

FILED

FEB 27 2018

SUSAN Y. SOONG  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

# United States District Court

FOR THE  
NORTHERN DISTRICT OF CALIFORNIA

VENUE: SAN FRANCISCO

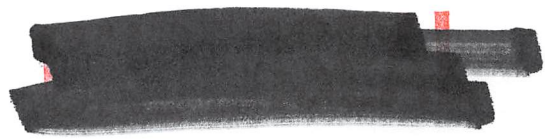
UNITED STATES OF AMERICA,

CR18

0081

CRB

STEVEN BROWN



DEFENDANT(S).

## INDICTMENT

Counts One through Nine:  
18 U.S.C. § 1343 – Wire Fraud  
18 U.S.C. § 981(a)(1)(C) – Criminal Forfeiture

A true bill.

Foreman

Filed in open court this 27<sup>th</sup> day of

February 2018

Clerk

Bail, \$ no bail warrant

LAUREL BEELER

181

AO 257 (Rev. 6/78)

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**

BY:  COMPLAINT  INFORMATION  INDICTMENT  
 SUPERSEDING

**OFFENSE CHARGED**

Counts One through Nine: 18 U.S.C. § 1343 -- Wire Fraud  
 18 U.S.C. § 981(a)(1)(C) - Criminal Forfeiture

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY: Maximum 20 years imprisonment  
 Maximum \$250,000 fine  
 Maximum 3 years of supervised release  
 \$100 special assessment

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA  
 SAN FRANCISCO DIVISION

**FILED**

DEFENDANT - U.S.

FEB 27 2018

STEVEN BROWN

SUSAN Y. SOONG  
 CLERK, U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

DISTRICT COURT NUMBER

**CR18 0081 CRB**  
 DEFENDANT

**PROCEEDING**

Name of Complainant Agency, or Person (& Title, if any)

FBI

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a reprosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY  DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person Furnishing Information on this form ALEX G. TSE

U.S. Attorney  Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) CHINHAYI CADET

**IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

- 1)  If not detained give date any prior summons was served on above charges
- 2)  Is a Fugitive
- 3)  Is on Bail or Release from (show District)

**IS IN CUSTODY**

- 4)  On this charge
  - 5)  On another conviction }  Federal  State
  - 6)  Awaiting trial on other charges
- If answer to (6) is "Yes", show name of institution

Has detainer been filed?  Yes  No

If "Yes" give date filed

DATE OF ARREST Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY Month/Day/Year

This report amends AO 257 previously submitted

**ADDITIONAL INFORMATION OR COMMENTS**

**PROCESS:**

SUMMONS  NO PROCESS\*  WARRANT

Bail Amount: NO BAIL

If Summons, complete following:

Arraignment  Initial Appearance

Defendant Address:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: Before Judge:

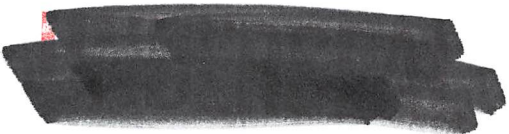
Comments:

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SUSAN Y. SOONG  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

1 ALEX G. TSE (CABN 152348)  
Acting United States Attorney



CRB

8 UNITED STATES DISTRICT COURT  
9 NORTHERN DISTRICT OF CALIFORNIA  
10 SAN FRANCISCO DIVISION

CR18 0081

11 UNITED STATES OF AMERICA,  
12 Plaintiff,  
13 v.  
14 STEVEN BROWN,  
15 Defendant.

) CASE NO.  
) VIOLATIONS: 18 U.S.C. § 1343 – Wire Fraud; 18  
) U.S.C. § 981(a)(1)(C) – Criminal Forfeiture

17 INDICTMENT

18 The Grand Jury charges:

19 INTRODUCTORY ALLEGATIONS

20 At all times relevant to this Indictment:

- 21 1. The defendant, Steven BROWN, resided in San Mateo in the Northern District of
- 22 California.
- 23 2. BROWN owned and operated Better Property Management (“BPM”), a California
- 24 business entity incorporated under the laws of the State of California. BPM maintained offices in San
- 25 Francisco, California. A number of homeowners associations (“HOAs”) in the San Francisco Bay Area,
- 26 including but not limited to those identified below, hired BPM to manage their buildings and finances.
- 27 As part of managing HOA finances, BROWN gained access to the HOA funds by opening bank
- 28 accounts for the HOAs when they hired him, and making himself the sole signor on the HOA accounts.

INDICTMENT

1 3. BROWN conducted banking transactions at the Mission National Bank branch located at  
2 3060 16<sup>th</sup> Street, San Francisco, California.

3 4. BROWN maintained two accounts at Mission National Bank that he used to pay personal  
4 expenses. BROWN's personal bank accounts were numbered ending -9080 ("-9080 Account") and -  
5 7780 ("-7780 Account").

6 5. BROWN also maintained four business accounts for BPM at Mission National Bank,  
7 which accounts were numbered ending -6870 ("-6870 Account"), -2170 ("-2170 Account"), -8270  
8 ("-8270 Account"), and -5670 ("-5670 Account"). In addition to using his business accounts to pay for  
9 BPM expenses, BROWN occasionally used those business accounts to pay his personal expenses. He  
10 also transferred money from his business accounts to his personal accounts, and used those transferred  
11 funds to pay personal expenses.

12 6. BROWN maintained a bank account for HOA #1 (located on the 200 block of Telegraph  
13 Hill Boulevard in San Francisco, California) at Mission National Bank, which account was numbered  
14 ending -8770 ("-8770 Account").

15 7. BROWN maintained two bank accounts for HOA #2 (located on Keystone Way in San  
16 Francisco, California) at Mission National Bank, which accounts were numbered ending -4070 ("-4070  
17 Account") and -9570 ("-9570 Account").

18 8. BROWN maintained three bank accounts for HOA #3 (located on the 800 block of  
19 Castro Street in San Francisco, California) at Mission National Bank, which accounts were numbered  
20 ending -7870 ("-7870 Account"), -0170 ("-0170 Account"), and -7270 ("-7270 Account").

21 9. BROWN maintained several credit cards and accounts, including the following:  
22 American Express account numbered ending -9928, Bank of America MasterCard account numbered  
23 ending -3178, and Chase automobile lease account numbered ending -1006.

24 10. The victim HOAs in this case hired BROWN to manage their buildings and finances, and  
25 BROWN had a trusting relationship with the victim HOAs that he violated by taking their money.  
26 BROWN controlled the HOA funds as the sole signor on their bank accounts and as the only person who  
27 had access to account information directly from the bank for the HOA accounts. As the sole signor on  
28 the HOA bank accounts, BROWN possessed the authority to disburse the HOA funds via wire and

1 check. As the only person who received bank statements directly from the bank for the HOA accounts,  
2 BROWN was able to disburse the HOA funds without the HOAs having knowledge. BROWN induced  
3 the HOAs to relax the care and vigilance they would ordinarily exercise in a number of ways, including  
4 complex movements of funds between Mission National Bank accounts over which he had authority,  
5 and disguising the true disposition of funds that he falsely converted via falsified statements.

6  
7 COUNTS ONE THROUGH NINE: (18 U.S.C. § 1343 – Wire Fraud)

8 11. The factual allegations in paragraphs 1 through 10 are re-alleged and incorporated herein.

9 12. Beginning no later than in or about December 2012, and continuing to approximately  
10 April 2015, BROWN devised and intended to devise a scheme and artifice to defraud HOA #1, #2, #3,  
11 and others as to a material matter, and to obtain money and property from HOAs by means of materially  
12 false and fraudulent pretenses, representations, and promises and by concealment and omissions of  
13 material facts, with a duty to disclose.

14 The Scheme and Artifice to Defraud

15 As part of the scheme as artifice to defraud:

16 13. BROWN moved money fraudulently and without authorization, or in excess of the  
17 authorization that he had been granted by the HOAs, from HOA bank accounts over which BROWN  
18 had been entrusted by HOAs into personal and business bank accounts held by BROWN or BROWN's  
19 family members. BROWN conducted the unauthorized and excess transfers both to enrich himself and  
20 to prevent detection of the ongoing scheme.

21 14. BROWN caused unauthorized and excess payments to be made from HOA accounts to  
22 his personal and business accounts by initiating Automated Clearing House ("ACH") or electronic  
23 transfers of funds from HOA accounts to his personal and business accounts.

24 15. BROWN did not inform the HOAs who had entrusted him with their funds that he had  
25 fraudulently initiated payments to himself, and concealed and hid, and caused to be concealed and  
26 hidden, the acts done and the purpose of the acts done in furtherance of the scheme. BROWN did so, in  
27 part, to maintain his BPM business and to continue to be compensated for such work.

28 16. BROWN initiated bank transactions from the Mission National Bank accounts of HOAs

1 as if they were authorized in BROWN's role as property manager for HOAs, thus misrepresenting to the  
2 bank that these were authorized and lawful transactions, when they were in fact not.

3 17. BROWN failed to inform the HOAs that he had fraudulently obtained and converted the  
4 funds, and then intentionally delayed giving account statements and other bank information to the  
5 HOAs.

6 18. BROWN created the false appearance that the funds he fraudulently converted were not  
7 so converted by falsifying Mission National Bank HOA account statements and providing those  
8 statements to the HOAs.

9 19. BROWN used funds that he had fraudulently obtained and converted from one HOA to  
10 pay back some of the funds that he had fraudulently obtained and converted from another HOA to give  
11 the appearance that the funds he had taken were not missing.

12 Execution of the Scheme

13 20. On or about the dates alleged below, in the Northern District of California and elsewhere,  
14 for the purpose of executing and attempting to execute the scheme and artifice described above, the  
15 defendant,

16 STEVEN BROWN,

17 did knowingly transmit and cause to be transmitted by means of wire communications in interstate  
18 commerce the following writings, signs, signals, pictures, and sounds:

COUNT	DATE	WIRE
1	01/17/2014	Payment of \$20,000 from HOA #1's -8770 Account to BROWN's personal -9080 Account by means of electronic transfer
2	10/22/2014	Payment of \$10,000 from HOA #2's -4070 Account to BROWN's business -6870 Account by means of electronic transfer
3	10/31/2014	Payment of \$10,000 from BROWN's business trust Account -8270 into HOA #2's -4070 Account by means of electronic transfer
4	09/22/2014	Payment of \$8,000 from HOA #2's -9570 Account to BROWN's personal -7780 Account by means of electronic transfer
5	09/22/2014	Payment of \$10,000 from HOA #2's -9570 Account to BROWN's personal -9080 Account by means of electronic transfer
6	09/27/2013	Electronic debit of \$7,500 from HOA #3's -0170 Account to Brown's business -2170 Account

COUNT	DATE	WIRE
7	09/27/2013	Electronic debit of \$18,500 from HOA #3's -0170 Account to Brown's business -6870 Account
8	09/27/2013	Electronic debit of \$2,500 from HOA #3's -0170 Account to Brown's personal -7780 Account
9	09/27/2013	Electronic debit of \$22,500 from HOA #3's -0170 Account to Brown's personal -9080 Account

Each in violation of Title 18, United States Code, Section 1343.

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

21. All of the allegations contained in this Indictment are hereby re-alleged and incorporated by reference as if set forth in full herein.

22. Upon a conviction for any of the offenses alleged in Counts One through Nine of this Indictment, the defendant,

STEVEN BROWN,

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 offense including, but not limited to, a forfeiture money judgment.

23. 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 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

1 All in violation of Title 18, United States Code, Sections 981(a)(1)(C) and 1343, Title 28, United  
2 States Code, Section 2461(c), and Rule 32.2 of the Federal Rules of Criminal Procedure.

3  
4 DATED: 2/27/18

A TRUE BILL

5   
6 \_\_\_\_\_  
7 FOREPERSON

8 ALEX G. TSE  
9 Acting United States Attorney

10 \_\_\_\_\_  
11 JOHN H. HEMANN  
12 Deputy Chief, Criminal Division

13 (Approved as to form: Chinhay Coleman Cadet)  
14 AUSA Chinhay Coleman Cadet