

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION

UNITED STATES OF AMERICA)	CR. NO. <u>6:23-278</u>
)	18 U.S.C. § 371
vs.)	
)	
CANDY KERN)	<u>INFORMATION</u>

THE U.S. ATTORNEY CHARGES:

1. That beginning in or about October 2012 and continuing through February 2021, in the District of South Carolina and elsewhere, the Defendant, CANDY KERN, did knowingly and willfully combine, conspire, confederate, agree and have a tacit understanding with others known and unknown to the U.S. Attorney, to devise and execute a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and during such period, in the course of executing said scheme and artifice

a. transmitted and caused to be transmitted in interstate commerce, wire communications, including writings, signs, signals, pictures, and sounds, for the purpose of executing the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343; and

b. deposited and caused to be deposited any matter and thing whatever to be sent or delivered by the United States Postal Service and any private and commercial interstate carrier, for the purpose of executing the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1341.

Manner and Means

2. CANDY KERN was the managing member of a South Carolina based law firm. CANDY KERN involved her law firm in the structured cash flow (“SCF”) businesses. The law firm provided legal and escrow services in connection with the SCF product to the SCF businesses. The law firm also operated as a debt collector for the SCF companies enforcing sales contracts resulting from the SCF business transactions as detailed below. The involvement of CANDY KERN’S law firm projected a false image of legitimacy on the SCF product and lent credibility to the related business transactions.

3. These SCF businesses actively recruited pension holders (described as “sellers”) who found themselves in acute financial distress and were desperate for money. In exchange for the pensioner selling, assigning, or promising to pay certain monthly pension payments, the pensioner received a lump sum payment or loan.

4. Many of the pension holders targeted were veterans of the United States Armed Forces. Federal law prohibits assignment of such pension payments under 38 U.S.C. § 5301.

5. Working through a network of investment advisors and insurance agents, the SCF businesses solicited investors (described as “buyers”) to purchase pension payments.

6. In transactional documents and in an effort to induce investors to purchase the SCF product, the SCF businesses and CANDY KERN concealed and/or misrepresented material information such as federal anti-assignment prohibitions, the small lump sums received by sellers versus the significant amounts the sellers were required to repay, and substantial seller default rates.

7. Investors who had been induced to purchase structured cash flows based on active concealment and misrepresentation of material information are owed approximately \$31,352,897.26. In the course of providing legal and escrow services to the SCF businesses as described above, CANDY KERN received at least \$1,446,336.56 in commissions.

8. In furtherance of the conspiracy and to effect the objects thereof, the following overt acts, among others, were committed in the District of South Carolina:

a. On or about February 28, 2017, CANDY KERN filed a lawsuit against pensioner EG in the Court of Common Pleas for Greenville County, South Carolina.

All in violation of Title 18, United States Code, Section 371.

FORFEITURE

CONSPIRACY TO COMMIT MAIL FRAUD AND WIRE FRAUD:

Upon conviction for violation of Title 18, United States Code, Sections 371, 1341 and 1343 as charged in this Information, the Defendant, CANDY KERN, shall forfeit to the United States any property, real or personal, constituting, derived from, or traceable to proceeds the Defendant obtained, directly or indirectly, as the result of such offense.

PROPERTY:

Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), the property subject to forfeiture includes, but is not limited to, the following:

Cash Proceeds/Forfeiture Judgment:

A sum of money equal to all proceeds the Defendant obtained directly or indirectly as the result of the offense charged in this Information, that is, a minimum of approximately \$1,446,336.56 in United States currency, and all interest and proceeds traceable thereto.

SUBSTITUTION OF ASSETS:

If any of the property described above as being subject to forfeiture, as the 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 intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by 18 U.S.C. § 982(b)(1) to seek forfeiture of any other property of Defendant up to an amount equivalent to the value of the above-described forfeitable property;

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

ADAIR F. BOROUGHS
UNITED STATES ATTORNEY

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