

0212 00584

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

SEALED BY ORDER OF THE COURT

2012 JUL 25 P 2:23 RICHARD W. WIEKING CLERK U.S. DISTRICT COURT N.D. CALIF. SAN JOSE

LHK

PSG

THE UNITED STATES OF AMERICA

vs.

VERNINA ADAMS

INDICTMENT

COUNT ONE through FIVE: 18 U.S.C. § 1343 - Wire Fraud

COUNTS SIX and SEVEN: 18 U.S.C. § 1028A(a)(1) & 1028A(c)(5) - Aggravated Identity Theft

FORFEITURE ALLEGATION

A true bill.

[Signature] Foreperson

Filed in open court this 25th day of July A.D. 2012

[Signature] UNITED STATES MAGISTRATE JUDGE

Bail. \$ no bail arrest warrant

DOCUMENT NO. 1 CRIM. INITIALS e DISTRICT COURT CRIMINAL CASE PROCESSING

1 Pennsylvania.

2 3. Yahoo! Incorporated was an Internet service provider located in Sunnyvale,
3 California.

4 The Scheme and Artifice to Defraud

5 4. Beginning in or about February 2010 and continuing through at least July 2010,
6 in the Northern District of California and elsewhere, the defendant,

7 VERNINA ADAMS,

8 did devise and intend to devise a scheme and artifice to defraud and to obtain money by means of
9 material false and fraudulent pretenses, representations, and promises, then and there well
10 knowing that said pretenses, representations, and promises were false and fraudulent when
11 made.

12 5. ADAMS created fictitious businesses on the Internet using the names of other
13 individuals, several of whom she knew to be real people. The fictitious businesses included
14 www.slickmix.net, opened in the name of victim "M.T."; www.nicksonrental.com, opened in the
15 name of victim "T.N."; www.germainephoto.com, opened in the name of victim "G.Y";
16 and www.lamontheconsultants.com, opened in the name of victim "K.L." In order to give the
17 appearance of legitimacy to the fictitious Internet businesses, ADAMS also opened email
18 accounts in those victims' names with Internet service providers such as Yahoo! and America
19 OnLine.

20 6. It was further part of the scheme and artifice to defraud that ADAMS opened
21 Paymate accounts and bank accounts for each fictitious business in the true victims' names and
22 using victims' identities, and linked the bank accounts to designated Paymate accounts.

23 7. It was further part of the scheme and artifice to defraud that ADAMS used debit
24 and credit cards in her name, as well as debit and credit cards in the names of her relatives and
25 friends to pretend to purchase services in amounts ranging from \$1,000 to \$7,000 from the
26 fictitious businesses she created. Paymate processed the transactions, placed the funds in a
27 settlement account located in New York, and subsequently transferred the funds into the bank
28 accounts associated with ADAMS' fraudulent businesses. ADAMS immediately withdrew the

1 fraudulently acquired funds from various automated teller machines in Pennsylvania.

2 8. It was further a part of the scheme and artifice that after ADAMS purportedly
3 purchased goods or services from her own fictitious businesses and received money from
4 Paymate for those transactions, she contacted the credit card companies for the card she used to
5 initiate those transactions to report that the services were not received. The credit card
6 companies then initiated a "charge-back" on the credit cards. When Paymate attempted to
7 reclaim the funds from the bank accounts associated with the fictitious businesses, there were
8 insufficient funds in the accounts because ADAMS had already withdrawn the money from
9 Paymate. Payment then was forced to refund the money to the customer whose was credit card
10 was used .

11 9. ADAMS used the email accounts linked to the fictitious businesses to
12 communicate with Paymate about financial matters, including credit card transactions. In effect,
13 ADAMS fraudulently controlled both sides of the sham purchase transactions in order to cause
14 Paymate to cover the transactions.

15 COUNTS ONE THROUGH FIVE: (18 U.S.C. § 1343 – Wire Fraud)

16 10. The factual allegations contained in Paragraphs One through Nine are re-alleged
17 and incorporated herein by reference as if set forth in full.

18 11. On or about the dates set forth in the separate counts below, in the Northern
19 District of California and elsewhere, for the purpose of executing the scheme and artifice to
20 defraud and to obtain money by means of materially false and fraudulent pretenses,
21 representations, promises, and material omissions, the defendant,

22 VERNINA ADAMS,

23 did knowingly transmit and cause to be transmitted by means of wire, radio, and television
24 communication in interstate and foreign commerce the following writings, signs, signals,
25 pictures, and sounds:

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28 //

Count	Date	Description of Wire
One	June 15, 2010	ADAMS, posing as fictitious business owner "M.T.," sent an email from mortazamix@yahoo.com to Paymate employee "C.W." regarding payment.
Two	July 2, 2010	ADAMS, posing as fictitious business owner "M.T.," sent an email from mortazamix@yahoo.com to Paymate employee "G.Q." regarding payment.
Three	July 7, 2010	ADAMS, posing as fictitious business owner "M.T.," sent an email from mortazamix@yahoo.com to Paymate employee "G.Q." regarding payment.
Four	July 10, 2010	ADAMS, posing as fictitious business owner "T.N.," sent an email from nicksonrental@yahoo.com to client services at Paymate regarding payment.
Five	July 12, 2010	ADAMS, posing as fictitious business owner "T.N.," sent an email from nicksonrental@yahoo.com to Paymate employee "C.W." regarding payment.

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

COUNT SIX: (18 U.S.C. §§ 1028A(a)(1) & 1028A(c)(5) - Aggravated Identity Theft)

12. Beginning in or about February 2010 and continuing through at least July 2010, in the Northern District of California and elsewhere, defendant,

VERNINA ADAMS,

knowingly and without lawful authority transferred, possessed, and used a means of identification of another person, that is, the name of an individual identified by the initials "K.L.," during and in relation to a wire fraud in violation of Title 18, United States Code, Section 1343.

All in violation of Title 18, United States Code, Sections 1028A(a)(1) & 1028A(c)(5).

COUNT SEVEN: (18 U.S.C. §§ 1028A(a)(1) & 1028A(c)(5) - Aggravated Identity Theft)

13. Beginning in or about February 2010 and continuing through at least July 2010, in the Northern District of California and elsewhere, defendant,

VERNINA ADAMS,

knowingly and without lawful authority transferred, possessed, and used a means of identification of another person, that is, the name, Social Security number, and date of birth of an individual identified by the initials "T.N.," during and in relation to a wire fraud in violation of

1 Title 18, United States Code, Section 1343.

2 All in violation of Title 18, United States Code, Sections 1028A(a)(1) & 1028A(c)(5).

3 FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

4 14. The factual allegations contained in Counts One through Five are hereby re-
5 alleged for the purpose of alleging forfeiture to the United States of America pursuant to Title 18,
6 United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

7 15. Upon conviction of any of the offenses set forth in Counts One through Five of
8 this Indictment, the defendant,

9 VERNINA ADAMS,

10 shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section
11 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal,
12 which constitutes or is derived from proceeds traceable to the offenses, including but not limited
13 to the sum of money equal to the total amount of proceeds defendant obtained or derived from,
14 directly or indirectly, from the violation.

15 16. If any of the property described above, as a result of any act or omission
16 of the defendant:

- 17 a. cannot be located upon the exercise of due diligence;
- 18 b. has been transferred or sold to, or deposited with, a third party;
- 19 c. has been placed beyond the jurisdiction of the court;
- 20 d. has been substantially diminished in value; or
- 21 e. has been commingled with other property which cannot be divided
22 without difficulty,

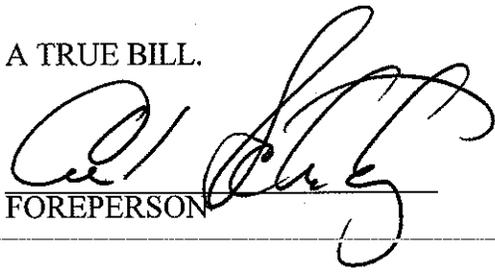
23 the United States of America shall be entitled to forfeiture of substitute property pursuant to Title
24 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section

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1 2461(c), all pursuant to Title 18 United States Code, Section 981(a)(1)(C) and Title 28 United
2 States Code, Section 2461(c).

3 DATED: 7/25/12

A TRUE BILL.

4 
5
6 FOREPERSON

7 MELINDA HAAG
8 United States Attorney


9 MATTHEW A. PARRELLA
10 Chief, CHIP Unit

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12 (Approved as to form: 
13 AUSA SUSAN KNIGHT

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DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

COUNTS ONE through FIVE: 18 U.S.C. § 1343, Wire Fraud Petty
COUNTS SIX and SEVEN: 18 U.S.C. § 1028A(a)(1) & 1028A(c) Minor
(f), Aggravated Identity Theft Misdemeanor
Forfeiture Allegation Felony
PENALTY: 20 years imprisonment, \$250,000 fine, 3 years supervised release, and \$100 special assessment.
2 years imprisonment (consecutive), \$250,000 fine, 3 years supervised release, \$100 special assessment.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

2012 JUL 25 P 2:23

DEFENDANT - U.S.

VERNINA ADAMS

DISTRICT COURT NUMBER

00584

RICHARD W. WIEKIN
CLERK U.S. DISTRICT COURT

LHK

CR 12

PSC

DEFENDANT

IS NOT IN CUSTODY

- 1) Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
- 5) On another conviction } Federal State
- 6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

This report amends AO 257 previously submitted

Name of Complainant Agency, or Person (& Title, if any)

FBI Special Agent Emily Odom

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a reprosecution of charges previously dismissed which were dismissed on motion of:

SHOW DOCKET NO.

U.S. ATTORNEY DEFENSE

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) SUSAN KNIGHT

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time: _____ Before Judge: _____

Comments: