

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

JENIFER DEVINE

: HON. PATTY SHWARTZ

: Magistrate No. 10-3199

: **CRIMINAL COMPLAINT**

FILED
NOV 29 2010
PATTY SHWARTZ
U.S. MAG. JUDGE

I, Joel E. DeCapua, being duly sworn, state the following is true and correct to the best of my knowledge and belief. From at least as early as in or about December 2008 to in or about September 2010, in Bergen County, in the District of New Jersey and elsewhere, defendant JENIFER DEVINE did:

knowingly devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce writings, signs and signals for the purpose of executing such scheme and artifice.

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

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT A



Joel E. DeCapua
Special Agent, Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
on November 29, 2010 at Newark, New Jersey



HONORABLE PATTY SHWARTZ
UNITED STATES MAGISTRATE JUDGE

ATTACHMENT A

I, Joel E. DeCapua, am a Special Agent with the Federal Bureau of Investigation. I have knowledge about the facts set forth below from my involvement in the investigation, review of reports and documents, and discussions with other law enforcement officials. This complaint is submitted for a limited purpose, and I have not set forth each and every fact that I know concerning this investigation. All statements described herein are relayed in substance and in part.

1. From in or about December 2008 through in or about September 2010, defendant JENIFER DEVINE raised more than \$8 million from at least 15 investors, purportedly to finance Devine Wholesale, a wholesale merchandise broker. In fact, defendant JENIFER DEVINE and Devine Wholesale had virtually no legitimate business during this time. Defendant JENIFER DEVINE instead used new investor money to fund principal and interest payments to existing investors, in Ponzi-scheme fashion, and misappropriated tens of thousands of dollars for personal expenses.
2. At all times relevant to this Complaint, defendant JENIFER DEVINE lived in Fair Lawn, New Jersey and was the owner and operator of Devine Wholesale, a New Jersey limited liability corporation with an office in Carlstadt, New Jersey.
3. At all times relevant to this Complaint, defendant JENIFER DEVINE, through Devine Wholesale, purported to be operating a wholesale business in which she bought and sold wholesale clothing and electronics for profit.
4. Purportedly to finance the operations of Devine Wholesale, defendant JENIFER DEVINE solicited investors to invest their money in Devine Wholesale. Defendant JENIFER DEVINE, in both oral representations and written materials, told investors that their money would be used to fund Devine Wholesale's business. In order to give the impression that Devine Wholesale was a legitimate business, defendant JENIFER DEVINE showed certain investors false and fraudulent inventory lists of products she was purportedly reselling and orally described the profitability of her business.
5. In most instances, defendant JENIFER DEVINE provided investors with promissory notes reflecting the amount of their investment in Devine Wholesale and a payment schedule, which typically provided for full payment of interest and the return of principal within 30 to 60 days. The interest defendant JENIFER DEVINE and Devine Wholesale promised investors was typically 25 percent per investment which on an annual basis would be in excess of 200 percent.
6. Based on these promised returns, the investors provided defendant JENIFER DEVINE money, both by wire transfer and by check, which was deposited into Devine Wholesale's bank account.

7. During the time period relevant to this Complaint, Devine Wholesale and defendant JENIFER DEVINE raised more than \$8 million from at least 15 investors in New Jersey and throughout the United States.
8. Witnesses and documents obtained in connection with this investigation have revealed that during the time period relevant to this Complaint, defendant JENIFER DEVINE made numerous materially false and misleading statements to investors concerning Devine Wholesale's use of investor money.
9. Contrary to defendant JENIFER DEVINE's written and verbal representations, the investigation has revealed that defendant JENIFER DEVINE did not use investor money to fund Devine Wholesale's clothing and electronics brokerage business as promised. Indeed, bank records and witnesses reveal that defendant JENIFER DEVINE and Devine Wholesale had virtually no income generating operations at all. Instead, the vast majority of the money that came into Devine Wholesale was through the solicitation of investor money.
10. Instead of using investor money as promised, defendant JENIFER DEVINE, in order to perpetuate the fraudulent scheme, used new investor money to make principal and interest payments to existing Devine Wholesale investors.
11. Furthermore, at various times during the scheme, defendant JENIFER DEVINE misappropriated tens of thousands of dollars to pay for personal expenses, such as a Royal Caribbean cruise, and purchases at luxury retailers such as Burberry, Gucci and Coach. Defendant JENIFER DEVINE also transferred over \$26,000 to her mother who had no role with Devine Wholesale.
12. Through the scheme, defendant JENIFER DEVINE defrauded investors out of at least \$2 million.
13. In furtherance of the scheme, on or about August 13, 2010, defendant JENIFER DEVINE caused an approximately \$10,000 wire transfer to be made from a bank in New Jersey to a bank in New York purportedly to pay an investor a return on his investment. In fact, the payment was made with funds provided by a different investor.