

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

FILED
CHARLOTTE, NC
AUG 22 2018
US DISTRICT COURT
WESTERN DISTRICT OF NC

UNITED STATES OF AMERICA)
)
 v.)
)
(1) JACQUELINE DIANNE OKOMBA)
)
(2) LAURENCE A. SESSUM)
)
_____)

DOCKET NO. 3:18-cr-00292-RJC

BILL OF INDICTMENT

Violations: 18 U.S.C. § 2
18 U.S.C. § 1344
18 U.S.C. § 1349
18 U.S.C. § 1519
18 U.S.C. § 1956(h)

THE GRAND JURY CHARGES:

At the specified times and at all relevant times:

1. The defendants, Jacqueline Dianne OKOMBA and Laurence A. SESSUM, along with others known and unknown, engaged in a fraudulent debt collection scheme, in which they targeted individuals throughout the United States and coerced them into paying money they purportedly owed using fraudulent misrepresentations and threatening and abusive tactics.

2. From in or about October 2013 through in or about January 2017, OKOMBA, SESSUM, and their coconspirators defrauded thousands of individuals throughout the United States of more than \$5,700,000.

Entities and Individuals

3. Direct Processing LLC ("Direct Processing") was a fraudulent debt collection company formed in or about December 2013, located in Mecklenburg County, North Carolina, and owned and operated by OKOMBA and SESSUM.

4. Merchant Recovery Service was a fraudulent debt collection company formed in or about September 2012, and located in Mecklenburg County, North Carolina. SESSUM was involved in the operations of Merchant Recovery Service prior to starting Direct Processing.

5. Ronald Shannon Hough, a coconspirator unindicted herein, worked at Direct Processing as a collector and collections manager from in or about July 2013 to in or about July 2014. Hough utilized at least two aliases or "shake names" with corresponding email addresses while communicating with victims, including "Scott Majors" and "Christopher Stevens." Beginning in or about March 2013, Hough worked at Merchant Recovery Service prior to

working at Direct Processing.

6. Defendant Jacqueline Dianne OKOMBA was, at all relevant times, the registered agent and a member-owner of Direct Processing. OKOMBA worked at Direct Processing where her responsibilities included managing collectors who were making false and fraudulent representations to coerce victims into paying money, especially when SESSUM was not present, and overseeing business operations, including making payments for payroll and collector bonuses, the acquisition of lists of purported debtors, and subscription fees for the dialer system used to contact potential victims.

7. Defendant Laurence A. SESSUM was, at all relevant times, an owner and operator of Direct Processing and the organizer and leader of the fraudulent debt collection conspiracy.

The Fraudulent Debt Collection Scheme

8. SESSUM and others purchased lists of purported debtors on behalf of Direct Processing for use in the fraudulent debt collection scheme. The lists were often sold and resold, such that victims were called by multiple companies attempting to collect the same purported debts.

9. Direct Processing commonly utilized a dialer service to leave automated messages for victims, directing them to contact the company to resolve the purported debts. The scripts contained false and misleading information, including false claims that there was “possible litigation pending” against the victims or that there was a “process server” attempting to locate them. Collectors working for Direct Processing also called victims directly, making similar threats and fraudulent statements about the purported debts.

10. In communications with victims, collectors working at Direct Processing regularly used scripts containing numerous false and misleading statements that were designed to intimidate and coerce victims into paying money to Direct Processing. The fraudulent tactics utilized by collectors to defraud purported debtors included the following:

- a. falsely representing that there was “pending litigation” against the purported debtors and asking whether the purported debtors “would like to handle [the] matter in or out of court”;
- b. falsely representing that there were “charges” against purported debtors—including “breach of contract,” “fraud,” and “malicious intent to defraud a financial institution”—or that there was “an order” for the purported debtors to “appear in court”;
- c. using aliases, commonly known as “shake names,” when making calls to victims and falsely claiming that they were “retained” to “investigate” and

“file” the charges against the purported debtors;

- d. placing victims on hold and falsely representing that they were conferring with an “attorney” to discuss “settlement” of the purported debt;
- e. threatening that a process server or the sheriff was prepared to serve victims with legal documents, including arrest warrants, subpoenas, restraining orders, and garnishment of wages, if they did not make arrangements to pay during the call, whereas no such legal documents or process existed;
- f. obtaining and using victims’ personal identifying information, including Social Security numbers, to create the false impression that the company was acting legitimately; and
- g. contacting victims’ families and employers and making false representations about the existence of “an investigation” or pending court process and threatening to “come on out” to the purported debtor’s place of business.

11. Direct Processing collectors regularly collected amounts they were not owed or were not authorized to collect. Through the false and fraudulent misrepresentations, collectors regularly sought to collect amounts that were outside the applicable statute of limitations—including debts that were decades old—as well as debts that had already been paid or charged off. During communications with victims, collectors also arbitrarily inflated the amount owed, including doubling the amount of the debt or claiming the company had “the right to pursue [the purported debtor] for up to 378% of the original balance.”

12. To disguise the fraudulent nature of the business, collectors used fictitious company names in their communications with victims. The frequent name changes were designed to prevent purported debtors from locating truthful information about Direct Processing, including prior complaints about the misleading and abusive tactics, and to conceal the identity of the company and its owners from victims and law enforcement.

13. SESSUM and others selected fictitious company names designed to mislead purported debtors into believing that the company was affiliated with or acting on behalf of a law firm. Fictitious company names used by Direct Processing included Pre-Trial Litigation, Standard Mediation, Process Mediation, Beneficial Mediation, Arbitrary Mediation, Mandatory Arbitration Services, Proven Mediation Services, Dedicated Mediations Group, Alliance Mediation Group, ADR Mediations, and OC Mediations.

14. To further disguise the identity of the company and its owners and to conceal the proceeds of the fraudulent scheme, SESSUM directed others to establish nominee bank accounts to pay operational and other expenses associated with the fraudulent debt collection company. For example, SESSUM directed others to set up nominee bank accounts under the names First

Line Processing, Compliance Remedy Solutions, ADR Billing, Standard Procedures Solutions, and Account Management Group.

15. SESSUM, OKOMBA, and others also engaged in monetary transactions of a value greater than \$10,000 that involved proceeds of the fraudulent debt collection scheme, including, for example, the following:

- a. On or about November 4, 2014, OKOMBA made a cash withdrawal from a Direct Processing Wells Fargo Bank, N.A., Account (“Wells Fargo *2315”) in the amount of \$15,010;
- b. On or about June 26, 2015, OKOMBA made a payment from Wells Fargo *2315 for a residential rental property in the amount of \$14,400; and
- c. On or about each of March 6, 2015, March 30, 2015, April 17, 2015, and May 6, 2015, transfers were made from Wells Fargo *2315 to a Direct Processing E-Trade Financial Corporation Account (“E-Trade Account *3827”) in amounts ranging from \$20,000 to \$40,000.

Examples of Fraudulent Debt Collection Practices

16. In or about December 2013, Victim K.M. was contacted by a collector from Mandatory Arbitration Services, one of the fictitious company names utilized by Direct Processing. The collector threatened K.M. that she would be sent to jail if she did not pay the purported debt. K.M. requested to speak with a manager and was directed to an individual who identified himself as Scott Majors. K.M. recounted that the individual identified as Scott Majors also threatened that she would go to jail if she did not pay. Even though K.M. did not recall ever owing the debt, K.M. agreed to an initial payment and a timetable for additional payments with money she borrowed from her brother because she was “scared” by the threats.

17. On or about December 18, 2013, K.M. received an email from “scottmajors@arbitrationresolution.net” as a follow up to her call regarding the purported debt. Attached to the email was a fictitious court document from the “State of South Carolina County of Beaufort” “District Court” titled “Affidavit of Restitution” for a “Defaulted Loan.” The caption of the “Affidavit” included a fictitious “Case Number” and falsely reflected “Bank of America” as “Plaintiff.” The “Affidavit” directed K.M. to “remit the settlement amount” of \$1,000 and falsely represented that “[i]f payment is not received, I have been authorized to take the legal means necessary to recover this amount.” The signature block of the fictitious document reflected that the “Affidavit” was from “Scott Majors,” “Operations Manager” at “Mandatory Arbitration Services.”

18. In or about September 2014, Victim J.H. was contacted by a collector acting on behalf of one of the fictitious companies affiliated with Direct Processing. Although J.H. did not

recall owing the purported debt, J.H. nevertheless made a payment to Direct Processing because the collector threatened to “file a lawsuit if he did not pay.”

19. On or about September 22, 2014, J.H. received a letter stating that “all claims . . . have been satisfied” and that “[t]he consumer has been granted a legal release.” The letterhead bore the company name “Standard Mediation,” which was one of the fictitious company names used by Direct Processing, and listed a false address in Sacramento, California.

20. In or about August 2016, Victim M.D. received a call from a collector acting on behalf of Direct Processing demanding payment from M.D. for a purported debt in the amount of approximately \$1,800. The collector threatened M.D. that “the law would come pick her up” if she did not pay the purported debt. The collector remained on the phone with M.D. for approximately one hour while M.D. drove to a bank to transfer the funds. The collector became increasingly threatening toward M.D. during the course of the call. M.D. paid the money out of fear of going to jail.

Obstruction of Justice

21. On or about February 9, 2015, the Charlotte Field Office of the Federal Bureau of Investigation (“FBI”) initiated a criminal investigation into fraudulent debt collection practices at Direct Processing.

22. On or about July 30, 2015, the FBI applied for and obtained a warrant to search Direct Processing’s office space located at 1811 Sardis Road, Charlotte, North Carolina and to seize any and all evidence of a fraudulent debt collection conspiracy. That same day, the FBI applied for and obtained a seizure warrant for funds held in Direct Processing’s E-Trade Account *3827.

23. On or about August 3, 2015, the FBI served the seizure warrant for E-Trade Account *3827, thereby freezing SESSUM and OKOMBA’s access to the funds.

24. That same day, on or about August 3, 2015, after learning about the frozen E-Trade account, SESSUM and others acting at his direction, including OKOMBA, removed Direct Processing computers, documents, and records used and created in connection with the fraudulent debt collection scheme from 1811 Sardis Road to conceal them from law enforcement. SESSUM, OKOMBA, and others also shredded various Direct Processing documents and records and left copies of the Fair Debt Collection Practices Act on the collectors’ desks to create the false impression that collectors had been following the law.

25. On or about August 4, 2015, the FBI executed the premises search warrant at 1811 Sardis Road and discovered that computers had been removed. When asked about the computers, OKOMBA falsely told the FBI that Direct Processing did not own any computers, despite having aided in the removal of computers the prior evening.

COUNT ONE
(Fraudulent Debt Collection Conspiracy – 18 U.S.C. § 1349)

26. The Grand Jury re-alleges and incorporates by reference herein the allegations contained in paragraphs 1 through 25 of this Bill of Indictment, and further alleges as follows:

27. From in or about October 2013 through in or about January 2017, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendants,

(1) JACQUELINE DIANNE OKOMBA
(2) LAURENCE A. SESSUM

did knowingly combine, conspire, confederate, and agree with one another and others known and unknown to the Grand Jury, including Ronald Shannon Hough, to commit mail fraud, a violation of Title 18, United States Code, Section 1341, and wire fraud, a violation of Title 18, United States Code, Section 1343.

Objects of the Conspiracy

28. It was a part and an object of the conspiracy that OKOMBA, SESSUM, Hough, and others known and unknown to the Grand Jury, having devised schemes and artifices to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to wit, schemes and artifices to defraud individuals of money, would and did cause things to be deposited with and delivered by the U.S. Postal Service and private and commercial interstate carriers for the purposes of executing said schemes and artifices, in violation of Title 18, United States Code, Section 1341.

29. It was further a part and an object of the conspiracy that OKOMBA, SESSUM, Hough, and others known and unknown to the Grand Jury, having devised schemes and artifices to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, to wit, schemes and artifices to defraud individuals of money, would and did transmit and cause to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds for the purposes of executing said schemes and artifices, including interstate phone calls and emails, in violation of Title 18, United States Code, Section 1343.

Manner and Means

30. Defendants and others carried out the conspiracy in the manner and means described in paragraphs 1 through 25 of this Bill of Indictment, among others.

All in violation of 18 U.S.C. § 1349.

COUNT TWO
(Wire Fraud Scheme – 18 U.S.C. § 1343)

31. The Grand Jury re-alleges and incorporates by reference herein the allegations contained in paragraphs 1 through 25 of this Bill of Indictment, and further alleges as follows:

32. From in or about October 2013 through in or about January 2017, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendants,

(1) JACQUELINE DIANNE OKOMBA
(2) LAURENCE A. SESSUM

and others known and unknown to the Grand Jury, aiding and abetting one another, did knowingly and intentionally devise the above-described scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice to defraud, did cause to be transmitted by means of wire communication in interstate commerce writings, signals, and sounds, to wit, obtaining funds from victims throughout the United States by means of interstate wires and engaging in fraudulent telephone calls to induce the payment of such funds.

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

COUNT THREE

(Conspiracy to Commit Money Laundering – 18 U.S.C. § 1956(h))

33. The Grand Jury re-alleges and incorporates by reference herein the allegations contained in paragraphs 1 through 25 of this Bill of Indictment, and further alleges as follows:

34. From in or about October 2013 through in or about January 2017, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendants,

(1) JACQUELINE DIANNE OKOMBA

(2) LAURENCE A. SESSUM

did knowingly combine, conspire, confederate, and agree with each other and others known and unknown to the Grand Jury, to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, with the intent to conceal and disguise in whole and in part the nature, location, source, ownership, and control of the proceeds of a specified unlawful activity, and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i) (concealment money laundering), and to knowingly engage and attempt to engage in monetary transactions affecting interstate and foreign commerce in property that was criminally derived from specified unlawful activity and was in excess of \$10,000, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity in violation of Title 18, United States Code, Section 1957 (transactional money laundering).

All in violation of Title 18, United States Code, Section 1956(h).

COUNT FOUR
18 U.S.C. § 1519
(Destruction of Objects and Records)

35. The Grand Jury re-alleges and incorporates by reference herein the allegations contained in paragraphs 1 through 25 of this Bill of Indictment, and further alleges as follows:

36. On or about August 3, 2015, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendants,

(1) JACQUELINE DIANNE OKOMBA
(2) LAURENCE A. SESSUM

and others known and unknown to the Grand Jury, aiding and abetting one another, did knowingly alter, destroy, mutilate, conceal, and cover up records, documents, and tangible objects, including computers, with the intent to impede, obstruct, and influence the investigation and proper administration of a matter that the defendant knew or contemplated was within the jurisdiction of any department and agency of the United States, to wit, the above-referenced investigation by the FBI Charlotte Field Office.

All in violation of Title 18, United States Code, Sections 1519 and 2.

NOTICE OF FORFEITURE AND FINDING OF PROBABLE CAUSE

37. Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under § 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by § 981(a)(1)(C). The following property is subject to forfeiture in accordance with §§ 982 and/or 2461(c):

a. All property which constitutes or is derived from proceeds of the violations set forth in this Bill of Indictment;

b. All property involved in such violations or traceable to property involved in such violations; and

c. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) or (b) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendant/s to the extent of the value of the property described in (a) and (b).

38. The following property is subject to forfeiture on one or more of the grounds stated above:

a. A forfeiture money judgment in the amount of at least \$3 million, such amount constituting the proceeds of the violations set forth in this Bill of Indictment;

b. Approximately \$175,493.01 in funds seized from Direct Processing, LLC E*Trade Account *3827;

c. Approximately \$20,543.63 in funds seized from Direct Processing, LLC Wells Fargo Account *2315; and

d. Any and all interests in Direct Processing, LLC.

A TRUE BILL

Foreperson

R. ANDREW MURRAY
UNITED STATES ATTORNEY



WILLIAM M. MILLER
ASSISTANT UNITED STATES ATTORNEY