

**SEALED**

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

**REDACTED**

UNSEALED  
7/12/24  
KTK

UNITED STATES OF AMERICA

v.

DEBORAH EVANS MOTT,

Defendant.

Criminal Action No. 24 - 77 - UNA

INDICTMENT

FILED

The Grand Jury for the District of Delaware charges that:

JUL 11 2024

BACKGROUND

U.S. DISTRICT COURT DISTRICT OF DELAWARE

Bankruptcy Law and Procedure

1. Bankruptcy is a process by which a debtor may obtain relief from the obligation to repay the debtor’s creditors—those to whom the debtor owes money. The bankruptcy process relies on a debtor’s truthful and accurate disclosure of all assets and debts. Bankruptcy is intended to provide a “fresh start” to honest debtors by allowing them to obtain a discharge or release of debt incurred prior to filing bankruptcy. The process is conducted in federal court and is governed by Title 11, United States Code, Section 101, et seq. (the “Bankruptcy Code”).

2. The Bankruptcy Code contains different chapters under which individuals or companies may file, each of which provides a different path toward the discharge of debt. An individual can initiate a bankruptcy case under Chapter 7, 11, 12, or 13 of the Bankruptcy Code by filing a bankruptcy petition. A corporation or other entity can file a bankruptcy case only under Chapters 7 and 11.

3. The bankruptcy process begins upon the filing of a bankruptcy petition, which contains summary information about a debtor's financial situation.

4. While the petition starts the bankruptcy process, a debtor must complete and file other required documents in order to obtain a bankruptcy discharge. A debtor must also complete and file various schedules of assets and liabilities. These include Schedule A/B (Real and Personal Property), Schedule D (Creditors Who Have Claims Secured by Property), Schedule E/F (Creditors Who Have Unsecured Claims), Schedule G (Executory Contracts and Unexpired Leases), Schedule H (Co-Debtors), (collectively, the "Schedules"). The Schedules require detailed information about all of the debtor's assets, debts, income, and expenses, and are intended to be a snapshot of the debtor's complete financial situation as of the date of the bankruptcy case filing.

5. A debtor in bankruptcy must also complete a Statement of Financial Affairs (the "SOFA"). The SOFA requires a debtor to disclose financial data including, among other things: all income from any source received within the two years preceding the commencement of the bankruptcy case; payments or transfers to any creditor made in the 90 days before the bankruptcy filing; and all other property transferred (other than in the ordinary course of business) either absolutely or as security within the one year immediately before the bankruptcy filing. The SOFA is intended to capture information about how a debtor's financial situation changed over time before the bankruptcy filing.

6. The debtor or a representative of the debtor must sign the petition, the Schedules, and the SOFA under the penalty of perjury and certify that the information

contained in them is true, accurate, and correct to the best of her knowledge, information, and belief.

7. A debtor's honest reporting of financial data is an integral and necessary requirement of the bankruptcy process.

Team Systems International, the Defendant, & Relevant Individuals and Entities

8. Team Systems International, LLC ("Team Systems International" or "TSI") was formed in or about 2001 and is organized as a Delaware limited liability company. TSI is a small business government contractor.

9. TSI has four members: (1) Deborah Evans Mott ("MOTT"); (2) Individual 1; (3) Individual 2; and (4) Individual 3. MOTT is the majority owner. MOTT and Individual 1 make up the Management Committee. TSI has no employees, and all of its work was done by its four members.

10. At all times relevant to this indictment, MOTT was TSI's majority owner, had sole signatory authority over all of its bank accounts, and acted as its bookkeeper.

11. TSI has a number of related entities created and controlled by MOTT: Addy Road, LLC ("Addy Road"), TSI Education and Training, Inc ("TSI Education"), and Team Systems International Southeast, LLC ("TSI SE").

12. Addy Road was created in or about May 2019 and MOTT is its registered agent and manager.

13. TSI Education was created in or about March 2020 as a not-for-profit corporation owned by MOTT and was purportedly established to provide education to TSI employees' children.

14. TSI SE was created in or about April 2021 and MOTT and Individual 1 are its members.

Florida Litigation and \$6.3 Million Verdict

15. In or about September 2017, the Federal Emergency Management Agency (“FEMA”) awarded TSI a five-year contract to provide bottled water on an as-needed basis in the aftermath of hurricanes and other emergencies. Thereafter, TSI entered into a consulting agreement with two companies (the “Creditors”) for the purchase and transport of bottled water.

16. In or about September 2018, the Creditors sued TSI for breach of contract in the Northern District of Florida.

17. The case proceeded to trial before a jury, which returned a verdict in favor of the Creditors, who were awarded a combined total of approximately \$6,246,075.78. On or about September 28, 2021, the District Court entered judgment in favor of the Creditors.

18. The District Court ordered TSI to provide, by January 14, 2022, a complete, truthful, and signed answer to every part of Form 1.977—a sworn financial statement completed by a judgment debtor after entry of judgment that includes information about the judgment debtor’s income, bank accounts, and assets. TSI did not do so.

TSI’s Bankruptcy Filings

19. On or about January 18, 2022, TSI filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. MOTT signed the petition, declaring under penalty of

perjury, “I have examined the information in this petition and have a reasonable belief that the information is true and correct.” The declaration includes a warning notice that states, “Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.”

20. On or about January 18, 2022, MOTT filed a declaration in support of TSI’s Chapter 11 petition. In the declaration, MOTT stated that TSI sought the protections of Chapter 11, in part, to gain some “breathing room,” citing the Florida litigation.

21. On or about January 26, 2022, TSI filed its SOFA. MOTT signed the SOFA, declaring under penalty of perjury, “I have examined the information in this Statement of Financial Affairs and any attachments and have a reasonable belief that the information is true and correct.” The declaration includes a warning notice that states, “Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.”

22. TSI’s SOFA contained the following relevant statements:

- a. Part 2, Question 4 says, “List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,825.” In response to Part 2, Question 4, payments made to three people are listed: Individual 2 (for \$42,352); Individual 3 (for \$10,000); and Individual 1 (for \$119,804).

- b. Part 6, Question 13 says, "List any transfers of money or other property by sale, trade, or any other means made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs." In response to Part 6, Question 13, the box is checked for "None."
- c. Part 10, Question 18 says, "Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?" In response to Part 10, Question 18, the box is checked for "None."
- d. Part 13, Question 30 says, "Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?" In response to Part 13, Question 30, the box is checked for "None."

23. Despite the representations made in the SOFA, in the year before TSI filed its bankruptcy case, it made the following transfers to the following individuals and entities, among others:

- a. Individual 1 received approximately \$328,263.54;
- b. Individual 2 received approximately \$169,447.00;
- c. Individual 3 received approximately \$60,000;
- d. MOTT received approximately \$250,000;
- e. A relative of MOTT received approximately \$84,400; and
- f. TSI SE received approximately \$2,293,091.63.

24. Additionally, in the two years before TSI filed its bankruptcy case, on top of the transfers listed above, it made the following transfers to the following individuals and entities, among others:

- a. Individual 1 received approximately \$480,027.15;
- b. Individual 2 received approximately \$290,450;
- c. Individual 3 received approximately \$619,000;

- d. MOTT received approximately \$1,144,805.79;
- e. TSI Gulf Coast (a company owned by Individual 1) received approximately \$201,500;
- f. TSI Education received approximately \$1,000,000;
- g. Addy Road received approximately \$3,054,060;
- h. Two relatives of MOTT received \$188,788; and
- i. Title Insurance Agency and Custom Home Building Company received \$416,189.04.

25. Furthermore, in the year before TSI filed its bankruptcy case, TSI closed the following financial accounts:

- a. BBVA/PNC account ending in 2888 was closed on or about 10/27/2021;
- b. BBVA/PNC account ending in 9759 was closed on or about 10/27/2021;
- c. BBVA/PNC account ending 7965 was closed on or about 10/31/2021;
- d. TD Bank account ending in 3053 was closed on or about 5/24/2021; and
- e. TD Bank account ending in 3152 was closed on or about 5/24/2021.

26. On or about January 26, 2022, TSI filed its Schedules. MOTT signed the Schedules declaring under penalty of perjury “I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct.” The declaration includes a warning notice that states “Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.”

27. On or about February 4, 2022, TSI filed amended Schedule E/F. MOTT signed the Amended Schedule E/F declaring under penalty of perjury that “I have read the foregoing Schedule E/F” “and that they are true and correct to the best of my knowledge, information, and belief.”

28. TSI has not filed any other amended Schedules or an amended SOFA.

#### MOTT's Deposition Testimony

29. On or about February 7, 2022, counsel for the Creditors took MOTT's deposition under oath (the “February 2022 Deposition”).

30. Among others, the February 2022 Deposition contained the following relevant statements from MOTT:

- a. In response to the question, “And are you aware of the debtor paying for any real estate assets that are in your name?” MOTT answered “No, I'm not.”
- b. In response to questioning about a July 10, 2019, \$928,843 payment from TSI to Delaware Law Firm, MOTT was asked what “professional services” Delaware Law Firm provided to TSI. MOTT responded that Delaware Law Firm provided “a memo on diversity issues in the Florida case,” and provided “contract review services, and I'm sure they've provided other things.”
- c. In response to a question about to whom a July 18, 2019, check in the amount of \$2,500,000 was paid from TSI, MOTT replied, “I'm not positive, but given it's 2019, I'm guessing it was probably [Transport Company]” “[f]or storing containers, transporting containers, moving containers, moving containers through the gate, inspecting containers.”

31. Despite MOTT's statements, TSI had paid for real estate assets in MOTT's name. For example, TSI transferred approximately \$416,189.04 to Title Insurance Agency and Custom Home Building Company in or about June 2020 and August 2020 for the purchase of a property in Blue Springs, Missouri in MOTT's name.



32. Further, TSI transferred \$928,843 on or about July 10, 2019 to Delaware Law Firm for the purchase of a property in Bethany Beach, Delaware in the name of Addy Road.

33. Additionally, the July 18, 2019 check in the amount of \$2,500,000 was a cashier's check withdrawn by MOTT herself that was then deposited into a different TSI-affiliated account on or about July 19, 2019.

**COUNT ONE**

**(False Statements Under Penalty of Perjury in a Bankruptcy Case)**

34. Paragraphs 1 through 33 are fully incorporated here by reference.

35. On or about January 26, 2022, in the District of Delaware and elsewhere, DEBORAH EVANS MOTT, defendant herein, knowingly and fraudulently made material false declarations, certificates, verifications, and statements under the penalty of perjury as permitted under Title 28, United States Code, Section 1746, in and in relation to a case under Title 11 of the United States Code, namely, the case of *In re Team Systems International, LLC*, Bankr. No. 22-10066-CTG, in the United States Bankruptcy Court for the District of Delaware, by declaring that the information contained in TSI's Statement of Financial Affairs was true and correct, despite well knowing that it contained false statements, including the following, among others:

- a. In response to Part 2, Question 4 instructing the debtor to list payments or other transfers of property made within 1 year before filing the bankruptcy case that benefited any insider, payments made to three people are listed: Individual 2 (for \$42,352); Individual 3 (for \$10,000); and Individual 1 (for \$119,804).
- b. In response to Part 6, Question 13 instructing the debtor to list any transfers of money or other property by sale, trade, or any other means made by the debtor or a person acting on behalf of the debtor

within 2 years before the filing of the bankruptcy case, the box is checked for "None."

- c. In response to Part 10, Question 18 instructing the debtor to list any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, that were closed, sold, moved, or transferred within 1 year before the filing of the bankruptcy case, the box is checked for "None."
- d. In response to Part 13, Question 30 instructing the debtor to identify any payments, distributions, or withdrawals credited or given to insiders within 1 year before the filing of the bankruptcy case, the box is checked for "None."

All in violation of Title 18, United States Code, Section 152(3).

**COUNT TWO**  
**(False Statements Under Oath in a Bankruptcy Case)**

36. Paragraphs 1 through 33 are fully incorporated here by reference.

37. On or about February 7, 2022, in the District of Delaware and elsewhere, DEBORAH EVANS MOTT, defendant herein, knowingly and fraudulently made a false material statement under oath in and in relation to a case under Title 11 of the United States Code, namely, the case of *In re Team Systems International, LLC*, Bankr. No. 22-10066-CTG, in the United States Bankruptcy Court for the District of Delaware, by testifying under oath in a deposition that (a) TSI had not paid for real estate assets that were in her name, (b) a July 10, 2019, \$928,843 payment from TSI to Delaware Law Firm was for "professional services," and (c) a July 18, 2019, check in the amount of \$2,500,000 was for "[Transport Company] . . . [f]or storing containers, transporting containers, moving containers, moving containers through the gate, inspecting containers," despite well knowing that her testimony was false.

All in violation of Title 18, United States Code, Section 152(2).

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NOTICE OF FORFEITURE

Upon conviction of the offense alleged in Counts One and Two of this Indictment, the defendant shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, any property constituting, or derived from, any proceeds obtained, directly or indirectly, as the result of such offenses.

If any of the property described above, as a result of any act or omission of the defendant:

- 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,

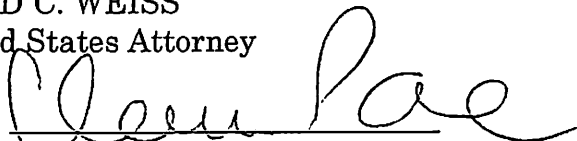
the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p).

A TRUE BILL:

\_\_\_\_\_  
Foreperson

DAVID C. WEISS  
United States Attorney

BY:



Claudia L. Pare  
Assistant United States Attorney  
Hannah J. McCollum  
Special Assistant United States Attorney

DATED: July 11, 2024