

**IN THE UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF OKLAHOMA**

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 -vs- ) **No. CR-14-170-D**  
 )  
 WESLEY YUI CHEW and ) **Violations: 18 U.S.C. § 1957(a)**  
 ICON TELECOM, INC., ) **18 U.S.C. § 1001(a)(2)**  
 ) **18 U.S.C. § 982(a)(1)**  
 Defendants. )

**INFORMATION**

The United States Attorney charges:

**Introduction**

At all times relevant to this Information:

1. **WESLEY YUI CHEW** was the sole owner and president of **ICON TELECOM, INC. (“ICON”)** in Edmond, Oklahoma. **ICON** was an Oklahoma corporation that provided prepaid wireless telephone service to customers in the state.

2. **ICON** owned two checking accounts at Bank of America, including account number **XXXXXXXXX7679** (“the 7679 account”). **CHEW** was the only authorized signer on the 7679 account. Bank of America was a financial institution with deposits insured by the Federal Deposit Insurance

Corporation (“FDIC”).

3. On April 8, 2013, CHEW opened money market savings account number XXXXXX7885 (“the 7885 account”) at Ally Bank, a financial institution with deposits insured by the FDIC. CHEW was the sole owner and the only authorized signer for the 7885 account.

### The Lifeline Program

4. The Federal Communications Commission (“FCC”) is an independent federal government agency that regulates interstate and international communications by radio, television, wire, satellite, and cable throughout the United States, including landline and cellular communications. Part of the FCC’s mission is to provide all Americans with access to a basic level of telephone service. The FCC created the Low Income Program, also called the Lifeline Program, as one of the Universal Service Fund programs to offer affordable, nationwide access to telephone service. Among other things, Lifeline reimburses participating telephone companies for providing discounts on telephone service, including wireless service, to qualifying customers.

5. The Universal Service Administrative Company (“USAC”) is an independent, not-for-profit corporation that the FCC authorizes to administer Lifeline and other Universal Service programs. To pay for these programs,

USAC collects fees from telephone companies, which often pass the fees on to customers as a “universal service charge” on monthly telephone bills.

6. A company designated as an Eligible Telecommunications Carrier (“ETC”) by a state commission or the FCC may seek and receive reimbursement from USAC for providing discounted telephone services to eligible customers. An ETC receives \$9.25 per month for each qualifying low-income customer receiving Lifeline service. If a qualifying customer lives on “tribal land,” the ETC receives an additional \$25.00 per month. The FCC’s definition of tribal land qualifies much of Oklahoma’s geographic area for the higher monthly reimbursement rate of \$34.25 per Lifeline customer.

7. The Lifeline Program has specific eligibility requirements. A qualifying customer generally must have income below a certain level or must qualify for certain federal or state assistance programs. FCC regulations require customers to provide the ETC with certain documents to prove identity and eligibility, and to certify under penalty of perjury that they meet Lifeline eligibility criteria. The Lifeline Program provides for only a single discounted phone service to each qualifying consumer’s household.

8. Lifeline payments to ETCs are based on FCC Forms 497 that ETCs file monthly or quarterly with USAC. ETCs use Form 497 to report the number of qualifying low-income customers they are serving and the total

amount of Lifeline support they are claiming. An ETC representative who submits a Form 497 certifies under penalty of perjury that the subscriber data and claimed Lifeline support are accurate.

9. ETCs are also required to file FCC Form 555 annually by January 31st with USAC, to certify that customers receiving Lifeline service at an earlier date are still eligible for the program. ETCs can confirm continued eligibility by having their customers sign certifications attesting to their continued eligibility.

**ICON TELECOM, INC.**

10. In July 2011, **ICON** was approved as an ETC to provide prepaid wireless telephone service to customers in Oklahoma. According to Forms 497 that **CHEW** filed on behalf of **ICON**, the company's reported customer base with Lifeline grew from fewer than 2,200 wireless customers in September 2011 to a peak of 135,364 wireless customers in November 2012. For each month from August 2012 through March 2013, **ICON** claimed Lifeline reimbursement for more than 100,000 subscribers in Oklahoma. By July and August 2013, soon before closing its business, **ICON** claimed fewer than 32,000 wireless subscribers on its Forms 497. **ICON** always sought reimbursement for customers at the "tribal-lands" rate of \$34.25 per month.

11. **ICON** received approximately \$58,283,329 from the Lifeline

Program for providing wireless telephone service between 2011 and 2013. It received approximately \$27,617,555 in Lifeline funds in 2013 and approximately \$30,665,774 in 2012.

12. **CHEW** and **ICON** electronically submitted forms to USAC in Washington, DC, using interstate wires. USAC electronically deposited Lifeline reimbursements into **ICON**'s bank accounts.

13. In 2012 and 2013, **ICON** had fewer than ten full-time employees. During this time, **ICON** relied almost exclusively on an independent contractor, PSPS Sales LLC ("PSPS Sales"), to sign up **ICON**'s customers with the Lifeline Program.

14. On September 17, 2013, **ICON** relinquished its federal and state designations as an ETC, and terminated its Lifeline service the next day. On September 25, 2013, **ICON** refunded approximately \$5,709,782 to USAC in connection with amended Forms 497 (for January through March of 2013) and USAC audit findings.

### **Lifeline Fraud**

15. On June 14, 2012, **CHEW** filed a Form 497 for **ICON** and reported a customer base of 63,422 for May 2012. On February 1, 2013, **CHEW** electronically filed with USAC a Form 555 that reported which customers on **ICON**'s May 2012 rolls still qualified for the Lifeline Program.

On that Form 555, **CHEW** claimed that 42,988 customers had recertified their eligibility for Lifeline by the end of 2012. **CHEW**, however, knew that the Form 555 was false because, in fact, the majority of customers on **ICON**'s May 2012 rolls had not been recertified. By late January 2013, **CHEW** was aware that **PSPS Sales** was creating approximately 40,000 false recertification forms to support **ICON**'s false claim that 42,988 customers had properly recertified their eligibility.

16. Likewise, in early 2013, **CHEW** electronically submitted Forms 497 that substantially overstated **ICON**'s monthly tallies of legitimate, eligible Lifeline customers. On February 6, 2013, **CHEW** filed a Form 497 to claim **ICON**'s Lifeline reimbursement for January 2013. **CHEW** reported under penalty of perjury that **ICON** had 102,845 qualifying Lifeline customers in January. On April 8, 2013, **CHEW** submitted Forms 497 for February and March of 2013. On those forms, **CHEW** certified that **ICON** had 112,368 subscribers in February and 113,903 subscribers in March.

17. **CHEW** knowingly claimed Lifeline reimbursement for ineligible **ICON** customers for January through March of 2013. By the time **CHEW** filed those Forms 497, he was well aware of significant problems with **ICON**'s customer list. The materially false Forms 497 caused **USAC** to issue millions of dollars in fraudulent Lifeline funds to **ICON**.

**COUNT ONE**  
**(Money Laundering)**

18. The United States Attorney incorporates by reference paragraphs 1-17.

19. Between September 27, 2012, and April 29, 2013, USAC wire transferred approximately \$34,723,780 in Lifeline reimbursements to ICON's 7679 account at Bank of America. During this period, the 7679 account only had approximately \$103,000 in miscellaneous deposits aside from the Lifeline Program deposits. Before the first Lifeline deposit on September 27th, ICON's 7679 account had a balance of less than \$4,000.

20. On February 27, 2013, USAC wire transferred \$3,522,441 to the 7679 account based on ICON's Form 497 for January 2013.

21. On or about April 9, 2013, in the Western District of Oklahoma and elsewhere,

----- **WESLEY YUI CHEW** -----

knowingly engaged in a monetary transaction through a financial institution, affecting interstate commerce, in criminally derived property worth more than \$10,000.00. In particular, CHEW wire transferred \$20,455,829.10 from ICON's 7679 account at Bank of America to CHEW's 7885 account at Ally Bank, after more than \$10,000.00 of these monies had been derived from wire

fraud, a specified unlawful activity under Title 18, United States Code, Sections 1956(c)(7)(A) and 1961(1).

All in violation of Title 18, United States Code, Section 1957(a).

**COUNT TWO**  
**(False Statement)**

22. The United States Attorney incorporates by reference paragraphs 1, 4-17.

23. USAC routinely audited ETCs for compliance with the Lifeline Program. On May 6, 2013, USAC auditors requested copies of recertification forms for a sampling of 58 subscribers from ICON's January 2013 customer list. ICON did not have legitimate recertification forms for the 58 subscribers. With CHEW's knowledge, ICON employees created 58 false recertification forms, forged the subscribers' signatures on the forms, and electronically submitted the fictitious forms to USAC in response to the audit.

24. On or about May 13, 2013, in the Western District of Oklahoma and elsewhere,

----- **ICON TELECOM, INC.** -----  
knowingly and willfully made and caused to be made a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the FCC, an agency of the executive branch of the United States



government. In particular, with **CHEW's** knowledge, **ICON** submitted to USAC 58 false recertification forms in response to a USAC audit that requested recertification forms on certain **ICON** customers.

All in violation of Title 18, United States Code, Section 1001(a)(2).

### **FORFEITURE ALLEGATIONS**

A. The allegations contained in the Information are hereby re-alleged and incorporated for the purpose of alleging forfeiture.

B. Upon conviction of the offense alleged in Count One, **WESLEY YUI CHEW** shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), the following property involved in the offense:

approximately \$20,542,740.73 in U.S. currency, seized in Case Number M-13-468-SM (W.D. Okla.), from Ally Bank account number XXXXXX7885 on or about October 4, 2013, together with interest accrued since the date of seizure.

C. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), **CHEW** shall forfeit substitute property, up to the amount described in paragraph B, if, by any act or omission of the defendant, the property described in paragraph B, or any portion of that property, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially

diminished in value; or has been commingled with other property that cannot be subdivided without difficulty.

All in accordance with Title 18, United States Code, Section 982(a)(1).

SANFORD C. COATS  
United States Attorney

A handwritten signature in black ink that reads "Chris Stephens". The signature is written in a cursive, flowing style.

CHRIS M. STEPHENS  
SCOTT E. WILLIAMS  
Assistant U.S. Attorneys

# CRIMINAL COVER SHEET

U.S. District Court, Western District of Oklahoma

Petty  Misdemeanor  Felony

Case No. CR-14-170-D

Number of Counts 2 + Forfeiture Number of Defendants 2 USAOID No. 2013R00557 By: lm

**Information**

Sealed: Yes  No  OCDEF: Yes  No  Notice  Summons  Writ  Warrant  to Issue

DEFENDANT: <b>WESLEY YUI CHEW</b>			
Alias(es):		Address: Edmond, OK	
		Phone:	
Age&DOB: 1961	SS#: XXX-XX-7553	Juvenile: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Interpreter: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
SEX: M <input checked="" type="checkbox"/> F <input type="checkbox"/>	RACE: Asian	Language/Dialect:	

**Defendant Status:**

<input checked="" type="checkbox"/> Not in Custody	Type of Bond Recommended on this Charge:
	OR <input type="checkbox"/> Cash <input type="checkbox"/> 10% <input type="checkbox"/> Unsecured <input checked="" type="checkbox"/> Surety <input type="checkbox"/>
Bond set at: \$ _____ Date: _____ Current Bond on Other Charge Federal <input type="checkbox"/> State <input type="checkbox"/>	Bond in Amount of: \$ 100,000
<input type="checkbox"/> In Jail at: _____	Under Prisoner/Register No.: _____ Detention <input type="checkbox"/>

**Prior Proceedings or Appearance(s) Before U.S. Magistrate Judge:**

Case No. M- _____	Government Motion to Detain: Yes <input type="checkbox"/> No <input type="checkbox"/>
Complaint: Yes <input type="checkbox"/> No <input type="checkbox"/>	Bond Set: _____ Date: _____

**Related Case Information:**

Previous Case No. _____	Rule 20/Rule 5 from District of: _____
Additional Defendants: Yes <input type="checkbox"/> No <input type="checkbox"/>	Total Number of defendants: _____

**Attorney Information:**

Defense Counsel: Daniel G. Webber, Jr.	AUSA: Chris M. Stephens/Scott E. Williams	
Address: 119 North Robinson Ave., Ste. 900 Oklahoma City, OK 73102	Phone: 405/553-8700	Fax: 405/553-8888
Phone: 405-239-6040	Fax: 405-239-6766	Federal Agent/Agency: FBI
Retained <input checked="" type="checkbox"/> CJA Panel <input type="checkbox"/> Public Defender <input type="checkbox"/>	Local Agent/Agency: _____	

Count(s)	USC Citation(s)	Offense(s) Charged	Penalty
1	18 U.S.C. § 1957(a)	Money Laundering.	NMT 10 yrs. imprisonment; NMT \$250,000.00 fine (or twice the amount of criminally derived property involved in the transaction) o/b; NMT 3 yrs. SR, if revoked NMT 2 yrs., \$100.00 SA.
Forfeiture Allegations	18 U.S.C. § 982(a)(1)	Criminal Forfeiture.	

Date: 6/3/14 Signature of AUSA Chris Stephens

# CRIMINAL COVER SHEET

U.S. District Court, Western District of Oklahoma

Petty  Misdemeanor  Felony

Case No. CR-14-170-D

Number of Counts 2 + Forfeiture Number of Defendants 2 USAOID No. 2013R00557 By: lm

**Information**

Sealed: Yes  No  OCADETF: Yes  No  Notice  Summons  Writ  Warrant  to Issue

DEFENDANT: <b>ICON TELECOM, INC.</b>			
Alias(es):		Address: Edmond, OK	
		Phone:	
Age&DOB:	SS#:	Juvenile: Yes <input type="checkbox"/> No <input type="checkbox"/>	Interpreter: Yes <input type="checkbox"/> No <input type="checkbox"/>
SEX: M <input type="checkbox"/> F <input type="checkbox"/>	RACE:	Language/Dialect:	

**Defendant Status:**

<input type="checkbox"/> Not in Custody	Type of Bond Recommended on this Charge:
	OR <input type="checkbox"/> Cash <input type="checkbox"/> 10% <input type="checkbox"/> Unsecured <input type="checkbox"/> Surety <input type="checkbox"/>
Bond set at: \$ _____ Date: _____	Bond in Amount of: \$ _____
Current Bond on Other Charge Federal <input type="checkbox"/> State <input type="checkbox"/>	
<input type="checkbox"/> In Jail at: _____	Under Prisoner/Register No.: _____ Detention <input type="checkbox"/>

**Prior Proceedings or Appearance(s) Before U.S. Magistrate Judge:**

Case No. M- _____	Government Motion to Detain: Yes <input type="checkbox"/> No <input type="checkbox"/>
Complaint: Yes <input type="checkbox"/> No <input type="checkbox"/>	Bond Set: _____ Date: _____

**Related Case Information:**

Previous Case No. _____	Rule 20/Rule 5 from District of: _____
Additional Defendants: Yes <input type="checkbox"/> No <input type="checkbox"/>	Total Number of defendants: _____

**Attorney Information:**

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Phone: 405-239-6040	Fax: 405-239-6766	Federal Agent/Agency: FBI
Retained <input checked="" type="checkbox"/> CJA Panel <input type="checkbox"/> Public Defender <input type="checkbox"/>	Local Agent/Agency: _____	

Count(s)	USC Citation(s)	Offense(s) Charged	Penalty
2	18 U.S.C. § 1001(a)(2)	False Statement.	NMT 5 yrs. probation; NMT \$500,000.00 fine; \$400.00 SA.

Date: 6/3/14

Signature of AUSA Chris Stephens