

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA

SEALED INDICTMENT

- v. -

19 Cr.

CHRISTOPHER HAMMATT,
a/k/a, "Craig Johnson,"
SUSAN HAMMATT,
JOSEPH HOATS, and
EDWIN TANGLAO,

19 CRIM 067

Defendants.

- - - - - X

COUNT ONE

(Conspiracy to Commit Wire Fraud)

The Grand Jury charges:

Relevant Individuals and Entities

1. At all relevant times to this Indictment, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," the defendant, a lawyer by training, was an individual who resided in California. During and in relation to the conspiracies charged in Counts One and Four of this Indictment, HAMMATT created the fictitious identity, and at certain times pretended to be, "Craig Johnson," a lawyer-in-training and "legal coordinator" at the Law Offices of Joseph M. Hoats.

2. At all relevant times to this Indictment, SUSAN HAMMATT, the defendant, was an individual who resided in California and was married to CHRISTOPHER HAMMATT, the

defendant. At certain points relevant to this Indictment, SUSAN HAMMATT was CHRISTOPHER HAMMATT's conservator.

3. At all relevant times to this Indictment JOSEPH HOATS, the defendant, was a licensed attorney in California who operated the Law Offices of Joseph M. Hoats. At certain points relevant to this Indictment, HOATS purported to provide legal services to CHRISTOPHER HAMMATT, SUSAN HAMMATT, and EDWIN TANGLAO, the defendants.

4. At all relevant times to this Indictment, Car Company-1 was an American multinational corporation headquartered in Detroit, Michigan, that designed, manufactured, marketed, and distributed vehicles and vehicle parts worldwide. Since in or around February 2014, Car Company-1 had defended multiple lawsuits throughout the United States arising from alleged faulty ignition switches installed in vehicles manufactured by Car Company-1. Many of those lawsuits were transferred to the United States District Court for the Southern District of New York, pursuant to an order of the Judicial Panel on Multidistrict Litigation.

5. At all relevant times to this Indictment, Law Firm-1 was a large, multi-national law firm based in Chicago that represented Car Company-1 in connection with the ignition switch litigations.

6. At all relevant times to this Indictment, Law Partner-1 was a partner at Law Firm-1 who had primary responsibility for overseeing Car Company-1's defense in the ignition switch litigations.

7. At all relevant times to this Indictment, Funding Company-1 was a corporation based in New York, New York that provided litigation financing services to civil litigants.

8. At all relevant times to this Indictment, Funding Company-2 was a corporation based in Florida that provided litigation financing services to civil litigants.

THE FIRST SCHEME TO DERFAUD

9. From in or about January 2015, up to and including, in or about June 2017, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, among others, conspired to engage in a scheme to defraud Car Company-1, Funding Company-1, and Funding Company-2 by commencing a civil lawsuit against Car Company-1 and creating a fictitious \$16.5 million settlement agreement between the HAMMATTS and Car Company-1 for the purpose of, among other things, fraudulently obtaining litigation financing from Funding Company-1 and Funding Company-2.

10. In or around January 2015, as part of this scheme to defraud, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, commenced a civil lawsuit against Car

Company-1, and others, in the United States District Court for the Central District of California, alleging \$100 million in damages. Specifically, the HAMMATTS' complaint alleged that CHRISTOPHER HAMMATT suffered "traumatic brain injury" when airbags unexpectedly deployed in his vehicle, which was manufactured by Car Company-1. JOSEPH HOATS, the defendant, was the attorney of record for the HAMMATTS in their lawsuit against Car Company-1.

11. The lawsuit of CHRISTOPHER HAMMATT and SUSAN HAMMATT, the defendants, against Car Company-1 was transferred to the United States District Court for the Southern District of New York, pursuant to an order of the Judicial Panel on Multidistrict Litigation. After the case was transferred to New York, the HAMMATTS repeatedly failed to comply with their discovery obligations and, consequently, the Court dismissed the HAMMATTS' lawsuit with prejudice in September 2016.

12. In or around August of 2016, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, with the intent to defraud Car Company-1, Funding Company-1, and Funding Company-2, among others, created a fictitious settlement agreement (the "Fake Settlement Agreement"), between the HAMMATTS and Car Company-1. The Fake Settlement Agreement purported to confer a general release upon Car Company-1 in

exchange for a \$16.5 million settlement payment. As part of their fraud scheme, the HAMMATTS forged the signature of Car Company-1's lawyer, Law Partner-1, on the Fake Settlement Agreement.

13. In an effort to monetize the Fake Settlement Agreement immediately, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, sought litigation financing on the basis of the Fake Settlement Agreement.

14. As part of the fraud scheme, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, created a fictitious identity, "Craig Johnson," to conceal their true identities when interfacing with the victims of the fraud schemes alleged in this Indictment. The fictitious individual "Craig Johnson," purported to be a law student and "legal coordinator" for JOSEPH HOATS, the defendant. In reality, "Craig Johnson" was CHRISTOPHER HAMMATT. In furtherance of this fake identity, CHRISTOPHER HAMMATT, with the assistance and knowledge of his wife, SUSAN HAMMATT, created an email address and business cards with the name "Craig Johnson."

15. CHRTOPHER HAMMATT, a/k/a "Craig Johnson," the defendant, using the identity "Craig Johnson," negotiated directly with Funding Company-1 and Funding Company-2 for purposes of obtaining litigation financing on behalf of the

HAMMATTS, the purported clients of his firm. In an email to a representative of Funding Company-2, CHRISTOPHER HAMMATT (pretending to be "Craig Johnson") wrote: "I would love to help this family out. . . . I know that they will be getting a large sum of money in about six months, but it is so sad to see this family suffer. They are on food stamps and get donations from the Church for their kids [sic] clothing."

16. On the basis of the defendants' false and fraudulent representations alleged herein, among others, Funding Company-1 wired \$30,000 from its bank account in New York, New York to a bank account in California in the name of SUSAN HAMMATT, the defendant.

SUSAN HAMMATT'S False Statements to the Court

17. In or around January 2017, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, retained new counsel ("New Counsel-1") to represent them in their lawsuit against Car Company-1. On or about February 10, 2017, New Counsel-1 and an individual purporting to be "Craig Johnson," calling from a telephone number registered to SUSAN HAMMATT, left a voicemail message for Law Partner-1 in which "Johnson" stated, among other things, "please immediately give [New Counsel-1] a phone call. . . . It's really important that he hear from you in the next day." New Counsel-1 stated, among

other things, "neither Craig nor the client knew that the case had been dismissed, and we were shocked to learn that the case had been dismissed, [and] we know there has been a settlement agreement that has been signed because I've taken a look at that" Later that same day, New Counsel-1 emailed the Fake Settlement Agreement to Law Partner-1.

18. As part of the fraud scheme, on or about March 20, 2017, at the direction of CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, New Counsel-1 filed a motion to reopen the HAMMATTS' lawsuit against Car Company-1, which had been dismissed in September 2016. The motion to reopen relied, in large part, on a sworn declaration by SUSAN HAMMATT (the "Hammatt Declaration"), which was filed with the Court in the Southern District of New York. SUSAN HAMMATT submitted the Hammatt Declaration "under penalty of perjury under the laws of the United States of America."

19. The Hammatt Declaration contained multiple false statements including the following, among others:

a. "I did not know anything about this alleged settlement agreement and certainly did not forge any signatures to it or know anything about an alleged forgery."

b. "Christopher was unaware of any settlement agreement also [sic] did not engage in identity theft and forgery."

c. "[N]either I nor Christopher received any funds related to this supposed settlement agreement."

20. In truth and in fact, SUSAN HAMMATT, the defendant, was aware of: the Fake Settlement Agreement; the forged signature on the Fake Settlement Agreement; and the funds that she obtained in connection with the Fake Settlement Agreement.

Statutory Allegations

21. From at least in or about January 2015, up to and including in or about June 2017, in the Southern District of New York and elsewhere, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

22. It was a part and object of the conspiracy that CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and

promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

(Title 18, United States Code, Section 1349.)

COUNT TWO

(Wire Fraud)

The Grand Jury further charges:

23. The allegations contained in paragraphs 1 through 20 of this Indictment are repeated and realleged as if fully set forth herein.

24. From at least in or about January 2015, up to and including in or about June 2017, in the Southern District of New York and elsewhere, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and SUSAN HAMMATT, the defendants, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, and attempting to do so, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to

wit, CHRISTOPHER HAMMATT AND SUSAN HAMMATT, and others known and unknown, participated in a scheme to defraud, by telephone, email, and wire transfers of funds, among other means and methods, Funding Compnay-1, by causing Funding Company-1 to wire funds from New York, New York to a bank account in California controlled by the HAMMATTS.

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

COUNT THREE

(Perjury)

The Grand Jury further charges:

25. The allegations contained in paragraphs 1 through 20 of this Indictment are repeated and realleged as if fully set forth herein.

26. On or about April 5, 2017, SUSAN HAMMATT, the defendant, in a declaration, certificate, verification, and statement made under penalty of perjury as permitted under Title 28, United States Code, Section 1746, willfully subscribed as true a material matter that she did not believe to be true, to wit, in a declaration filed with the United States District Court for the Southern District of New York, SUSAN HAMMATT made the following false statements, among others: (a) "I did not know anything about this alleged settlement agreement and certainly did not forge any signatures to it or know anything

about an alleged forgery"; (b) "Christopher was unaware of any settlement agreement also [sic] did not engage in identity theft and forgery"; and (c) "neither I nor Christopher received any funds related to this supposed settlement agreement."

(Title 18, United States Code, Sections 1621 and 2.)

COUNT FOUR

(Conspiracy to Commit Wire Fraud)

The Grand Jury further charges:

27. The allegations contained in paragraphs 1 through 20 of this Indictment are repeated and realleged as if fully set forth herein.

28. At various times from in or around July 2016 through on or about June 2017, as part of a scheme to enrich themselves and their associates, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," SUSAN HAMMATT, JOSEPH HOATS, and EDWIN TANGLAO, the defendants, perpetrated a scheme to defraud oil and gas trading companies (the "Oil Victims"). Specifically, the defendants attempted to defraud the Oil Victims by soliciting their participation in fictitious oil and gas purchases in which the defendants, as sellers, induced (or attempted to induce, as the case may be) the Oil Victims to transmit money to accounts controlled by the defendants in exchange for large orders of oil or gas products that the defendants could not fulfill.

Relevant Individuals and Entities

29. At all relevant times to this Indictment, Oil Company-1 was a self-described "worldwide distributor of oils and chemicals," organized under the laws of California and based in Conroe, Texas.

30. At all relevant times to this Indictment, EDWIN TANGLAO, the defendant, was the Chief Executive Officer of Oil Company-1.

31. At all relevant times to this Indictment, Oil Victim-1 was an oil and gas trading company based in California and Mexico.

32. At all relevant times to this Indictment, Oil Victim-2 was an oil and gas trading company based in White Plains, New York. Oil Victim-2 served as a middleman by purchasing large volumes of oil and gas products, typically from the world's largest oil and gas companies (commonly referred to as the "majors"), and then selling those oil and gas products to a retail distributor.

THE SCHEME TO DEFRAD

33. Beginning in or around July 2016, EDWIN TANGLAO, JOSEPH HOATS, and CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," the defendants, commenced negotiations with Oil Victim-1 to sell

Oil Victim-1 a large volume of Shell Grade Ultra Low Sulfur Diesel (the "Shell Diesel").

34. During the course of these negotiations, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and JOSEPH HOATS, the defendants, prepared and revised a purchase agreement that outlined the terms of the transaction, in which Oil Victim-1 would purchase approximately 12.6 million gallons of Shell Diesel from Oil Company-1.

35. From July 2016 through August 2016, EDWIN TANGLAO, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," and JOSEPH HOATS, attempted to induce Oil Victim-1, through email and other electronic communications, to send nearly \$29 million to Oil Company-1 for the Shell Diesel. At the time, Oil Company-1 did not have the ability to obtain such a large volume of Shell Diesel for Oil Victim-1.

36. In furtherance of the fraud scheme, SUSAN HAMMATT and JOSEPH HOATS, the defendants, created the fictitious entity, "Shell Western Supply & Trading." Specifically, HOATS registered the entity as a California corporation and HOATS and SUSAN HAMMATT opened a bank account in the name of "Shell Western Supply & Trading" (the "Shell Western Account"). The defendants, in turn, created fraudulent documents, such as invoices and wire instructions, that displayed (without

permission) the Shell Oil Company logo and listed account information associated with the Shell Western Account.

37. Using these fraudulent documents, among other methods, the defendants attempted to induce representatives of Oil Victim-1 to transmit approximately \$29 million into the Shell Western Account controlled by JOSEPH HOATS and SUSAN HAMMATT, the defendants.

38. Ultimately, agents of Oil Victim-1 discovered the fraudulent nature of the proposed oil transaction and, consequently, ceased communications with the defendants.

39. Beginning in or around January 2017, EDWIN TANGLAO, the defendant, commenced negotiations with representatives of Oil Victim-2 to sell Oil Victim-2 several hundred thousand gallons of diesel fuel that Oil Company-1 was purportedly going to obtain from one of the major oil and gas companies. In reality, Oil Company-1 did not have, nor had ready access to, such a large quantity of diesel fuel.

40. Based on the false and fraudulent representations of EDWIN TANGALO and JOSEPH HOATS, the defendants, Oil Victim-2 wired TANGLAO approximately \$1.45 million. These funds, at least in part, were transmitted through the Southern District of New York.

41. When Oil Company-1 was unable to deliver the diesel fuel to Oil Victim-2, EDWIN TANGLAO, the defendant, falsely promised representatives of Oil Victim-2 that he would deliver alternative oil and gas products to Oil Victim-2. For example, TANGLAO promised to transfer ownership of fuel contained in uniquely-identified tanks at a terminal located in Galena Park, Texas (the "Galena Tanks"). In furtherance of the fraud, JOSEPH HOATS, the defendant, created a fraudulent document entitled "conveyance and transfer of ownership," that purported to convey the product contained in the Galena Tanks. The fraudulent document, on Oil-Company-1 letterhead, represented that "[Oil Company-1] hereby certifies that it is the owner of the same and has the right to transfer same unencumbered to [Oil Victim-2]." In reality, Oil Company-1 did not own, nor had the right to convey, the product contained in the Galena Tanks.

42. Oil Company-1 never sent Oil Victim-2 the diesel fuel for which Oil Victim-2 paid.

Statutory Allegations

43. From at least in or about July 2016, up to and including in or about June 2017, in the Southern District of New York and elsewhere, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," SUSAN HAMMATT, JOSEPH HOATS, and EDWIN TANGLAO, the defendants, and others known and unknown, willfully and knowingly did

combine, conspire, confederate, and agree together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

44. It was a part and object of the conspiracy that CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," SUSAN HAMMATT, JOSEPH HOATS, and EDWIN TANGLAO, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

(Title 18, United States Code, Section 1349.)

FORFEITURE ALLEGATIONS

45. As a result of committing the offenses alleged in Counts One, Two, and Four of this Indictment, as the case may be, CHRISTOPHER HAMMATT, a/k/a "Craig Johnson," SUSAN HAMMATT, JOSEPH HOATS, and EDWIN TANGLAO, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section

2461(c) any and all property, real and personal, that constitutes or is derived from, proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses that the defendants personally obtained.

Substitute Assets Provision

46. 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 person;
- 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;

Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)



Foreperson


GEOFFREY S. BERMAN
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

CHRISTOPHER HAMMATT,
a/k/a, "Craig Johnson,"
SUSAN HAMMATT,
JOSEPH HOATS, and
EDWIN TANGLAO,

Defendants.


SEALED INDICTMENT

19 Cr. ____

(18 U.S.C. §§ 1343, 1349, 1621 and 2.)

GEOFFREY S. BERMAN
United States Attorney.

A TRUE BILL

 Foreperson.
