

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHWESTERN DIVISION**

UNITED STATES OF AMERICA,	) No. 11-05003-01-CR-SW-RED
)
Plaintiff,	) <u>Counts One through Twenty-One:</u>
	) 18 U.S.C. §§ 1343
vs.	) NMT 20 Years Imprisonment
	) NMT \$250,000 Fine
PEGGY S. NEWTON	) NMT 3 Years Supervised Release
[DOB: 12-24-1972],	) Class C Felony
	) Mandatory Restitution
Defendant.)
	) <u>Counts Twenty-Two through Twenty-Five:</u>
	) 18 U.S.C. §513(a)
	) NMT 10 Years Imprisonment
	) NMT \$250,000 Fine
	) NMT 3 Years Supervised Release
	) Class C Felony
	) Mandatory Restitution
)
	) \$100 Special Assessment (Each Count)

INDICTMENT

THE GRAND JURY CHARGES THAT:

Background

At all times material to this Indictment:

1. The defendant, **PEGGY S. NEWTON** (hereinafter NEWTON), and D.P. were partners in Evergreen & Amber, L.L.C., an interior decorating business and retail shop dealing in the procurement and sale of dry goods, floral, furniture, household and kindred furnishings. Evergreen & Amber, L.L.C. was a Limited Liability Company organized in the State of Missouri, located in Joplin, Missouri. NEWTON and D.P. were the only members of the organization.

2. NEWTON handled all of the financial aspects of Evergreen & Amber, L.L.C.,

including managing the accounts receivable and accounts payable, and maintaining the business's financial records. D.P. contributed all the financial capital of the business, and handled the daily design aspects of the business.

3. The business was primarily funded through the use of credit accounts held in the names of D.P. and/or Evergreen & Amber, L.L.C. D.P. was the sole guarantor on each of these accounts. The business's operational accounts were held at U.S. Bank and United Missouri Bank, both located in Joplin, Missouri. Both operational accounts were held in the name of Evergreen & Amber, L.L.C.

4. Both NEWTON and D.P. had signature authority over the credit accounts used to fund the business, and the operational accounts at U.S. Bank and United Missouri Bank. Both NEWTON and D.P. were authorized to write checks, incur charges, and make expenditures on these accounts for expenses related to, and for the benefit of, Evergreen & Amber, L.L.C. NEWTON was not authorized to utilize the accounts for personal expenditures, or to make purchases, conduct withdrawals, or incur charges for any reason not related to, or for the benefit of, Evergreen & Amber, L.L.C. NEWTON did not have permission to sign D.P.'s name to any check, credit authorization, or any other document related to these accounts. Further, NEWTON did not have permission to apply for credit, or to open any new lines of credit in D.P.'s name or in the name of Evergreen & Amber, L.L.C.

The Scheme

5. From on or about September 18, 2006, through on or about June 29, 2009, in Joplin, Jasper County, in the Western District of Missouri, and elsewhere, the defendant, **PEGGY S. NEWTON**, devised a scheme and artifice to defraud and to obtain money and other things from

D.P. and Evergreen & Amber, L.L.C., by means of materially false and fraudulent pretenses, representations and promises. The scheme was as follows:

6. It was part of the scheme that NEWTON wrote approximately 393 checks drawn on the Evergreen & Amber, L.L.C., operational accounts at U.S. Bank and United Missouri Bank to make purchases and obtain money for personal use, and to pay for items and services for her personal benefit. Approximately four of these checks were made payable to NEWTON's husband, B.N., for unauthorized reasons. At least one of these checks was issued to Commerce Bank in Joplin, Missouri, for the purpose of making payment on an automobile loan in B.N.'s name.

7. It was part of the scheme that on approximately seven occasions, NEWTON signed D.P.'s name to checks drawn on the Evergreen & Amber, L.L.C., business accounts at U.S. Bank and United Missouri Bank, without D.P.'s knowledge or permission.

8. It was part of the scheme that NEWTON altered and falsified the carbon copies and/or transaction register entries for approximately eight of the unauthorized checks drawn on the Evergreen & Amber, L.L.C., account at U.S. Bank to appear as though the checks were written for different amounts or were made payable to different parties than reflected on the original checks. NEWTON also removed and caused to be removed the carbon copies of approximately eleven of the unauthorized checks written on the U.S. Bank account, and/or failed to make entries in the transaction register for these checks, rendering it impossible to determine whether the checks were altered prior to being cashed.

9. It was part of the scheme that on approximately 500 occasions, NEWTON used D.P.'s personal credit accounts, and the credit accounts of Evergreen & Amber, L.L.C., to make purchases and obtain money for personal use, and to pay for services for her personal benefit. On

approximately fourteen of these occasions, NEWTON signed D.P.'s name to the credit authorizations without D.P.'s knowledge or consent.

10. It was part of the scheme that on approximately five occasions, NEWTON used D.P.'s name, date of birth, and Social Security Number to open new credit accounts without D.P.'s knowledge or consent. NEWTON then incurred charges on these accounts to conduct balance transfers to other accounts, and to cover shortfalls on other bank and credit accounts.

COUNTS ONE through TWENTY-ONE

11. The allegations set forth in paragraphs 1 through 10, above, are herein incorporated in full.

12. On or about the dates set forth below in each individual count, in Joplin, Jasper County, within the Western District of Missouri, and elsewhere, the defendant, **PEGGY S. NEWTON**, for the purpose of executing the scheme, did knowingly cause to be electronically transmitted over telephone lines in interstate commerce by means of wire communications certain writings, signs, signals, pictures and sounds, that is, funds in the form of wire transfers from credit card and bank card transactions to purchase items, goods, and services as listed below, from places outside the State of Missouri, to places in Missouri. The following instances are listed below, each instance being a separate and additional Count of this Indictment:

COUNT	DATE	CREDIT CARD USED	DESCRIPTION OF TRANSACTION
1	October 11, 2006	MBNA/Bank of America account number ending in 5181 in the name of D.P. MBNA/Bank of America is located in Wilmington, DE.	NEWTON charged a total of \$122.36 to purchase clothing at Upstairs Boutique in Joplin, MO.

COUNT	DATE	CREDIT CARD USED	DESCRIPTION OF TRANSACTION
2	October 14, 2006	MBNA/Bank of America account number ending in 5181 in the name of D.P. MBNA/Bank of America is located in Wilmington, DE.	NEWTON charged a total of \$615.91 to purchase clothing at Upstairs Boutique in Joplin, MO.
3	June 21, 2007	American Express account number ending in 91009 in the name of D.P. and Evergreen & Amber, L.L.C. American Express is located in Dallas, TX.	NEWTON charged a total of \$406.70 to purchase clothing at Upstairs Boutique in Joplin, MO.
4	August 9, 2007	Bank of America Visa account number ending in 7509 in the name of D.P. Bank of America is located in Spokane, WA.	NEWTON charged a total of \$4,064.21 to purchase home appliances at Metro Builders Supply in Joplin, MO.
5	September 5, 2007	American Express account number ending in 91009 in the name of D.P. and Evergreen & Amber, L.L.C. American Express is located in Dallas, TX.	NEWTON charged a total of \$144.71 to purchase shoes at Sophie, LLC, located in Joplin, MO.
6	September 6, 2007	American Express account number ending in 91009 in the name of D.P. and Evergreen & Amber, L.L.C. American Express is located in Dallas, TX.	NEWTON charged a total of \$63.71 to purchase shoes at Sophie, LLC, located in Joplin, MO.
7	October 31, 2007	Bank of America Visa account number ending in 4936 in the name of Evergreen & Amber, L.L.C. Bank of America is located in Wilmington, DE.	NEWTON charged a total of \$88.01 in payment for veterinary services and supplies at Paws Veterinary Clinic in Joplin, MO.

COUNT	DATE	CREDIT CARD USED	DESCRIPTION OF TRANSACTION
8	November 7, 2007	Capital One F.S.B. account number ending in 1390 in the names of D.P. and Evergreen & Amber, L.L.C. Capital One F.S.B. is located in City of Industry, CA.	NEWTON charged a total of \$192.20 to purchase shoes at Sophie, LLC, located in Joplin, MO.
9	November 7, 2007	American Express account number ending in 91009 in the name of D.P. and Evergreen & Amber, L.L.C. American Express is located in Dallas, TX.	NEWTON charged a total of \$105.12 to purchase shoes at Sophie, LLC, located in Joplin, MO.
10	March 12, 2008	Bank of America Visa account number ending in 7509 in the name of D.P. Bank of America is located in Spokane, WA.	NEWTON charged a total of \$362.00 for dental services provided by Dr. Michael R. Laferla, DDS, in Joplin, MO
11	May 23, 2008	U.S. Bank Visa debit card account number ending in 1464 in the name of Evergreen & Amber, L.L.C. U.S. Bank's Visa debit card transactions are processed through Fargo, ND.	NEWTON charged a total of \$639.75 to purchase facials, make-up, and other spa services from Oasis Salon & Day Spa in Joplin, MO.
12	June 6, 2008	Chase Visa account number ending in 5506 in the name of D.P. Chase is located in Palatine, IL.	NEWTON charged a total of \$1,926.70 to purchase photographs at Lagow Portrait Designs, Inc., in Joplin, MO.
13	June 12, 2008	Chase Visa account number ending in 5506 in the name of D.P. Chase Visa is located in Palatine, IL.	NEWTON charged a total of \$708.44 to purchase clothing at Upstairs Boutique in Joplin, MO.

COUNT	DATE	CREDIT CARD USED	DESCRIPTION OF TRANSACTION
14	June 16, 2008	Chase Visa account number ending in 5506 in the name of D.P. Chase Visa is located in Palatine, IL.	NEWTON charged a total of \$145.72 in two transactions to purchase shoes at Sophie, LLC, located in Joplin, MO.
15	July 3, 2008	Chase Visa account number ending in 5506 in the name of D.P. Chase Visa is located in Palatine, IL.	NEWTON charged a total of \$429.80 to purchase clothing at Upstairs Boutique in Joplin, MO.
16	September 5, 2008	Discover Card Services account number ending in 5808 in the name of D.P. Discover Card Services is located in Salt Lake City, UT.	NEWTON charged a total of \$350.00 to purchase clothing at Upstairs Boutique in Joplin, MO.
17	September 13, 2008	Chase Visa account number ending in 5506 in the name of D.P. Chase Visa is located in Palatine, IL.	NEWTON charged a total of \$230.71 to purchase shoes at Sophie, LLC, located in Joplin, MO.
18	October 16, 2008	U.S. Bank Visa debit card account number ending in 1464 in the name of Evergreen & Amber, L.L.C. U.S. Bank's Visa debit card transactions are processed through Fargo, ND.	NEWTON charged a total of \$144.26 to purchase shoes at Sophie, LLC, located in Joplin, MO.
19	December 10, 2008	U.S. Bank Visa debit card account number ending in 1464 in the name of Evergreen & Amber, L.L.C. U.S. Bank's Visa debit card transactions are processed through Fargo, ND.	NEWTON charged a total of \$212.85 to purchase clothing at Upstairs Boutique in Joplin, MO.

COUNT	DATE	CREDIT CARD USED	DESCRIPTION OF TRANSACTION
20	December 12, 2008	American Express account number ending in 91009 in the name of D.P. and Evergreen & Amber, L.L.C. American Express is located in Dallas, TX.	NEWTON charged a total of \$216.87 to purchase shoes at Sophie, LLC, located in Joplin, MO.
21	January 10, 2009	American Express account number ending in 91009 in the name of D.P. and Evergreen & Amber, L.L.C. American Express is located in Dallas, TX.	NEWTON charged a total of \$118.61 to purchase clothing at Mystique Boutique in Joplin, MO.

13. All in violation of Title 18, United States Code, Section 1343.

COUNTS TWENTY-TWO through TWENTY-FIVE

14. The allegations set forth in paragraphs 1 through 10, above, are herein incorporated in full.

15. On or about the dates set forth below in each individual count, in Joplin, Jasper County, within the Western District of Missouri, and elsewhere, the defendant, **PEGGY S. NEWTON**, did knowingly make, possess, and pass the below-listed counterfeit and forged securities of an organization, that is, the below-listed checks which were purportedly signed by D.P., drawn on an account of Evergreen & Amber, L.L.C., at U.S. Bank in Joplin, Missouri, and made payable to the order of the defendant, with intent to deceive another person, organization and government:

COUNT	CHECK NO.	DATE ISSUED	AMOUNT
22	1155	June 4, 2008	\$1,250.00
23	1169	June 13, 2008	\$4,700.00

24	1265	September 2, 2008	\$1,000.00
25	1419	March 23, 2009	\$1,000.00

16. All in violation of Title 18, United States Code, Sections 513(a).

A TRUE BILL

/s/
FOREPERSON OF THE GRAND JURY

/s/ Robyn L. McKee
Robyn L. McKee #42971
Assistant United States Attorney

DATED: February 8, 2011
Springfield, Missouri