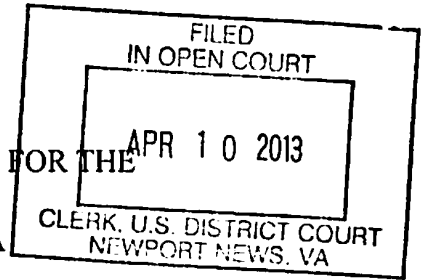


IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA



Newport News Division

UNITED STATES OF AMERICA)

v.)

ELAINE WHITE,)
(Counts 1 - 2))

CULLEN JOHNSON)
(Counts 1 - 2))

THEODOROS GRONTIS,)
(Counts 1 - 5))

Defendants.)

CRIMINAL NO. 4:13cr 47

SEALED

FILED UNDER SEAL

18 U.S.C. § 1349
Conspiracy to Commit Wire Fraud
(Count 1)

18 U.S.C. § 1956(h)
Conspiracy to Launder Monetary Instruments
(Count 2)

26 U.S.C. § 7201
Attempt to Evade or Defeat Tax
(Counts 3-5)

INDICTMENT

April 2013 Term - At Newport News, Virginia

GENERAL ALLEGATIONS

At all times relevant to the Indictment:

1. ELAINE WHITE (hereinafter "WHITE") and CULLEN JOHNSON (hereinafter "JOHNSON"), husband and wife, were Canadian citizens who, since at least 2006, operated a purported asset locator business for clients. JOHNSON, at one time, served as a detective with the Toronto Police Department. WHITE advertised herself as a former private investigator and/or forensic accountant in Canada.

2. WHITE and JOHNSON operated their business through a variety of companies including “Internal Affairs” and “Occipital.” WHITE and JOHNSON claimed expertise in the tracing of money through various banking systems. In the mid-2000s, WHITE and JOHNSON operated their business through Canada, but also served clients from the United States.

3. Clients of WHITE and JOHNSON paid the couple for information on the location, and balances of bank accounts and other assets maintained by third parties. WHITE and JOHNSON claimed to be able to do “sweeps” and “searches” of the world financial systems’ wire transfer clearinghouses. The couple would then provide clients with documents and reports that appeared to show the transference of funds to and from bank accounts in the United States, Canada, the Caribbean, Asia, Europe and other foreign locations. Additionally, in at least one case, WHITE and JOHNSON sold reports that purported to contain confidential information reported on a third party’s tax returns from the United States.

4. In reality, WHITE and JOHNSON in many instances provided their clients with fraudulent banking information and forged bank records, a number of which were prepared by another associate, THEODOROS GRONTIS (hereinafter “GRONTIS”), a Canadian citizen. WHITE and JOHNSON would provide records showing that the sought after funds had been moved to another banking institution, requiring additional searches and additional client fees. GRONTIS also used fraudulent means to obtain some legitimate banking information in order to successfully pass various client integrity tests.

5. On or about April 6, 2009, the Ontario Provincial Police Department charged WHITE and JOHNSON with criminal fraud, based on the false statements that they allegedly made to two groups of Canadian clients as part of this scheme.

6. Shortly thereafter, in or about 2010, WHITE and JOHNSON fled from Canada prior to their trial. The couple first went to the Bahamas, and then to the Turks & Caicos Islands where they continued to operate their fraudulent asset recovery business. WHITE and JOHNSON used multiple e-mail addresses and often used aliases in contacts with clients. They continued to claim to clients in the United States that they had sources around the world that could access banking and wire information in order to find and follow funds that were moved from one foreign banking system to another.

7. On or about June 18, 2009, after WHITE and JOHNSON had been formally charged in Canada, GRONTIS permanently moved to the Hampton Roads area and began living with a person known the grand jury whose initials are J.B., a resident of Hampton Roads. GRONTIS had met and begun a relationship with J.B. some years earlier and had been a regular visitor to the United States.

8. From in or around at least October 2009 until at least August 2011, GRONTIS continued to prepare some of the false banking reports that WHITE and JOHNSON furnished to their clients. GRONTIS sent these reports to WHITE and JOHNSON electronically from the Eastern District of Virginia.

9. Between 2009 to 2011, as payment for these services, U.S. clients of WHITE and JOHNSON wired monies totaling approximately \$453,354.00 to three bank accounts, including Royal Bank of Canada ("RBC") account ending in 0623 opened in in the Bahamas by WHITE and JOHNSON. From on or about May 1, 2009 through on or about September 27, 2011, WHITE and JOHNSON made 66 wires totaling approximately \$516,536.20 from these three accounts to J.B.s Bank of America account ending in 0813. The wire transfers ranged from \$683.25 to \$40,768.25. The source of each wire transfer was one of the three accounts, all of which were in the name of

CULLEN JOHNSON and/or ELAINE WHITE. J.B. used these funds to pay for lavish personal expenses for GRONTIS and herself.

10. From in or about 2009 through in or about 2011, J.B. served as a conduit for GRONTIS to receive funds wired from WHITE and JOHNSON and also served to conceal GRONTIS' receipt of these proceeds. J.B. provided GRONTIS with access to her bank account; upon which he forged her name on checks; added him as an authorized user on at least two of her credit cards; added him to her cell phone plan; leased an expensive Jaguar automobile for GRONTIS in her name; and leased a residence for him.

11. GRONTIS failed to file any tax returns reporting the income earned from the fraudulent scheme and avoided documentation of his residency in the United States. For tax years 2009, 2010 and 2011, GRONTIS failed to report income in the amount of \$264,473.81; \$154,436.20 and \$107,620.50, respectfully. This income consisted of wired deposits into J.B.'s bank account.

COUNT ONE

THE GRAND JURY CHARGES THAT:

1. The factual allegations contained in the General Allegations section are incorporated herein by reference as if set out in full.

2. Beginning in or about 2006, and continuing until in or about September 2011, the exact dates being unknown to the Grand Jury, in the Eastern District of Virginia and elsewhere. ELAINE WHITE, CULLEN JOHNSON, and THEODOROS GRONTIS, the defendants herein, did knowingly and willfully combine, conspire, and agree with each other and others known and unknown to the Grand Jury, to knowingly devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, for which the defendant and co-conspirators transmitted and caused to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals and sounds, for the purpose of executing the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343.

WAYS, MANNER AND MEANS OF THE CONSPIRACY

The ways, manner and means by which the foregoing objectives of the conspiracy to commit wire fraud were to be accomplished included, but were not limited to, the following:

3. The purposes and objects of the conspiracy to commit wire fraud and the scheme and artifice to defraud included, but were not limited to, the use of false pretenses, representations, promises and material omissions in order to entice individuals to purchase reports obtained from financial

institutions and other entities that purported to contain confidential financial information about third parties.

4. It was a part of the conspiracy and the scheme and artifice to defraud that ELAINE WHITE (hereinafter "WHITE") and CULLEN JOHNSON (hereinafter "JOHNSON") recruited clients into the scheme by claiming that JOHNSON's prior law enforcement experience as a Detective with the Toronto Police Department, and WHITE's prior experience as a forensic accountant, gave the couple special access to private banking information, confidential sources, and other nonpublic financial information.

5. It was further a part of the conspiracy and the scheme and artifice to defraud that WHITE and JOHNSON provided these records, frequently titled "Investigative Reports" to victims by electronic and other means, including the transmission of information in interstate commerce. These documents depicted bank account numbers, balances, and other transaction information purportedly locating the money the victims were seeking from these third parties existed.

6. It was further a part of the conspiracy and the scheme and artifice to defraud that THEODOROS GRONTIS (hereinafter "GRONTIS") prepared many of these false financial reports. In the course of doing so, GRONTIS sent wire communications from the Eastern District of Virginia to locations outside of the Commonwealth of Virginia.

7. It was further a part of the conspiracy and the scheme and artifice to defraud that these reports prepared by GRONTIS and disseminated by WHITE and JOHNSON depicted the transfer of these nonexistent funds to additional banking institutions in the United States and foreign

countries, which WHITE and JOHNSON claimed they could continue to trace if additional money was paid to the conspirators.

8. It was further a part of the conspiracy that WHITE and JOHNSON transferred proceeds of the scheme to GRONTIS through the bank account belonging to J.B. in the Eastern District of Virginia.

(In violation of Title 18, United States Code, Sections 1349 and 1343.)

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

1. The factual allegations contained in the General Allegations section and the factual allegations contained in Count One, paragraphs 4-8, are incorporated herein by reference as if set out in full.

2. From in or about at least April 2009, through in or about 2012, the exact dates being unknown to the Grand Jury, in the Eastern District of Virginia and elsewhere, the defendants, ELAINE WHITE, CULLEN JOHNSON, and THEODOROS GRONTIS, did knowingly combine, conspire, and agree with each other and with other persons known and unknown to the Grand Jury to commit the following offense against the United States in violation of Title 18, United States Code, Section 1956 and Section 1957, to wit: To knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000.00, such property having been derived from a specified unlawful activity, in violation of Title 18, United States Code, Section 1957.

WAYS, MANNER AND MEANS OF THE CONSPIRACY

The ways, manner and means by which the foregoing objectives of the conspiracy to commit money laundering were to be accomplished included, but were not limited to, the following:

3. The purposes and objects of the conspiracy to commit money laundering were to transfer the proceeds from the aforementioned fraudulent asset recovery scheme to THEODOROS GRONTIS (hereinafter "GRONTIS") through the bank account of J.B. and to conceal GRONTIS' connection to the fraudulent proceeds.

4. It was a part of the conspiracy that ELAINE WHITE (hereinafter "WHITE") and CULLEN JOHNSON (hereinafter "JOHNSON") made the following wires to J.B.'s Bank of America Account ending in 0813.

Number	Date	Amount	Source Account	Destination Account
1	05/01/2009	\$23,050.00	0623	0813
2	05/15/2009	\$19,170.00	0623	0813
3	06/30/2009	\$10,445.00	0623	0813
4	07/16/2009	\$25,640.00	0623	0813
5	08/19/2009	\$15,100.00	0623	0813
6	08/26/2009	\$14,798.25	0623	0813
7	09/16/2009	\$37,118.25	0623	0813
8	09/30/2009	\$11,430.00	0623	0813
9	10/23/2009	\$40,768.25	0623	0813
10	11/06/2009	\$11,528.25	0623	0813
11	01/19/2010	\$26,847.25	0623	0813
12	03/01/2010	\$13,725.00	0623	0813
13	03/24/2010	\$10,928.25	0623	0813
14	02/02/2011	\$10,143.10	0623	0813
15	03/10/2011	\$16,000.00	0623	0813
16	03/25/2011	\$13,030.00	0623	0813

5. It was further a part of the conspiracy that GRONTIS and J.B. spent the proceeds on lavish personal living expenses such as the lease for a luxury sports car, travel, resorts, fine dining, and high end clothing

6. It was further a part of the conspiracy that GRONTIS acted to conceal his connection to the proceeds and presence in the United States by titling assets and accounts in the name of J.B., to which GRONTIS had ready access.

7. It was further a part of the conspiracy that GRONTIS avoided the payment of any taxes on the proceeds in the United States and Canada.

(In violation of Title 18, United States Code, Sections 1956(h), 1956(a)(1)(B)(i) and 1957.)

COUNTS THREE THROUGH FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. The factual allegations contained in the General Allegations section are incorporated herein by reference as if set out in full.

2. During the calendar years set forth below, THEODOROS GRONTIS, the defendant herein, earned income in the amounts set forth below, upon which there was owing to the United States of America an income tax in the amounts set forth below. Well knowing and believing the foregoing facts, and failing to make an income tax return on or before the dates set forth below as required by law, to any proper officer of the Internal Revenue Service, and pay to the IRS the income tax, THEODOROS GRONTIS, in the Eastern District of Virginia, did willfully attempt to evade and defeat the income tax due and owing by him to the United States of America by directing that his income from the scheme be wired into J.B.'s Bank of America Account ending in 0813 and by other affirmative conduct.

Count	Tax Year	Due Date for the Tax Return	Business Income	Approximate Tax Due and Owing
3	2009	April 15, 2010	\$264,474.00	\$71,528.00
4	2010	April 15, 2011	\$154,436.00	\$50,875.00
5	2011	April 17, 2012	\$107,621.00	\$33,792.54

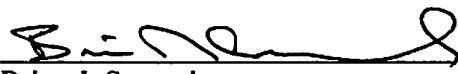
(In violation of Title 26, United States Code, Section 7201.)

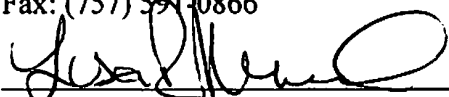
In compliance with the E-File Government Act,
the original of this page has been filed
and is available in the Clerk's Office.

A TRUE BILL:

FOREPERSON

NEIL H. MACBRIDE
UNITED STATES ATTORNEY

By: 
Brian J. Samuels
Assistant United States Attorney
Virginia State Bar No. 65898
Fountain Plaza Three, Suite 300
721 Lakefront Commons
Newport News, Virginia 23606
Tel. (757) 591-4000
Fax: (757) 591-0866

By: 
Lisa R. McKeel
Assistant United States Attorney
Virginia State Bar No. 28652
Fountain Plaza Three, Suite 300
721 Lakefront Commons
Newport News, Virginia 23606
Tel. (757) 591-4000
Fax: (757) 591-0866

By: _____
Jed M. Silversmith
Trial Attorney
United States Department of Justice
Tax Division
601 D Street, N.W.
Washington, D.C. 20004
Tel. (202) 616-9832
Fax: (202) 514-0961