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CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

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SEALED

8 IN THE UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA
10

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 TILILA WALKER SUMCHAI,

15 Defendant.
16

CASE NO. 2:23-cr-0232 DJC

18 U.S.C. § 1343 – Wire Fraud (24 counts); 18
U.S.C. § 1341 – Mail Fraud (3 counts); 15 U.S.C. §§
78j(b), 78ff; 17 C.F.R. § 240.10b-5 – Securities
Fraud; 15 U.S.C. §§ 77q(a) and 77x– Fraud in the
Offer or Sale of Securities; 15 U.S.C. §§ 77e and 77x
– Sale of Unregistered Securities; 18 U.S.C. §
981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal
Forfeiture

17
18 INDICTMENT

19 COUNTS ONE THROUGH TWENTY-FOUR: [18 U.S.C. § 1343 – Wire Fraud]

20 The Grand Jury charges:

21 TILILA WALKER SUMCHAI,

22 defendant herein, as follows:

23 **I. PARTIES AND RELEVANT ENTITIES**

24 At all times relevant to this Indictment,

25 1. Defendant TILILA WALKER SUMCHAI was a resident of San Joaquin and Contra
26 Costa Counties, splitting her time between hotels in San Joaquin County, California, and a home in
27 Contra Costa County, California.

28 2. WALKER SUMCHAI was the CEO of PATOA. PATOA is a for profit California

1 corporation incorporated in December 2020. Its principal place of business was in Stockton, California.

2 3. From approximately July 2021 to the present, WALKER SUMCHAI was the CEO and
3 sole owner of Tongi Tupe LLC, an investment entity located and doing business in San Joaquin County,
4 in the State and Eastern District of California, and elsewhere throughout the United States, New
5 Zealand, and Australia. Its principal place of business was in Stockton, California.

6 **II. SCHEME TO DEFRAUD**

7 4. Beginning on a date unknown to the Grand Jury, but no later than in or about January
8 2021, and continuing to in or about October 2021, within the State and Eastern District of California,
9 and elsewhere, defendant WALKER SUMCHAI knowingly devised, intended to devise, and
10 participated in a material scheme and artifice to defraud and to obtain money by means of materially
11 false and fraudulent pretenses, representations, and promises.

12 5. The purpose of the scheme and artifice to defraud was to obtain money from individuals
13 in the form of investments into WALKER SUMCHAI's Tongi Tupe investment program and discourage
14 investors seeking the return of funds they had invested. In all cases, WALKER SUMCHAI had neither
15 the intention, ability, expertise, or financial means to repay the investments or perform on the promises
16 she made to prospective investors.

17 6. WALKER SUMCHAI orchestrated her scheme from her office in Stockton, California,
18 in the State and Eastern District of California.

19 7. Between in or about January 2021 and in or about October 2021, approximately over
20 1,000 investors invested approximately over \$13 million with WALKER SUMCHAI.

21 **III. MANNER AND MEANS OF SCHEME TO DEFRAUD**

22 8. WALKER SUMCHAI used the following manner and means, among others, in
23 furtherance of the scheme and artifice to defraud:

24 9. WALKER SUMCHAI solicited investors through meetings with individuals, telephone
25 calls, postings on the internet, and word of mouth. WALKER SUMCHAI communicated with investors
26 via Facebook Live and Facebook Messenger, among other means of communication.

27 10. WALKER SUMCHAI solicited primarily Tongan investors.

28 11. WALKER SUMCHAI recruited members of the Tongan community to recruit new

1 investors calling them chapter presidents.

2 12. WALKER SUMCHAI offered investors shares in her purported investment program
3 called “Tongi Tupe.” She called the shares “Tupes”, which she offered at varying times for \$1,000-
4 \$4,000 per share, most frequently \$3,000 per share.

5 13. Tupes were securities offered and sold by WALKER SUMCHAI to investors, which
6 were not properly registered with the Securities and Exchange Commission and for which no exception
7 to registration applied. Tupes are securities under Section 2(a)(1) of the Securities Act [15 U.S.C. §
8 77b(a)(1) and Section 3(a)(10) of the Securities Exchange Act [15 U.S.C. § 77c(a)(10)].

9 14. WALKER SUMCHAI made and caused others to make the following material false and
10 fraudulent statements to some or all of the investors:

- 11 a. That WALKER SUMCHAI would invest money for investors who purchased Tupes.
- 12 b. That investors would receive their principal investments back and thousands of
13 dollars in returns within weeks and/or months of the initial investments.
- 14 c. That the returns were guaranteed.
- 15 d. That an investment of \$3,000 would result in investors receiving over \$100,000 in
16 weeks.
- 17 e. That investor money was safe and secure and would be paid back.
- 18 f. That WALKER SUMCHAI invested the money in the stock market.
- 19 g. That WALKER SUMCHAI had created the Tongi Tupe investment program with her
20 husband who was a part owner of a casino and a doctor.
- 21 h. That WALKER SUMCHAI had a secret algorithm which would generate the
22 guaranteed returns.
- 23 i. That returns from the investment would be paid to investors pursuant to payment
24 schedules WALKER SUMCHAI showed to some investors that falsely represented
25 the thousands of dollars in returns that investors would receive.
- 26 j. That the Tupe offering was registered and licensed.
- 27 k. That all the Tongi Tupe money would be deposited into an investment account.
- 28 l. That WALKER SUMCHAI had investing success which she represented by

1 displaying large sums of cash.

2 The foregoing false statements and displays of cash were material to investors in their decisions to
3 invest, maintain their investments, and to encourage others to invest in WALKER SUMCHAI's scheme.

4 15. It was further a part of WALKER SUMCHAI's fraud scheme to encourage additional
5 investments by existing investors and new investors by offering investors the opportunity to invest in her
6 "Tongi Tupe" home building program. WALKER SUMCHAI sometimes described the investment to
7 investors as purchasing ten \$3,000 Tupes.

8 16. WALKER SUMCHAI made and caused others to make the following material false and
9 fraudulent statements to some or all of the investors regarding the home building program:

- 10 a. That if investors provided \$30,000 they would receive a home worth over \$400,000.
- 11 b. That investors were not required to provide any additional money in order to receive
12 the home.
- 13 c. That investors would receive payouts of money in addition to receiving a home.
- 14 d. That all of the Tongi Tupe money, including the money for her housing program,
15 would be deposited into an investment account at the Bank of Stockton.
- 16 e. That 50 homes had been purchased and/or reserved for Tongans in a housing
17 development in Lodi, California.
- 18 f. That homes were being built in the Stockton, California area for investors.
- 19 g. That homes were being built in Lodi, California for investors.
- 20 h. That the money from the housing investors was deposited into a separate bank
21 account or separate investment bank account specifically for the housing program.
- 22 i. That the government was helping finance part of the housing for the Tongan
23 community.
- 24 j. That the \$30,000 invested would grow to \$480,000 and then be used to fund the
25 purchase of the house.

26 All these statements were material to investors. The foregoing false statements were material to
27 investors in their decisions to invest, maintain their investments, and to encourage others to invest in
28 WALKER SUMCHAI's scheme.

1 17. When investors decided to invest money, WALKER SUMCHAI collected victim money
2 through various means including cash, and also funneled some investor money through bank accounts in
3 the name of PATOA. In some instances, investors wrote checks to PATOA or wired money to the
4 PATOA bank accounts. In some cases, WALKER SUMCHAI received money from investors through
5 other parties, including cash deliveries of hundreds of thousands of dollars from one or more chapter
6 presidents.

7 18. It was further a part of WALKER SUMCHAI's scheme to use false "lulling" statements
8 and lulling payments in order to avoid detection of the scheme by investors and law enforcement, avoid
9 and delay repaying prior investors, and obtain additional money from existing and new investors.

10 19. In furtherance of the scheme, WALKER SUMCHAI made materially false and fraudulent
11 lulling statements to investors, including but not limited to representations that investors would be paid
12 on certain dates, that investors would be paid back their money, that the investment must be left alone
13 for one or two years in order for money to grow, and that the money invested was in a bank account.

14 20. With respect to investors who designated funds to the home building program, it was
15 further a part of the fraud scheme that WALKER SUMCHAI made additional materially false and
16 fraudulent representations that money was already invested and could not be withdrawn.

17 21. Instead of investing the money she obtained through the scheme, WALKER SUMCHAI
18 used investors' money for her own personal expenses, including gambling at casinos, hotels, airline
19 tickets, and gas, among other personal expenses. WALKER SUMCHAI also lulled investors by taking
20 money from later investors and using it to pay earlier investors in order to create the false appearance
21 that the investment was successful and to prevent discovery of the fraud scheme.

22 22. It was further a part of the scheme that the money WALKER SUMCHAI obtained from
23 investors that was designated for the home building program was not maintained in accounts designated
24 for the purchase of homes. Instead, WALKER SUMCHAI typically comingled the investors' money
25 with money obtained from other investors, including those who did not designate their investment to the
26 home building program. WALKER SUMCHAI then used the comingled money to fund her own
27 expenses and to make lulling payments to other investors.

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Count	On or about Date	Description of Wire
1	April 1, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI runs cash through a money counter on her desk
2	April 5, 2021	\$5,000 direct deposit by Investor 1 and Investor 2 into Stockton Bank of America account ending in 761 processed by interstate wire transmission
3	April 8, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI describes the payout for Tongi Tupe and the Tongi Tupe home building project
4	April 8, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI describes Tongi Tupe
5	April 8, 2021	\$30,000 check deposited by Investor 3 into Stockton Bank of America account ending in 761 processed by interstate wire transmission
6	April 12, 2021	\$5,000 direct deposit by Investor 1 and Investor 2 into Stockton Bank of America account ending in 761 processed by interstate wire transmission
7	April 14, 2021	\$30,000 check deposited by Investor 3 into Stockton Bank of America account ending in 761 processed by interstate wire transmission
8	April 14, 2021 telephone call at 5:40 p.m.	Phone calls from WALKER SUMCHAI to Investor 4 in Portland, Oregon
9	April 15, 2021 call at 12:28 pm	Phone call from Investor 4 in Portland, Oregon to WALKER SUMCHAI
10	April 15, 2021 call at 12:47 pm	Phone call from Investor 4 in Portland, Oregon to WALKER SUMCHAI
11	April 20, 2021	Deposit of \$30,000 check for "House" from Investor 5 from Portland, Oregon, into Stockton Bank of America account ending in 761 processed by interstate wire transmission

1	12	April 22, 2021	\$10,000 direct deposit by Investor 1 and Investor 2 into Stockton Bank of America account ending in 761 processed by interstate wire transmission
2			
3	13	April 23, 2021	\$30,000 check deposited by Investor 3 into Stockton Bank of America account ending in 761 processed by interstate wire transmission
4			
5			
6	14	April 26, 2021	\$10,000 direct deposit by Investor 1 and Investor 2 into Stockton Bank of America account ending in 761 processed by interstate wire transmission
7			
8	15	May 3, 2021	Deposit of \$5,000 from Investor 6 into Stockton Bank of America account ending in 761 at Stockton, California, Bank of America branch and processed by interstate wire transmission
9			
10			
11	16	May 10, 2021	Deposit of \$129,000 into Stockton Bank of America account ending in 761 at Stockton, California, Bank of America branch and processed by interstate wire transmission
12			
13			
14	17	June 29, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI describes Tongi Tupe as a legal investment club and shows her investment books
15			
16	18	July 12, 2021	WALKER SUMCHAI text via interstate wire to Investor 7 stating, "Please come in 30 th n get your money. Sorry for the inconvenience. Malo Tilila"
17			
18			
19	19	July 17, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI shows off a desk full of cash and discusses Tupes
20			
21	20	July 21, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI shows off stack of cash and discusses Tongi Tupe program
22			
23	21	July 25, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI defends herself against allegation that she is embezzling money through Tongi Tupe
24			
25			
26	22	August 1, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI describes her housing investment program and drives about Lodi, California, showing houses being built
27			
28			

23	August 17, 2021	Facebook Messenger message via interstate wire transmission from WALKER SUMCHAI to Investor 8 in Alaska stating we will pay everyone what they are owed
24	August 30, 2021	Video posted on Facebook via interstate wire transmission where WALKER SUMCHAI describes Tongi Tupe program and describes payouts

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

COUNTS TWENTY-FIVE THROUGH TWENTY-SEVEN: [18 U.S.C. § 1341 – Mail Fraud]

The Grand Jury further charges: T H A T

TILILA WALKER SUMCHAI,

defendant herein, as follows:

1. The Grand Jury realleges and incorporates by reference the allegations set forth in paragraphs 1 through 22 of Counts 1 through 24 of this Indictment.

V. USE OF MAILS

2. On or about the dates set forth below, in the State and Eastern District of California, and elsewhere, for the purposes of executing and attempting to execute the aforementioned scheme and artifice to defraud, WALKER SUMCHAI did knowingly cause to be deposited, and did knowingly cause to be delivered, matter and things to be sent and delivered by U.S. mail and by a private and commercial interstate carrier according to the directions thereon, as more specifically set forth below:

Count	On or about Date	Mail Matter
25	April 23, 2021	\$5,000 sent by Federal Express from Investor 9 from Hawaii to Stockton, CA
26	April 29, 2021	\$3,000 sent by Federal Express from Investor 9 from Hawaii to Stockton, CA
27	April 30, 2021	\$5,000 mailed by United States Postal Service by Investor 6 from Colorado to Stockton, CA

All in violation of Title 18, United States Code, Sections 2 and 1341.

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1 COUNT TWENTY-EIGHT: [15 U.S.C. §§ 78j(b) and 78ff, 17 C.F.R. § 240.10b-5 – Securities Fraud]

2 The Grand Jury further charges: T H A T

3 TILILA WALKER SUMCHAI,

4 defendant herein, as follows:

5 1. The Grand Jury realleges and incorporates by reference the allegations set forth in
6 paragraphs 1 through 22 of Counts 1 through 24 of this Indictment.

7 2. Beginning on a date unknown to the Grand Jury, but no later than in or about January
8 2021, and continuing to in or about October 2021, within the State and Eastern District of California,
9 and elsewhere, defendant WALKER SUMCHAI willfully and knowingly, directly and indirectly, by the
10 use of means and instrumentalities of interstate commerce, and the mails, in connection with the
11 purchase and sale of securities, used and employed manipulative and deceptive devices and contrivances
12 by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material
13 fact and omitting to state material facts necessary in order to make the statements made, in the light of
14 the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and
15 course of business which operated and would operate as a fraud and deceit upon any person, in
16 connection with the purchase and sale of securities, specifically Tupes.

17 All in violation of Title 15, United States Code, Sections 78j(b) and 78 ff; Title 17, Code of
18 Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.

19 COUNT TWENTY-NINE: [15 U.S.C. §§ 77q(a) and 77x– Fraud in the Offer or Sale of Securities]

20 The Grand Jury further charges: T H A T

21 TILILA WALKER SUMCHAI,

22 defendant herein, as follows:

23 1. The Grand Jury realleges and incorporates by reference the allegations set forth in
24 paragraphs 1 through 22 of Counts 1 through 24 of this Indictment.

25 2. Beginning on a date unknown to the Grand Jury, but no later than in or about January
26 2021, and continuing to in or about October 2021, within the State and Eastern District of California,
27 and elsewhere, Defendant WALKER SUMCHAI willfully and knowingly, in the offer and sale of
28 securities, by the use of means and instruments of transportation and communication in interstate

1 commerce and by use of the mails, directly and indirectly (a) employed a device, scheme, and artifice to
2 defraud; (b) obtained money and property by means of an untrue statement of material fact and an
3 omission to state a material fact necessary in order to make the statements made, in light of the
4 circumstances under which they were made, not misleading; and (c) engaged in a transaction, practice,
5 and course of business which operated or would operate as a fraud or deceit upon the purchaser, to wit
6 the approximately over 1,000 investors who purchased Tupes.

7 All in violation of Title 15, United States Code, Sections 77q(a) and 77x: and Title 18, United
8 States Code, Section 2.

9 COUNT THIRTY: [15 U.S.C. §§ 77e(a)(1) and (c) and 77x– Sale of Unregistered Securities]

10 The Grand Jury further charges: T H A T

11 TILILA SIOLA'A WALKER SUMCHAI,

12 defendant herein, as follows:

13 1. The Grand Jury realleges and incorporates by reference the allegations set forth in
14 paragraphs 1 through 22 of Counts 1 through 24 of this Indictment.

15 2. Beginning on a date unknown to the Grand Jury, but no later than in or about January
16 2021, and continuing to in or about October 2021, within the State and Eastern District of California,
17 and elsewhere, defendant WALKER SUMCHAI did willfully (a) make use of the means and
18 instruments of transportation and communication in interstate commerce and of the mails to sell,
19 through the use and medium of any prospectus and otherwise, securities as to which no registration
20 statement was in effect and for which no exemption from registration was available; and (b) make use of
21 the means and instruments of transportation and communication in interstate commerce and of the mails
22 to offer to sell, through the use and medium of a prospectus and otherwise, securities as to which no
23 registration statement was filed and for which no exemption from registration was available, to wit,
24 Tupe shares.

25 All in violation of Title 15, United States Code, Section 78e(a)(1) and (c) and 77x; and Title 18,
26 United States Code, Section 2.

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1 FORFEITURE ALLEGATION: [18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal
2 Forfeiture]

3 1. Upon conviction of one or more of the offenses alleged in Counts One through Twenty-
4 Eight of this Indictment, defendant TILILA SIOLA'A WALKER SUMCHAI shall forfeit to the United
5 States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal,
6 which constitutes or is derived from proceeds traceable to such violations, including but not limited to
7 the following:

8 a. A sum of money equal to the total amount of proceeds traceable to such offenses,
9 for which defendant is convicted.

10 2. If any property subject to forfeiture, as a result of the offenses alleged in Counts One
11 through Twenty-Eight of this Indictment, for which defendant is convicted:

12 a. cannot be located upon the exercise of due diligence;

13 b. has been transferred or sold to, or deposited with, a third party;

14 c. has been placed beyond the jurisdiction of the court;

15 d. has been substantially diminished in value; or

16 e. has been commingled with other property which cannot be divided without
17 difficulty;

18 it is the intent of the United States, pursuant to 28 U.S.C. § 2461(c), incorporating 21 U.S.C. § 853(p), to
19 seek forfeiture of any other property of defendant, up to the value of the property subject to forfeiture.

20 A TRUE BILL.

21 *Signature on file w/AUSA*

22 _____
23 FOREPERSON

24 *Phillip A. Talbert for*
25 PHILLIP A. TALBERT
26 United States Attorney
27
28

No. _____

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

TILILA WALKER SUMCHAI

INDICTMENT

VIOLATION(S): 18 U.S.C. § 1343 – Wire Fraud (24 counts);
18 U.S.C. § 1341 – Mail Fraud (3 counts);
15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. § 240.10b-5 – Securities Fraud;
15 U.S.C. §§ 77q(a) and 77x – Fraud in the Offer or Sale of Securities;
15 U.S.C. §§ 77e and 77x – Sale of Unregistered Securities;
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this 14th day


of September, A.D. 20 23

/s/Jonathan Anderson

Clerk.

Bench warrant to issue; bail TBD at initial appearance

Bail, \$ _____



U.S. Magistrate Judge

GPO 863 525

2:23-cr-0232 DJC

United States v. Tilila Walker Sumchai
Penalties for Indictment

Defendant

TILILA WALKER SUMCHAI

COUNTS 1-24: TILILA WALKER SUMCHAI

VIOLATION: 18 U.S.C. § 1343- Wire Fraud

PENALTIES: 20 years in prison; or
Fine of up to \$250,000 or twice the gross gain or loss;
or both fine and imprisonment
Supervised release of up to 3 years
(on each count)

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 25-27: TILILA WALKER SUMCHAI

VIOLATION: 18 U.S.C. § 1341- Mail Fraud

PENALTIES: 20 years in prison; or
Fine of up to \$250,000 or twice the gross gain or loss;
or both fine and imprisonment
Supervised release of up to 3 years
(on each count)

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 28: TILILA WALKER SUMCHAI

VIOLATION: 15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. § 240.10b-5 – Securities Fraud

PENALTIES: 20 years in prison; or
Fine of up to \$5,000,000;
or both fine and imprisonment
Supervised release of up to 3 years
(on each count)

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 29: TILILA WALKER SUMCHAI

VIOLATION: 15 U.S.C. §§ 77q(a) and 77x– Fraud in the Offer or Sale of Securities

PENALTIES: 5 years in prison; or
Fine of up to \$10,000;
or both fine and imprisonment
Supervised release of up to 3 years
(on each count)

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 30: TILILA WALKER SUMCHAI

VIOLATION: 15 U.S.C. §§ 77e and 77x – Sale of Unregistered Securities

PENALTIES: 5 years in prison; or
Fine of up to \$10,000;
or both fine and imprisonment
Supervised release of up to 3 years
(on each count)

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

FORFEITURE ALLEGATION: TILILA WALKER SUMCHAI

VIOLATION: 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture

PENALTIES: As stated in the charging document