**[U.S. v. Neal](https://casetext.com/case/us-v-neal-37?jxs=5cir&p=1&q=shell+company+AND+fraud+NOT+oil&sort=relevance&type=case&ssr=false&scrollTo=true)**

294 F. App'x 96 (5th Cir. 2008)Cited 7 times

Judge's Summary — Affirming convictions and 327-month prison sentence

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[Neal concocted a scam through which he intended to collect millions in worker's compensation insurance premiums from employers, and then bilk the workers when it came time to pay claims. To pull this off, Neal claimed to be a legitimate broker from an established *company* with adequate funding and reinsurance. He created *shell companies* to further his *fraud*, aliases for fictitious individuals who supposedly ran such *companies*, and through these *companies*, underbid legitimate competitors. He created forms for the "policies" he issued and collected premiums. Neal hired a third-party administrator, ostensibly to pay claims, but provided it with token funding. Neal also had in place an exit strategy: in the event of a catastrophic claim, he intended to take the money he had collected as premiums and flee the country.](https://casetext.com/case/us-v-neal-37?jxs=5cir&p=1&q=shell+company+AND+fraud+NOT+oil&sort=relevance&type=case&ssr=false&scrollTo=true#pa10)

[**United States v. Isgar**](https://casetext.com/case/united-states-v-isgar?jxs=5cir&p=1&q=shell+company+AND+fraud+NOT+oil&sort=relevance&type=case&ssr=false&scrollTo=true)

739 F.3d 829 (5th Cir. 2014)Cited 891 times

Judge's Summary — Rejecting Tori Aldridge's claim that no reasonable jury could conclude that a conspiracy existed after March 26, 2005

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[We rejected this argument in United States v. Kennedy. There, we addressed a similar mortgage *fraud* scheme and held that the subsequent disbursements of mortgage loan funds from the title *company* to the defendants' various *shell companies* constituted different conduct underlying a different crime. We reasoned that wire *fraud* was completed when the lender transmitted funds and that subsequent expenditures to make down payments on newly acquired mortgages and to make bonus payments to borrowers to encourage them to invest again were the use of profits to assist the defendants in committing new crimes of wire *fraud*. We concluded that payments of this nature “could not be anything but [the use of] profits.”](https://casetext.com/case/united-states-v-isgar?jxs=5cir&p=1&q=shell+company+AND+fraud+NOT+oil&sort=relevance&type=case&ssr=false&scrollTo=true#pa47)

Kennedy Sounds Like Mendel

[**United States v. Kennedy**](https://casetext.com/case/united-states-v-kennedy-35?jxs=5cir&p=1&q=shell+company+AND+fraud+NOT+oil&sort=relevance&type=case&ssr=false&scrollTo=true)

707 F.3d 558 (5th Cir. 2013)Cited 17 times

Judge's Summary — Affirming judgment and examining evidence against the Kennedys

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[We turn now to the argument that the two criminal statutes merged because the proceeds upon which the money laundering counts were based were not profits from the wire *fraud*, but instead, were gross receipts of the wire *fraud* scheme used only to pay business expenses incurred in executing the earlier crimes of wire *fraud*. After close review, we find this case does not present facts in which the money laundering transactions were “mere payment” of an expense of carrying on the wire *fraud* crime. Santos, 553 U.S. at 527, 128 S.Ct. 2020 (Stevens, J., concurring). In the first place, the transactions that are charged as money laundering only involve the transfers of money from LCTS to the *shell* corporations to satisfy the fraudulent liens Calhoun had conjured up. Accordingly, there were virtually no expenses related to the money transferred, and this money constitutes profits, and profits only. As in United States v. Brown, “the money laundering [transactions] at issue d [id] not involve ‘mere payment’; rather, [they] clearly involve[d] payments for more ” fraudulent mortgage loan transactions “made out of accounts well-padded with the profits from the appellants' criminal enterprises.” 553 F.3d at 785 (emphasis added). Moreover, the Government demonstrated that Calhoun used funds from the loan closing disbursements, made to the *shell companies*, to make downpayments on newly acquired mortgages and to make bonus payments to borrowers to encourage them to invest again. The Government further showed that the *shell companies* incurred no expenses and performed no services in implementing the earlier wire *fraud* crimes. Thus, the defendants cannot plausibly argue that the disbursements made to these *companies* were for previously incurred expenses—indeed, they could not be anything but profits.](https://casetext.com/case/united-states-v-kennedy-35?jxs=5cir&p=1&q=shell+company+AND+fraud+NOT+oil&sort=relevance&type=case&ssr=false&scrollTo=true#pa51)

[**United States v. Simpson**](https://casetext.com/case/united-states-v-simpson-30?jxs=5cir&p=1&q=shell+company+AND+fraud+NOT+oil&sort=relevance&type=case&ssr=false&scrollTo=true)

741 F.3d 539 (5th Cir. 2014)Cited 87 times1 Legal Analyses

Judge's Summary — Holding an "inability to remember the exact date and details of the meeting" is an issue of credibility for the jury to decide

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[The principal considerations in counting the number of conspiracies are (1) the existence of a common goal; (2) the nature of the scheme; and (3) the overlapping of the participants in the various dealings. Id. at 770. “This court has broadly defined the criterion of a common goal in counting conspiracies.” Id. For example, in Morris, we held that the common goal of profiting from the illicit business of buying and selling cocaine constituted a single conspiracy. Morris, 46 F.3d at 415. Likewise, the jury here could reasonably have concluded that the common goal of the charged conspiracy was to derive personal gain from the creation of *shell companies* and other fraudulent actions to defraud telecommunications companiesout of services and property. Regarding the nature of the scheme, “the existence of a single conspiracy will be inferred where the activities of one aspect of the scheme are necessary or advantageous to the success of another aspect or to the overall success of the venture, where there are several parts inherent in a larger common plan.” Id. at 416. Here, the jury could reasonably have found “several parts inherent in a larger common plan,” in which the *fraud* scheme was dependent on various conspirators continuing to perform their functions. Some co-conspirators created *shell companies* or falsified documents, while some used those *companies* or false documents to obtain telecommunications services, and some used their positions or expertise in various ways to avoid detection and to avoid paying the bills. Finally, the third criterion “examines the interrelationships among the various participants in the conspiracy.” Id. The more interconnected the relationships, the more likely it is that there is a single conspiracy. See id. Here, there was evidence of Simpson's repeated concerted action with a core group of co-conspirators, including with Faulkner, who Simpson alleges was the primary perpetrator of *fraud*. Though the other players in the conspiracy changed over time, the jury could reasonably have found that Simpson was consistently involved with core conspirators to defraud *companies* of goods and services. William Watts, a primary actor in the conspiracy, testified that Simpson was part of the “inner circle.” Jason Watts, another conspirator, testified that Simpson and Faulkner acted in concert to set up *shell companies*, shared databases, and worked together in their business arrangements. In sum, Simpson is particularly poorly positioned to contest the proof of a single conspiracy, when the evidence supports the conclusion that he was consistently near the center of the scheme. b. Buyer–Seller Relationship](https://casetext.com/case/united-states-v-simpson-30?jxs=5cir&p=1&q=shell+company+AND+fraud+NOT+oil&sort=relevance&type=case&ssr=false&scrollTo=true#pa24)