

United States Files Civil Lawsuit Against Waterloo Woman for Alleged Wire Fraud

by Dan Brannan, Content Director
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EAST ST. LOUIS – U.S. Attorney Rachel Aud Crowe announced on Thursday, Oct. 19, 2023, that the United States has filed a civil lawsuit against a Waterloo woman after she allegedly continued to move money for scammers following warnings to stop from federal law enforcement officers.

Janice M. Augustine, 74, is facing a civil lawsuit for her alleged involvement as a money mule. She was recruited to participate in the scheme by an individual claiming to be an American working abroad who was in search of a romantic relationship.

“Criminals scour online dating and social media websites looking for lonely or vulnerable people to exploit. Oftentimes, criminals exploit elderly or vulnerable victims by tricking them into believing they are interested in a romantic relationship. But other times, the criminals persuade elderly or vulnerable people into helping them launder the money they receive by defrauding others,” said U.S. Attorney Rachelle Aud Crowe. “Southern Illinois is not immune to these scams. Residents should be wary of anyone who asks them to receive and transfer money for them.”

The civil complaint alleges Augustine knowingly accepted money obtained via fraud schemes. The money was sent via wire transfers and electronic deposits into her personal bank accounts. Augustine then transferred the funds to the perpetrators who had committed the fraud.

“Acting as a money mule is illegal and punishable even if you aren’t aware you’re committing a crime,” said FBI Springfield Acting Special Agent in Charge Shannon Fontenot. “According to the FBI’s 2022 Internet Crime Report, Illinois residents lost \$17.8 million to romance scams. Romance scams manifest in a variety of forms, all for the purpose of manipulating victims to do their bidding. And fraudsters won’t stop pursuing a victim until the victim breaks off communication or contacts law enforcement.”

The federal complaint alleges that a perpetrator convinced Augustine he was involved in a romantic relationship with her in summer of 2022. He then persuaded her to transmit fraud proceeds. In January 2023, an FBI agent interviewed Augustine about her suspicious bank activity. FBI warned Augustine of this reality and encouraged her to end the relationship. Undeterred, Augustine registered a limited liability company with the Illinois Secretary of State and opened a new bank account in April 2023 in the LLC’s name.

In May 2023, special agents with IRS Criminal Investigation (CI) visited Augustine at her Waterloo residence to discuss her unusual financial activity and again explained how her actions were illegal.

“Developing romantic attachments to bad characters can lead to financial ruin, or as in this case, involvement in money laundering schemes,” said Special Agent in Charge Thomas F. Murdock, IRS Criminal Investigation (CI). “Sadly, some seniors continue to

fall for the tricks of criminals. CI is proud to partner with other law enforcement agencies to help raise awareness in the senior community to protect them from even greater consequences.”

According to court documents, the defendant is accused of moving nearly \$400,000 in fraud proceeds even after receiving multiple warnings by federal law enforcement officers. She has continued to execute fraudulent financial transactions, thus acting as a money mule for a criminal organization.

The term “money mule” refers to individuals who receive funds and send the money on to the criminals who conduct the schemes.

The United States is seeking a permanent injunction against Augustine which would prohibit her from participating in money-transmitting activities in the future. FBI and IRS CI agents handled the investigation, and Assistant U.S. Attorney Adam Hanna is prosecuting the case with support from Assistant U.S. Attorney Scott Verseman.

If you believe you are participating in a money mule scheme, contact FBI Springfield immediately. As part of the Department of Justice’s Elder Justice Initiative, federal prosecutors visit senior communities throughout the Southern District of Illinois to give presentations on scams targeting older residents. To schedule a visit or learn more information, email Lauren Barry at Lauren.Barry@usdoj.gov.