

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

CHRISTINE REEVES, *also known as*
CHRISTINE NEWMAN

and

VCARE USA LLC,

Defendants.

No. 2:19-cv-325

COMPLAINT

Plaintiff, the United States of America, by and through its undersigned attorneys, brings this complaint against Defendants CHRISTINE REEVES, also known as CHRISTINE NEWMAN, and VCARE USA LLC, and alleges the following:

I. NATURE OF THIS ACTION

1. Starting as early as 2016 and continuing to the present, Defendants have and continue to conduct United States operations of a large-scale technical-support fraud scheme based in India that targets consumers throughout the United States. Defendants have furthered the scheme by collecting money from victims and then transmitting money to accomplices in

1 India and the United States, knowing that their transactions involve the proceeds of a scheme to
2 defraud and that they promote and further that scheme, as well as conceal the ownership and
3 control of those proceeds.

4 2. The scheme operates by fraudulently inducing consumers to purchase phony or
5 otherwise misrepresented technical-support services related to computers or other electronic
6 devices, often by falsely representing to consumers that their devices are infected by software
7 viruses or other malicious intrusions.

8 3. The United States seeks to prevent continuing and substantial injury to the
9 United States and victims by bringing this action for a permanent injunction and other equitable
10 relief under 18 U.S.C. § 1345. The United States seeks to enjoin the ongoing commission of
11 wire fraud in violation of 18 U.S.C. § 1343 and the ongoing commission of banking law
12 violations as defined in 18 U.S.C. § 3322(d), including money laundering in violation of 18
13 U.S.C. § 1956(a)(1) and international money laundering in violation of 18 U.S.C. § 1956(a)(2).

14 **II. JURISDICTION AND VENUE**

15 4. This Court has jurisdiction over this action under 18 U.S.C. § 1345 and 28
16 U.S.C. §§ 1331 and 1345.

17 5. The United States District Court for the Western District of Washington is a
18 proper venue for this action under 28 U.S.C. § 1391(b)(1) & (b)(2) because Defendants are
19 residents of this district and because a substantial part of the events or omissions giving rise to
20 this Complaint occurred in this district.

21 **III. PARTIES**

22 6. Plaintiff is the United States.
23

1 7. Defendant Christine Reeves (“Reeves”), also known as Christine Newman, is a
2 resident of this district, residing in Gold Bar, Snohomish County, Washington. In connection
3 with the matters alleged herein, Defendant Reeves transacts and has transacted business in this
4 district.

5 8. Defendant Reeves formed VCare USA LLC (“VCare”), a Washington State
6 limited liability company, on or about August 9, 2016, with Defendant Reeves as the sole
7 member of the LLC. Its principal place of business is in Gold Bar, Snohomish County,
8 Washington. In connection with the matters alleged herein, Defendant VCare transacts and has
9 transacted business in this district.

10 **IV. FACTS**

11 **A. Defendants’ Ongoing Fraudulent Scheme**

12 9. Since at least 2016, Defendants have conducted U.S. operations of a large-scale
13 technical-support fraud scheme that targets consumers throughout the United States.
14 Defendants further the scheme by processing fraudulently induced consumer payments for the
15 scheme, transmitting proceeds to accomplices in India and the United States, and generally
16 providing a veneer of domestic legitimacy.

17 10. As part of the scheme, telemarketers in India use telephone numbers, email
18 addresses, and the infrastructure maintained by Defendants to contact consumers and induce
19 them to pay money for phony technical-support services and other false purposes.
20 Telemarketers working for the scheme fraudulently pose as technicians to induce consumers,
21 including principally elderly consumers, to purchase phony or otherwise misrepresented
22 technical-support services, and to make further payments based on additional fraudulent
23 misrepresentations. Telemarketers contact consumers by means such as placing cold calls; and

1 by using pop-up advertisements disguised as security alerts on computers or other electronic
2 devices that direct consumers to immediately call a telephone number to protect their computer
3 or other electronic device. The telemarketers often falsely claim to work for or be affiliated
4 with large, well-known technology companies.

5 11. Once a telemarketer has a consumer on the phone, the telemarketer emphasizes
6 the need for immediate action, and claims that the consumer's computer is at risk and that the
7 telemarketer can assist but first needs remote access to the computer or device. Once remotely
8 connected, the telemarketer purports to confirm the existence of a serious computer virus or
9 other threat to the consumer's computer or device, sometimes claiming that hackers have
10 already taken over the consumer's computer or email accounts. Imparting a sense of urgency,
11 the telemarketer then claims that he will install expensive and high-quality network security
12 software to resolve the threat in exchange for a substantial sum of money.

13 12. After purportedly installing high-quality network security software, the
14 telemarketer instructs the consumer to pay, generally by personal check or bank transmission to
15 Defendant Reeves or Defendant VCare USA LLC. Each consumer is charged between several
16 hundred and several thousand dollars.

17 13. At times during the scheme, consumers who have already paid Defendants once
18 for technical-support receive subsequent calls, during which telemarketers working for the
19 scheme give consumers phony new reasons they must purchase additional security software to
20 avoid serious new computer viruses or other threats to their devices.

21 14. Defendants facilitate the wire fraud scheme by (a) maintaining the schemes'
22 infrastructure, including (b) receiving victim payments and (c) generally providing a veneer of
23 domestic legitimacy.

1 **B. Defendants' Ongoing Banking Law Violations**

2 15. Defendants conduct financial transactions to benefit one or more international
3 fraud schemes, knowing that the money they receive and transmit are obtained fraudulently,
4 and knowing that their transactions are designed to conceal the schemes.

5 16. Beginning at least as early as 2016, Defendants have knowingly and willingly
6 accepted over \$100,000 from multiple sources and then transmitted most of that money to
7 accomplices.

8 17. During 2018 alone, Defendants transmitted tens of thousands of dollars to
9 accomplices in India.

10 **C. Defendant's Knowledge of Fraud and Intent to Conceal the Nature, Source,**
11 **Location, Ownership, or Control of Proceeds**

12 18. On information and belief, Defendants have engaged in the financial
13 transactions alleged in Paragraphs 7 through 17 with the knowledge that the moneys they
14 receive from and transmit to accomplices are obtained by fraud schemes or other specified
15 unlawful activity.

16 19. On information and belief, Defendants have engaged in the financial
17 transactions alleged in Paragraphs 7 through 17 with the intent to conceal the nature, source,
18 location, ownership, or control of proceeds.

19 **D. Harm to Consumers**

20 20. Consumers suffer financial losses from the wire fraud scheme and money
21 laundering facilitated by Defendants. Those victimized by the scheme reside across the United
22 States. Defendants are continuing to facilitate the technical-support fraud scheme. Absent
23

1 injunctive relief by this Court, Defendants' conduct will continue to cause injury to consumers
2 across the United States.

3
4 **E. Harm to the United States**

5 21. The United States is suffering continuing and substantial injury from
6 Defendants' wire fraud and banking law violations.

7 22. Defendants are continuing to facilitate wire fraud and banking law violations.
8 Absent injunctive relief by this Court, Defendants will continue to cause continuing and
9 substantial injury to the United States and victims.

10 **COUNT I**

11 **(18 U.S.C. § 1345 – Injunctive Relief)**

12 23. The United States re-alleges and incorporates by reference Paragraphs 1 through
13 22 of this Complaint as though fully set forth herein.

14 24. By reason of the conduct described herein, Defendants have violated, are
15 violating, and are about to violate 18 U.S.C. § 1343 by executing a scheme and artifice to
16 defraud for obtaining money or property by means of false or fraudulent representations with
17 the intent to defraud, and, in so doing, use interstate and foreign wire communications.

18 25. By reason of the conduct described herein, Defendants have committed, are
19 committing, and are about to commit banking law violations as defined in 18 U.S.C. § 3322(d),
20 including money laundering with intent to promote the carrying on of a specified unlawful
21 activity and to conceal in violation of 18 U.S.C. § 1956(a)(1)(A) & (B)(i), and international
22 money laundering with intent promote the carrying on of a specified unlawful activity and to
23 conceal in violation of 18 U.S.C. § 1956(a)(2)(A) & (B)(i).

1 (3) engaging, participating, or assisting in money laundering, international
2 money laundering, structuring transactions to evade transaction reporting
3 requirements, and any money transmitting business; and

4 B. That the Court order such other and further relief as the Court shall deem just
5 and proper.

6 Respectfully submitted this 5th day of March, 2019.

7
8 GUSTAV W. EYLER
Acting Director
9 Consumer Protection Branch

10 By: /s/ Daniel K. Crane-Hirsch
Daniel K. Crane-Hirsch
11 Consumer Protection Branch
United States Department of Justice
12 P.O. Box 386
Washington, DC 20044
13 Tel.: 202-616-8242
Fax: 202-514-8742
14 Email: daniel.crane-hirsch@usdoj.gov

15 BRIAN T. MORAN
United States Attorney

16 /s/ Kayla C. Stahman
17 KAYLA C. STAHMAN, CA #228931
Assistant United States Attorney
18 United States Attorney's Office
700 Stewart Street, Suite 5220
19 Seattle, Washington 98101-1271
Phone: 206-553-7970
20 Fax: 206-553-4067
Email: kayla.stahman@usdoj.gov

21
22 Counsel for United States of America
23

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he is an employee in the Office of the United States Attorney for the Western District of Washington and is the person of such age and discretion as to be competent to serve papers;

It is further certified that on this day, I mailed by United States Postal Service said pleading to Defendants, addressed as follows:

Christine Reeves
VCare USA LLC
15606 Goldbar Dr.
Gold Bar, WA 98251-9572

Dated this 5th day of March, 2019.

/s/ Thomas Everett
THOMAS EVERETT
Paralegal
United States Attorney's Office
700 Stewart Street, Suite 5220
Seattle, Washington 98101-1271
Phone: (206) 553-7970
Fax: (206) 553-0882
E-mail: thomas.everett@usdoj.gov