

SEALED

CLERK US DISTRICT COURT
NORTHERN DIST. OF TX
FILED

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

2017 APR 19 PM 2:33

DEPUTY CLERK *C*

UNITED STATES OF AMERICA

v.

NEMELEE LIWANAG JIAO (01)

No.

3-17 CR-228-K

FILED UNDER SEAL

INDICTMENT

The Grand Jury Charges:

INTRODUCTION

At all times material to the indictment, unless otherwise indicated:

1. The defendant, **Nemelee Liwanag Jiao**, lived in a residence on Blue Jay Way, Irving, Texas, and was a nurse initially employed by UT Southwestern Medical Center and later by Las Colinas Medical Center, all located within the Dallas Division of the Northern District of Texas.
2. Shepherd's Light Learning Center ("Shepherd's Light"), was a non-stock, non-profit school located in the city of San Fernando, Pampanga, Philippines.
3. The Lord of Peace Learning Center ("Lord of Peace"), also referred to as the Lord of Peace Learning Academy, was a non-stock, non-profit school located in the city of Santo Tomas, Pampanga, Philippines.
4. Defendant **Nemelee Liwanag Jiao** did not own, nor serve on the board of directors or board of trustees, nor manage, nor represent, and did not work for Shepherd's Light or Lord of Peace.

The Scheme and Artifice to Defraud

5. Beginning at least as early as February 2009 and continuing through in or about September 2016, the exact dates being unknown to the grand jury, in the Dallas Division of the Northern District of Texas and elsewhere, the defendant, **Nemelee Liwanag Jiao**, did knowingly and intentionally devise a scheme and artifice to defraud investors in securities, and to obtain money and property from those investors by means of false and fraudulent pretenses, representations, and promises.

6. The object of the scheme was to cause persons to invest in promissory notes purportedly issued by Shepherd's Light and Lord of Peace and instead use the invested funds for her personal benefit, and purposes other than those represented to investors. During the scheme and artifice to defraud, **Nemelee Liwanag Jiao** raised at least \$1,000,000 from at least 35 investors.

7. It was part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** falsely and fraudulently represented to investors that she was a representative of Shepherd's Light and Lord of Peace, when **Nemelee Liwanag Jiao** knew she was not such a representative.

8. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** falsely and fraudulently represented to investors that their money would be invested in Shepherd's Light and Lord of Peace in the Philippines, when **Nemelee Liwanag Jiao** then and there knew that the money would not be so invested.

9. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** entered into investment contracts, also known as promissory notes, with investors falsely and fraudulently promising rates of return of 10% to 100% on investments, when **Nemelee Liwanag Jiao** then and there knew that she would not invest the money.

10. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** entered into investment contracts falsely and fraudulently promising repayment of principle and interest resulting from the investment within 30 days to one year following the investment, when **Nemelee Liwanag Jiao** then and there knew that she would not invest the money.

11. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** had many of the investment contracts notarized to make the investments appear legitimate.

12. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** directed investors to write checks and wire funds to bank accounts controlled by **Nemelee Liwanag Jiao**.

13. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** lulled and persuaded investors to maintain their investments and to invest additional funds by falsely and fraudulently blaming Shepherd's Light and Lord of Peace for lack of payment of interest and principle, when **Nemelee Liwanag Jiao** then and

there knew that Shepherd's Light and Lord of Peace were not involved in her investment scheme.

14. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** lulled and persuaded investors to maintain their investments and to invest additional funds by making payments to some investors.

15. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** directed her husband to make payments to some investors via cashier's checks.

16. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** directed later investors to write checks or wire funds directly to earlier investors.

17. It was further part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** received investor funds via check and wire transfer into their bank accounts and converted the funds to their own personal use contrary to the representations made by **Nemelee Liwanag Jiao** to the investors.

18. It was further part of the scheme and artifice that **Nemelee Liwanag Jiao** diverted and used the investors' funds for her own benefit, including country club memberships and personal expenses unrelated to any investment.

19. It was part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** intentionally failed to disclose to investors that she had already raised money from

other investors in Shepherd's Light and Lord of Peace and spent that money on personal rather than business purposes.

20. It was part of the scheme and artifice to defraud that **Nemelee Liwanag Jiao** knew and intended that her false and fraudulent pretenses, representations, and promises would induce investors to entrust money to her and cause them to suffer financial losses while she benefited from the fraudulent scheme.

21. Victim investor H.Y. is a person who invested with **Nemelee Liwanag Jiao** and known to the grand jury.

Count One
Wire Fraud
(Violation of 18 U.S.C. § 1343)

1. The Grand Jury realleges and incorporates by reference the allegations set forth in paragraphs 1 through 21 of this Indictment.
2. On or about March 9, 2015, in the Dallas Division of the Northern District of Texas, defendant **Nemelee Liwanag Jiao**, for the purpose of executing this scheme and artifice to defraud, and to obtain money and property by means of false, material and fraudulent pretenses, representations, and promises, did knowingly and with intent to defraud cause certain writings, signs, signals, pictures, and sounds to be transmitted in interstate commerce by means of wire and radio communication, namely, a wire transfer of funds through the Federal Reserve Bank's Fedwire Funds Services, in the amount of \$25,000, from investor H.Y.

In violation of 18 U.S.C. § 1343.

Count Two
Wire Fraud
(Violation of 18 U.S.C. § 1343)

1. The Grand Jury realleges and incorporates by reference the allegations set forth in paragraphs 1 through 21 of this Indictment.

2. On or about August 21, 2015, in the Dallas Division of the Northern District of Texas, defendant **Nemelee Liwanag Jiao**, for the purpose of executing this scheme and artifice to defraud, and to obtain money and property by means of false, material and fraudulent pretenses, representations, and promises, did knowingly and with intent to defraud cause certain writings, signs, signals, pictures, and sounds to be transmitted in interstate commerce by means of wire and radio communication, namely, a wire transfer of funds in the amount of \$3,000, from investor H.Y. to Jiao's J.P. Morgan Chase account ending in 6442, whose servers are located outside the state of Texas.

In violation of 18 U.S.C. § 1343.

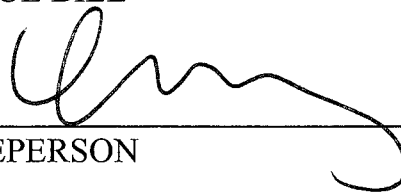
Forfeiture Notice

[18 U.S.C. §§ 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

Upon conviction of any of the offenses alleged in Counts One and Two of this Indictment and pursuant to 18 U.S.C. §§ 981(a)(1)(C), in conjunction with 18 U.S.C. § 2461(c), the defendant, **Nemelee Liwanag Jiao**, shall forfeit to the United States all property, real or personal, constituting or derived from proceeds traceable to the respective offense, including the total proceeds derived from the offense, commonly referred to as a money judgment.

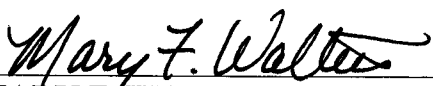
Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b), if any of the above-referenced property subject to forfeiture, as a result of any act or omission of the defendant, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property that cannot be subdivided without difficulty, it is the intent of the United States to seek forfeiture of any other property of the defendant up to the value of the above-described property subject to forfeiture.

A TRUE BILL



FOREPERSON

JOHN R. PARKER
UNITED STATES ATTORNEY


MARY F. WALTERS
Assistant United States Attorney
Texas State Bar No. 24003138
1100 Commerce Street, Suite 300
Dallas, Texas 75242-1699
Telephone: 214.659.8600
Facsimile: 214.659.8812

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE UNITED STATES OF AMERICA

v.

NEMELEE LIWANAG JIAO (01)

INDICTMENT

18 U.S.C. § 1343
Wire Fraud

18 U.S.C. §§ 981(a)(1)(C) and 28 U.S.C. § 2461(c)
Forfeiture Notice

2 Counts


A true bill rendered

DALLAS

FOREPERSON

Filed in open court this ^{19th}~~18th~~ day of April, 2017.

Warrant to be Issued


UNITED STATES MAGISTRATE JUDGE
No Criminal Matter Pending