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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SEALED

UNITED STATES OF AMERICA,

SEALED

AARON DAVIS,

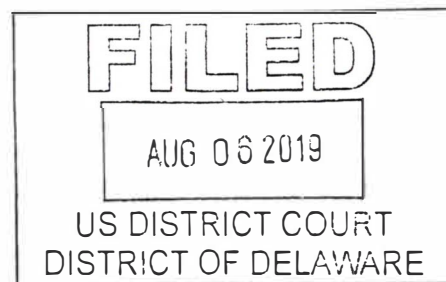
Defendant.

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) Criminal Action No. 19- 101
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INDICTMENT

The Grand Jury for the District of Delaware charges that:

At all times relevant to this Indictment:



Relevant Persons and Entities

1. Citizens Bank, N.A. ("Citizens Bank"), SunTrust Banks, Inc. ("SunTrust Bank"), and TD Bank, N.A. ("TD Bank") were federally insured financial institutions, the deposits of which are insured by the Federal Deposit Insurance Corporation.
2. S.H. ("COMPANY A") was a not-for-profit health system in Northern California.
3. On or about August 7, 2013, the wife of AARON DAVIS ("DAVIS"), doing business as All American Auto ("AAA") applied to, and received from, the Delaware Department of Motor Vehicles ("DMV") a wholesaler's license to sell motor vehicles.
4. On or about February 20, 2014, DAVIS's wife transferred ownership of AAA to DAVIS.
5. On or about December 31, 2016, AAA's wholesaler's license expired.
6. Between in or around October 2017 and in or around December 2017, DAVIS applied to renew AAA's wholesaler license to sell motor vehicles.

7. On or about February 27, 2017, the DMV denied DAVIS's application to renew AAA's wholesale license and sent a letter to DAVIS to that effect.

8. Despite not having an active business license, between in or around June 2017 and in or around August 2017, DAVIS opened bank accounts with SunTrust Bank, Citizens Bank, and PNC Bank in the name of AAA. In opening those accounts, DAVIS identified himself as the sole proprietor of AAA and was the only authorized signature for all of these bank accounts.

COUNT ONE
(Bank Fraud Involving TD Bank)

Schemes and Artifices to Defraud

9. Paragraphs 1 through 8 of this Indictment are realleged and fully incorporated herein.

10. From in or around June 2017, until in or around December 2017, in the District of Delaware and elsewhere, the defendant, AARON DAVIS, knowingly devised schemes and artifices to defraud federally insured financial institutions by (i) opening and controlling multiple bank accounts; (ii) depositing (or causing to be deposited) checks he knew to be fraudulent into those bank accounts that he controlled; and (iii) withdrawing, or attempting to withdraw, funds from those accounts before the relevant financial institution was able to identify the fraudulent deposit.

11. On or about August 29, 2013, DAVIS and his wife opened a TD Bank business account in the name of AAA, Account #XXXXXXX8225 ("TD Account 8225"), with an initial deposit of \$800.

12. Despite being opened as a business account, in or around January 2016 until in or around July 2017, TD Account 8225 was primarily used for everyday living expenses

including, but not limited to, gas, food and utilities. During this same period, TD Account 8225 often had a negative balance and was only occasionally used for transactions involving the purchase or sale of automobiles.

13. On or about July 13, 2017, TD Account 8225 had a negative balance of approximately \$1,100.00.

14. The same day, on or about July 13, 2017, TD Account 8225 received by mail a check deposit for \$38,750.00. The check was drawn on a fraudulent Sallie Mae account in the name of D.S. and made payable to "TD Bank." The complete account number for TD Account 8225 was in the memo line.

15. On or about July 17, 2017, TD Account 8225 received a mobile deposit of a \$4,990.00 check drawn on a Wells Fargo account in the name of R.S. and made payable to AAA.

16. On or about July 19, 2017, TD Account 8225 received another check deposit, by mail, for \$19,800.00 drawn on the same Wells Fargo account in the name of R.S.

17. R.S. did not know DAVIS, have business with AAA, or otherwise authorize the payment of funds from his Wells Fargo Account to TD Account 8225.

18. Between in or around July 14, 2017, and in or around July 17, 2017, DAVIS withdrew approximately \$41,500.00 from TD Account 8225 through multiple ATM withdrawals, certified bank checks and miscellaneous purchases.

19. Between on or about July 17, 2017 and on or about July 21, 2017, all three checks set forth in paragraphs 14 through 16 were returned.

20. On or about July 27, 2017, TD Bank closed TD Account 8225.

Charging Paragraph

21. From on or about July 13, 2017, through on or about July 19, 2017, in the District of Delaware and elsewhere, the defendant, AARON DAVIS, did knowingly execute and attempt to execute a scheme and artifice to obtain moneys, funds, and other property under the custody and control of TD Bank, a federally insured financial institution, by means of material false and fraudulent pretenses, representations, and promises, as described more fully in paragraphs 1 through 19 above, incorporated herein by reference.

All in violation of Title 18, United States Code, Sections 1344(2) and 2.

COUNT TWO
(Bank Fraud Involving SunTrust Bank)

22. Paragraphs 1 through 10 of this Indictment are realleged and fully incorporated herein.

23. On or about June 19, 2017, DAVIS opened a business account in the name of AAA with SunTrust Bank, Account #XXXXXX9161 ("SunTrust Account 9161"), with an initial deposit of \$100.

24. On or about July 6, 2017, SunTrust Account 9161 had a balance of \$76.57.

25. Between on or about July 6, 2017, and on or about July 17, 2017, SunTrust Account 9161 received two large deposits.

26. On or about July 17, 2017, a check drawn on a Wells Fargo account in the name of R.S. for \$15,850.00 was deposited by mail into SunTrust Account 9161. AAA's full account number was in the memo line.

27. R.S. did not know DAVIS, have business with AAA, or otherwise authorize the payment of funds from his Wells Fargo Account to SunTrust Account 9161.

28. On or about July 19, 2017, SunTrust Account 9161 received by mail a check deposit for \$73,500.00. The check was drawn on a fraudulent Sallie Mae account in the name of D.S.

29. On or about July 19, 2017, and on or about July 26, 2017, respectively, the deposits for \$15,850.00 and \$73,500.00 were returned, prior to any withdrawal of funds against those deposits.

30. On or about August 10, 2017, SunTrust Bank closed SunTrust Account 9161.

Charging Paragraph

31. From on or about June 21, 2017, through on or about August 10, 2017, in the District of Delaware and elsewhere, the defendant, AARON DAVIS, did knowingly execute and attempt to execute a scheme and artifice to obtain moneys, funds, and other property under the custody and control of SunTrust Bank, a federally insured financial institution, by means of material false and fraudulent pretenses, representations, and promises, as described more fully in paragraphs 21 through 28 above, incorporated herein by reference.

All in violation of Title 18, United States Code, Sections 1344(2) and 2.

COUNT THREE
(Wire Fraud Involving COMPANY A)

Scheme and Artifice to Defraud

32. Paragraphs 1 through 8 of this Indictment are realleged and fully incorporated herein.

33. From on or about August 28, 2017, through on or about September 25, 2017, in the District of Delaware and elsewhere, DAVIS and other individuals unknown to the grand jury engaged in a scheme and artifice to defraud COMPANY A, and to obtain money and

property by means of materially false and fraudulent pretenses, representations and promises, whereby those other individuals would, by means of false or fraudulent pretenses, representations, or promises, cause the transfer of money from COMPANY A's bank account into a business bank account controlled by DAVIS, as more fully described below.

34. On or about August 3, 2017, DAVIS opened a business account in the name of AAA with Citizens Bank, Account #XXXXXXX3928 ("Citizens Account 3928"), at the Bear, Delaware Acme Market Branch, with an initial deposit of \$100.

35. On or about August 28, 2017, COMPANY A received a call from an unknown individual, purporting to be a representative from one of COMPANY A's contractors, H.B.

36. The individual told COMPANY A that he wanted to change the payment information for H.B. and requested the form to cause Automated Clearing House ("ACH") deposits for future payments.

37. On or about August 28, 2017, COMPANY A received, by email, a direct deposit enrollment form and voided check, purportedly from a representative of H.B. The direct deposit form directed COMPANY A to deposit all future payments for H.B. into Citizens Account 3928. The voided check contained the name and address of H.B., however the account number on the voided check was Citizens Account 3928. The form indicated that the "Branch Name" for Citizens Account 3928 was "Citizens Bank Bear Acme."

38. Between on or about September 6, 2017, and on or about September 20, 2017, DAVIS or other individuals unknown to the grand jury, through false or fraudulent pretenses, caused to be transmitted by means of wire communication in interstate commerce, ACH transfers totaling over \$1.1 million from COMPANY A to Citizens

Account 3928. Neither the other individuals, DAVIS, nor AAA were the intended recipients of the ACH transfers.

38. From on or about September 6, 2017, through on or about September 20, 2017, DAVIS used or withdrew over \$172,000.00 from the Citizens Account 3928 through various ATM withdrawals, certified bank check purchases and retail purchases.

39. On or about October 6, 2017, Citizens Bank froze the funds remaining in Citizens Account 3928.

Charging Paragraph

40. From on or about September 6, 2017, through on or about September 25, 2017, in the District of Delaware and elsewhere, the defendant, AARON DAVIS, having devised and intended to devise and aided and abetted a scheme and artifice to defraud, as described in paragraphs 32 through 39 above, incorporated herein by reference, and for the purposes of executing such scheme and artifice to defraud and for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, did knowingly transmit or cause to be transmitted by means of a wire communication in interstate commerce, as set forth below, an electronic funds transfer request from COMPANY A's bank account to Citizens Account 3928:

Date of Wire Transmission	Description of Wire Transmission	Amount of Wire Transmission
September 6, 2017	From COMPANY A to Citizens Account 3928	\$15,387.00
September 6, 2017	From COMPANY A to Citizens Account 3928	\$76,032.00

September 8, 2017	From COMPANY A to Citizens Account 3928	\$640,095.00
September 15, 2017	From COMPANY A to Citizens Account 3928	\$125,651.00
September 20, 2017	From COMPANY A to Citizens Account 3928	\$292,841.00
September 20, 2017	From COMPANY A to Citizens Account 3928	\$2,537.00

All in violation of 18 United States Code, Section 1343 and 2.

COUNT FOUR

(Monetary Transactions in Property Derived from Specified Unlawful Activity)

41. Paragraphs 1 through 40 of this Indictment are realleged and fully incorporated herein.
42. On or about July 20, 2017, DAVIS opened a business account in the name of AAA with PNC Bank, Account #XXXXXX6649 ("PNC Account 6649"), with an initial deposit of \$800.
43. Between on or about September 6, 2017, through on or about October 10, 2017, in the District of Delaware and elsewhere, the defendant, AARON DAVIS did knowingly engage and attempt to engage in monetary transaction by, through or to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is the purchase of five (5) certified bank checks payable to AAA drawn from Citizens Account 3928 that defendant DAVIS deposited into his PNC Account 6649,

such property having been derived from specified unlawful activity, that is, wire fraud, in violation of 18 United States Code, Section 1343.

Date Certified Bank Check Purchased from Citizens Account 3928	Amount	Date Certified Bank Check Deposited into PNC Account 6649
09/07/17	\$19,000.00	09/07/17
09/07/17	\$20,000.00	09/07/17
09/18/17	\$29,000.00	09/19/17
09/18/17	\$17,600.00	10/02/17

All in violation of Title 18 United States Code, Section 1957.

COUNT FIVE
(Wire Fraud Involving Social Security Funds)

Scheme and Artifice to Defraud

44. Paragraphs 1 through 8, and 23 of this Indictment are realleged and fully incorporated herein.

45. From on or about June 25, 2017, through on or about August 9, 2017, in the District of Delaware and elsewhere, DAVIS and other individuals, unknown to the grand jury, engaged in a scheme and artifice to defraud, whereby those other individuals would, by means of false or fraudulent pretenses, representations, or promises, cause the transfer of money from the United States Social Security Administration (“the SSA”) to business bank accounts controlled by DAVIS, as more fully described below.

46. On or about June 25, 2017, DAVIS or other individuals, unknown to the grand jury, submitted claims for social security benefits using the personal identifying information for

J.A. DAVIS or the other individuals directed the SSA to transfer the social security funds to a business bank account controlled by DAVIS, specifically SunTrust Account 9161.

47. On or about July 6, 2017, the SunTrust Account 9161 received a \$21,195.20 transfer from a SSA Account in Kansas City, Missouri that was intended for J.A. DAVIS has no connection to J.A. and was not otherwise authorized or entitled to receive any social security benefit relating to J.A.

48. Between on or about July 6, 2017, and on or about July 13, 2017, DAVIS withdrew approximately \$21,100.00 from SunTrust Account 9161 through cash withdrawals and miscellaneous retail purchases.

49. On or about August 9, 2017, SunTrust Account 9161 received a \$2,550.80 transfer from a SSA Account in Kansas City, Missouri that was intended for J.A.

50. On or around August 10, 2017, SunTrust Bank closed SunTrust Account 9161 and froze approximately \$2,300 that remained in the account.

Charging Paragraph

51. From on or about June 25, 2017, through on or about August 9, 2017, in the District of Delaware and elsewhere, the defendant, AARON DAVIS, having devised and intended to devise and aided and abetted a scheme and artifice to defraud, as described in paragraphs 43 through 49 above, incorporated herein by reference, and for the purposes of executing such scheme and artifice to defraud and for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, did knowingly transmit or cause to be transmitted by means of a wire communication in interstate commerce, as set forth below, electronic funds transfer requests from the SSA to SunTrust Account 9161:

Date of Wire Transmission	Description of Wire Transmission	Amount of Wire Transmission
July 6, 2017	From a SSA Account in Kansas City, Missouri to the SunTrust Account 9161	\$21,195.20
August 9, 2017	From a SSA Account in Kansas City, Missouri to SunTrust Account 9161	\$2,550.80

All in violation of Title 18, United States Code, Sections 1343 and 2.

NOTICE OF FORFEITURE

Upon conviction of any of the offenses alleged in Counts One, Two, Three, or Five of this Indictment, the defendant **AARON DAVIS** shall forfeit to the United States pursuant to Title 18, United States Code, § 982(a)(2) any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violations.

Upon conviction of any of the offenses alleged in Count Four of this Indictment, the defendant **AARON DAVIS** shall forfeit to the United States pursuant to Title 18, United States Code, § 982(a)(1) any property involved in or constituting or derived from proceeds obtained directly or indirectly as a result of the said violations.

If the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, § 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

A TRUE BILL:

Foreperson

DAVID C. WEISS
United States Attorney

BY:
Adrienne C. Dedjinou
Assistant United States Attorney

Dated: August 6, 2019