

1 Joseph H. Harrington
2 United States Attorney
3 Eastern District of Washington
4 Patrick J. Cashman
5 Assistant United States Attorney
6 Post Office Box 1494
7 Spokane, WA 99210-1494
8 Telephone: (509) 353-2767

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

DEC 04 2018

SEAN F. McAVOY, CLERK
DEPUTY
SPOKANE, WASHINGTON

8 UNITED STATES DISTRICT COURT
9 FOR THE EASTERN DISTRICT OF WASHINGTON

10 UNITED STATES OF AMERICA,
11
12 Plaintiff,

2:18-CR-221-WFN
INDICTMENT

13 v.

Vio: 18 U.S.C. § 1344(2)
Bank Fraud
(Counts 1 and 2)

14 GERALDINE M. NEWELL

15 Defendant.

26 U.S.C. § 7206(1)
Filing False Tax Return
(Counts 3 and 4)

Forfeiture Allegations:
18 U.S.C. § 982(a)(2)(A),
28 U.S.C. § 2461(c)

21
22 The Grand Jury charges:

23 BACKGROUND

24 At all times relevant and material to this Indictment:

25 1. The Defendant, GERALDINE M. NEWELL, was a resident of
26 Spokane Valley, Washington. GERALDINE M. NEWELL shares her residence,
27 located on E 4th Ave., Spokane Valley, Washington, with her mother A.W. and an
28 elderly woman, B.B.

1 2. GERALDINE M. NEWELL was an attorney admitted to practice law
2 in the State of Washington since October 27, 1999.

3 3. Center4Law, LLC was a State of Washington licensed corporation
4 owned and operated by GERALDINE M. NEWELL (administratively dissolved).
5 State of Washington Department of Revenue records indicate that Center4Law,
6 LLC was registered as a corporation with the State of Washington from September
7 24, 2013 until March 2017, when GERALDINE M. NEWELL left the practice of
8 law.

9 4. Banner Bank was a financial institution insured by the Federal
10 Deposit Insurance Corporation (“FDIC”). Center4Law, LLC maintained two bank
11 accounts with Banner Bank: (1) Interest on Lawyers Trust Accounts (IOLTA) –
12 Account Number Ending 0241; and (2) a Firm Operating Account – Account
13 Number Ending 3660. GERALDINE M. NEWELL maintained a personal
14 checking account at Banner Bank, Account Number Ending 8153.

15 5. J.P. Morgan Chase was a financial institution insured by the FDIC.
16 B.B. maintained a J.P. Morgan Chase Checking Account, Account Number Ending
17 6923.

18 6. Morgan Stanley is a financial institution. B.B. held significant
19 investment accounts that were managed by Morgan Stanley. The accounts B.B.
20 maintained with Morgan Stanley include, Account Numbers Ending 449, 969, and
21 885.

22 7. Crack of Dawn, LLC, was a State of Washington licensed corporation
23 owned and operated by GERALDINE M. NEWELL. State of Washington
24 Department of Revenue records indicate that Crack of Dawn, LLC, has been
25 registered as a corporation with the State of Washington since June 2017. Crack of
26 Dawn, LLC, was also previously registered as a corporation in the State of Nevada.
27
28

1 8. On September 15, 2010, B.B. signed a durable Power-of-Attorney
2 nominating GERALDINE M. NEWELL as her Attorney-in-Fact. On October 17,
3 2014, GERALDINE M. NEWELL signed an affidavit confirming she was the
4 Power-of-Attorney for B.B.

5 9. In J.P. Morgan Chase check number 2178, from B.B.'s Account
6 Ending 6923, which was payable to Center4Law, LLC, in the amount of
7 \$38,491.71, GERALDINE M. NEWELL falsely and fraudulently represented to
8 the financial institution that the check was for reimbursement of costs associated
9 with asbestos remediation during the construction of B.B.'s residence in Seattle,
10 Washington.

11 10. In J.P. Morgan Chase check number 2183, from B.B.'s Account
12 Ending 6923, which was payable to Center4Law, LLC, in the amount of \$22,500,
13 GERALDINE M. NEWELL falsely and fraudulently represented to the financial
14 institution that the check was for reimbursement of costs associated with a deposit
15 for home designs associated with the construction of B.B.'s residence in Seattle,
16 Washington.

17
18 SCHEME AND ARTIFICE

19 11. Beginning on a date unknown to the Grand Jury, but by on or about
20 October 1, 2014, and continuing through on or about October 16, 2018, in the
21 Eastern District of Washington, and elsewhere, the Defendant, GERALDINE M.
22 NEWELL, did knowingly devise a scheme and artifice to defraud B.B. by
23 knowingly executing a scheme to obtain the money, funds and other property
24 owned by and under the control of J.P. Morgan Chase, a federally insured financial
25 institution, by means of false and fraudulent pretenses, representations, and
26 promises.

27
28 12. The Defendant, GERALDINE M. NEWELL, during the executing of
the scheme to defraud drafted checks made payable to: (a) herself, and (b) her law

1 firm, Center4Law, LLC, all from the J.P. Morgan Chase account of B.B., resulting
2 in a financial loss to B.B.

3 MATERIALITY

4 13. Each execution of the scheme and artifice, specifically each time the
5 Defendant, GERALDINE M. NEWELL, knowingly authored and presented checks
6 made payable to herself or Center4Law, LLC, for reimbursement of construction
7 expenses related to the reconstruction of B.B.'s residence in Seattle, Washington,
8 constituted a false representation to J.P. Morgan Chase that was material in that
9 J.P. Morgan Chase was influenced by the unauthorized checks, which appeared to
10 be facially valid, to transfer funds from the account holder, B.B., to the Defendant
11 or Center4Law, LLC, in the form of either a deposit into her account or
12 Center4Law, LLC's account at Banner Bank when the funds were in fact
13 transferred by the Defendant, GERALDINE M. NEWELL, from B.B.'s account by
14 check for fraudulent purposes.
15

16 EXECUTION OF THE SCHEME AND ARTIFICE

17 14. The following substantive counts constitute independent execution of
18 the above described scheme or artifice to defraud B.B. and to obtain monies, funds,
19 credits, assets, securities and other property owned by or under the control of J.P.
20 Morgan Chase, by means of material false and fraudulent pretenses,
21 representations, and promises:
22

23 COUNT 1

24 15. Paragraphs 1 through 14 of this Indictment are re-alleged and fully
25 incorporated herein by reference.

26 16. On or about February 17, 2015, in the Eastern District of Washington,
27 the Defendant, GERALDINE M. NEWELL, authorized J.P. Morgan Chase check
28 number 2178, from B.B.'s Account Ending 6923, which was payable to

1 Center4Law, LLC, in the amount of \$38,491.71, and presented the check, in
2 violation of 18 U.S.C. § 1344(2).

3 COUNT 2

4 17. Paragraphs 1 through 14 of this Indictment are re-alleged and fully
5 incorporated herein by reference.

6 18. On or about October 1, 2015, in the Eastern District of Washington,
7 the Defendant, GERALDINE M. NEWELL, authorized J.P. Morgan Chase check
8 number 2183, from B.B.'s Account Ending 6923, which was payable to
9 Center4Law, LLC, in the amount of \$22,500, and presented the check, in violation
10 of 18 U.S.C. § 1344(2).

11 COUNT 3

12 19. Paragraphs 1 through 14 of this Indictment are re-alleged and fully
13 incorporated herein by reference.

14 20. On or about September 20, 2016, in the Eastern District of
15 Washington, the Defendant, GERALDINE M. NEWELL, a resident of Spokane
16 Valley, Washington, did willfully make and subscribe a 2015 Form 1120S for
17 Center4Law, LLC, which was verified by a written declaration that it was made
18 under the penalties of perjury and was filed with the Internal Revenue Service,
19 which the Defendant did not believe to be true and correct as to every material
20 matter in that the 2015 Form 1120S reported on line 1a gross receipts of \$70,899,
21 when, as the Defendant then and there well knew and believed, Center4Law,
22 LLC's true gross receipts were substantially in excess of the amount reported, all
23 in violation of 26 U.S.C. § 7206(1).
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COUNT 4

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2 21. Paragraphs 1 through 14 of this Indictment are re-alleged and fully
3 incorporated herein by reference.

4 22. On or about April 17, 2017, in the Eastern District of Washington, the
5 Defendant, GERALDINE M. NEWELL, a resident of Spokane Valley,
6 Washington, did willfully make and subscribe a 2016 Form 1120S for
7 Center4Law, LLC, which was verified by a written declaration that it was made
8 under the penalties of perjury and was filed with the Internal Revenue Service,
9 which the Defendant did not believe to be true and correct as to every material
10 matter in that the 2016 Form 1120S reported on line 1a gross receipts of \$40,389,
11 when, as the Defendant then and there well knew and believed, Center4Law,
12 LLC's true gross receipts were substantially in excess of the amount reported, all
13 in violation of 26 U.S.C. § 7206(1)

14
15 NOTICE OF CRIMINAL FORFEITURE ALLEGATIONS

16 The allegations contained in this Indictment are hereby realleged and
17 incorporated by reference for the purpose of alleging forfeitures.

18 23. Pursuant to 18 U.S.C. § 982(a)(2)(A), upon conviction of the
19 offense[s] in violation of 18 U.S.C. § 1344 as set forth in this Indictment, the
20 Defendant, GERALDINE M. NEWELL, shall forfeit to the United States of
21 America, any property constituting, or derived from, proceeds obtained, directly or
22 indirectly, as a result of such violation(s).

23 24. If any of the property described above, as a result of any act or
24 omission of the defendant[s]:


- 25 a. cannot be located upon the exercise of due diligence;
26 b. has been transferred or sold to, or deposited with, a third party;
27 c. has been placed beyond the jurisdiction of the court;
28 d. has been substantially diminished in value; or

1 e. has been commingled with other property which cannot be divided
2 without difficulty,
3 the United States of America shall be entitled to forfeiture of substitute property
4 pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28
5 U.S.C. § 2461(c).

6 All pursuant to 18 U.S.C. § 982(a)(2)(A) and 28 U.S.C. § 2461(c).

7 DATED this 4 day of December, 2018.
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14 _____
15 Joseph H. Harrington
16 United States Attorney

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18 _____
19 Patrick J. Cashman
20 Assistant U.S. Attorney
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