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CLERK US DISTRICT COURT
DISTRICT OF ARIZONA

CR19-01275 TUC-RM(LAB)

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

United States of America,

Plaintiff,

vs.

Shanelle Bailey,

Defendant.

INDICTMENT

Violations:

18 U.S.C. §1349
(Conspiracy to Commit Mail and
Wire Fraud)
Count 1

18 U.S.C. §1956(h)
(Conspiracy to Commit Money
Laundering)
Count 2

18 U.S.C. §§981(a)(1)(C), 982(a)(1),
982(a)(8); 21 U.S.C. §2461(c)
Forfeiture Allegation

THE GRAND JURY CHARGES:

Count 1

Conspiracy to Commit Mail Fraud and Wire Fraud

[18 U.S.C. § 1349]

1. From a time unknown and continuing through on or about April 23, 2019, in the District of Arizona, and elsewhere, the defendant, Shanelle Bailey and others unknown to the grand jury, knowingly and voluntarily did unlawfully combine, conspire, confederate and agree together and with each other to knowingly

1 execute and attempt to execute a scheme or artifice to defraud and a scheme or plan
2 to obtain money or property by means of material false or fraudulent representations,
3 promises and the intentional concealment of material facts, in violation of Title 18,
4 United States Code, Section 1341 (Mail Fraud) and Title 18, United States Code,
5 Section 1343 (Wire Fraud).

6 **Manner/Means of the Conspiracy/Scheme to Defraud**

7 2. This scheme targeted the elderly. The primary purpose of the
8 conspiracy and scheme to defraud was for the defendant and other co-conspirators
9 in the conspiracy to fraudulently obtain money from various victims through a
10 fraudulent sweepstakes or lottery scheme. In furtherance of the conspiracy and
11 scheme to defraud, the co-conspirators fraudulently communicated to individuals
12 that they had won a lottery or a prize. These communications also fraudulently
13 represented that in order to obtain these winnings; the victims were required to make
14 arrangements to pay taxes or other fees. These representations were false and
15 fraudulent. In reality, the co-conspirators merely made these false and fraudulent
16 representations with the intent to defraud solely to obtain the victims' money and
17 without any intent to provide any prize winnings.

18 3. In furtherance of the conspiracy and scheme to defraud, victim C.A.,
19 who was over the age of 85 years and a resident of the City of Tucson, provided the
20 co-conspirators approximately \$150,000 in 2018. Sometime in November, 2018,
21 C.A. received numerous telephone calls from a "Mr. Fisher" who told her that she
22 had won \$5,400,000 and an automobile as part of a Sweepstakes Lottery. C.A. was
23 instructed to send money to defendant Shanelle Bailey at 578 W. 1340th S, Provo,
24 Utah in order to collect her winnings. On November 28, 2018, C.A. mailed a package
25 containing money via UPS to defendant Shanelle Bailey at that address. On
26 December 6, 2018, C.A. sent a package containing money by Federal Express to
27 defendant Shanelle Bailey at that address. On November 23, 2018, C.A. sent a \$350
28

1 money wire via MoneyGram to C.K in Peoria, Arizona. C.K. was also a victim of a
 2 lottery scam and was also being used as a money transmitter. A money transmitter
 3 is one who is a victim of the scam and who also receives money from other victims
 4 to send to the co-conspirators.

5 4. As an essential part of the conspiracy, as indicated above, the co-
 6 conspirators caused to be issued mailings and interstate wire communications in
 7 furtherance of the conspiracy.

8 All in violation of Title 18, United States Code, Section 1349, enhanced by
 9 Title 18, U.S.C. § 2326, telemarketing fraud targeting persons over the age of 55.

10 **COUNT 2**

11 **Conspiracy to Commit Money Laundering**

12 **[Title 18 U.S.C. § 1956(h)]**

13 5. The allegations in paragraphs two (2) through four (4) of this
 14 Indictment are re-alleged and incorporated by reference as if fully set forth herein.

15 6. From a time unknown through at least April 23, 2019, within the
 16 District of Arizona and elsewhere, defendant Shanelle Bailey, and others unknown
 17 to the grand jury, did knowingly and willfully combine conspire and agree together,
 18 with each other and others to commit the following offense against the United States:

19 **Objects of the Conspiracy**

20 Concealment money laundering in violation of Title 18, United States
 21 Code, § 1956(a)(1)(B)(i).

22 7. The manner and means employed by the defendant Shanelle Bailey and
 23 others in the conspiracy, to effect the objects of the conspiracy, were as follows:

24 a. knowing that the property involved in the financial transactions
 25 represented the proceeds of some form of unlawful activity, the defendant and
 26 others knowingly conducted, knowingly caused to be conducted, and
 27 attempted to conduct financial transactions through interstate commerce,
 28

1 which in fact involved the proceeds of specified unlawful activity, that is, Mail
2 and Wire Fraud, in violation of Title 18 U.S.C. §§ 1341 and 1343, knowing
3 that the transactions were designed in whole or in part to conceal and disguise
4 the nature, location, source, ownership and the control of the proceeds of some
5 form of unlawful activity in violation of Title 18, United States Code, Section
6 1956(a)(1)(B)(i).

7 8. The defendant entered into a conspiracy to receive proceeds derived
8 from the lottery fraud scheme and to launder the fraudulent proceeds, that is, to
9 disguise the nature, location, source, ownership and control of the fraudulent
10 proceeds.

11 All in violation of Title 18 United States Code, Section 1956(h).

12 **Forfeiture Allegation**

13 9. Upon conviction of an offense in violation of Title 18, United States
14 Code, Section 1349, defendant Shanelle Bailey shall forfeit to the United States of
15 America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title
16 28, United States Code, Section 2461(c), any property, real or personal, which
17 constitutes or is derived from proceeds traceable to the offense.

18 10. Upon conviction of an offense in violation of Title 18, United States
19 Code, Section 1343 and/or 1341, or of a conspiracy to commit such offenses, also in
20 violation of Title 18, United States Code, Section 1349, the defendant Shanelle
21 Bailey shall forfeit to the United States of America, pursuant to Title 18, United
22 States Code, Section 982(a)(8), any real or personal property --

23 (A) used or intended to be used to commit, to facilitate, or to promote the
24 commission of such offenses; and

25 (B) constituting, derived from, or traceable to the gross proceeds obtained
26 directly or indirectly as a result of the offenses.
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1 11. Upon conviction of an offense in violation of Title 18, United States
2 Code, Section 1956, the defendant Shanelle Bailey shall forfeit to the United States
3 of America, pursuant to Title 18, United States Code, Section 982(a)(1), any
4 property, real or personal, involved in such offense, and any property traceable to
5 such property.

6 12. The property to be forfeited includes, but is not limited to, a sum of
7 money in U.S. currency equal to the amount of proceeds obtained as a result of the
8 above charged offenses.

9 13. If any of the forfeitable property, as a result of any act or omission of
10 the defendants: (1) cannot be located upon the exercise of due diligence; (2) has
11 been transferred or sold to, or deposited with, a third party; (3) has been placed
12 beyond the jurisdiction of the court; (4) has been substantially diminished in value;
13 or (5) has been commingled with other property which cannot be divided without
14 difficulty; it is the intent of the United States, pursuant to Title 21, United States
15 Code, Section 853(p), as incorporated by Title 18, United States Code, Section
16 982(b)(1) and Title 28, United States Code, Section 2461(c), to seek forfeiture of
17 any other property of said defendants up to the value of the above forfeitable
18 property, including but not limited to all property, both real and personal, owned by
19 the defendants.
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1 All pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(1),
2 982(a)(8), 982(b)(1), Title 28, United States Code, Section 2461(c), and Rule
3 32.2(a), Federal Rules of Criminal Procedure.

4 A TRUE BILL

5 **/ s /**

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Presiding Juror

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9 **REDACTED FOR
PUBLIC DISCLOSURE**

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11 MICHAEL BAILEY
United States Attorney
District of Arizona

12 **/ s /**

13 Assistant U.S. Attorney
14 Dated: May 15, 2019
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