

FILED

2008 JUL -3 PM 1:59

U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.
SANTA ANA

BY 

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

October 2007 Grand Jury

1
2
3
4
5
6
7
8
9
10
11 UNITED STATES OF AMERICA,)
12 Plaintiff,)
13 v.)
14 JOHN BRENT LEISKE,)
15 PAUL R. MARTIN,)
16 ALEX CHELAK,)
17 RICHARD ARTHUR PUNDT,)
18 WILLIAM JOSEPH FERRY,)
19 RONALD J. NOLTE,)
20 DENNIS J. CLINTON, and)
21 BRAD KEITH LEE,)
22 Defendants.)

NO. SA CR 08 - 00176

I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy;
18 U.S.C. § 1341: Mail Fraud;
18 U.S.C. § 1343: Wire Fraud;
18 U.S.C. § 2: Aiding and
Abetting/ Causing an Act To Be
Done]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

A. INTRODUCTION

At all times relevant to this Indictment:

1. Defendant ALEX CHELAK was a resident of Burlington,
Ontario, Canada, and a Canadian citizen.

28

1 2. Defendant DENNIS J. CLINTON was a resident of San
2 Diego, California.

3 3. Defendant WILLIAM JOSEPH FERRY was a resident of Corona
4 Del Mar, California.

5 4. Defendant BRAD KEITH LEE was a resident of San Diego,
6 California.

7 5. Defendant JOHN BRENT LEISKE was a resident of Lake
8 Oswego, Oregon.

9 6. Defendant PAUL R. MARTIN was a resident of Wycoff, New
10 Jersey.

11 7. Defendant RONALD J. NOLTE was a resident of Cooper
12 City, Florida.

13 8. Defendant RICHARD ARTHUR PUNDT was a resident of Cedar
14 Rapids, Iowa, and an attorney admitted to the Iowa Bar.

15 9. Special Agents of the Federal Bureau of Investigation
16 (FBI) conducted an undercover investigation into fraudulent
17 investment schemes specifically addressing those persons who
18 fraudulently promised substantial returns on investments with
19 supposedly low or no risk of loss.

20 10. As part of the undercover investigation, the FBI
21 created an undercover entity (UCE) in Newport Beach, California
22 that purported to be a financial advisory firm. An FBI Special
23 Agent (UCA-1) posed as a partner of the UCE seeking to invest
24 substantial monies for another FBI Special Agent posing as a
25 wealthy client (UCA-2).

26 11. A "High Yield Investment Program" (HYIP) is a general
27 term given to fraudulent schemes that are known by various
28 specific names, including "Prime Bank Guarantees," "Prime Bank

1 Debenture Programs," "Medium Term Note Trading Programs," and
2 "Roll Programs." Such programs do not exist as legitimate
3 investment vehicles. In these schemes, the fraud perpetrator
4 claims to have privileged access to secret financial trading
5 programs, which are falsely represented to be sanctioned by the
6 U.S. Federal Reserve Bank, the U.S. Treasury Department, the
7 World Bank, or some other entity involved in international
8 monetary transactions or policy. Claims are typically made that
9 a privileged few are invited to participate in the trading of
10 some form of bank security such as bank guarantees, notes,
11 stocks, or debentures, which can be bought at a discount and sold
12 at a premium. It is often claimed that there are only a few
13 "traders" or "commitment holders" in the world who are authorized
14 to trade these bank securities among the top 25 or 50 banks in
15 the world, often falsely referred to as "Prime Banks." By
16 conducting multiple "trades" in rapid succession, they claim to
17 be able to produce extraordinary rates of returns, far beyond any
18 normal investment. It is often further claimed that one of the
19 primary reasons these trading programs exist is to generate funds
20 for humanitarian purposes and that a portion of the investor's
21 profits must be used to provide humanitarian relief and aid
22 somewhere.

23 12. Perpetrators of HYIPs claim that a high degree of
24 secrecy is required for an investor to be allowed to participate
25 in the program, and they require the execution of various
26 documents which have no meaning in legitimate financial
27 transactions. Typically, the investor is directed to provide a
28 "Letter of Intent," a "Non-Solicitation Agreement," a

1 "Confidentiality Agreement," a "Non-Circumvention Letter," a
2 "Bank Proof of Funds," a "Client Information Summary," and a copy
3 of the investor's passport. The investor is typically told that
4 he must go through "compliance," which will purportedly be done
5 by the FBI, The Central Intelligence Agency (CIA), Federal
6 Reserve Bank (Fed) or some other government "compliance officer."
7 The investor is also told that his funds must be verified on a
8 "bank to bank" basis to make sure the funds exist and that the
9 funds must be "good, clean, clear funds of non-criminal origin."
10 The investor typically is assured that his funds are absolutely
11 safe and never at risk in any way. The scheme gradually
12 progresses to its ultimate goal, which is for the defendants to
13 gain control of all or a portion of the investor's funds, or the
14 unauthorized use of the investor-victim's credit.

15 B. THE CONSPIRACY

16 Beginning in or around February 2006, and continuing to in
17 or around December 2006, within Orange County, in the Central
18 District of California and elsewhere, defendants LEISKE, MARTIN,
19 CHELAK, PUNDT, FERRY, NOLTE, CLINTON, and LEE ("defendants") and
20 others known and unknown to the Grand Jury, conspired and agreed
21 with each other to knowingly and intentionally commit mail and
22 wire fraud in violation of Title 18, United States Code, Sections
23 1341 and 1343.

24 C. THE PURPOSE OF THE CONSPIRACY

25 It was the purpose of the conspiracy that the defendants
26 would unjustly enrich themselves through the promotion of a
27 fraudulent high yield investment scheme promising an extremely
28 high return at little or no risk to principal.

1 D. MANNER AND MEANS OF THE CONSPIRACY

2 The manner and means through which the purpose of the
3 conspiracy was to be accomplished were as follows:

4 13. It was a part of the conspiracy that defendants and
5 others would and did make fraudulent representations and promises
6 to the UCAs about defendants' ability to place the UCAs into a
7 "safe" HYIP.

8 14. It was a further part of the conspiracy that defendants
9 and others would and did fraudulently represent that defendants'
10 HYIP was a "no-risk, secret program."

11 15. It was a further part of the conspiracy that defendants
12 and others would and did fraudulently represent they had
13 successfully closed previous HYIPs in which extraordinary rates
14 of return were realized by other investors.

15 16. It was a further part of the conspiracy that defendants
16 and others, in an attempt to give the appearance of legitimacy,
17 would and did falsely represent that in order to be eligible to
18 invest in defendants' HYIP it was first necessary for the UCAs to
19 undergo a "compliance" process, during which time information
20 about the background of the UCAs and the source of their
21 investment funds would be collected and subjected to a "due
22 diligence" scrutiny by, among others, the CIA.

23 17. It was a further part of the conspiracy that defendants
24 and others, in an attempt to give the appearance of legitimacy,
25 would and did falsely represent that their HYIP was connected
26 with the Fed by claiming, among other things, that:

27 a. their investment program was a "Fed Trade Program"
28 regulated by the "Fed;"

1 b. they had to follow strict "Fed guidelines;"

2 c. their program was administered by a "Fed Trade
3 Administrator" and traded by a "licensed Fed Program trader;" and

4 d. "compliance" duties were handled by a "Fed
5 Compliance Officer" and that once the investor passed compliance
6 he would become "registered in Washington, D.C. with the Fed."

7 18. It was a further part of the conspiracy that
8 defendants and others, in an attempt to give the appearance of
9 legitimacy, would and did falsely represent that they would
10 arrange for the UCAs to meet with a Fed official and/or the
11 chairman of the board of a major U.S. bank to confirm the
12 existence of defendants' HYIP.

13 19. It was a further part of the conspiracy that defendants
14 and others would and did falsely claim that these "Fed"
15 investment programs existed primarily to generate funds for
16 "project funding" and "humanitarian purposes," such as funding
17 Hurricane Katrina relief.

18 20. It was a further part of the conspiracy that defendants
19 and others, in an attempt to give the appearance of legitimacy,
20 would and did falsely claim that the promised profits from
21 investing in a "Fed" program had to be divided, in equal amounts,
22 with one portion going for some "humanitarian" purpose, another
23 portion for some kind of "project financing," and the remainder
24 to the investor.

25 21. It was a further part of the conspiracy that defendants
26 and others, in an attempt to give the appearance of legitimacy,
27 would and did prepare and give to the UCAs certain agreements
28 that, among other things, would have created trusts and given

1 defendants the power of attorney over an offshore bank account
2 into which the UCAs would deposit the funds to be invested ("the
3 UCA offshore bank account").

4 22. It was a further part of the conspiracy that defendants
5 and others, in an attempt to give the appearance of legitimacy,
6 would and did represent to the UCAs that the UCA offshore bank
7 account would be managed by a Swiss banker who was already
8 managing billions of dollars for defendants.

9 23. It was a further part of the conspiracy that each
10 defendant would and did assume or play one or more roles in the
11 conspiracy, including:

12 a. defendant PUNDT acting as a broker or
13 intermediary, responsible for, among other things, introducing
14 prospective investors, such as the UCAs, to the next level of co-
15 conspirators;

16 b. defendant NOLTE acted as a so-called "Fed Trader
17 Administrator," purportedly responsible for, among other things,
18 "process[ing] the submissions for the Fed Trader" and "get[ting]
19 the proper paperwork to the Compliance Officer;"

20 c. defendant CHELAK acted as a so-called "Compliance
21 Officer," responsible for, among other things, checking out the
22 background of a prospective investor and the source of his funds;

23 d. defendant FERRY acted as an "underwriter" and
24 member of the "compliance team," responsible for, among other
25 things, gathering information from the prospective investor for
26 the "second tier of compliance;"

27 e. defendant MARTIN acted as a banking expert
28 supposedly with expertise in complex international banking

1 procedures;

2 f. defendant CLINTON acted as a "troubleshooter"
3 regarding the "compliance" phase of the transaction and the
4 transfer of funds to the Swiss banker;

5 g. defendant LEE acted as the link to the Swiss
6 banker; and

7 h. defendant LEISKE acted as a "trader," responsible
8 for, among other things, selecting and implementing the proposed
9 investment trading program.

10 24. It was a further part of the conspiracy that defendants
11 and others, for the purpose of, among other things, promoting
12 their fraudulent investment program and urging the UCAs to place
13 funds into defendants' fraudulent program, would and did:

14 a. make repeated interstate telephone calls to the
15 UCAs in California;

16 b. send interstate facsimile transmissions to the
17 UCAs in California;

18 c. send email transmissions to the UCAs in California
19 using interstate wire communications; and

20 d. meet with the UCAs in the Central District of
21 California, and elsewhere.

22 E. OVERT ACTS

23 In furtherance of the conspiracy and to accomplish the
24 object of the conspiracy, defendants and their co-conspirators,
25 together with others known and unknown to the Grand Jury,
26 committed and caused to be committed in the Central District of
27 California, and elsewhere, the following acts, among others:

28 25. On or about February 6, 2006, unindicted co-conspirator

1 J.S. had a phone conversation with UCA-1, in which J.S.:

2 a. described HYIPs as "a well kept secret" and
3 used by banks, insurance companies, and "major players" to make
4 money as well as to fund "humanitarian projects;" and

5 b. recommended that UCA-1 speak to PUNDT, an
6 attorney who is "direct with one of the traders" and who will
7 "get your comfort level to where its gotta be as far as what
8 these programs are all about."

9 26. On or about February 6, 2006, J.S. and PUNDT made a
10 conference call to UCA-1, in which PUNDT stated, among other
11 things, that:

12 a. he only deals with a "licensed Fed trader" or
13 one who follows the "Fed guidelines;"

14 b. prospective investors are typically required
15 to submit certain background information so "due diligence" can
16 be performed on them to ensure they do not have "a shaded past of
17 any kind and that [their] funds are clear, clean and unencumbered
18 of non-criminal origin;"

19 c. "Fed programs" require that a third of the
20 revenue generated through the investment go to "humanitarian
21 projects," another third for "project funding," and the final
22 third to the investor;

23 d. he had been involved with these kinds of
24 investment programs for nearly four years; and

25 e. he did not know of any investors who had lost
26 money in these deals and that only if the trader were a "complete
27 idiot," could he lose money.

28 27. On or about February 15, 2006, PUNDT had a phone

1 conversation with UCA-1, in which he stated, among other things,
2 that:

3 a. "typically I work with a Fed Trade Administrator
4 on

5 a Fed platform who works with a [licensed] Fed Trader;" and

6 b. the "licensed fed trader won't take anything
7 below 500M," and typically only takes deals of \$1 billion and
8 above.

9 28. On or about March 6, 2006, PUNDT had a phone call
10 with UCA-1 in which he offered to introduce UCA-1 to a "bonafide
11 Fed Program Trader," and stated that the "Fed rules are very
12 strict."

13 29. On or about March 7, 2006, PUNDT sent UCA-1 an email
14 informing him that the "FED Trade Administrator ... must follow
15 very strict procedures," and that "in order to proceed" it would
16 be necessary for UCA-1 to complete certain documents addressed to
17 the so-called "Compliance Officer" and agree to pay 10% of one-
18 third of gross returns on the HYIP investment to "a specific
19 Humanitarian Project."

20 30. On or about March 8, 2006, PUNDT directed the UCA-1 to
21 complete a document captioned "Protection of Administration
22 Donation Fees" on the letterhead of Coastal Funding Corp. that
23 designated the "R. J. Nolte (non profit) Humanitarian Foundation"
24 as the entity "to which a portion of the required Humanitarian
25 donations are to be paid."

26 31. On or about March 8, 2006, PUNDT also directed UCA-1 to
27 complete other documents, such as a "Letter of Intent" and a
28 "Proof of Funds," (herein collectively referred to as the

1 "compliance documents") and return them to PUNDT "for submission
2 to the FED Trade Program administrated through the Trade
3 Administrator Ron Nolte." PUNDT further stated that NOLTE would
4 then arrange for the compliance documents to be submitted to the
5 "Compliance Officer, Mr. Alex Chelak," and once due diligence on
6 UCA-2 was completed, NOLTE or CHELAK would contact UCA-1.

7 32. On or about March 22, 2006, PUNDT forwarded to UCA-1 an
8 email from NOLTE, in which NOLTE claimed, among other things,
9 that:

10 a. he was "next to a compliance official for a Tier
11 one Master Trader out of London;"

12 b. "all that is needed initially for compliance
13 approval and acceptance is a current bank statement, a color
14 passport and a client information sheet, [and then] Washington
15 will give the initial clearance;"

16 c. "this Trade group is the premier Trade group
17 in the world" and "they will not tolerate any client's [sic] that
18 don't follow their procedures;" and

19 d. "the U.S. Treasury will oversee the dispersal's
20 [sic] made directly to [the intermediaries] by the Trader."

21 33. On or about March 23, 2006, PUNDT called UCA-1 and
22 stated that:

23 a. CHELAK handles "compliance" and "works directly
24 with the CIA."

25 b. "I know there are people running around saying
26 there is no such thing [as a licensed Fed Trader]. Well they're
27 wrong;"

28 c. "these trades that are done through the Feds are

1 done specifically for humanitarian and project funding;" and

2 d. these trading programs are regulated by the
3 Federal Reserve and only "open to very elite people."

4 34. On or about April 6, 2006, PUNDT forwarded to UCA-1 an
5 email from NOLTE, in which NOLTE stated that in order to "clear
6 the way for final approval and completion of the contract with
7 the Fed Trader," he needed a current bank statement showing that
8 UCA-2 had \$1 billion and UCA-2's agreement to move those funds
9 into another account once he "is registered ... in Washington,
10 D.C."

11 35. On or about April 6, 2006, PUNDT emailed UCA-1 a
12 "standard Fee Protection Agreement" (FPA) to be signed by UCA-2
13 covering the fee to be paid to PUNDT and others as
14 intermediaries. According to PUNDT, this FPA was necessary
15 because the "Fed ... will stop the trade" and freeze the funds if
16 an intermediary is not properly paid.

17 36. On or about April 7, 2006, NOLTE called UCA-1 and
18 stated that UCA-2 "has been approved to move to our first phase
19 of compliance and has been registered in Washington for this
20 transaction."

21 37. On or about April 7, 2006, PUNDT sent UCA-1 an email,
22 with a "cc" to NOLTE, stating that:

23 a. UCA-1 has been "introduced to the proper parties"
24 and "will be dealing with the real thing at a very high level;"

25 b. "this is exclusive and not many people get the
26 opportunity to even get this far;" and

27 c. "this matter [should] be treated with the greatest
28 of respect and importance."

1 38. On or about April 7, 2006, PUNDT and NOLTE had a
2 conference phone call with UCA-1, during which time NOLTE told
3 UCA-1 that:

4 a. UCA-2 has "been registered in Washington, D.C.
5 under our Fed Trader;" and

6 b. "officially, these type of opportunities do not
7 exist.... its only available to people who have the right
8 contacts to get into them."

9 39. On or about April 10, 2006, PUNDT had a phone
10 conversation with UCA-1, and stated that:

11 a. "over 90 percent of [the people in this business]
12 are either totally bad news or cannot perform so you have to
13 be extraordinarily careful with whom you deal in this business;"
14 and

15 b. "I've checked Ron [NOLTE] out, I'm very comfortable
16 with him."

17 40. On or about April 11, 2006, PUNDT had a phone
18 conversation with UCA-1, and informed him that "Alex Chelak ...
19 the main compliance officer ... will send someone from his
20 compliance team" to meet with UCA-1 and UCA-2 to assist them in
21 completing the necessary documents "for the second level of
22 compliance."

23 41. On or about April 12, 2006, PUNDT had a phone
24 conversation with UCA-1, and threatened to "stop the transaction
25 now" unless UCA-2 signed the FPA. PUNDT stated that "I'm not
26 gonna use my contacts. This whole business, getting to the right
27 people, is who you know, and the right contacts. And I'm not
28 going to, as an intermediary ... allow this to proceed if he

1 [UCA-2] doesn't follow the rules."

2 42. On or about April 14, 2006, UCA-1 faxed PUNDT, at his
3 direction, the signed FPA.

4 43. On or about April 20, 2006, FERRY met with UCA-1 for
5 the purpose of getting documents completed for the "second level
6 of compliance" and stated that:

7 a. he was the "underwriter" and travels all over the
8 country "doing this";

9 b. he has been doing this since 1998-99; and

10 c. "Alex works through me."

11 44. On or about April 21, 2006, FERRY met again with UCA-1,
12 and represented that:

13 a. these trading programs are done primarily to fund
14 foundations to help people all over the world;

15 b. there was no way to lose money in these programs;
16 and

17 c. he is currently involved in deals "as high as \$100
18 [billion]."

19 45. On or about May 4, 2006, UCA-1 emailed to FERRY a
20 document purporting to be a bank account statement showing funds
21 held by UCA-2 with a balance of \$1,000,399,934.

22 46. On or about May 15, 2006, LEISKE, MARTIN, CHELAK, and
23 FERRY met UCA-1 and UCA-2 in Newport Beach, California, during
24 which time the defendants made representations about their
25 purported past successes and experience with various HYIPs,
26 including the following statements by LEISKE:

27 a. "We've been involved in 44 [high yield]
28 transactions since 1998" and most of them run about \$5 billion

1 each;

2 b. he knew of no instance where an investor had lost
3 any of his principal investment;

4 c. they hold an account of about \$600 billion
5 accumulated from "prior profits;"

6 d. On past transactions they have obtained returns
7 ranging from 300 to 600 percent;

8 e. they have been involved in the funding of about 70
9 to 80 humanitarian projects, including "all three private
10 satellites" at a cost of \$16 billion and another project that
11 cost around \$120 billion;

12 f. they have been audited by the SEC, FBI, Treasury
13 Department, Federal Reserve, and banks, and have passed all of
14 them; and

15 g. their group consists of attorneys, accountants,
16 and bankers, half of whom work in "national government agencies"
17 while the other half are in the private sector.

18 47. On or about May 16, 2007, CHELAK, MARTIN, FERRY, and
19 PUNDT met with UCA-1 and UCA-2 in Newport Beach, California,
20 during which time UCA-2 executed a "Trading Authorization Limited
21 Power of Attorney" giving CHELAK, through "AW Trust," the power
22 and authority to use funds from the UCA offshore bank account "to
23 buy, sell and trade in Financial Instruments."

24 48. On or about May 16, 2007, PUNDT and NOLTE also met
25 with UCA-1 and UCA-2 in Newport Beach, California, during which
26 time,

27 a. NOLTE stated, among other things, that (A) his
28 main role related to compliance and due diligence for the "first

1 and second phases," (B) he was involved also because his
2 charitable project was being used to satisfy the requirement that
3 some of the investment proceeds be used for humanitarian
4 purposes, (C) he had provided all his clients in the past to
5 CHELAK, and (D) their HYIP was sanctioned by the Federal Reserve
6 and Treasury;

7 b. PUNDT indicated, among other things, that he was
8 aware of the warnings on the internet about HYIPs being
9 fraudulent.

10 49. On or about May 17, 2006, CHELAK and FERRY met with
11 UCA-1 and gave him the coordinates for a test wire transfer of
12 \$200 from UCA-2's bank account in the United States to the UCA
13 offshore bank account in London that was to be managed by CAM
14 "for the custody of AW Trust."

15 50. On or about May 29, 2006, C.C., purportedly a Swiss
16 banker, emailed UCA-2 an agreement relating to the proposed
17 transfer by UCA-2 of \$1 billion to an account at Lehman Brothers
18 in London, managed by C.C. through his company CAM.

19 51. On or about June 4, 2006, LEE and LEISKE entered a
20 "Memorandum of Understanding," signed by CLINTON on behalf of
21 LEISKE, wherein they agreed, among other things, with respect to
22 the anticipated \$1 billion investment by UCA-2, that:

23 a. there would be "two initial distributions" of
24 \$250 million pursuant to LEISKE's "instructions," with the first
25 distribution made seven days from the deposit of the \$1 billion
26 with CAM, and the second one seven days later; and

27 b. UCA-2 was a "contact" of LEISKE's and LEE would
28 not communicate with UCA-2 "unless authorized otherwise by"

1 LEISKE.

2 52. On or about June 5, 2006, C.C. had a phone
3 conversation with UCA-1 and UCA-2 in which he stated that his
4 contacts were through CLINTON and LEE.

5 53. On or about June 5, 2006, CHELAK had a phone
6 conversation with UCA-1 and stated that C.C.'s role was as
7 "custodian" only, and that LEISKE had a \$600 Billion account with
8 C.C.

9 54. On or about June 6, 2006, CHELAK had a phone
10 conversation with UCA-1 and declared that CLINTON and LEE work
11 directly for LEISKE.

12 55. On or about June 12, 2006, CLINTON and FERRY met with
13 UCA-1, in Newport Beach, California, to resolve any problems
14 concerning the delay in executing the test wire of funds from the
15 UCA bank account to CAM. Among other things, CLINTON stated that
16 he worked for LEISKE and was in direct contact with others,
17 including CAM and LEE. CLINTON stated that LEE "needs a phone
18 call as soon as we're ready [to send the test wire]." CLINTON
19 also told UCA-1 that he had been in "this business" for about 15
20 years and that:

21 you have a real simple deal basically. Your simple deal
22 is that you have a guarantee that your principal will
come back and you will make 20% period.

23 56. On or about June 12, 2006, upon leaving the meeting
24 with UCA-1, CLINTON called LEISKE and LEE on his cell phone.

25 57. On or about September 14, 2006, CHELAK called UCA-1
26 and stated that LEISKE had been unable to complete the
27 transaction for UCA-2 because LEISKE was still working on a
28 "huge" deal involving "many many B's" and that the "agency boys"

1 wanted LEISKE to finish that one before doing the one for UCA-2.

2 58. On or about September 19, 2006, CHELAK called UCA-1
3 and stated that "Brent [LEISKE] runs everything ... he runs the
4 whole show," and that LEISKE was arranging for UCA-2 to speak to
5 a "Fed Official" to verify the existence of the trading programs
6 in which UCA-2 would be investing his \$1 billion.

7 59. On or about October 10, 2006, PUNDT had a phone
8 conversation with UCA-1, in which PUNDT attempted to dissuade
9 UCA-1 from contacting some other group offering high yield
10 investments because, despite the delays in getting the investment
11 completed, CHELAK is "the real thing and his trader is licensed."

12 60. In or about September or October 2006, LEE provided to
13 an Indian Tribal Executive Board in Montana a copy of the bank
14 statement identified in paragraph 45 above, falsely claiming that
15 LEE had control over the \$1 billion in that account.

16 All in violation of Title 18, United States Code, Section
17 371.

18
19
20
21
22
23
24
25
26
27
28

COUNTS TWO through FOUR

[18 U.S.C. §§ 1341 and 2]

61. Paragraphs 1 through 12 are realleged and incorporated herein by reference, as if set forth in full.

62. Beginning in or about February 2006, and continuing to in or about December 2006, in the Central District of California, and elsewhere, defendants JOHN BRENT LEISKE, PAUL R. MARTIN, ALEX CHELAK, RICHARD ARTHUR PUNDT, WILLIAM JOSEPH FERRY, RONALD J. NOLTE, DENNIS J. CLINTON, and BRAD KEITH LEE ("defendants") and others both known and unknown to the Grand Jury, aiding and abetting each other, knowingly devised, intended to devise, and participated in a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme is described in paragraphs 13 through 24 of this Indictment, which paragraphs are incorporated herein by reference.

63. On or about the dates listed for each count below, in the Central District of California and elsewhere, for the purpose of executing the aforesaid scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and attempting to do so, defendants caused to be delivered by the U.S. Postal Service, and private and commercial interstate carrier, according to the directions thereon, the matters and things listed below:

//

//

//

COUNT	DATE	ITEM MAILED
2	5/18/06	Bank of America "Funds Transfer Request and Authorization" form signed by "George Tarpinski" sent by Federal Express by FERRY from Corona del Mar, California, to LEISKE in Lake Oswego, Oregon
3	7/25/06	Agreement between CAM and New Mar Mesa Group sent by Federal Express by CLINTON from San Diego, California, to FERRY in Corona del Mar, California
4	8/17/06	Various documents, including a letter from CAM dated August 14, 2006, counter signed by "George Tarpinski," sent by Federal Express by FERRY in Corona del Mar, California, to CLINTON in San Diego, California

All in violation of Title 18, United States Code, Sections 1341 and 2.

1 COUNTS FIVE through TEN

2 [18 U.S.C. §§ 1343 and 2]

3 64. Paragraphs 1 through 12 are realleged and incorporated
4 herein by reference, as if set forth in full.

5 65. Beginning on or about February 2006, and continuing to
6 in or about December 2006, in the Central District of California,
7 and elsewhere, the defendants, JOHN BRENT LEISKE, PAUL R. MARTIN,
8 ALEX CHELAK, RICHARD ARTHUR PUNDT, WILLIAM JOSEPH FERRY, RONALD
9 J. NOLTE, DENNIS J. CLINTON, and BRAD KEITH LEE ("defendants")
10 and others both known and unknown to the Grand Jury, aiding and
11 abetting each other, knowingly devised, intended to devise, and
12 participated in a scheme and artifice to defraud and to obtain
13 money and property by means of materially false and fraudulent
14 pretenses, representations, and promises, which scheme is
15 described in paragraphs 13 through 24 of this Indictment, which
16 paragraphs are incorporated herein by reference.

17 66. On or about the dates listed for each count below, in
18 the Central District of California and elsewhere, for the purpose
19 of executing the aforesaid scheme to defraud and to obtain money
20 and property by means of materially false and fraudulent
21 pretenses, representations and promises, and attempting to do so,
22 the defendants transmitted, caused to be transmitted, and aided
23 and abetted the transmission, by means of wire communications in
24 interstate and foreign commerce, the following writings, signs,
25 signals, and sounds:

COUNT	DATE	WIRE TRANSMISSION
5	3/23/06	Telephone call from PUNDT in Iowa to UCA-1 in Newport Beach, California
6	4/17/06	Telephone conference call from CHELAK in Canada and NOLTE in Florida to UCA-1 in Newport Beach, California
7	4/17/06	Telephone call from NOLTE in Florida to UCA-1 in Newport Beach, California
8	6/6/06	Telephone call from UCA-1 in Newport Beach, California to CHELAK in Canada
9	6/8/06	Telephone conference call from CHELAK in Canada, MARTIN in New Jersey, and FERRY in California to UCA-1 in Newport Beach, California
10	9/14/06	Telephone call from CHELAK in Canada to UCA-1 in Newport Beach, California

//

//

//

//

//

//

//

//

//

//

//

//

28

1 All in violation of Title 18, United States Code, Sections
2 1343 and 2.

4 A TRUE BILL

6 15)
7 FOREPERSON

8 THOMAS P. O'BRIEN
9 United States Attorney

10 CHRISTINE C. EWELL
11 Assistant United States Attorney
12 Chief, Criminal Division

Robb C. Adkins

13 ROBB C. ADKINS
14 Assistant United States Attorney
15 Chief, Santa Ana Branch Office

16 STEVEN A. TYRRELL
17 Chief, Fraud Section
18 Criminal Division
19 United States Department of Justice

Joel E. Leising
20 JOEL E. LEISING
21 Senior Trial Attorney
22 Criminal Division
23 United States Department of Justice
24
25
26
27
28