

# DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☒ INFORMATION ☐ INDICTMENT  
☐ SUPERSEDING

## OFFENSE CHARGED

18 U.S.C., § 1341 - Mail Fraud; and  
 26 U.S.C., § 7201 - Tax Evasion

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY: 18 U.S.C. § 1341 (Mail Fraud) Count 1: 20 years max. imprisonment; \$250,000 or twice the gross gain/loss; 3 yrs. sup. release; rest. [TBD]; and \$100 SA; 26 U.S.C. § 7201 (Tax Evasion) Count 2: 5 yrs. max. imprisonment; \$250,000 or twice the gross gain/loss; 3 yrs. sup. release; rest. [TBD]

## PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Noel Boswell, Special Agent - Federal Bureau of Investigation

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW  
DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE  
CASE NO.

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form MELINDA HAAG

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

Kim A. Berger

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

DEFENDANT - U.S.

MARTIN CHRISTOPHER EDWARDS

DISTRICT COURT NUMBER

CR 13-351 WHTA

## DEFENDANT

### IS NOT IN CUSTODY

- Has not been arrested, pending outcome this proceeding.
- 1) ☐ If not detained give date any prior summons was served on above charges
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

### IS IN CUSTODY

- 4) ☒ On this charge
- 5) ☐ On another conviction } ☐ Federal ☐ State
- 6) ☐ Awaiting trial on other charges  
 If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted

## ADDITIONAL INFORMATION OR COMMENTS

### PROCESS:

☐ SUMMONS ☐ NO PROCESS\* ☐ WARRANT

Bail Amount: \_\_\_\_\_

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

Date/Time: \_\_\_\_\_ Before Judge: \_\_\_\_\_

Comments:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

1 MELINDA HAAG (CABN 132612)  
2 United States Attorney

FILED  
2014 APR 14 P 12:04  
RICHARD W. WILKINS  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

10 UNITED STATES DISTRICT COURT  
11 NORTHERN DISTRICT OF CALIFORNIA  
12 SAN FRANCISCO DIVISION

13 UNITED STATES OF AMERICA,

14 Plaintiff,

15 v.

16 MARTIN CHRISTOPHER EDWARDS,

17 Defendant.  
18

) No.: CR 13-00351 WHA  
)  
)  
)

) VIOLATIONS: 18 U.S.C. § 1341- Mail Fraud; 26  
) U.S.C. § 7201- Tax Evasion; 18 U.S.C. § § 981, 982  
) & 28 U.S.C. § 2461(c) - Criminal Forfeiture

) (SAN FRANCISCO VENUE)  
)  
)

19  
20 INFORMATION

21 The United States Attorney charges:

22 Introductory Allegations

23 At all times relevant to this Information:

24 1. MARTIN CHRISTOPHER EDWARDS was a resident of Napa, California, in Napa  
25 County, in the Northern District of California. EDWARDS served as Vice President and General  
26 Manager of the WineTasting Network (WTN), located in Napa, California. WTN was a direct marketer  
27 of wine and wine accessories to 30 states, and was a wholly-owned subsidiary of 1-800 Flowers.  
28

INFORMATION

2. Dufrane Compliance Trust (Dufrane) was a fictitious company created by EDWARDS. According to the Dufrane website created by EDWARDS, Dufrane was a third party trust that offered wineries, wine retailers, and wine marketing agents filing services and disbursement of funds to ensure regulatory compliance.

3. EDWARDS maintained a personal bank account at JPMorgan Chase Bank in California, and was the trustee and signatory for the Dufrane Special Needs Trust account held at Wells Fargo Bank in California.

4. During the relevant time, WTN's accounting department was located in North Canton, Ohio.

5. I understand that I have the right to be charged by an indictment returned by a grand jury, and consent that this proceeding may be by information rather than by indictment.

## SCHEME TO DEFRAUD

6. From approximately May 2010 through December 2012, EDWARDS devised and executed a scheme to defraud his employer of approximately \$894,222, by creating Dufrane, a fictitious entity that purported to provide tax compliance services, directing WTN to issue checks to Dufrane for tax compliance services that were never provided, causing checks to be mailed to WTN's offices in Napa, California, and then depositing those checks into the Dufrane Special Needs Trust account that EDWARDS controlled.

## MANNER AND MEANS OF THE SCHEME TO DEFRAUD

7. EDWARDS falsely and fraudulently represented to his employer that Dufrane provided tax compliance services to WTN when, in fact, no such services were provided.

8. EDWARDS emailed requests for payment to Dufrane to WTN's accounting department, and requested that checks be sent to WTN's offices in Napa, California. In some instances, EDWARDS created fraudulent invoices for Dufrane's services which he also sent to WTN's accounting department.

9. EDWARDS endorsed and deposited WTN checks made payable to Dufrane into the Dufrane Special Needs Trust account that EDWARDS controlled.

1           10.     In some cases, EDWARDS signed checks to Dufrane that were prepared by a WTN  
2 accounting employee at his direction, or EDWARDS requested the WTN's accounting department in  
3 Ohio to prepare, sign, and mail checks to him at WTN in Napa, California.

4           11.     Between May 2010 and October 2012, EDWARDS caused WTN to write checks totaling  
5 approximately \$894,222 to Dufrane, that he later deposited into the Dufrane Special Needs Trust  
6 account that he controlled. EDWARDS then used those monies for personal expenses, including the  
7 purchase of a BMW, vacations, meals, and a cruise.

8 COUNT ONE: (18 U.S.C. § 1341 - Mail Fraud)

9           12.     Paragraphs 1 through 11 are realleged as though set forth fully herein.

10          13.     Beginning in or about May 2010, and continuing until approximately December 2012, in  
11 the Northern District of California and elsewhere, the defendant,

12                                 MARTIN CHRISTOPHER EDWARDS,

13 did knowingly and intentionally devise a scheme and artifice to defraud, and to obtain money and  
14 property by means of materially false and fraudulent pretenses, representations, promises, and omission  
15 and concealment of material facts, knowing that the pretenses, representations, promises, omissions, and  
16 concealment were false and fraudulent when made, and, for the purpose of executing such scheme and  
17 artifice, did knowingly cause the following items to be sent and delivered by the United States Postal  
18 Service, and private and commercial interstate carriers, namely, on or about October 24, 2012,  
19 EDWARDS caused a check in the amount of \$39,862.12 to be sent via UPS from WTN's accounting  
20 department in Ohio to WTN's offices in Napa, California, that he later deposited into the Dufrane  
21 Special Needs Trust Account.

22                                 In violation of Title 18, United States Code, Section 1341.

23 COUNT TWO: (26 U.S.C. § 7201 – Tax Evasion 2010 Tax Year)

24          14.     On or about April 18, 2010, in the Northern District of California, the defendant

25                                 MARTIN CHRISTOPHER EDWARDS,

26 then a resident of Napa, California, did willfully and knowingly attempt to evade and defeat a part of the  
27 income tax due and owing by the defendant to the United States of America for the tax year 2010, by  
28 filing and causing to be filed with the Director, Internal Revenue Service Center, a false and fraudulent

1 United States Individual Income Tax Return, Form 1040, in that EDWARDS knew his taxable income  
2 for tax year 2010 was substantially in excess of the amount stated on the return, and upon the additional  
3 taxable income, a substantial additional tax was due and owing to the United States of America, in  
4 violation of Title 26, United States Code, Section 7201.

5 FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C), 982(a)(2) and 28 U.S.C. § 2461(c) - Mail  
6 Fraud Forfeiture)

7 15. The allegations of Count One of this Information are realleged and by this reference fully  
8 incorporated herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United  
9 States Code, Sections 981(a)(1)(C), 982(a)(2) and 28 U.S.C. § 2461(c).

10 16. Upon a conviction of the offense alleged in Count One, the defendant,  
11 MARTIN CHRISTOPHER EDWARDS,  
12 shall forfeit to the United States all property, constituting and derived from proceeds traceable to said  
13 offenses, including but not limited to:

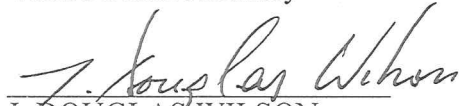
- 14 (a) A money judgment equal to the amount of the proceeds obtained from the  
15 offense;
- 16 (b) Balance of the Dufrane Special Needs Trust Account Number 907987xxxx;
- 17 (c) Balance of the JPMorgan Chase Bank Account Number 379149xxxx; and
- 18 (d) A 2008 BMW purchased on June 16, 2012 (VIN Number 835X8DT86678)  
19 registered to EDWARDS.
- 20 17. If any of said property, as a result of any act or omission of the defendant,
  - 21 (a) cannot be located upon the exercise of due diligence;
  - 22 (b) has been transferred or sold to or deposited with, a third person;
  - 23 (c) has been placed beyond the jurisdiction of the Court;
  - 24 (d) has been substantially diminished in value; or
  - 25 (e) has been commingled with other property which cannot be subdivided without  
26 difficulty, any and all interest defendant has in other property shall be vested in  
27 the United States and forfeited to the United States pursuant to Title 21, United  
28 States Code, Section 853(p), as incorporated by Title 28, United States Code,  
Section 2461(c) and Rule 32.2 of the Federal Rules of Criminal Procedure.


All in violation of Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(1), 982(a)(2), and

1 Title 28, United States Code, Section 2461(c), and Rule 32.2 of the Federal Rules of Criminal  
2 Procedure.

3 Dated: April 14, 2014

4  
5 MELINDA HAAG  
United States Attorney

6   
7 J. DOUGLAS WILSON  
Chief, Criminal Division

8  
9 (Approved as to form: )

AUSA BERGER

United States District Court  
Northern District of California

FILED

CRIMINAL COVER SHEET

2014 APR 14 P 12:04

**Instructions:** Effective January 3, 2012, this Criminal Cover Sheet must be completed and submitted along with the Defendant Information Form, for each new criminal case.

Case Name:

USA v.

Case Number:

CR 13-00351 WHA

Total Number of Defendants:

1

☒

2-7

☐

8 or more

☐

Is This Case Under Seal?

Yes

☐

No

☐

Does this case involve ONLY charges under 8 U.S.C. § 1325 and/or 1326?

Yes

☐

No

☒

Venue (Per Crim. L.R. 18-1):

SF

☒

OAK

☐

SJ

☐

EUR

☐

MON

☐

Is any defendant charged with a death-penalty-eligible crime?

Yes

☐

No

☒

Assigned AUSA (Lead Attorney):

Kim A. Berger

Is this a RICO Act gang case?

Yes

☐

No

☒

Date Submitted:

Comments:

Save

Print

Clear Form