

AO 91 (Rev. 11/11) Criminal Complaint

UNITED STATES DISTRICT COURT
for the
District of South Carolina

SEALED

United States of America
v.
JOHN SHANNON SIMPSON

Case No.

2:17mj9

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of May 2014 through April 2016 in the county of _____ in the
_____ District of South Carolina, the defendant(s) violated:


Code Section
18 U.S.C. 1343

Offense Description
Wire Fraud

This criminal complaint is based on these facts:

See attached affidavit.

Continued on the attached sheet.



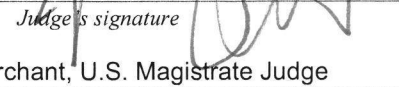
Complainant's signature

Tiffany Baker, Special Agent

Printed name and title

Sworn to before me and signed in my presence.

Date: July 20, 2017


Judge's signature

City and state: Charleston, South Carolina

Bristow Marchant, U.S. Magistrate Judge

Printed name and title

AFFIDAVIT FOR AN ARREST WARRANT

I, Special Agent Tiffany Baker, being duly sworn depose and say the following:

I am a Special Agent with the Federal Bureau of Investigation and have been so employed since October 2002. I have conducted criminal investigations to include white-collar crime, public corruption, FBI internal affairs and national security cases. I have been a supervisor for both FBI internal investigations and in the FBI's Operational Technology Division. I am presently assigned to the FBI Columbia Division, Bluffton, South Carolina Resident Agency.

This affidavit is made in support of an application for an arrest warrant for JOHN SHANNON SIMPSON (SIMPSON) pursuant to a violation of Title 18, United States Code, Section 1343 (Wire Fraud).

The facts set forth below are based upon your affiant's personal observations, interviews, reports, consensual monitoring, records, and information provided to your affiant by witnesses and other Special Agents of the FBI involved in the investigation. This affidavit is intended to show that there is probable cause for the arrest warrant and does not purport to set forth all of the affiant's knowledge of the investigation into this matter.

In or around April 2016 the FBI/your affiant began a criminal investigation of JOHN SHANNON SIMPSON (SIMPSON) in the District of South Carolina concerning a charitable organization entitled "Marines and Mickey" (the charity). This organization was registered to SIMPSON as a charitable organization with the Secretary of State's Office in South Carolina under Charity Public ID: P30257 as of 05/16/2015, for a period of one year. The charity has used a mailing address of Estero, Florida and Columbia, South Carolina but was registered in the

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District of South Carolina. The charity was also incorporated as a non-profit corporation by the Office of Secretary of State in the State of South Carolina on 06/18/2014. Records show SIMPSON was the President of the charity.

On or about May 2014, SIMPSON solely founded the charity. The purpose of the charity was to provide funds to selected United States Marines Corps (USMC) servicemen and their families to defray their costs of visiting the Walt Disney Resort(s). Servicemen were selected by SIMPSON based on hardships their family may have suffered, including time away from family. A secondary purpose of the charity was to provide funds to the families of newly graduated marines to defray the family's costs of attending USMC boot camp graduations, including some held at Parris Island, South Carolina and San Diego, California. The charity actively solicited donations on and off the USMC base in Parris Island, South Carolina, and elsewhere, including Florida.

A cooperative witness alleged SIMPSON committed fraud by diverting funds designated to the charity. Financial analysis based on the charity's bank records confirmed SIMPSON diverted over \$390,000 of monies intended for USMC families in just under two years for his own, personal use.

The primary victim (V1) was identified as the mother of a United States Marine killed in the active shooter attack at a military recruiting center in Chattanooga, TN in July 2015. Through a combination of V1's son's death benefit proceeds and monies donated in her son's honor, V1 alone deposited or directed to be deposited over \$135,000 to the charity bank accounts, including \$75,000 of V1's own funds she contributed to the charity for the sole

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purpose of the charity to open a barbershop in V1's son's name. This barbershop was never opened by SIMPSON.

The remainder of monies raised by the charity were a combination of private and corporate donations to the charity, including by junior USMC recruits. Monies were received into the charity's accounts through a combination of cash and check deposits made by volunteers, on-line contributions and automatically recurring charges from donor's accounts.

While acting as the charity's President and in support of fundraising for the charity, SIMPSON represented himself to all those he encountered as a retired career marine with as much as 20 years of service. On numerous occasions, acting as President of the charity, SIMPSON stated he was a retired Master Sergeant, a former Drill Instructor and Recon Marine. SIMPSON grossly exaggerated his military career, to include claiming the identity of another actual retired United States Marine Master Sergeant as his own. Department of Defense records show Simpson's official military service record consisted of approximately 4 years of service, one of which was spent absent without leave (AWOL). SIMPSON subsequently received a bad conduct discharge in 1997. SIMPSON's military operational specialty was that of a clerk.

In early 2016 reports surfaced of SIMPSON's true military record. As a result, the charity began to receive significant negative attention in the media. Around this time, V1 confronted SIMPSON on his military record. SIMPSON returned \$500 of the \$75,000 contributed by V1 that was earmarked for the barbershop but never opened the barbershop. SIMPSON later acknowledged to your affiant that he opened a thrift store in Beaufort, South Carolina and then opened a restaurant named "Peace Love and Hot Dogs" in Beaufort, South Carolina. The thrift store was abandoned and the thrift store went out of business.

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SIMPSON reported on the charity's website he was being blackmailed by V1. Bank records show that immediately after being confronted by V1 as described above, SIMPSON executed a series of financial transactions to withdraw the funds from the charity's bank accounts and subsequently concealed those same funds in accounts in the name of his father, John C. Simpson at another bank. Bank records confirmed SIMPSON transferred \$47,000 into two separate accounts in John C. Simpson's name. SIMPSON also filed a false fraud claim for over \$11,500 at the bank he used to first conceal the charity's funds. The bank denied the claim.

Further investigation revealed that on December 6, 2015, the charity held a benefit at the Watermill Caterers in Smithtown, New York to raise money for a Disney World trip for a marine family whose minor daughter (MD) was terminally ill. The charity advertised all proceeds from the event would go to MD's family for a trip to Disney World for the family and to cover the family's needs. Because MD died prior to the fundraiser, the trip intended for her family was donated to another family. However, the monies the charity advertised would go to MD's family never did. In fact, her family was not even aware of the December 2015 fundraiser when it occurred and never received any monies from the charity.

Wire transmissions in execution of the scheme

1. On 12/29/2015, V1 wired \$75,000 from her Navy Federal Credit Union account in Georgia to Marines and Mickey Inc., Bank of America (BOA), account xxxx xxxx **1251**. On 12/29/2015, SIMPSON transferred \$53,500 from Marines and Mickey Inc., Bank of America, account xxxx xxxx **1251** into Marines and Mickey, Inc., BOA, account xxxx xxxx **1211**. On 12/30/2015, SIMPSON transferred \$21,000 from Marines and Mickey

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Inc., BOA, account xxxx xxxx 1251 into Marines and Mickey, Inc., BOA, account xxxx xxxx **1211**.

From 01/04/2016 – 01/22/2016, SIMPSON subsequently transferred approximately \$25,000.00 out of Marines and Mickey, Inc., BOA, account xxxx xxxx **1211** as follows:

- \$2,500 in cash.
- Transferred \$5,500 into his personal business account, Semper Fi Security, BOA, account xxxx xxxx **1219**.
- Transferred \$17,109.66 back to Marines and Mickey, Inc., Bank of America, account xxxx xxxx **1251**.
- On 01/04/2016, wrote a check for \$2800 payable to an individual for a car.
- On 01/01/2016, wrote a check for \$2700 payable to an individual for January 2016 rent of a residence in Estero, FL, a residence SIMPSON shared with his then wife, T.S., and their three children.
- On 01/02/2016, wrote a check for \$750 payable to People's Bank for payment of a mortgage of property owned by his then wife, T.S., in Iva, South Carolina.
- On 01/08/2016, SIMPSON's then wife, T.S., wrote a check for \$780 payable to Complete Dentistry for dental work for the family.
- From 01/05/2016 through 01/13/2016, SIMPSON made the following debit transactions from the Marines and Mickey, Inc., BOA, account xxxx xxxx **1251**: \$603 Travelex withdrawal on 01/05/2016; \$283 Travelex withdrawal on 01/08/2016; \$1,000 to a medical doctor (of Pennsylvania) on 01/11/2016; \$130.38 to Sephora on 01/12/2016; \$105.94

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to Ravish Sands (bikini wear) on 01/13/2016; \$275.73 to Sushi Murasaki (restaurant in Anderson, SC).

2. On 02/26/2016, SIMPSON obtained a cashier's check in the amount \$47,000.00 from the Marines and Mickey, BOA, account xxxx xxxx **1211** made payable to "John Simpson."

- On 02/29/2016, John Calvin Simpson, SIMPSON's father, deposited \$10,000 of this same cashier's check into BB&T account, xxxxxxxxx**4967**, an account in the name of John C. Simpson and which was opened on 2/29/2016 by John C. Simpson at the direction of SIMPSON.
- On 02/29/2016, John Calvin Simpson, SIMPSON's father, deposited \$37,000 of this same cashier's check into BB&T account, xxxxxxxxx**5854**, an already existing account in the name of John C. Simpson.

John C. Simpson, SIMPSON's father, subsequently withdrew from BB&T account, xxxxxxxxx**5854**, an account in the name of John C. Simpson, as follows:

- \$6,500 in cash on 03/01/2016.
- \$1,500 in cash on 03/20/2016.
- \$5,500 in cash on 04/01/2016.
- \$575 in cash on 04/06/2016.
- \$10,822.17 in a cashier's check made payable to John C. Simpson on 04/26/2016.

John C. Simpson, SIMPSON's father, subsequently withdrew from BB& T account, xxxxxxxxx**4967**, an account in the name of John C. Simpson, as follows:

- \$2950 in cash on 04/12/2016.
- \$6,340.32 in a cashier's check made payable to John C. Simpson on 04/25/2016.

SIMPSON subsequently withdrew from BB&T account, xxxxxxxxx**4967**, an account in the name of John C. Simpson (SIMPSON's father's account), as follows:

- SIMPSON wrote a check in the amount of \$710.00 made payable to his then wife, T.S., on 03/15/2016.
3. On 01/25/2016, a check from the Community Foundation of Great Chattanooga, in the amount of \$25,000 made payable to Marines and Mickey, Attn. Mr. John Simpson, which was donated in honor of V1's son, was deposited into the Marines and Mickey, BOA, account, xxxx xxxx **1251**.

The following withdrawals from that same account were made as follows:

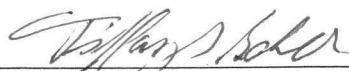
- \$6,500 in cash on 01/29/2016.
- \$40.29 check card debit at Museum of Sex, New York, NY on 01/29/2016.
- \$124.35 check card debit at Ben & Jack's Steakhouse, New York, NY on 01/29/2016.
- \$2,900 check to the "Peoples Bank" for loan #485722 on 1/19/2016.
- \$873.53 check to IRS for SIMPSON's then wife, T.S.'s, adult novelty business, Red Room Toys, on 01/27/2016.
- \$212.00 check card debit at Publix Supermarkets in Estero, FL on 02/12/2016.
- \$2,000 in cash on 02/18/2016.

- \$3,000 in cash on 02/26/2016.
4. On 12/6/2015, the charity held a fundraiser for MD at the Watermill Caterers in Smithtown, New York. The charity advertised that all proceeds of the fundraiser would benefit MD's family. A donor (V2) contributed a \$1,000 check made payable directly to MD to be distributed directly to MD's family. V2 confirmed the check was subsequently altered without his knowledge or consent by adding "M & M Foundation" in the "payable to" portion and adding "Disney, Marines & Mickey" in the "For" portion of the check. The check was deposited into Marines and Mickey, BOA, account, xxxx xxxx **1251** on 12/28/2015. The check was endorsed by John S. Simpson, 'For Deposit Only Marines and Mickey'.

Based on the foregoing, this affiant submits there is probable cause to believe that JOHN SHANNON SIMPSON is in violation of Title 18, United States Code, Section 1343 (Wire Fraud), in that from in or about May 2014 through in or about May 2016, in the District of South Carolina and elsewhere, he devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises that were material, and that for the purpose of executing the scheme that he caused to be transmitted by means of wire communications in interstate commerce writings, signs, signals, pictures and sounds.

It is further respectfully requested that this Court issue an order sealing, until further order of this Court, all papers submitted along with this affidavit, including the complaint and arrest warrant. Sealing is necessary because this information relates to an ongoing investigation and premature disclosure of the contents of this affidavit and related documents may jeopardize the effectiveness of the investigation.

This Affidavit has been reviewed by AUSA Dean H. Secor.



Tiffany Baker, Special Agent
Federal Bureau of Investigation

Subscribed and sworn to before me on this 20 day of January, 2017



UNITED STATES MAGISTRATE JUDGE