

MKM:MKP/TH/KKO
F. #2017R01840

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA

SUPERSEDING
INDICTMENT

- against -

KEITH RANIERE,
 also known as “Vanguard,”
CLARE BRONFMAN,
ALLISON MACK,
KATHY RUSSELL,
LAUREN SALZMAN and
NANCY SALZMAN,
 also known as “Prefect,”

Cr. No. 18-204 (NGG) (S-1)
(T. 18, U.S.C., §§ 981(a)(1)(C),
982(a)(2)(B), 982(b)(1), 1028(b)(5),
1028(f), 1349, 1591(a)(1), 1591(a)(2),
1591(b)(1), 1594(a), 1594(c), 1594(d),
1962(d), 1963, 2 and 3551 et seq.; T.
21, U.S.C., § 853(p); T. 28, U.S.C.,
§ 2461(c))

Defendants.

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THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Superseding Indictment (the “Indictment”), unless otherwise indicated:

The Enterprise

1. The defendant KEITH RANIERE, also known as “Vanguard,” was the founder of several pyramid-structured organizations (“the Pyramid Organizations”), including, but not limited to, (1) Nxivm, Executive Success Programs, Inc., Ultima and other related entities (collectively, “Nxivm”); and (2) an organization referred to as “DOS,” the “Vow” and “the sorority” (collectively, “DOS”). In leading the Pyramid Organizations, RANIERE relied on certain individuals, sometimes referred to as his “inner circle,” who

were accorded special positions of trust and privilege with RANIERE and who carried out his directives.

2. Members of RANIERE's inner circle also held high positions in one or more of the Pyramid Organizations, including serving as executives, directors and officers of Nxivm. Members of RANIERE's inner circle also, at times, served as "first-line masters" directly under RANIERE, meaning that they comprised the second-highest level within the DOS "pyramid" and that, other than RANIERE, they wielded the most power within DOS.

3. RANIERE and his inner circle, including the defendants CLARE BRONFMAN, ALLISON MACK, KATHY RUSSELL, LAUREN SALZMAN and NANCY SALZMAN, also known as "Prefect," and others known and unknown, comprised an organized criminal enterprise (the "Enterprise"). The Enterprise, including its leadership, membership and associates, constituted an "enterprise" as defined in Title 18, United States Code, Section 1961(4), that is, a group of individuals associated in fact that was engaged in, and the activities of which affected, interstate and foreign commerce. The Enterprise constituted an ongoing organization whose members functioned as a continuing unit for a common purpose of achieving the objectives of the Enterprise.

Purposes, Methods and Means of the Enterprise

4. The principal purpose of the Enterprise was to obtain financial and personal benefits for the members of the Enterprise by promoting the defendant KEITH RANIERE, also known as "Vanguard," and by recruiting new members into the Pyramid Organizations. By promoting RANIERE and recruiting others into the Pyramid Organizations, the members of the Enterprise expected to receive financial opportunities and increased power and status within the Enterprise.

5. The Enterprise operated within the Eastern District of New York, the Northern District of New York and elsewhere, including overseas.

6. Among the means and methods by which the defendants and their associates participated in the conduct of the affairs of the Enterprise were the following:

(a) Promoting, enhancing and protecting the Enterprise by committing, attempting and conspiring to commit crimes, including but not limited to identity theft, harboring of aliens for financial gain, extortion, forced labor, sex trafficking, money laundering, wire fraud and obstruction of justice;

(b) Demanding absolute commitment to RANIERE, including by exalting RANIERE's teachings and ideology, and not tolerating dissent;

(c) Inducing shame and guilt in order to influence and control members and associates of the Enterprise;

(d) Obtaining sensitive information about members and associates of the Enterprise in order to maintain control over them;

(e) Recruiting and grooming sexual partners for RANIERE;

(f) Using harassment, coercion and abusive litigation to intimidate and attack perceived enemies and critics of RANIERE; and

(g) Encouraging associates and others to take expensive Nxivm courses, and incur debt to do so, as a means of exerting control over them and to obtain financial benefits for the members of the Enterprise.

The Defendants and Their Co-Conspirators

7. The defendant KEITH RANIERE, also known as “Vanguard,” founded and was the leader of Nxivm and DOS. RANIERE was also the head of the Enterprise.

8. The defendant CLARE BRONFMAN was a member of the Enterprise and a high-ranking member of Nxivm. From at least in or about 2009 to 2018, BRONFMAN served on Nxivm’s Executive Board.

9. The defendant ALLISON MACK was a member of the Enterprise and a high-ranking member of Nxivm. At various times relevant to the Indictment, MACK was also a first-line master in DOS.

10. The defendant KATHY RUSSELL was a member of the Enterprise and a high-ranking member of Nxivm. From at least in or about July 2002 to 2014, RUSSELL served as Nxivm’s bookkeeper.

11. The defendant LAUREN SALZMAN was a member of the Enterprise and a high-ranking member of Nxivm. From at least in or about 2009 to 2018, LAUREN SALZMAN served on Nxivm’s Executive Board. At various times relevant to the Indictment, LAUREN SALZMAN was also a first-line master in DOS.

12. The defendant NANCY SALZMAN, also known as “Prefect,” was a member of the Enterprise and the President of Nxivm. NANCY SALZMAN is LAUREN SALZMAN’s mother.

13. The defendants also acted in concert with other co-conspirators, both known and unknown, who were members and associates of the Enterprise, some of whose identities are known to the Grand Jury.