

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

2018 OCT -3 A 11:31

CRIMINAL ACTION NO. 18-30
WILLIAM A. ...
CLERK
SECTION: R

UNITED STATES

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v.

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DEBRA KROM

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FACTUAL BASIS

The above-named defendant, **DEBRA KROM (KROM)** has agreed to plead guilty as charged in the Bill of Information now pending against her. Should this matter have gone to trial, the United States of America would have proven beyond a reasonable doubt, through the introduction of relevant, competent, and admissible testimonial, physical and demonstrative evidence, the following facts to support the allegations against the defendant, **KROM**. Unless stated otherwise, all of the facts set forth herein occurred within the Eastern District of Louisiana.

COUNT ONE

(18 U.S.C. §371 - Conspiracy to commit mail and wire fraud)

The Lottery Scheme

During the period of time charged in the Bill of Information, **KROM** was a United States citizen. At a time unknown, but prior to August 2013 Andre O’Neil Bowyer,¹ a Jamaican national, recruited **KROM**, Alex Saunders (“Saunders”)², and others to participate in a lottery

¹ Bowyer is a defendant and co-conspirator charged in *United States v. Bowyer*, 16-96 “J” in the United States District Court for the Eastern District of Louisiana. On October 27, 2016, Bowyer pleaded guilty to participating in a conspiracy with Saunders and KROM and was sentenced on July 13, 2017. See *United States v. Bowyer*, 16-96 “J”, Rec. Docs. 31-33, 55.

² Saunders is a defendant and co-conspirator charged in *United States v. Saunders*, 18-168 “E.” He is referred to as A.S. in the Bill of Information, which was filed before Saunders was charged.

AUSA SK
Defendant DK
Defense Counsel AK

scam based in Jamaica. The scheme operated where unknown persons from Jamaica, “callers,” would call elderly or mentally impaired victims living in the United States and tell them they had won the Publisher’s Clearing House (PCH) sweepstakes. In order to claim their PCH winnings, the callers told the victims they owed taxes or fees and needed to send money to **KROM**, Saunders, or others or else they could not claim their winnings. As part of the scheme, Bowyer directed **KROM**, Saunders, and others to open bank accounts in the United States. He informed them they would use these accounts to deposit money from the victims and later electronically transfer the money to Bowyer.

Also as part of the scheme to defraud the victims, Bowyer instructed **KROM**, Saunders and others to watch for packages of money, certified checks, money orders, or preloaded credit cards from the victims. Bowyer would give these instructions over text message or WhatsApp shortly after the callers contacted the victim and directed the victim to send money to **KROM**, Saunders, or others.

When **KROM**, Saunders, and others received the funds, Bowyer instructed them to deposit the money into their bank accounts and send the money through an international wire transfer, Western Union, or Xoom to an account in Jamaica, owned and operated by Bowyer. On occasion, **KROM**, Saunders, and others would skim a portion of the money and keep it for themselves.

KROM was aware that the proceeds she was transferring to Bowyer were obtained by false and fraudulent pretenses and promises and that she and Bowyer were not entitled to the funds.

Beginning at a time unknown but prior to in or around August 2013 and continuing to in

or about December 2015, in the Eastern District of Louisiana and elsewhere, the defendant, **KROM**, Saunders, and Bowyer, and others known and unknown to the United States Attorney, did knowingly and willfully combine, conspire, and agree to devise a scheme or artifice to defraud and obtain money by means of false or fraudulent pretenses, representations, or promises, in that Saunders, **KROM**, Bowyer, together with others and for the purpose of executing a scheme and artifice to defraud as set forth in the paragraphs above and in Section B of the Bill of Information, did knowingly cause elderly victims and victims with diminished mental capacities to send money by mail or by wire to Saunders, **KROM**, and other co-conspirators known and unknown to the United States Attorney, in violation of Title 18, United States Code, Sections 371, 1341, and 1343.

The Bank Accounts

Saunders maintained bank accounts in New Orleans, Louisiana, at Capital One, N.A. ending in 7947 and JPMorgan Chase ending in 0398.

KROM maintained bank accounts in or near Wylie, Texas, at Capital One, N.A., ending in 8634, 2336, and 0123, JPMorgan Chase ending in 5228, and Bank of America ending in 3750.

Bowyer maintained bank accounts in Jamaica at the National Commercial Bank ending in 9321, Jamaica National Building Society ending in 0613, and Bank of Nova Scotia ending in 0316.

The Victims

- D.U. was an older individual, approximately 63 years old, residing in Doland, South Dakota.
- J.C. was an elderly individual, approximately 83 years old, residing in Tucson, Arizona.

- V.L. was an elderly individual, approximately 83 years old, residing in Fort Walton, Florida.
- R.R. was an elderly individual, approximately 82 years old, residing in Shirley, Arkansas.
- A.A. was an elderly individual, approximately 74 years old, residing in Berlin, New Hampshire.

There were other victims of the Jamaican lottery scheme who sent money Bowyer via **KROM**, Saunders, and others.

Overt Acts

In furtherance of the conspiracy and to further the objectives of the conspiracy, the defendant, **DEBRA KROM**, Bowyer, Saunders, and others known and unknown, committed the following overt acts:

Victim D.U.

On or about February 18, 2014, an unknown Jamaican co-conspirator phoned victim D.U. and told him that he had won the PCH sweepstakes but would need to pay taxes on the money in order to redeem his winnings.

Based on this information, on or about February 18, 2014, victim D.U. wired \$25,000 from his Wells Fargo bank account in Doland, South Dakota, to **KROM'S** Chase bank account ending in 5228.

On or about February 20, 2014, **KROM** initiated an international wire transfer of \$25,235 to Bowyer's bank account at Bank of Nova Scotia, ending in 0316.

Victim J.C.

At a time unknown, but prior to November 22, 2014, J.C. received a phone call from an unknown number telling her that she had won a sweepstakes and needed to withdraw \$9,000

from her JPMorgan Chase account and electronically transfer it to Saunders's JPMorgan Chase account in order to claim her winnings.

On or about November 24, 2014, the \$9,000 posted to Saunders's JPMorgan Chase account ending in 0398. On that same date, Saunders initiated an international wire transfer of \$8,060 to Bowyer's National Commercial Bank in Jamaica, ending in 9231.

Victim V.L.

At a time unknown, but prior to on or about March 30, 2015, Bowyer instructed Saunders that victim V.L. would be sending \$3,500 in United States currency to Saunders's address in New Orleans, Louisiana.

On or about March 30, 2015, an unknown individual calling from a Jamaican area code, instructed V.L. to mail United States currency through the United States mail containing a check payable to cash for approximately \$3,500 to Saunders's address, in New Orleans, Louisiana. The caller informed victim V.L. that she had won the PCH sweepstakes and had to pay this amount to claim her winnings. Acting upon these instructions, V.L. mailed a check payable to cash for \$3,500 to Saunders's address, in New Orleans, Louisiana.

On or about March 31, 2015, Saunders received the package from V.L., containing approximately \$3,500 in cash.

On or about March 31, 2015, Saunders deposited approximately \$5,700 into a Capital One, N.A. checking account ending in 7947.

On or about April 1, 2015, Saunders initiated an international wire transfer of approximately \$5,700 to a Jamaican National Building Society bank account in Jamaica ending in 0613, belonging to Bowyer.

At a time unknown, but prior to on or about April 3, 2015, an unknown individual calling from a Jamaican area code, informed victim V.L. that she had to send additional money to Saunders to claim her winnings. On or about April 3, 2015, the Okaloosa County Sheriff's office and the United States Secret Service (USSS) prevented V.L. from sending \$6,000 to Saunders. Instead, USSS contacted the United States Postal Inspection Service (USPIS) and the United States Department of Homeland Security Investigations (HSI) and coordinated a controlled delivery of a U.S. mail package appearing to contain the \$6,000 that V.L. previously agreed to send Saunders. At approximately 2:30 pm on April 3, 2015, an undercover USPIS agent arrived at Saunders's address and knocked on the door to deliver the package. An individual, later identified as Saunders, signed for and took the package. The agents asked Saunders if he would agree to answer questions about the package.

Saunders agreed, and signed a form allowing agents to conduct a search of his apartment and property. In a written statement, Saunders admitted that he knew Bowyer for five years and that Bowyer sent him cards with money on them and that he would send the cards back to Bowyer via money gram or Western Union with amounts ranging from \$4,200-\$6,400. Saunders admitted that he knew what he was doing was illegal and involved a lottery scam where elderly individuals were duped into sending him and Bowyer money. When agents interviewed Saunders, he was in possession of the following visa debit cards: four in the name of P.H., one in the name of J.H., two in the name of J. H., three in the name of S.M., and two in the name of S.F.

Saunders also allowed agents to take screen shots of text messages between Saunders and Bowyer where Bowyer directed Saunders to send money to him and advised him that money would be arriving from certain individuals.

On or about April 9, 2015, Saunders deposited approximately \$3,880 in cash into his Capital One Bank account ending in 7947.

On or about April 9, 2015, Saunders initiated an international wire transfer of approximately \$5,540 to a Jamaican National Building Society bank account in Jamaica ending in 0613, belonging to Bowyer.

Victim R.R.

At a time unknown but prior to on or about October 20, 2015, an unknown co-conspirator calling from a number with a Jamaican area code called victim R.R. and told R.R. that he had won the PCH sweepstakes. In order to claim his winnings, the caller told R.R. to send payments in the form of money orders to **KROM'S** address in Wylie, Texas.

On or about October 20, 2015, victim R.R. purchased four money orders payable to "**DEBRA KROM**" valued at \$3,500. R.R. then went to the post office in Clinton, Arkansas and paid \$19.99 to send the money via the United States Mail, "Priority Mail Express 1-Day" to **KROM'S** address in Wylie, Texas.

On or about October 22, 2015, **KROM** deposited the money orders in to her Capital One, N.A., account ending in 8634.

On or about October 26, 2016, **KROM** initiated an international wire transfer of approximately \$4,500, including the amount she deposited belonging to R.R. to Bowyer's Jamaican National Building Account ending in 0613.

On or about October 23, 2015, victim R.R. purchased a cashier's check for \$7,450. He did this after receiving a call from an unknown caller advising him that he needed to make additional payments to claim his sweepstakes money.

The unknown caller instructed R.R. to make the cashier's check payable to "**DEBRA KROM**" and to mail it to her address in Wylie, Texas.

On or about October 23, 2015, victim R.R. went to a United States Post Office located in Clinton, Arkansas, and sent the cashier's check for \$7,450, payable to "**DEBRA KROM**" to **KROM'S** address in Wylie, Texas via "Priority Mail Express 1-day." R.R. paid \$19.99 in postage.

On or about October 26, 2016, **KROM** deposited the cashier's check for \$7,450 in her Capital One, N.A. bank account ending in 8634.

On or about October 27, 2015, **KROM** initiated an international wire transfer of \$7,350 to Bowyer's Jamaican National Building Society bank account, ending in 0613, in Jamaica.

Victim A.A.

At a time unknown but on or before November 4, 2015, an unknown members of the conspiracy called victim A.A. and instructed her to mail approximately \$8,500 to **KROM** A.A. agreed to mail the funds to **KROM** because the unknown caller with a Jamaican area code number told her she won the PCH sweepstakes that she needed to make a series of payments to the Federal Deposit Insurance Company (FDIC) prior to claiming her sweepstakes winnings.

At a time unknown but on or before November 4, 2015, Bowyer instructed **KROM** to watch for a package from victim A.A.

On or about November 4, 2015, A.A. visited the United States Post Office, located in Berlin, New Hampshire and purchased nine money orders totaling \$8,500. A.A. paid a total of \$8,514.45 for the money orders.

On or about November 4, 2015, A.A. went a UPS store in Berlin, New Hampshire and sent the money orders to **KROM** at **KROM'S** address in Wylie, Texas. Victim A.A. specified that the package required "early a.m. delivery." A.A. spent a total of \$124.00 to send the money orders to **KROM** via UPS.

On or about November 6, 2015, **KROM** deposited A.A.'s money orders totaling approximately \$8,500.00 into her Capital One, N.A. account number ending in 8634.

On or about November 16, 2015, law enforcement seized the proceeds in **KROM'S** Capital One, N.A. account number ending in 8634, pursuant to a seizure warrant.

Total Losses

In total, from August 2013 through December 2015, **KROM** transferred \$165,043 of illegal proceeds to Bowyer's accounts in Jamaica.

In total, from August 2013 through December 2015, Saunders transferred \$77,993 of illegal proceeds to Bowyer's accounts in Jamaica.

The total amount of illegal proceeds involved in the conspiracy and was reasonably foreseeable to **KROM** and Saunders is \$425,748.24.

Interview and Phone Records

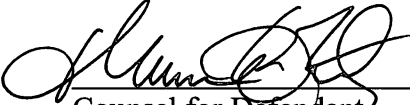
In November 2015, **KROM** voluntarily spoke with law enforcement regarding her unlawful activities in the conspiracy. She admitted that she sent money to Bowyer through international wire transfers and that she knew what she was doing was illegal. **KROM** signed a consent to search her phone and allowed law enforcement agents to search and image her phone. Text messages, photographs, and WhatsApp recordings revealed that **KROM** voluntarily sent numerous wire transactions to Bowyer between August 2013 and November 2015. On more than

one occasion, **KROM** discussed with Bowyer that she knew what she was doing was illegal and that she wanted to stop. However, **KROM** continued sending money to Bowyer.

The defendant, **DEBRA KROM**, acknowledges and agreed that the above facts are true and correct and that she knowingly and intentionally committed the acts described above.

Further, the defendant agrees that the total amount of restitution does not represent the total loss to the victims in this case nor the total number of victims in this case. The number of victims and quantity of restitution will be established at sentencing.


READ AND APPROVED:



Counsel for Defendant
MAURA DOHERTY

10/3/18

DATE



Sharan Lieberman
Assistant United States Attorney

10|3|18

DATE



DEBRA KROM
Defendant

10/3/2018

DATE