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Nov 25, 2013  
CLERK U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON AT TACOMA  
BY \_\_\_\_\_ DEPUTY

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

UNITED STATES OF AMERICA,  
Plaintiff

v.

RENEE J. THOMAS,  
a/k/a Renee Bassette,  
Defendant.

NO. CR 13-5654RBL

INFORMATION

(Felony)

The United States Attorney charges that:

COUNT 1  
*(Wire Fraud)*

A. Introduction

At all times relative to this Information:

1. Community Credit Union, located in Tacoma, Washington, was a financial institution as that term is defined in Title 18, United States Code, Section 20. Among other financial services, Community Credit Union provided consumer loans and issued personal VISA credit cards to its customers and employees. Community Credit Union's President was authorized to increase credit limits on the Community Credit Union Visa credit cards to a maximum of \$25,000. Community Credit Union has merged with Twin Star Credit Union.

1           2.       CUNA Mutual Insurance Company was an insurance company through  
2 which, for a monthly fee, individuals who had obtained loans from financial institutions,  
3 including Community Credit Union, could obtain disability insurance. If, after opting to  
4 accept this insurance, a loan recipient became disabled, CUNA Mutual Insurance  
5 Company would make the payments on the loan recipient's loan. CUNA Mutual  
6 Insurance Company would wire such payments from its Wells Fargo Bank account, via  
7 Wells Fargo Bank's servers located in Roseville, California.

8           3.       CardNet was a primary processor of credit card transactions within the  
9 VISA/Mastercard association. In addition to providing merchants with point-of-sale  
10 terminal equipment, CardNet authorized merchants' credit card transactions.  
11 Accordingly, when a financial institution increased the credit limit on a VISA or  
12 Mastercard credit card it had issued, the financial institution would electronically notify  
13 CardNet of the increase by sending a fax or email to CardNet via CardNet's servers  
14 located in Naperville, Illinois.

15           4.       The Washington State Department of Financial Institutions, Division of  
16 Credit Unions (hereinafter, "the Division of Credit Unions"), was responsible for the  
17 regulatory oversight of Credit Unions in Washington State.

18           5.       During late March 2007, RENEE J. THOMAS was named the President of  
19 Community Credit Union. As President, Community Credit Union paid Thomas an  
20 annual salary of approximately \$69,500.

21           6.       On March 15, 2007, RENEE J. THOMAS and her husband took out two  
22 auto loans from Community Credit Union, that is, a loan in the amount of \$34,126.91, for  
23 the purpose of buying a 2003 Mercedes E320 Sport, and a loan in the amount of  
24 \$40,346.25, for the purpose of buying a 2003 Hummer H2. At the time they took out  
25 these auto loans, RENEE J. THOMAS and her husband specifically elected not to take  
26 out the disability insurance offered through Community Credit Union by CUNA Mutual  
27 Insurance Company.

1 7. Community Credit Union also issued a VISA credit card, account no.  
2 XXXX6033, to RENEE J. THOMAS. At the time she was named President of  
3 Community Credit Union, that credit card had a \$6,000 credit limit.

4 8. During early 2008, the Washington State Department of Financial  
5 Institutions conducted an Examination of Community Credit Union. As a result of the  
6 Examination, the Division of Credit Unions required Community Credit Union to enter  
7 into a Supervisory Agreement.

8 9. On August 6, 2009, the Director of the Divisions of Credit Unions notified  
9 RENEE J. THOMAS by letter that on September 21, 2009, the Division of Credit Unions  
10 would do follow-up Examination of Community Credit Union. Thereafter, on August 18,  
11 2009, RENEE J. THOMAS submitted her resignation, which was effective September 1,  
12 2009, to the Community Credit Union Board of Directors.

13 10. R.C. was a Community Credit Union employee who also had a line of  
14 credit with Community Credit Union.

15 11. C.H. was a Community Credit Union customer who had a line of credit  
16 with Community Credit Union.

17 B. Scheme to Defraud

18 12. Beginning in or about July 2007, within the Western District of  
19 Washington, and elsewhere, and continuing through in or about September 2013, RENEE  
20 J. THOMAS, together with others known and unknown, did devise and intend to devise a  
21 material scheme and artifice to defraud CUNA Mutual Insurance Company and to obtain  
22 CUNA Mutual Insurance Company funds by means of material false and fraudulent  
23 pretenses, representations, and promises, which are described below.

24 C. Manner and Means

25 The manner and means used to accomplish the scheme and artifice to defraud  
26 included the following:

27 13. During July 2007, knowing that her husband could not qualify for CUNA  
28 Mutual Insurance Company loan disability insurance for a preexisting condition, that is,

1 her husband's recent stroke, RENEE J. THOMAS fraudulently directed a Community  
2 Credit Union employee to falsely inform CUNA Mutual Insurance Company that during  
3 March 2007, RENEE J. THOMAS' husband had elected to take out loan disability  
4 insurance on two auto loans that RENEE J. THOMAS and her husband received from  
5 Community Credit Union, that is, a loan in the amount of \$34,126.91, for the purpose of  
6 buying a Mercedes E320 Sport, and a loan in the amount of \$40,346.25, for the purpose  
7 of buying a Hummer H2, but that the employee mistakenly had entered code into the  
8 computer reflecting that RENEE J. THOMAS' husband had not elected take out loan  
9 disability insurance.

10 14. In addition, in order to fraudulently obtain disability insurance payments on  
11 the loans Thomas and her husband took out to purchase the Mercedes E320 Sport and  
12 Hummer H2, during July 2007, that is, RENEE J. THOMAS fraudulently directed the  
13 Community Credit Union employee to complete a form, entitled Enrollment/Application  
14 and Schedule for Voluntary Payment Protection, falsely stating that RENEE J.  
15 THOMAS' husband had elected to take out disability loan insurance from CUNA Mutual  
16 Insurance Company. RENEE J. THOMAS directed the Community Credit Union  
17 employee to backdate this form March 15, 2007, that is a date prior to her husband's  
18 stroke.

19 15. In order to assuage any suspicion by CUNA Mutual Insurance Company  
20 that RENEE J. THOMAS was seeking to obtain disability insurance payments for a  
21 preexisting condition, RENEE J. THOMAS fraudulently directed the Community Credit  
22 Union employee to add life insurance on her husband's backdated  
23 Enrollment/Application and Schedule for Voluntary Payment Protection form, even  
24 though that provision was not currently of any benefit to RENEE J. THOMAS.

25 16. In order to conceal her conduct, RENEE J. THOMAS fraudulently removed  
26 from Community Credit Union the original Enrollment/Application and Schedule for  
27 Voluntary Payment Protection, which RENEE J. THOMAS and her husband actually  
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1 signed on March 15, 2007, and in which RENEE J. THOMAS and her husband  
2 specifically rejected an offer for disability insurance.

3 17. Through this fraudulent conduct, RENEE J. THOMAS caused CUNA  
4 Mutual Insurance Company to make disability insurance payments on the auto loans  
5 totaling in excess of \$70,000.

6 D. Execution of Scheme

7 18. RENEE J. THOMAS, for the purpose of executing the above-described  
8 scheme and artifice to defraud, and for attempting to do so, did knowingly and willfully  
9 make and cause to be made the following wire communications in interstate commerce,  
10 constituting a representative sample of the wire communications made in furtherance of  
11 the scheme and artifice to defraud:

<u>Count</u>	<u>Date</u>	<u>Sent From</u>	<u>Sent To</u>	<u>Description of Item Sent</u>
1	December 31, 2012	CUNA Mutual Insurance Company, via Roseville, California	Twin Star Credit Union, Tacoma, Washington	Payments by CUNA Mutual Insurance Company of \$537.00 and \$634.00, on loans taken out for the purchase of a Mercedes E320 and a Hummer H2, respectively

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

21 **COUNT 2**

22 *(Misapplication of Credit Union Funds)*

23 19. On or about December 19, 2007, at Tacoma, within the Western District of  
24 Washington, RENEE J. THOMAS, being an employee of Community Credit Union, the  
25 deposits of which were then insured by the National Credit Union Share Insurance Fund,  
26 did knowingly and willfully embezzle and misapply funds belonging to said credit union,  
27 which came into her possession and were under her care by virtue of her position as an  
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1 employee of the Tacoma Branch of the credit union, and did convert the funds to her own  
2 use, in that, RENEE J. THOMAS, using credit union employee and customer R.C.'s  
3 name and Social Security Number, created a \$16,500 loan advance on R.C.'s line of  
4 credit, account no. XXXX3468, and, without notifying Community Credit Union that she  
5 was the true recipient of loan proceeds, RENEE J. THOMAS caused Community Credit  
6 Union to issue three cashier's checks on the loan advance, including (1) check number  
7 069778, in the amount of \$14,033, made payable to American General; (2) check number  
8 069779, in the amount of \$1,000, made payable to Bank of America; and (3) check  
9 number 069780, in the amount of \$1,467, made payable to R.C., which RENEE J.  
10 THOMAS then converted to her own use by, among other things, using them to pay a  
11 loan she had received from American General to purchase a furnace for her home,  
12 account no. XXXX0205, and debt she had incurred on her Bank of America Hawaiian  
13 Airlines "Hawaiianmiles" credit card, account no. XXXX8276.

14 All in violation of Title 18, United States Code, Section 657.

15 **COUNT 3**  
16 *(Wire Fraud)*

17 A. Introduction

18 At all times relative to this Indictment:

19 20. Paragraphs 1 through 11 are incorporated herein as though fully set forth.

20 B. Scheme to Defraud

21 21. Beginning on or about August 26, 2009, and continuing until on or about  
22 September 2, 2009, within the Western District of Washington, and elsewhere, RENEE J.  
23 THOMAS, together with others known and unknown, did devise and intend to devise a  
24 material scheme and artifice to defraud Community Credit Union; and to obtain  
25 Community Credit Union's funds by means of material false and fraudulent pretenses,  
26 representations, and promises, as further described below.  
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1 C. Manner and Means

2 22. On or about August 26, 2009, after giving notice that she was resigning, but  
3 before her last day at Community Credit Union, in order to create the impression that  
4 Community Credit Union had authorized an increase on the credit limit for her  
5 Community Credit Union VISA credit card, account no. XXXX6033, from \$20,000, to  
6 \$35,000, RENEE J. THOMAS fraudulently and without authorization from Community  
7 Credit Union, completed and submitted to CardNet a Processing Maintenance Completed  
8 Forms Review form, in which, next to the term "Credit Limit," RENEE J. THOMAS  
9 inserted the figure "\$35,000."

10 23. In order to avoid suspicion and prevent further inquiry into whether the  
11 credit limit increase was authorized by Community Credit Union, RENEE J. THOMAS  
12 sought to conceal the fact that she had personally submitted the Processing Maintenance  
13 Completed Forms, by fraudulently inserting M.K.'s name under the term "Submitted  
14 By," when in truth and fact, M.K. had not submitted the form.

15 24. Knowing that Community Credit Union had not, in fact, increased the  
16 credit limit on her Community Credit Union VISA credit card, between August 26, 2009,  
17 and August 31, 2009, RENEE J. THOMAS presented the VISA credit card to merchants  
18 and financial institutions in order to make purchases and withdrawals in excess of the  
19 \$20,000 credit limit that existed before RENEE J. THOMAS fraudulently increased the  
20 credit limit to \$35,000, including, among other things, RENEE J. THOMAS took an  
21 \$8,000 cash advance on August 27, 2009, and a \$5,000 cash advance on August 29,  
22 2009.

23 25. On or about August 31, 2009, the day before the effective date of her  
24 resignation, in order to create the impression that Community Credit Union had  
25 authorized an increase on the credit limit for her Community Credit Union VISA credit  
26 card from \$35,000, to \$50,000, RENEE J. THOMAS fraudulently and without  
27 authorization from Community Credit Union, completed and submitted to CardNet a  
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1 from called a Processing Maintenance Completed Forms Review, in which, next to the  
2 term "Credit Limit," she inserted the figure \$50,000."

3 26. In order to avoid suspicion and prevent further inquiry into whether the  
4 credit limit increase was authorized by Community Credit Union, RENEE J. THOMAS  
5 sought to conceal the fact that she had personally submitted the Processing Maintenance  
6 Completed Forms Review, by fraudulently inserting M.K.'s name under the term  
7 "Submitted By," when in truth and fact, M.K. had not submitted the form.

8 27. Knowing that Community Credit Union had not, in fact, increased the  
9 credit limit on her Community Credit Union VISA credit card, between August 31, 2009,  
10 and September 2, 2009, the date that Community Credit Union closed out her account,  
11 RENEE J. THOMAS presented the VISA credit card to merchants and financial  
12 institutions in order to make purchases and withdrawals in excess of the \$20,000 credit  
13 limit that existed before RENEE J. THOMAS fraudulently increased the credit limit to  
14 \$35,000, and then to \$50,000, including, among other things, RENEE J. THOMAS took a  
15 \$9,000 cash advance on September 1, 2009.

16 28. Through these means, RENEE J. THOMAS fraudulently obtained in excess  
17 of \$18,000.

18 C. Execution of Scheme to Defraud

19 29. RENEE J. THOMAS, for the purpose of executing the above-described  
20 scheme and artifice to defraud, and for attempting to do so, did knowingly and willfully  
21 make and cause to be made the following wire communications, that is, email

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1 transmissions in interstate commerce, constituting a representative sample of the wire  
2 communications made in furtherance of the scheme and artifice to defraud:

COUNT	DATE	SENT FROM	SENT TO	DESCRIPTION OF ITEM
3	August 31, 2009	Community Credit Union, Tacoma, Washington	CardNet, via Naperville, Illinois	Processing Maintenance Completed Forms Review, increasing RENEE J. THOMAS' Visa Credit Limit to \$50,000

11 All in violation of Title 18, United States Code, Sections 1343.

12 **COUNT 4**

13 *(Misapplication of Credit Union Funds)*

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15 30. On or about August 28, 2009, at Tacoma, within the Western District of  
16 Washington, RENEE J. THOMAS, being an employee of Community Credit Union, the  
17 deposits of which were then insured by the National Credit Union Share Insurance Fund,  
18 did knowingly and willfully embezzle and misapply funds belonging to said credit union,  
19 which came into her possession and under her care by virtue of her position as an  
20 employee of the Tacoma Branch of the credit union, and did convert the funds to her own  
21 use, in that, without authorization from either credit union employee H.K. or credit union  
22 customer C.H., RENEE J. THOMAS, using the initials and computer identification of  
23 credit union employee H.K., posted a \$4,000 loan add-on to credit union customer C.H.'s  
24 line of credit, account no. XXXX6656, and without notifying Community Credit Union  
25 that she was the true recipient of the loan proceeds, RENEE J. THOMAS did withdraw  
26 \$4,000 on that line of credit, which she then converted to her own use by, among other

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1 things, using the proceeds to pay debt she had incurred on her Community Credit Union  
2 VISA account, no. XXXX6033.

3 All in violation of Title 18, United States Code, Section 657.

4 DATED this 25<sup>th</sup> day of November, 2013.

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7   
8 JENNY A. DURKAN  
9 United States Attorney

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12 LAWRENCE LINCOLN  
13 Assistant United States Attorney

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16 ARLEN R. STORM  
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