

IN THE DISTRICT COURT OF THE UNITED STATES
DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

UNITED STATES OF AMERICA)	CRIMINAL NO.: <u>2:18-cr-00967</u>
)	
)	18 U.S.C. § 1343
vs.)	
)	
)	
KAREN COLIE)	<u>INFORMATION</u>
)	

COUNT 1
(Wire Fraud)

THE UNITED STATES ATTORNEY CHARGES:

At all times relevant to this Information:

1. The Defendant, **KAREN COLIE**, was the sole owner and shareholder of Marshland Communities, LLC (“Marshland”), which she operated in Johns Island, South Carolina.

2. Marshland is a property management company hired by approximately 70 homeowner’s associations (the “Homeowner’s Associations”) located in or around Charleston, South Carolina. Each of the Homeowner’s Associations that contracted with Marshland maintained their own bank accounts including an operating account and a reserve account, both of which were used to collect homeowner dues and pay for services and purchases related to the Homeowner’s Associations. Marshland managed both accounts for each of the respective Homeowner’s Associations.

3. As part of Marshland’s duties as the property management company for the Homeowner’s Associations, Marshland employees represented the Homeowner’s Associations in court, handling various legal matters as they arose.

4. As the sole owner of Marshland, the Defendant, **KAREN COLIE**, controlled all

bank accounts maintained by Marshland.

5. As the sole owner of Marshland, the Defendant, **KAREN COLIE**, was responsible for preparing and maintaining the account payables and receivables, profit and loss statements, balance sheets, and payment of taxes. She also had unfettered access to all of the bank accounts owned and maintained by the homeowner's associations that hired Marshland.

SCHEME AND ARTIFICE

6. Beginning in or around 2011 and continuing through 2016, in the District of South Carolina, the Defendant, **KAREN COLIE**, knowingly and willfully did devise and intend to devise a scheme and artifice to defraud and to obtain money and property from the Homeowner's Associations by means of false and fraudulent pretenses and representations. The scheme resulted in a loss of over \$700,000 involving at least 19 Homeowner's Associations. In furtherance of the scheme and artifice to defraud, the Defendant, **KAREN COLIE**, using her position as the owner of Marshland, converted funds belonging to the Homeowner's Associations to her own control and use through several methods including the following:

- a. **COLIE** made fraudulent entries in Marshland's accounting system by creating accounts receivables for services that were not rendered or items that were not purchased without the Homeowner's Associations knowledge or authorization; and
- b. **COLIE** significantly inflated the amount of time spent by Marshland employees representing the Homeowner's Associations in court handling legal matters, thereby causing the transfer of funds from the Homeowner's Associations accounts into Marshland bank accounts.
- c. **COLIE** significantly overcharged the Homeowner's Associations for collection services regarding delinquent fees.

7. It was further part of the scheme and artifice to defraud that the Defendant, **KAREN COLIE**, used the converted funds for her own personal benefit.

8. On or about December 14, 2015 in Charleston, in the District of South Carolina, the Defendant, **KAREN COLIE**, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce signals and sounds by sending a fraudulent email to a representative of one of the Homeowner's Associations which indicated the Association had \$59,987.17 invested in a bank Certificate of Deposit. The email included a fictitious email created by **COLIE** showing a bank executive provided the value of the Certificate of Deposit. The Certificate of Deposit did not exist and the email was created to conceal the fraudulent use of Homeowner's Association funds by **COLIE**.

In violation of Title 18, United States Code, Section 1343.

FORFEITURE

WIRE FRAUD:

Upon conviction to violate Title 18, United States Code, Section 1343 as charged in the Information, the Defendant, **KAREN COLIE** shall forfeit to the United States, 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 such violation.

PROPERTY:

The property subject to forfeiture includes, but is not limited to, the following:

Forfeiture Judgment:

A sum of money equal to all proceeds the Defendant obtained, directly or indirectly, from the offense charged in the Information, that is, a minimum of approximately \$763,835.35 in United States currency, and all interest and proceeds traceable thereto, and/or that such sum equals all property which constitutes or is derived from proceeds traceable to her violation of 18 U.S.C. § 1343.

Jewelry:

Diamond Ring
Value: \$37,000.00
Seized from: Croghan's Jewel Box, purchased by Karen Colie

SUBSTITUTE ASSETS:

If any of the property described above as being subject to forfeiture, 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 person;
- 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 subdivided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b)(1), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the Defendant up to the value of the forfeitable property;

Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

s/Sherri A. Lydon
SHERRI A. LYDON (MTA)
UNITED STATES ATTORNEY