

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA

VENUE: SAN FRANCISCO

FILED

JUL 26 2018

UNITED STATES OF AMERICA,

v.

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

sn

CR 18 340

MICHAEL JAMES FREW,

VC

DEFENDANT(S).

INDICTMENT

18 U.S.C. § 1343 - Wire Fraud (Two Counts);
18 U.S.C. § 1341 - Mail Fraud (Two Counts);
18 U.S.C. § 1957 - Engaging in Monetary Transactions in Property Derived from
Specified Unlawful Activity (Two Counts);
18 U.S.C. §§ 981(a)(1)(C) & 982(a)(1), 982(b)(1) and
28 U.S.C. § 2461(c) - Forfeiture Allegations

A true bill.

Lender Lou

Foreman

Filed in open court this 26th day of

July, 2018

ROSE MAHER

Rose Maher

MARIA-ELENA JAMES
UNITED STATES MAGISTRATE JUDGE

Maria Elena James 2-20-18 Clerk

Bail, \$ _____

NO BAIL ARREST WARRANT

1

AO 257 (Rev. 6/78)

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

BY: [] COMPLAINT [] INFORMATION [X] INDICTMENT [] SUPERSEDING

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

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

OFFENSE CHARGED

18 USC 1343 - Wire Fraud (Two Counts)
18 USC 1341 - Mail Fraud (Two Counts)
18 USC 1957 - Money Laundering

- [] Petty
[] Minor
[] Misdemeanor
[X] Felony

PENALTY: As to 1343 and 1341 - 20 years imprisonment each count
As to 1957 - 10 years imprisonment each count
Also as to each count - \$250,000 fine, restitution, forfeiture, \$100 special assessment, potential deportation

DEFENDANT - U.S.

Michael James Frew

DISTRICT COURT NUMBER

CR 18 340

PROCEEDING

DEFENDANT

VC

Name of Complainant Agency, or Person (& Title, if any) SUSAN Y. SOONG

FBI, IRS

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.
If not detained give date any prior summons was served on above charges

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

2) [] Is a Fugitive

Is on Bail or Release from (show District)

[] this person/proceeding is transferred from per (circle one) FRCrp 20, 21, or 40. 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

[] this is a re prosecution of charges previously dismissed which were dismissed on motion of.

SHOW DOCKET NO.

[] U.S. ATTORNEY [] DEFENSE

[] 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

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

Name and Office of Person

Furnishing Information on this form Alex Tse

[X] U.S. Attorney [] Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned) Robert David Rees

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

[] SUMMONS [] NO PROCESS* [X] WARRANT

Bail Amount: no bail

If Summons, complete following:

[] Arraignment [] Initial Appearance

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

Defendant Address:

1100 Ave A North, Apt. A9, Beatty, NV 89003

Date/Time:

Before Judge:

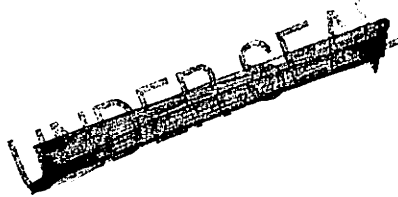
Comments:

1 ALEX G. TSE (CABN 163973)
Acting United States Attorney

FILED

JUL 26 2018

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
sh



8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA

10 SAN FRANCISCO DIVISION

11 UNITED STATES OF AMERICA,

CR 18 340

VC

12 Plaintiff,

13 v.

14 MICHAEL JAMES FREW,

15 Defendant.

) CASE NO.)
) VIOLATIONS: 18 U.S.C. § 1343 – Wire Fraud
) (Two Counts); 18 U.S.C. § 1341 – Mail Fraud (Two
) Counts); 18 U.S.C. § 1957 – Engaging in Monetary
) Transactions in Property Derived from Specified
) Unlawful Activity (Two Counts); 18 U.S.C.
) §§ 981(a)(1)(C), 982(a)(1), 982(b)(1), and 28 U.S.C.
) § 2461(c) – Forfeiture Allegations

) SAN FRANCISCO VENUE

17
18 INDICTMENT

19 The Grand Jury charges:

20 Introductory Allegations

21 At all times relevant to this Indictment:

22 1. The defendant, MICHAEL JAMES FREW, was an individual who resided in and around
23 Hillsborough in the State of California in the Northern District of California, and elsewhere.

24 2. FREW maintained and exercised control over a bank account in his name at Citibank,
25 numbered ending in 2626, which FREW opened in San Francisco, California. Statement addresses for
26 this account were mailed to Hillsborough, California.

27 3. FREW also maintained and exercised control over a bank account in his name and the
28 name of his wife at Citibank, numbered ending in 7405.

INDICTMENT

1 The Scheme and Artifice

2 4. Beginning on a date unknown to the Grand Jury, but by no later than in or about 2010,
3 and continuing until in or about March 2014, FREW devised and executed a scheme and artifice to
4 defraud victims as to a material matter and to obtain money and property from victims by means of
5 materially false and fraudulent pretenses, representations, and promises, and by concealment and
6 omission of material facts, with a duty to disclose.

7 5. As part of the scheme and artifice, FREW solicited investments from numerous
8 individuals on the false premises that their money would be invested through FREW into real estate in
9 foreign countries, in areas under recent distress from natural disasters, or in some instances both. After
10 receiving such solicitations, victim "investors" provided funds to FREW for the purpose of allowing
11 FREW to invest those funds on their behalf. In fact, FREW primarily used these "investments" to
12 support his personal lifestyle, to speculate on the stock market in an account in his name, and/or to repay
13 other victim "investors."

14 6. As further part of the scheme and artifice, FREW made payments to various victim
15 "investors," which payments were designed to "lull" the investors into a false sense of security, lead
16 them to believe that the promises made to them would be fulfilled, postpone or prevent the victims'
17 complaints to law enforcement, otherwise conceal and prevent detection of the scheme and artifice,
18 and/or induce victims to "invest" more money with FREW.

19 Manner and Means of the Scheme and Artifice

20 7. In or about late 2012, FREW represented to D.V. and G.V., individuals located in the
21 Northern District of California, that FREW could invest their money in foreign real estate under recent
22 distress from a natural disaster and generate a 10% return. On or about January 18, 2013, after Frew
23 communicated that material misrepresentation and others, D.V. and G.V. wired \$300,000 to FREW's
24 individual Citibank account. In or about September 2013, FREW represented to D.V. and G.V. that he
25 had a similar short-term investment available that could also generate a 10% return. On or about
26 September 23, 2013, after Frew communicated that material misrepresentation and others, D.V. and
27 G.V. gave FREW \$80,000, \$30,000 by check and \$50,000 by wire. Instead of investing that money on
28 behalf of D.V. and G.V., among other things, FREW spent it on personal expenses, used some proceeds

1 to speculate on the stock market in an account in his name, and used other proceeds to repay other
2 victim “investors.”

3 8. In or about 2008 or 2009, FREW represented to I.M. that FREW could invest his money
4 in real estate under recent distress from natural disasters that made a 10%-12% return. After Frew
5 communicated that material misrepresentation and others, I.M. provided money to FREW on more than
6 one occasion between 2009 and 2013. Instead of investing that money on behalf of I.M., among other
7 things, FREW spent it on personal expenses and used some proceeds to repay other victim “investors.”
8 In order to “lull” I.M. into a false sense of security, lead him to believe that the promises made to him
9 would be fulfilled, postpone or prevent his potential complaints to law enforcement, and otherwise
10 conceal and prevent detection of the scheme and artifice, FREW wrote a check to I.M. in the amount of
11 \$50,000 on or about September 30, 2013. The money for this check primarily originated from other
12 “investors” funds, including D.V. and G.V.

13 9. In or about October 2013, FREW represented to D.C. that FREW could invest his money
14 in foreign real estate with a high rate of return. On or about October 28, 2013, after Frew communicated
15 that material misrepresentation and others, D.C. mailed \$50,000 to FREW, who deposited it in his
16 individual Citibank account. On or about January 6, 2014, after Frew communicated that material
17 misrepresentation and others, D.C. mailed \$45,000 to FREW, who deposited it in his individual Citibank
18 account. Instead of investing that money on behalf of D.C., among other things, FREW spent it on
19 personal expenses and used some proceeds to repay other victim “investors.”

20 10. In or about January 2014, FREW represented to J.C. that FREW could invest his money
21 in foreign real estate under recent distress from a natural disaster with a high rate of return. On or about
22 January 28, 2014, after Frew communicated that material misrepresentation and others, J.C. wired
23 \$100,035.48 to FREW’s individual Citibank account. Instead of investing that money on behalf of J.C.,
24 among other things, FREW spent it on personal expenses and used some proceeds to repay other victim
25 “investors.”

26 11. In or about December 2011, FREW represented to J.L.C. that FREW could invest her
27 money in foreign real estate under recent distress from natural disasters with a high rate of return. After
28 FREW communicated that material misrepresentation and others, J.L.C. provided money to FREW on

1 more than one occasion between 2011 and 2012. Instead of investing that money on behalf of J.L.C.,
 2 among other things, FREW spent it on personal expenses and used some proceeds to repay other victim
 3 “investors.” In order to “lull” J.L.C. into a false sense of security, lead her to believe that the promises
 4 made to her would be fulfilled, postpone or prevent her potential complaints to law enforcement, and
 5 otherwise conceal and prevent detection of the scheme and artifice, FREW wrote a check to J.L.C. in the
 6 amount of \$40,000 and mailed it to her on or about February 3, 2014. The money for this check
 7 primarily originated from J.C.’s “investment.”

8 COUNTS ONE AND TWO: (18 U.S.C. § 1343 – Wire Fraud)

9 12. The factual allegations contained in paragraphs 1 through 11 are re-alleged and
 10 incorporated herein.

11 13. On or about the dates set forth in the separate counts below, in the Northern District of
 12 California and elsewhere, the defendant,

13 MICHAEL JAMES FREW,

14 having devised and intended to devise a scheme and artifice to defraud victims as to a material matter,
 15 and to obtain money and property from victims by means of materially false and fraudulent pretenses,
 16 representations, and promises, and by concealment and omission of material facts, with a duty to
 17 disclose, for the purpose of executing such scheme and artifice, did knowingly transmit and cause to be
 18 transmitted, in interstate commerce, by means of wire communication, certain writings, signs, and
 19 signals, as more specifically described below:

COUNT	DATE	DESCRIPTION OF WIRE
ONE	09/23/2013	Wire transfer of \$50,000 from D.V. and G.V.’s bank account to FREW’s individual Citibank account numbered ending in 2626
TWO	01/28/2014	Wire transfer of \$100,035.48 from J.C.’s Fidelity account to FREW’s individual Citibank account numbered ending in 2626

24 Each in violation of Title 18, United States Code, Section 1343.

25 COUNTS THREE AND FOUR: (18 U.S.C. § 1341 – Mail Fraud)

26 14. The factual allegations contained in paragraphs 1 through 11 are re-alleged and
 27 incorporated herein.
 28

1 15. On or about the dates set forth in the separate counts below, in the Northern District of
2 California and elsewhere, the defendant,

3 MICHAEL JAMES FREW,

4 having devised and intended to devise a scheme and artifice to defraud victims as to a material matter,
5 and to obtain money and property from victims by means of materially false and fraudulent pretenses,
6 representations, and promises, and by concealment and omission of material facts, with a duty to
7 disclose, for the purpose of executing such scheme and artifice, did use, and cause to be used, the mails
8 to carry out and attempt to carry out an essential part of the scheme, as more specifically described
9 below:

COUNT	DATE	DESCRIPTION OF MAILING
THREE	10/28/2013	Mailing of check for \$50,000 drawn on D.C.’s bank account to FREW, which he deposited in his individual Citibank account numbered ending in 2626
FOUR	01/06/2014	Mailing of check for \$45,000 drawn on D.C.’s bank account to FREW’s individual Citibank account numbered ending in 2626

15 Each in violation of Title 18, United States Code, Section 1341.

16 **COUNTS FIVE AND SIX:** (18 U.S.C. § 1957 – Engaging in Monetary Transactions in
17 Property Derived from Specified Unlawful Activity)

18 16. The factual allegations contained in paragraphs 1 through 11 are re-alleged and
19 incorporated herein.

20 17. On or about the dates set forth in the separate counts below, in the Northern District of
21 California and elsewhere, the defendant,

22 MICHAEL JAMES FREW,

23 did knowingly engage in a monetary transaction by, through, and to a financial institution, in and
24 affecting interstate commerce, in criminally derived property of a value greater than \$10,000, such funds
25 having been derived from the specified unlawful activities of wire and mail fraud:

COUNT	DATE	MONETARY TRANSACTION
FIVE	09/30/2013	Check #5956 for \$50,000 from FREW’s individual Citibank account numbered ending in 2626 deposited to I.M.’s bank account

28

COUNT	DATE	MONETARY TRANSACTION
SIX	02/07/2014	Check #6069 for \$40,000 from FREW's individual Citibank account numbered ending in 2626 deposited to J.L.C.'s bank account

Each in violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATIONS: (18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), 982(b)(1) and 28 U.S.C. § 2461(c))

18. The factual allegations contained in paragraphs 1 through 11 are re-alleged and incorporated herein.

19. Upon a conviction for any of the offenses alleged in Counts One through Four of this Indictment, the defendant,

MICHAEL JAMES FREW,

shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) all property, real and personal, constituting, and derived from, proceeds the defendant obtained directly and indirectly as the result of those violations, including but not limited to a forfeiture money judgment representing the amount of proceeds obtained as a result of the offenses and scheme to defraud alleged in Counts One through Four.

20. If, as a result of any act or omission of the defendant, any of said property identified above:

- 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;

the United States shall, pursuant to 21 U.S.C. § 853(p) (as incorporated by 28 U.S.C. § 2461(c)), seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

1 21. Upon a conviction for the offenses alleged in Counts Five and Six of this Indictment, the
2 defendant,

3 MICHAEL JAMES FREW,

4 shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1) all property, real and personal,
5 involved in said violations, or any property traceable to such property, including but not limited to a
6 forfeiture money judgment in the amount of the financial transactions alleged in Counts Five and Six.

7 22. If, as a result of any act or omission of the defendant, any of said property identified
8 above:

- 9 a. cannot be located upon the exercise of due diligence;
- 10 b. has been transferred or sold to, or deposited with, a third person;
- 11 c. has been placed beyond the jurisdiction of the Court;
- 12 d. has been substantially diminished in value; or
- 13 e. has been commingled with other property that cannot be divided without difficulty;

14 the United States shall, pursuant to 21 U.S.C. § 853(p) (as incorporated by 18 U.S.C. § 982(b)(1)), seek
15 forfeiture of any other property of said defendant up to the value of the forfeitable property described
16 above.

17 All pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(1), and 982(b)(1),
18 Title 28, United States Code, Section 2461(c), and Federal Rule of Criminal Procedure 32.2.

19 DATED: *July 26, 2018*

A TRUE BILL.

Linda Jay
FOREPERSON

22 ALEX G. TSE
23 Acting United States Attorney

24
25 _____
JOHN H. HEMANN
26 Deputy Chief, Criminal Division

27 (Approved as to form: _____)
28 AUSA Robert David Rees

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

FILED

JUL 26 2018

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CRIMINAL COVER SHEET

Instructions: Effective November 1, 2016, this Criminal Cover Sheet must be completed and submitted along with the Defendant Information Form, for each new criminal case.

UNDER SEAL

CASE NAME:

USA v. Michael James Frew

CASE NUMBER:

CR 18 340

Is This Case Under Seal?

Yes No

VC

Total Number of Defendants:

1 2-7 8 or more

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

Is this a potential high-cost case?

Yes No

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

Yes No

Is this a RICO Act gang case?

Yes No

Assigned AUSA
(Lead Attorney): Robert David Rees

Date Submitted: 7/26/18

Comments: