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United States Attorney's Office
District of Oregon

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Damascus Woman Federally Indicted for Filing Fraudulent Small Claims in Circuit Courts Throughout Oregon

PORTLAND, Ore.—A Damascus, Oregon woman was arraigned in federal court Monday after she was indicted for filing twenty fraudulent small claims in circuit courts throughout Oregon and receiving at least \$190,000 in garnished funds from victims.

Sharon Neal has been charged with five counts of mail fraud.

According to the indictment, between August 2018 and November 2022, Neal is alleged to have devised and carried out a scheme wherein she filed multiple fraudulent small claims, in circuit courts throughout Oregon, on behalf of fictitious companies in order to obtain monetary judgments against victims. Neal made false allegations against victim companies saying they provided low quality products and services or failed to provide products and services, when in fact, the victim companies did not conduct business with Neal's sham companies, and many did not offer the products or services alleged in the small claims.

As part of the scheme, Neal then filed certificates of service, including copies of signed certified mail return receipts, falsely certifying that she served the claim and summons on the victims by certified mail. Instead, Neal sent empty envelopes to the victim companies so they were unaware of any small claims filed against them. Since victims were unaware of the pending cases, they did not respond to the claims and Neal was able to obtain default judgments and writs of garnishments. Neal would then provide the writ of garnishment to a victim's bank and receive a check for the judgment amount. Victims would only learn of these small claims after being notified of the garnished funds by their bank.

Neal made her initial appearance in federal court today before a U.S. Magistrate Judge. She was arraigned, pleaded not guilty, and ordered released pending a four-day jury trial scheduled to begin on February 18, 2025.

If convicted, Neal faces a maximum sentence of 20 years in federal prison, three years' supervised release, and a fine of \$250,000.

This case was investigated by the FBI. It is being prosecuted by Andrew T. Ho, Assistant U.S. Attorney for the District of Oregon.

An indictment is only an accusation of a crime, and a defendant is presumed innocent unless and until proven guilty.

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