UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TENNESSEE
GREENEVILLE

FILED
FEB 13 2018
Clerk, U. S. District Court
Eastern District of Tennessee
At Greeneville

UNITED STATES OF AMERICA	)	
	)	
v.	)	No. 2:18-CR-25
	)	Judge Reeves
	)	Filed Under Seal
LESLIE DANIELLE BETHEA	)	

INDICTMENT

The Grand Jury charges:

COUNT ONE

(Conspiracy to Commit Wire Fraud)

A. Introduction

1. At all times relevant to the indictment, the defendant, LESLIE DANIELLE BETHEA ("BETHEA"), resided in Church Hill, Tennessee, in the Eastern District of Tennessee.

2. At all times relevant to the indictment, BETHEA received and used internet service provided by Charter Communications and Verizon Wireless. Charter Communications is an American telecommunications company headquartered in Stamford, Connecticut, which provides, among other services, internet service to consumer and commercial customers. Verizon Wireless is an American telecommunications company headquartered in Basking Ridge, New Jersey, which provides, among other services, internet service to consumer and commercial customers.

3. At all times relevant to the indictment, BETHEA received and used mobile telephone service provided by T-Mobile, a wireless network operator headquartered in Bellevue,

Washington and by AT&T Corporation (and its subsidiaries), a wireless network operator headquartered in Bedminster, New Jersey.

4. The internet and wireless mobile telephone service are means of interstate commerce and communications.

5. American Airlines is an American corporation headquartered in Dallas, Texas, which provides commercial air travel services.

6. JP Morgan Chase Bank, N.A. doing business as Chase Bank is a national, federally-chartered bank which constitutes the consumer and commercial banking subsidiary of the American multinational banking and financial services holding company, JP Morgan Chase & Co, headquartered in Chicago, Illinois.

7. The Internal Revenue Service is an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States, and collecting taxes owed to the United States.

B. The Scheme and Its Objects

8. From on or about January 1, 2016, and continuing through the present date, in the Eastern District of Tennessee and elsewhere, defendant BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury engaged in a scheme to defraud American Airlines, JP Morgan Chase Bank, and others, to obtain money, property, and valuable goods and services by means of materially false and fraudulent pretenses, representations and promises.

9. From on or about January 1, 2016, and continuing through the present date, in the Eastern District of Tennessee and elsewhere, defendant BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury, acted with intent to defraud American Airlines, JP Morgan Chase Bank, and others.

Operation of the Scheme

Manufacture and Use of Counterfeit Credit Cards for American Airlines Travel

11. It was part of the scheme that defendant BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury, obtained blank plastic credit, debit, and stored value cards with imbedded magnetic stripes. Such cards were counterfeit and bore markings that fraudulently indicted that they had been issued by legitimate banks, credit card processors, merchants, and financial institutions. Defendant BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury, obtained the cards via online internet purchases involving wire transmissions in interstate commerce.

12. It was also part of the scheme that defendant BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury, obtained personal identifying information, including names, dates of birth, Social Security numbers, and credit information of individuals, by fraudulent and illegitimate means, including by purchasing them on the internet, in effect, stealing those individuals' identities.

13. It was also part of the scheme that defendant BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury, used plastic card embossing machines to emboss the fronts of the cards with the name of individuals who would later present the cards to merchants. The magnetic strips on the reverse sides of the plastic cards were then re-encoded with legitimate credit card, debit card, and stored value card numbers that had been stolen from other individuals. This allowed the defendant and her co-conspirators to manufacture credit, debit, and stored value cards with mismatched cardholders and account numbers, which were not immediately rejected by merchants.

14. Defendant BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury, then used the manufactured plastic cards to purchase goods and services and obtain money from American Airlines and JP Morgan Chase Bank, and others.

15. From on or about January 1, 2017, through on or about May 10, 2017, defendant BETHEA used counterfeit credit cards, debit cards, and stored value cards that BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury, had manufactured, to obtain $55,481 in travel services provided by American Airlines. These travel services involved 230 different flight transactions procured for 63 travelers, including BETHEA. The flights were arranged online through various travel websites and included extensive interstate travel to and from the following cities in the United States: Tri-Cities, TN/VA; Charlotte, North Carolina; New York, New York; Denver, Colorado; Knoxville, Tennessee; Atlanta, Texas; Dallas, Texas; Chicago, Illinois; Miami, Florida; Orlando, Florida; Tulsa, Oklahoma; Philadelphia, Pennsylvania; Los Angeles, California; Indianapolis, Indiana; Washington, D.C.; San Antonio, Texas; Oklahoma City, Oklahoma; San Diego, California; Houston, Texas; Phoenix, Arizona; and other cities located within the United States.

16. As a result of defendant BETHEA's use of counterfeit cards to procure travel services, as described in the preceding paragraph, American Airlines sustained an actual economic loss of $55,481.

17. Each manufacturing of a counterfeit card and each use of a counterfeit card for the foregoing transactions, as described in paragraphs 11 through 15, was an affirmative act in furtherance of the scheme to defraud American Airlines.

18. Each manufactured counterfeit card and each transaction was materially false.

19. Each of the foregoing transactions was an affirmative act in furtherance of a conspiracy to commit wire fraud in violation of 18 U.S.C. § 1343.

Manufacture and Use of Counterfeit JP Morgan Chase Bank Cards

20. It was part of the scheme that from on or about February 1, 2017, through on or about May 10, 2017, defendant BETHEA unlawfully obtained personal identifiers and account numbers owned by thirty legitimate JP Morgan Chase Bank customers who lived in California, Connecticut, Delaware, Florida, Idaho, Kentucky, Massachusetts, Minnesota, North Carolina, Ohio, Tennessee, Virginia, and Wisconsin.

21. It was further part of the scheme that defendant BETHEA manufactured counterfeit credit cards using the identities and account numbers of such legitimate customers of JP Morgan Chase Bank and then used those cards for her personal use and benefit to engage in more than 175 transactions, through which she obtained goods and services valued at $45,446. All of the 175 transactions involved the transmission of a writing, signal, or sound by means of a wire, radio, or television communication in interstate commerce. Merchants from whom defendant BETHEA fraudulently obtained goods and services included hotels (Doubletree Hotels, Holiday Inn Express Hotels, Hilton Hotels), restaurants (Burger King, Chop House, Wendy's, Fazoli's, Pal's, Bojangles, Chick Fil-A, McDonald's, Wingstop, Sonic Drive-In, Krystal's, Krispy Kreme Doughnuts, Taco Bell, Chili's, Buffalo Wild Wings, Golden Corral, Moto Japanese Restaurant, and Popeye's), wireless communications providers (T-Mobile Communications, Verizon Wireless), department and retail stores (Belk's, Rack Room Shoes, Grand Home Furnishings, Kirkland's, Ashley Home Stores), travel services (American Airlines, Southwest Airlines, United Airlines), miscellaneous personal services (Touche Nails and Spa, GeekSquad), and fuel (Marathon Oil).

22. As a result of defendant's fraudulent use of counterfeit cards using JP Morgan Chase Bank customer identifiers and account numbers, JP Morgan Chase Bank sustained an actual economic loss of $45,466.

23. Each manufacturing of a counterfeit card and each use of a counterfeit card for each of the transactions, as described in paragraphs 20 and 21, was an affirmative act of fraud committed by the defendant on JP Morgan Chase Bank.

24. Each manufactured counterfeit JP Morgan Chase Bank card and each transaction conducted using counterfeit JP Morgan Chase Bank cards was materially false.

25. Each of the foregoing transactions was an affirmative act in furtherance of a conspiracy to commit wire fraud in violation of 18 U.S.C. § 1343.

All in violation of 18 U.S.C. § 1349.

WIRE FRAUD FORFEITURE ALLEGATION

26. The allegations contained in Count One of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

27. Upon conviction of the offense in violation of Title 18, United States Code, Section 1349 set forth in this Indictment, the defendant LESLIE DANIELLE BETHEA shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses, including but not limited to, proceeds in the amount of $160,003, which is the amount the defendant personally obtained as a result of the violation(s) of Title 18, United States Code, Section 1343.

28. 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 Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

COUNT TWO

(Trafficking in Counterfeit Access Devices)

The Grand Jury further charges that from on or about January 1, 2016, and continuing through the present date, in the Eastern District of Tennessee and elsewhere, the defendant, LESLIE DANIELLE BETHEA, knowingly and with intent to defraud, used and trafficked in counterfeit and unauthorized access devices, to wit, forty-eight or more credit cards, debit cards, and stored value cards and, by such conduct, from on or about May 9, 2016, to on or about May 10, 2017, obtained more than $1,000, said use and trafficking affecting interstate and foreign commerce, in violation of 18 U.S.C. §§ 1029(a)(2) and (c)(1)(a)(i).

COUNT THREE

(Conspiring to Produce, Use or Traffic Counterfeit Access Devices)

The Grand Jury further charges that from on or about January 1, 2016, and continuing through the present date, in the Eastern District of Tennessee and elsewhere, defendant BETHEA, and unindicted co-conspirators known and unknown to the Grand Jury, knowingly conspired and agreed together and with each other, to commit counterfeit access device fraud in violation of 18 U.S.C. §§ 1029(a)(1) and 1029(b)(2).

COUNT FOUR

(Unlawful Possession of More Than 15 Counterfeit Access Devices)

The Grand Jury further charges that on or about May 9, 2017, in the Eastern District of Tennessee, defendant BETHEA knowingly and with intent to defraud, possessed counterfeit and unauthorized access devices, to wit, re-encoded credit cards and debit cards, said possession affecting interstate commerce, in violation of 18 U.S.C. § 1029(a)(3).

COUNT FIVE

(Unlawful Possession of Counterfeit Access Device Making Equipment)

The Grand Jury further charges that on or about May 9, 2017, in the Eastern District of Tennessee, defendant BETHEA knowingly and with intent to defraud, possessed counterfeit access device-making equipment, to wit: a credit card embossing machine, said possession affecting interstate and foreign commerce, in violation of 18 U.S.C. § 1029(a)(4) and (c)(1)(a)(ii).

COUNTS SIX through THIRTY-THREE

(Wire Fraud)

1. The allegations set forth in Count One are incorporated herein by reference for the purpose of alleging wire fraud in violation of 18 U.S.C. § 1343.

2. From on or about January 19, 2016, through on or about February 28, 2017, in the Eastern District of Tennessee and elsewhere, defendant BETHEA, having devised and intending to devise a scheme and artifice to obtain money by means of false and fraudulent pretenses, representations and promises, transmitted and caused to be transmitted by means of wire communication in interstate commerce, any writings, signs, signals, pictures, and sounds for the purpose of executing such scheme or artifice, to wit, the submission of false and fraudulent claims for income tax refunds, transmitted electronically to the Internal Revenue Service on the dates and in the amounts identified in the separately-numbered Counts Six through Thirty-Three, defendant BETHEA knowing that the claims were false, fictitious, and fraudulent, in that they were not submitted on behalf of the stated claimants, claimed refunds which were not due and owing, and overstated income, credits, deductions, and amounts withheld.

Count	**Date False Return Received by IRS**	**Refund Amount**
Six	01-17-2017	$2,441
Seven	02-01-2017	$2,634
Eight	03-02-2016	$3,366
Nine	01-31-2017	$1,011
Ten	01-13-2017	$2,840
Eleven	01-13-2017	$5,093
Twelve	01-26-2017	$5,787

Thirteen	01-13-2017	$5,093
Fourteen	01-17-2017	$2,770
Fifteen	01-25-2017	$5,037
Sixteen	01-19-2017	$2,748
Seventeen	01-23-2016	$3,493
Eighteen	02-17-2016	$4,508
Nineteen	01-25-2017	$4,374
Twenty	01-17-2017	$2,770
Twenty-One	01-23-2017	$8,753
Twenty-Two	02-03-2017	$1,027
Twenty-Three	01-17-2017	$5,091
Twenty-Four	01-26-2017	$498
Twenty-Five	02-04-2017	$5,093
Twenty-Six	01-13-2017	$1,195
Twenty-Seven	01-25-2017	$4,106
Twenty-Eight	01-23-2017	$4,262
Twenty-Nine	01-28-2017	$5,091
Thirty	01-19-2016	$2,719
Thirty-One	02-08-2017	$5,058
Thirty-Two	01-24-2017	$8,519
Thirty-Three	04-19-2016	$2,787

All in violation of 18 U.S.C. § 1343.

COUNT THIRTY-FOUR

(Aggravated Identity Theft)

The Grand Jury further charges that on or about May 8, 2017, in the Eastern District of Tennessee and elsewhere, defendant BETHEA did knowingly possess and use without lawful authority, the means of identification of another person, to wit, the Social Security number of a person whose identity is known to the Grand Jury and whose initials are J.S., during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c) to wit, 18 U.S.C. §1343, knowing that the means of identification belonged to another actual person, in violation of Title 18, United States Code, Section 1028A(a)(1).

A TRUE BILL:

[redacted]

FOREPERSON

J. DOUGLAS OVERBEY
United States Attorney

By: Robert M. Reeves
ROBERT M. REEVES
Assistant United States Attorney