

AO 91 (Rev. 11/11) Criminal Complaint

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UNITED STATES DISTRICT COURT
for the
Eastern District of Michigan

United States of America
v.
Jemarr Barber

Case: 2:18-mj-30367
Assigned To : Unassigned
Assign. Date : 7/10/2018
Description: IN RE SEALED
MATTER (BG)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of June 2, 2017 in the county of Wayne in the
Eastern District of Michigan, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 1343	Wire Fraud

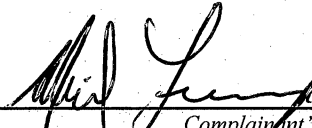
This criminal complaint is based on these facts:
See Attached Affidavit.

☒ Continued on the attached sheet.

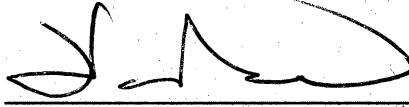
Sworn to before me and signed in my presence.

Date: July 10, 2018

City and state: Detroit, MI


Complainant's signature

Special Agent Michael Lemmage
Printed name and title


Judge's signature

David R. Grand, United States Magistrate Judge
Printed name and title

AFFIDAVIT

I, Michael Lemmage, Special Agent of the Federal Bureau of Investigation (FBI) being duly sworn, state that:

1. I am a Special Agent of the FBI and, as such, an investigative or law enforcement officer of the United States within the meaning of Section 2510(7) of Title 18, United States Code (U.S.C). I am empowered to conduct investigations of and to make arrests for offenses enumerated in Title 18 of the United States Code.

2. I have been employed by the FBI since July 2017. Prior to joining the FBI, I held various positions in Corporate Security and Corporate Compliance at Target Corporation and earned a Certified Fraud Examiner (CFE) certification in 2017. I have received law enforcement training at the FBI Academy and subsequently attended training specific to complex financial crimes. During my employment with the FBI, I have investigated federal crimes involving mail fraud, wire fraud, money laundering, identity theft, and various other criminal matters. At all times during the investigation described in this affidavit, I have been acting in an official capacity as a Special Agent of the FBI.

3. The allegations contained in this affidavit are based on my personal knowledge and investigation, which includes reviewing documents, bank

statements, and interviewing individuals having direct knowledge of these events. Because this affidavit is being submitted for the limited purpose of establishing probable cause for a criminal complaint, I have not included every detail of every aspect of this investigation. Rather, I have set forth those facts that I believe are necessary to establish probable cause to believe that JERMARR BARBER, date of birth 2/2/1985, knowingly executed a scheme to obtain funds by means of false or fraudulent pretenses and in doing so, transmitted or caused to be transmitted, signals via wire in violation of 18 U.S.C. 1343 (wire fraud).

Background

4. This investigation, described more fully below, has revealed that BARBER, a resident of Westland, Michigan, located in the Eastern District of Michigan, is involved in a fraudulent scheme to defraud by creating sham corporations and causing victims to unintentionally wire money to bank accounts held in the name of the sham corporations.

5. As explained in more detail below, BARBER participated in what have become known as “business email compromise schemes” and “romance scams” with at least five victimized companies or individuals across the United States. A business email compromise scheme is carried out by compromising legitimate e-mail accounts through social engineering or computer intrusion techniques to conduct unauthorized transfers of funds. In this case, an employee

with access to the victim-company's banking accounts or an employee of the victim's financial institution received fraudulent emails purportedly from the victims or "executives" at the victimized companies. The emails requested money to be immediately wired to accounts in the name of a sham corporation, KINGSHIP LLC, LOST GENERATION ENTERPRISE LLC, and PLUGTV LLC, controlled by BARBER, as further described below.

6. Once the funds were wire transferred into an account held by BARBER, BARBER would remove the money from the account, preventing the wire transaction from being recalled. BARBER knowingly and intentionally transferred the victim's personal or business funds to himself and then on to other unidentified co-conspirators in the scheme to defraud.

7. The investigation has identified multiple victims who, together, lost over \$700,000 in BARBER's scheme to defraud. Many other unsuccessful attempts by BARBER to defraud via the same scheme were identified throughout the course of this investigation, exposing an intended loss of over \$3.5 million.

Victim: R.T.¹ & First American Bank

8. According to reports made by First American Bank to Elk Grove Police Department, which I obtained and reviewed, on December 7, 2016, a senior

¹ Throughout this affidavit, witnesses whose identities are known to me are referred to by their initials to protect their identities when this affidavit becomes public.

manager at First American Bank, "D.O.", received an email purportedly from a client, "R.T.", a doctor at Westwood OB & GYN. The email requested a withdrawal of funds from R.T.'s First American Bank retirement trust account ending in 1419. D.O. received another email with the proper documentation needed to process a wire transaction of the funds along with information on where to wire the requested funds. The email requested that \$98,900 be sent from R.T.'s account to a Wells Fargo Bank account ending in 7870 held in the name of KINGSHIP LLC, for the benefit of R.T. and BARBER. D.O. approved the release of funds and the \$98,900 was electronically transferred to KINGSHIP LLC.

9. According to reports made by First American Bank to Elk Grove Police Department, which I obtained and reviewed, on February 13, 2017, D.O. received another email purportedly from R.T. requesting \$120,000 be wired from R.T.'s account to a Comerica Bank account ending in 5667 in the name of KINGSHIP LLC. A form requesting the release of funds was submitted and D.O. authorized the successful transfer of funds to the Comerica Bank KINGSHIP LLC account.

10. According to reports made by First American Bank to Elk Grove Police Department, which I obtained and reviewed, on February 28, 2017, D.O. received a third email request purportedly from R.T. to send \$235,000 to the same

Comerica Bank account ending in 5567 in the name of KINGSHIP LLC. D.O. released the \$235,000 from R.T's account to the Comerica Bank account.

11. According to reports made by First American Bank to Elk Grove Police Department, which I obtained and reviewed, on March 20, 2017, D.O. received a final request purportedly from R.T. for a \$535,000 wire transfer. D.O. became suspicious and called R.T, who indicated that **he had not made any requests to withdrawal or transfer funds since 2015**. At this point, D.O. became aware that someone had impersonated R.T. to steal the funds and reported the incident to local law enforcement. First American Bank recovered \$1,000 of the money after contacting Comerica Bank and Wells Fargo Bank. However, First American Bank reimbursed R.T. the \$453,900, resulting in a loss to the bank for that amount.

12. Documents which I received and reviewed during the course of this investigation from Wells Fargo revealed the sole owner and signatory on the Wells Fargo account held in the name of KINGSHIP LLC ending in 7870 was JERMARR BARBER. The bank statements for the account showed an incoming wire from R.T's First American Bank account ending in 1419 on December 14, 2016 for \$98,900. Following the incoming wire transfer, the account reflects numerous personal charges were made on the account for travel expenses and local area purchases in Westland and Livonia, Michigan.

13. Documents which I received and reviewed during the course of this investigation from Comerica Bank revealed the Comerica account ending in 5567 was opened in the name of KINGSHIP LLC. The account was opened on January 19, 2017 and closed on March 24, 2017. According to the account signatory card, provided by Comerica Bank, BARBER was the sole signer on the account ending in 5567. Bank statements for the account revealed one incoming wire transfer for \$120,000 from First American Bank on February 16, 2017, and another incoming wire transfer for \$235,000 from First American Bank on March 7, 2017. Following the incoming wire transfers, the account reflects numerous large dollar international wire transfers to various bank accounts, in addition to local personal expenses.

14. According to records of the State of Michigan Corporations Division, which I obtained and reviewed, KINGSHIP LLC was incorporated as a limited liability company in Michigan on April 7, 2015. According to the Articles of Incorporation, BARBER was listed as the sole member for KINGSHIP LLC.

Victim: J.P & Wells Fargo Bank

15. According to statements and records provided to the FBI by the victim ("K.P"), on August 5, 2016, a Financial Advisor at Wells Fargo Bank, "M.D.", was purportedly contacted via email by "K.P.", who purported to be the son "J.P.", a financial planning client of M.D.. J.P was confined to a nursing

home, so her retirement accounts were managed by her power of attorney, K.P. The email requested a \$48,000 withdrawal from J.P.'s IRA account. A withdrawal form was purportedly submitted from K.P., and a voided blank Huntington National Bank check in J.P.'s name with BARBER's family residential address of 31649 Conway Drive, Westland, Michigan, was attached to the form. A wire transfer was sent from J.P.'s Wells Fargo Bank account to an account in the name of J.P. at Huntington National Bank ending in 2706.

16. According to statements and records provided to the FBI by the victim (the real K.P.), and by Wells Fargo Bank, on September 7, 2016, M.D., received another email requesting a \$97,000 withdrawal from J.P.'s IRA account for the purchase of a commercial property. Another Wells Fargo Bank employee advised the sender of the email, who was believed to be K.P., that there were insufficient funds in the account for a withdrawal of that magnitude. Another follow-up email was sent requesting a transfer of a lesser amount, \$9,700, from J.P.'s Wells Fargo account ending in 9983 to an account held at Coastal Community and Teachers Credit Union. According to records received and reviewed from Wells Fargo Bank, Wells Fargo Bank completed the wire transaction for \$9,700 to the account held at Coastal Community and Teachers Credit Union.

17. According to statements made to the FBI by the victim (the real K.P.), he noticed the large withdrawals from J.P.'s account and contacted M.D. **K.P. verified that he had not requested any account withdrawals and had never sent any of the emails that M.D. received regarding those withdrawals.** According to information provided by a Wells Fargo Bank representative, Wells Fargo Bank reimbursed J.P.'s account and ultimately took the loss for both the \$48,000 wire transfer and the \$9,700 wire transfer.

18. Documents which I received and reviewed during the course of this investigation from Huntington National Bank revealed the Huntington National Bank account ending in 6706 was opened in the name of LOST GENERATION ENTERPRISE LLC. The signer on the LOST GENERATION ENTERPRISE LLC account listed on the signature card was BARBER. The account was opened on July 13, 2016 by BARBER. Bank statements for the Huntington National Bank account revealed an incoming wire transfer for \$48,000 from Wells Fargo Bank on August 22, 2016.

19. According to records of the State of Michigan Corporations Division, which I obtained and reviewed, LOST GENERATION ENTERPRISE LLC was incorporated as a limited liability company in Michigan on November 5, 2012. According to the Articles of Incorporation, BARBER was listed as the resident agent for LOST GENERATION ENTERPRISE LLC.

Victim: W.Z., K.Z. & Jackson National Life Insurance

20. According to reports and documents provided to the FBI by the victim, "W.Z." and spouse "K.Z.," held annuity retirement accounts with Jackson National Life Insurance Company, located in Lansing, MI. In June 2016, a representative from Jackson National Life Insurance Company was purportedly emailed by client W.Z., requesting an account liquidation. An account surrender forms along with a blank voided check, directing where the funds should be transferred, were sent in to Jackson National Life Insurance Company. The voided check was for a Capital One Bank account. Jackson National Life Insurance Company initiated a full account surrender for both W.Z. and K.Z. The full amount of W.Z.'s annuity account was approximately \$55,000 and K.Z.'s account held \$63,000, after taxes were withheld. On June 8, 2016, these amounts were wired to the Capital One Bank account ending in 9575 as requested on the surrender form submitted on K.Z.'s and W.Z.'s behalf.

21. According to reports and documents provided by the victim W.Z. to the FBI, W.Z. and K.Z. were unaware that their accounts were liquidated. Jackson National Life Insurance Company had sent W.Z. and K.Z. receipts of the account closures, however W.Z. was under the impression that his financial advisor had just reallocated their money to another account. **W.Z. verified that neither he**

nor his wife held an account with Capital One Bank nor did they authorize the liquidation of their accounts.

22. Documents which I received and reviewed during the course of this investigation from Capital One Bank revealed the account ending in 9575 was held in the name of KINGSHIP LLC. The sole signer listed on the account was BARBER. The account was opened on June 4, 2016 by BARBER.

23. Statements which I received and reviewed during the course of this investigation from Capital One Bank for the KINGSHIP LLC account ending in 9575 revealed two wire deposits on June 9, 2016. The first wire was for \$62,776.51 from a Bank of NYC account for Jackson National Life Insurance Company with the beneficiary listed as K.Z. The second wire was for \$54,746.39 from a Bank of NYC account for Jackson National Life Insurance Company with the beneficiary listed as W.Z.

24. According to records of the State of Michigan Corporations Division, which I obtained and reviewed, KINGSHIP LLC was incorporated as a limited liability company in Michigan on April 7, 2015. According to the Articles of Incorporation, BARBER was listed as the sole member for KINGSHIP LLC.

Victim: RRE Power

25. According to victim statements and emails provided to the FBI throughout the course of this investigation, on May 31, 2017, "H.M.", the Chief

Accounting Officer for RRE Power LLC received an email from what appeared to be the Chief Executive Officer at RRE Power LLC, "D.M.". The email originated from D.M.'s work email address requesting that \$5,000 be wired to a company, KINGSHIP LLC- AUSTIN TITLE COMPANY, for a real estate transaction.

H.M. processed the request and wired \$5,000 to a bank account ending in 9606 at Sun Trust Bank for KINGSHIP LLC. After H.M sent the wire, it was discovered that that the emails purportedly sent by D.M. were fraudulent and D.M. had never requested the wire transfer.

26. Documents which I received and reviewed during the course of this investigation from Sun Trust Bank returned results on the account which received the wire transfer from RRE Power LLC. The Sun Trust Bank account ending in 9606 was opened in the name of KINGSHIP LLC. According to bank statements provided by Sun Trust Bank, on June 2, 2017, an incoming wire was deposited into the account from RRE Power LLC for \$5,000. A wire Transaction Detail Report reflects on June 2, 2017 the funds were transmitted from JP Morgan Chase Bank, New York, New York to Suntrust Bank and were credited to the KINGSHIP LLC. account held in Michigan. On June 6, 2017, multiple purchases were made from the account.

27. According to records of the State of Michigan Corporations Division, which I obtained and reviewed, BARBER incorporated a company in Michigan

called KINGSHIP LLC on April 7, 2015. According to the Articles of Incorporation, BARBER is listed as the sole member for KINGSHIP LLC.

Victim: L.L.

28. On January 28, 2018, a complaint was submitted online to the FBI's Internet Crime Complaint Center, which I obtained and reviewed, detailing a scam targeting a family member of the complainant. Subsequently, the victim of the scam, "L.L.", provided information to the FBI. According to L.L., she met Raymond Avelino of the United Kingdom (UK) online and began a romantic relationship. Avelino convinced L.L. that he needed to borrow \$40,000 to claim a \$5 million inheritance. Avelino promised to repay L.L. the \$40,000 once he received the inheritance. Avelino provided L.L. with a bank account of an individual in the United States, who would then pass the money onto him in the United Kingdom. L.L. was instructed by Avelino to wire \$40,000 to a TCF Bank account held in the name of PLUGTV LLC. On January 24, 2018, L.L. wired the \$40,000 from her account held at Regions Bank to the TCF Bank account ending in 8784, held in the name of PLUGTV LLC. TCF Bank detail records reflect on January 24, 2018 the funds were transmitted from Regions Bank headquartered in Birmingham, Alabama to TCF Bank and were credited to the PLUGTV LLC account held in Michigan.

29. Documents which I received and reviewed during the course of this investigation from TCF Bank, revealed that the TCF Bank account ending in 8784 was opened on December 22, 2017, in the name of PLUGTV LLC. Included in the documents received from TCF Bank was the account agreement, which was signed by BARBER. Bank statements for the account ending in 8784 reflect a successful incoming wire transfer on January 24, 2018, from L.L. at Regions Bank for \$40,000.

30. According to records of the State of Michigan Corporations Division, which I obtained and reviewed, PLUGTV LLC was incorporated as a limited liability company in Michigan on August 18, 2017. According to the Articles of Incorporation, BARBER is listed as the sole member for PLUGTV LLC.

31. According to statements made to the FBI by TCF Bank Manager, "T.B.", BARBER came into the TCF Bank branch located in Westland, MI. BARBER provided T.B. with photo identification. BARBER had recently received a wire transfer for \$40,000 from L.L. and wanted to forward the money to another account held in BARBER's name at BB&T Bank. BARBER told T.B. he had received the money for a production shoot for his entertainment company, PLUGTV LLC. T.B. found the wire request to be suspicious and passed the request along to an unidentified co-worker at TCF Bank. Unbeknownst to T.B.,

the co-worker completed the wire transfer of \$40,000 to a BB&T Bank account held in the name of BARBER.

32. According to statements made to the FBI by TCF Bank Manager T.B, BARBER returned to the TCF Bank branch in Westland, MI at a later date to speak with T.B. BARBER requested to recall the \$40,000 wire transfer that was sent from his TCF Bank account in the name of PLUGTV LLC to his account held in his name at BB&T Bank. T.B. contacted BB&T Bank and was told that BARBER had attempted to wire the \$40,000 that was wired to his BB&T Bank account from the PLUGTV LLC account at TCF Bank to another account located in Asia. BB&T Bank found this wire request suspicious and froze the funds. BB&T Bank agreed to return the \$40,000 to TCF Bank. During this visit, BARBER provided an inconsistent story, explaining the reason for the incoming \$40,000 wire was for a loan he had received online from a UK company. TCF Bank did not release the \$40,000 back to BARBER.

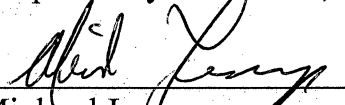
33. Closed circuit television video footage provided by TCF Bank, captured images of an individual identified as BARBER by TCF Bank inside the Westland, MI, TCF Bank branch on January 31, 2018. A records check with the Michigan State Police revealed an expired photo identification card for BARBER. FBI Agents were able to positively identify BARBER in the images provided by TCF Bank in comparison with BARBERS' state identification photo.

Conclusion

34. From August 2016 through June 2017, in the Eastern District of Michigan, BARBER devised a scheme to defraud by causing wire transfers to be transmitted in interstate commerce for the purpose of executing such scheme. Based upon the foregoing, there is probable cause to believe that BARBER committed wire fraud in violation of Title 18, U.S.C, Section 1343.

35. I submit that this complaint supports probable cause for an arrest warrant for JERMARR BARBER.

Respectfully submitted,


Michael Lemmage
Special Agent- FBI

Subscribed and sworn to before me
on July 10, 2018:



DAVID R. GRAND
UNITED STATES MAGISTRATE JUDGE