was investing in premium tickets for events like the Super Bowl, the World Cup and the Broadway hit 'Hamilton,' but as alleged, Nissen was actually cheating his investors out of over \$70 million and spending it on himself," Joon Kim, Manhattan's acting U.S. attorney, said in a statement. "The veneer of a successful and interesting business was allegedly just that, an alleged cover for a massive Ponzi scheme."

When confronted by an investor earlier this month and told that his acts amounted to a Ponzi scheme, Nissen invoked a fudged version of a well-known expression to try to strike a deal that would give him more money, saying on tape that he was "borrowing from Peter to pay Paul," according to a criminal complaint.

The actual expression is "robbing Peter to pay Paul." That's also the metaphor prosecutors used to describe an alleged scheme by two other defendants, Joseph Meli and Steven Simmons, who **were charged** with an \$81 million ticket Ponzi scheme of their own earlier this year.

Meli and another man **were named** in a similar action by the U.S. Securities and Exchange Commission. Those same men were also targeted in at least **one civil suit** by investors who claim they were defrauded.

A lawyer for Nissen declined to comment, and no one answered the phone at National Event Co. late Wednesday.

The government is represented by assistant U.S. attorneys Kan M. Nawaday, Lauren B. Schorr and Russell Capone.

Nissen is represented by Michael F. Bachner, Howard Weiner and Scott Splittgerber of Bachner & Associates PC.

The case is U.S. v. Nissen, case number 1:17-mj-04096, in the U.S. District Court for the Southern District of New York.

--Editing by Catherine Sum.

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