

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Crim. No. 13-  
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:   
v. : 18 U.S.C. § 1341 and § 2  
: 26 U.S.C. § 7206(1)  
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:   
SHAWN L. CRAIG : I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT 1  
(Mail Fraud)

1. At all times relevant to Count 1 of this Information:

(A) Defendant SHAWN L. CRAIG (hereinafter, "defendant CRAIG") resided in West Orange, New Jersey.

(B) There was an elderly woman who resided in East Orange, New Jersey (hereinafter, the "Victim"). The Victim received benefits from the Social Security Administration ("SSA") as her sole source of income.

THE SCHEME TO DEFRAUD

2. From in or about November 2010 to in or about August 2011, in Essex County, in the District of New Jersey, and elsewhere, defendant

SHAWN L. CRAIG

did knowingly devise and intend to devise a scheme and artifice to defraud the Victim, and to obtain money and property belonging

to the Victim by means of materially false and fraudulent pretenses, representations, and promises.

THE OBJECT OF THE SCHEME TO DEFRAUD

3. It was the object of the scheme and artifice to defraud for defendant CRAIG to obtain money and property from the Victim by means of materially false and fraudulent pretenses, representations and promises, and then to divert the money and property to herself for the benefit of defendant CRAIG and defendant CRAIG's family.

THE MANNER AND MEANS OF THE SCHEME TO DEFRAUD

4. It was part of the scheme and artifice to defraud that:

(A) On or about November 8, 2010, defendant CRAIG and her husband entered into a general power of attorney with the Victim to serve as the Victim's attorneys-in-fact. As an attorney-in-fact, defendant CRAIG had a fiduciary responsibility to the Victim to act in the Victim's best interest and was responsible for facilitating the payment of the Victim's living expenses.

(B) Defendant CRAIG obtained access to the Victim's bank accounts by presenting the general power of attorney to the Victim's bank in Orange, New Jersey.

(C) Immediately after presenting the general power of attorney to the Victim's bank, defendant CRAIG violated her fiduciary duty to the Victim by using a portion of the Victim's money for defendant CRAIG's personal benefit and the benefit of

defendant CRAIG's family. For instance, within only a few weeks of executing the general power of attorney, defendant CRAIG misused these funds - which consisted primarily of the Victim's SSA benefits - to: (i) pay defendant CRAIG's automobile insurance of approximately \$1,500; (ii) purchase a bar and bar stools for approximately \$1,400; (iii) make an approximately \$1,500 tuition payment for a child of defendant CRAIG; and (iv) pay approximately \$370 for entertainment at the Wachovia Center in Philadelphia, Pennsylvania.

(D) Defendant CRAIG used the general power of attorney to open a new bank account in the Victim's name in East Orange, New Jersey (the "East Orange Bank Account"). Defendant CRAIG then transferred funds from the Victim's bank in Orange to the East Orange Bank Account.

(E) On or about December 1, 2010, defendant CRAIG caused the SSA to deposit any future SSA benefits belonging to the Victim into the East Orange Bank Account.

(F) In or about December 2010, defendant CRAIG submitted an application in the Victim's name to a commercial lender for a Home Equity Conversion Mortgage ("Reverse Mortgage"), a loan insured by the Federal Housing Administration, on the Victim's residence in East Orange. The application was signed by defendant CRAIG as the attorney-in-fact for the Victim.

(G) On or about February 21, 2011, at the closing for the Reverse Mortgage, defendant CRAIG attempted to induce the Victim to sign a specific power of attorney permitting the closing of the Reverse Mortgage to go forward. The Victim refused to sign the specific power of attorney, and the Reverse Mortgage failed to close at that time.

(H) Later that same day, defendant CRAIG presented a specific power of attorney with the Victim's purported signature to the title agent at the title agent's office in Morristown, New Jersey, claiming that the Victim had changed her mind and representing in effect that the Victim had signed the specific power of attorney. However, defendant CRAIG had forged the Victim's signature.

(I) After the title agent accepted the specific power of attorney as a valid document, defendant CRAIG signed the remaining closing documents, causing the Reverse Mortgage to be consummated and funds in the total amount of approximately \$77,000 to be credited to the East Orange Bank Account.

(J) After obtaining the proceeds of the Reverse Mortgage, defendant CRAIG diverted a portion of the Victim's funds for her own benefit and the benefit of her family from the East Orange Bank Account - which at the time primarily was funded by the Victim's SSA benefits and funds from the Reverse Mortgage - in order to, for instance: (i) purchase items at retail

establishments including Gucci, Coach, Nike, Apple, Footlocker, and various other shoe stores; (ii) pay for meals and entertainment at restaurants, liquor stores and other establishments, including the Taj Mahal in Atlantic City, New Jersey, the Staples Center in Los Angeles, California, and Amazing LA Tours in Santa Monica, California; (iii) fund travel to, and stays at, hotels in New Jersey, California, and Florida; and (iv) pay personal bills, including automobile insurance, gas and electric, cell phone, and cable bills.

(K) Defendant CRAIG continued to present herself as the Victim's attorney-in-fact, even after defendant CRAIG was notified on or about June 15, 2011 that the general power of attorney had been revoked.

(L) In an effort to conceal the funds and the way in which the funds had been diverted, defendant CRAIG presented the invalid general power of attorney to a new bank in West Orange, New Jersey (the "West Orange Bank Account"), and transferred the Victim's money from the East Orange Bank Account to that new bank.

(M) After revocation of the general power of attorney, defendant CRAIG withdrew cash and used funds from the West Orange Bank Account for her personal use to, for instance, pay fees to a tax preparation company, pay personal bills (including her automobile insurance) and purchase items at retail

establishments, including Apple, Costco and PetSmart.

(N) From in or about November 2010 to in or about August 2011, defendant Craig diverted a total of approximately \$99,000 of the Victim's funds for defendant CRAIG's own benefit and the benefit of her family.

(O) On or about July 6, 2011, after defendant CRAIG was requested to provide an accounting of how the Victim's funds were used by defendant CRAIG, defendant CRAIG returned to the Victim approximately \$23,500.

5. On or about December 27, 2010, in Essex County, in the District of New Jersey, and elsewhere, for the purpose of executing and attempting to execute the scheme and artifice to defraud, defendant

SHAWN L. CRAIG

did knowingly deposit and caused to be deposited for sending and delivery by private and commercial interstate carrier, namely Federal Express, materials addressed to a commercial lender to facilitate the Reverse Mortgage on the Victim's East Orange residence.

In violation of Title 18, United States Code, Section 1341, and Section 2.

COUNT 2

(Subscribing to a False Tax Return)

1. The allegations set forth in paragraphs 1 and 3 to 4 of Count 1 of this Information are realleged and reincorporated herein.

2. At various times relevant to Count 2 of this Information, defendant CRAIG:

(a) provided and caused to be provided false and fraudulent information to a tax preparer in and around Somerset, New Jersey, in connection with the preparation of a 2010 joint United States Individual Income Tax Return, Form 1040 (the "2010 Form 1040"); specifically, defendant CRAIG intentionally understated the amount of income that she obtained in that tax year by approximately \$42,000, by not disclosing unemployment compensation, other income as an independent contractor, and the funds that defendant CRAIG fraudulently obtained from the Victim; and

(b) caused the tax preparer to underreport the amount of income obtained by defendant CRAIG during tax year 2010 on her 2010 Form 1040.

3. The 2010 Form 1040 was signed, subscribed and filed by defendant CRAIG and contained a written declaration that it was signed under the penalties of perjury.

4. On or about August 5, 2012, in Essex County, in the District of New Jersey and elsewhere, defendant

SHAWN L. CRAIG

did knowingly and willfully make and subscribe a 2010 joint U.S. Individual Income Tax Return, Form 1040, which contained and was verified by a written declaration that it was made under the penalties of perjury, as set forth in paragraph 3 of Count 2 of this Information, and which she did not believe to be true and correct as to every material matter, as set forth in paragraph 2 of Count 2 of this Information.

In violation of Title 26, United States Code, Section 7206(1).

COUNT 3

(Subscribing to a False Tax Return)

1. The allegations set forth in paragraphs 1 and 3 to 4 of Count 1 of this Information are realleged and reincorporated herein.

2. At various times relevant to Count 3 of this Information, defendant CRAIG:

(a) provided and caused to be provided false and fraudulent information to a tax preparer in and around Somerset, New Jersey, in connection with the preparation of a 2011 joint United States Individual Income Tax Return, Form 1040 (the "2011 Form 1040"); specifically, defendant CRAIG intentionally understated the amount of income that she obtained in that tax year by approximately \$60,000, by not disclosing the funds that defendant CRAIG fraudulently obtained from the Victim; and

(b) caused the tax preparer to underreport the amount of income obtained by defendant CRAIG during tax year 2011 on her 2011 Form 1040.

3. The 2011 Form 1040 was verified as true and correct, was filed by defendant CRAIG, and contained a written declaration that it was made under the penalties of perjury.

4. On or about May 21, 2012, in Essex County, in the District of New Jersey and elsewhere, defendant

SHAWN L. CRAIG

did knowingly and willfully make and subscribe a 2011 joint U.S. Individual Income Tax Return, Form 1040, which contained and was verified by a written declaration that it was made under the penalties of perjury, as set forth in paragraph 3 of Count 3 of this Information, and which she did not believe to be true and correct as to every material matter, as set forth in paragraph 2 of Count 3 of this Information.

In violation of Title 26, United States Code, Section 7206(1).

*Paul J. Fishman/rah*

PAUL J. FISHMAN  
UNITED STATES ATTORNEY

CASE NUMBER: 13-

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**United States District Court  
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**UNITED STATES OF AMERICA**

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**SHAWN L. CRAIG**

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**INFORMATION FOR**

18 U.S.C. § 1341 & § 2

26 U.S.C. § 7206(1)

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**PAUL J. FISHMAN**

*UNITED STATES ATTORNEY, NEWARK, NEW JERSEY*

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