

WEINSTEIN, J.

KUO, M.J.

FILED
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BROOKLYN OFFICE

RTP:NJM
F. #2017R01457

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----- X

UNITED STATES OF AMERICA

- against -

SEMEO DOE,

Defendant.

----- X

INDICTMENT

CR 19 218

Cr. No.

(T. 18, U.S.C., §§ 371, 666(a)(1)(A),
981(a)(1)(C), 1028A(a)(1), 1028A(b),
1028A(c)(5), 1343, 1349, 2 and 3551 et
seq.; T. 21, U.S.C., § 853(p); T. 28,
U.S.C., § 2461(c))

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

I. The Defendant and Relevant Entities

1. In or about and between April 2017 and May 2019, the defendant SEMEO DOE was the Executive Director of the Action Center for Education and Community Development, Inc. ("Action Center"), a New York State not-for-profit corporation with offices in Far Rockaway, New York. Action Center purported to provide educational, recreational and meal services, among other things, to children, young adults and adults with needs who resided in Far Rockaway. Prior to April 2017, DOE had been a Director of Action Center since at least 2010.

2. Co-Conspirator 1, an individual whose identity is known to the Grand Jury, was the defendant SEMEO DOE's spouse until her death in or about April 2017. In or

about and between 2002 and April 2017, Co-Conspirator 1 was the Executive Director of Action Center.

3. Action Center's programs and services were funded primarily by the New York City Department of Youth and Community Development ("DYCD"). DYCD received funding from several federal governmental agencies, including the United States Departments of Health and Human Services, Labor, and Housing and Urban Development. For each calendar year from at least 2013 to 2017, DYCD received in excess of \$50 million in federal funding. In each calendar year from 2010 to 2017, Action Center received at least \$500,000 in funds from DYCD. Action Center also received funds directly from the federal government, including approximately \$73,000 in the one-year period beginning in or about November 2013.

4. Act2 Resources, Inc. ("Act2") was a New York State not-for-profit corporation. Act2's purported purpose was to provide direct and indirect services to communities affected by climate change and environmental and natural disasters. Act2 was controlled by Individual 1, an individual whose identity is known to the Grand Jury and who was a close family member of DOE.

II. The Defendant's Criminal Scheme

5. In or about and between January 2011 and September 2017, the defendant SEMEO DOE and Co-Conspirator 1 conspired to execute and executed a scheme to embezzle hundreds of thousands of dollars of Action Center funds to pay for personal expenses, including international vacations, jewelry, cosmetic surgery, luxury cars, clothing, spa treatments and renovation of a personal residence.

6. In furtherance of the scheme, the defendant SEMEO DOE submitted, and caused others to submit, documents to DYCD that contained misrepresentations regarding Action Center's expenses, including annual budgets and reimbursement requests that inflated Action Center's projected and actual expenses. In addition, DOE submitted, and caused others to submit, documents to DYCD that misrepresented that Action Center was meeting performance standards set by DYCD. Based, in part, on these misrepresentations, DYCD approved Action Center's budget and reimbursement requests and authorized the disbursement of funds to Action Center.

7. In furtherance of the scheme, the defendant SEMEO DOE improperly diverted, and caused others to divert, more than \$330,000 of funds held in Action Center's bank accounts to bank accounts held in the name of Act2. Act2 did not provide any services to Action Center. DOE used the Action Center funds that he had improperly diverted into Act2's bank accounts to pay for his personal expenses as well as the personal expenses of close family members.

8. In furtherance of the scheme, the defendant SEMEO DOE issued, and caused others to issue, certain Action Center payroll checks in the names of Action Center employees. The employees, however, did not receive these checks. Instead, DOE fraudulently endorsed the checks by forging the signatures of the Action Center employees on the back of the checks and making the checks payable to himself or to one of his family members. On at least 16 occasions between May 2011 and September 2017, DOE fraudulently signed checks from Action Center or Action Center's payroll manager, YMS Management Associates, Inc. ("YMS"), payable to Employee 1, Employee 2 and Employee 3, former Action Center employees whose identities are known to the Grand Jury,

in the approximate aggregate amount of more than \$14,500 and deposited the checks into his personal bank account.

9. In furtherance of the scheme, the defendant SEMEO DOE improperly diverted Action Center funds into his personal bank account to pay for his personal expenses. DOE also used a debit card linked to Action Center's Bank of America bank account to pay for his personal expenses, including car insurance payments for his personal vehicles, lease payments for his personal vehicles, payments to a supper club and numerous payments to department stores.

10. To conceal and perpetuate the scheme, when DYCD conducted a financial audit of Action Center, the defendant SEMEO DOE submitted, and caused others to submit, fraudulent invoices to DYCD that overstated the amount that vendors had charged Action Center.

COUNT ONE

(Conspiracy to Commit Wire Fraud)

11. The allegations contained in paragraphs one through 10 are realleged and incorporated as if fully set forth in this paragraph.

12. In or about and between January 2011 and September 2017, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant SEMEO DOE, together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud DYCD and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals,

pictures, and sounds, to wit: email communications to DYCD that (a) misrepresented attendance at Action Center events; (b) inflated Action Center's expenditures in connection with requests for reimbursement and (c) attached false and fraudulent invoices purporting to reflect amounts Action Center owed to vendors, contrary to Title 18, United States Code, Section 1343.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

COUNTS TWO THROUGH SIX
(Wire Fraud)

13. The allegations contained in paragraphs one through 10 are realleged and incorporated as if fully set forth in this paragraph.

14. In or about and between January 2011 and September 2017, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant SEMEO DOE, together with others, did knowingly and intentionally devise a scheme and artifice to defraud DYCD and to obtain money and property by means of one or more materially false and fraudulent pretenses, representations, and promises.

15. On or about the dates set forth below, for the purpose of executing such scheme and artifice, the defendant SEMEO DOE, together with others, did transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, as set forth below:

<u>Count</u>	<u>Approximate Date</u>	<u>Wire Communication</u>
TWO	January 22, 2015	Email message sent via interstate wire transmission to DYCD, attaching fraudulent Vendor & Principal Questionnaires purporting to be from vendors and principals of Action Center.

<u>Count</u>	<u>Approximate Date</u>	<u>Wire Communication</u>
THREE	February 10, 2015	Email message sent via interstate wire transmission to DYCD, attaching inflated Action Center expense reports for October 2014 through January 2015.
FOUR	July 21, 2016	Email message sent via interstate wire transmission to DYCD, attaching inflated Action Center expense reports for May 2016.
FIVE	August 24, 2016	Email message sent via interstate wire transmission to DYCD, attaching inflated Action Center expense reports for June 2016.
SIX	August 30, 2017	Email message sent via interstate wire transmission to YMS, attaching false timesheets for July and August 2017.

(Title 18, United States Code, Sections 1343, 2 and 3551 et seq.)

COUNT SEVEN
(Conspiracy to Steal Funds)

16. The allegations contained in paragraphs one through 10 are realleged and incorporated as if fully set forth in this paragraph.

17. In or about and between January 2011 and September 2017, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant SEMEO DOE, together with others, did knowingly and willfully conspire to embezzle, steal, obtain by fraud, misapply and otherwise without authority knowingly convert to the use of a person other than the rightful owner, property of Action Center, an organization that received benefits in excess of \$10,000 under one or more Federal programs involving grants, contracts, subsidies, loans, guarantees, insurance and other forms of Federal assistance in one or more one-year periods, which property was valued at \$5,000 or more, and was owned by, and was under the care, custody and control of, Action Center, to wit: Action Center funds, contrary to Title 18, United States Code, Section 666(a)(1)(A).

18. In furtherance of the conspiracy and to effect its objects, within the Eastern District of New York and elsewhere, the defendant SEMEO DOE, together with others, did commit and cause the commission of, among others, the following:

OVERT ACTS

(a) On or about July 9, 2014, DOE used a debit card linked to Action Center's Bank of America bank account to purchase food and drinks at the Capital Grille in the approximate amount of \$517.54.

(b) On or about December 21, 2014, DOE used a debit card linked to Action Center's Bank of America bank account to purchase jewelry from Kay Jewelers in the approximate amount of \$2,939.70.

(c) On or about December 29, 2014, DOE used a debit card linked to Action Center's Bank of America bank account to pay for meals while on personal vacation in Bimini, Bahamas.

(d) On or about August 30, 2017, DOE caused an Action Center employee to submit timesheets to YMS that misrepresented the hours worked by Action Center employees from July 28, 2017, through August 10, 2017, including misrepresenting that two former Action Center employees worked during this period when DOE knew that those two individuals had died prior to July 28, 2017.

(Title 18, United States Code, Sections 371 and 3551 et seq.)

COUNT EIGHT
(Theft of Funds)

19. The allegations contained in paragraphs one through 10 are realleged and incorporated as if fully set forth in this paragraph.

20. In or about and between January 2011 and September 2017, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant SEMEO DOE, together with others, did knowingly and intentionally embezzle, steal, obtain by fraud, misapply and otherwise without authority knowingly convert to the use of a person other than the rightful owner, property of Action Center, an organization that received benefits in excess of \$10,000 under one or more Federal programs involving grants, contracts, subsidies, loans, guarantees, insurance and other forms of Federal assistance in one or more one-year periods, which property was valued at \$5,000 or more, and was owned by, and was under the care, custody and control of, Action Center, to wit: Action Center funds.

(Title 18, United States Code, Sections 666(a)(1)(A), 2 and 3551 et seq.)

COUNT NINE
(Aggravated Identity Theft)

21. The allegations contained in paragraphs one through 10 are realleged and incorporated as if fully set forth in this paragraph.

22. In or about and between January 2011 and September 2017, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant SEMEO DOE, during and in relation to the crimes charged in Counts One through Six, did knowingly and intentionally use, without lawful authority, one or more means of identification of one or more other persons, to wit: Employee 1, Employee 2 and Employee 3, knowing that the means of identification belonged to another person.

(Title 18, United States Code, Sections 1028A(a)(1), 1028A(b), 1028A(c)(5), 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNTS ONE THROUGH EIGHT

23. The United States hereby gives notice to the defendant SEMEO DOE that, upon his conviction of any of the offenses charged in Counts One through Eight, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which require any person convicted of such offenses to forfeit any property, real or personal, constituting, or derived from, proceeds obtained directly or indirectly as a result of such offenses.

24. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

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

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c))

A TRUE BILL

[REDACTED]

FOREPERSON

[REDACTED]

RICHARD P. DONOGHUE
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK

No. _____

UNITED STATES DISTRICT COURT

EASTERN *District of* NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

SEMEO DOE,

Defendant.

INDICTMENT

(T. 18, U.S.C., §§ 371, 666(a)(1)(A), 981(a)(1)(C), 1028A(a)(1),
1028A(b), 1028A(c)(5), 1343, 1349, 2 and 3551 et seq.; T. 21, U.S.C.,
§ 853(p); T. 28, U.S.C., § 2461(c))



Foreperson

Filed in open court this _____ day,

of _____ A.D. 20 _____

Clerk

Bail, \$ _____

Nicholas J. Moscow, Assistant U.S. Attorney (718) 254-6212