UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA, Plaintiff,	)	INFORMATION CR 08-302 JMR
v.	)	(18 U.S.C. § 1956(h))
MICHAEL ALAN CATAIN, Defendant.	)	

THE UNITED STATES ATTORNEY CHARGES THAT:

<u>Count 1</u>
(Money Laundering Conspiracy)
18 U.S.C. § 1956(h)

1. From in or about 1995 and continuing through in or about September 2008, in the State and District of Minnesota and elsewhere, the defendant,

MICHAEL ALAN CATAIN,

did knowingly and willfully conspire with a person identified in this Criminal Information as "Individual A," and others known and unknown to the United States, knowingly and willfully to conduct and attempt to conduct financial transactions affecting interstate commerce, namely, transfers of the proceeds of specified unlawful activity to themselves or for their benefit, which transactions involved proceeds of a specified unlawful activity, that is, the mail fraud described herein, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity and knowing that the transactions were designed in whole and in part to conceal or disguise the nature, source, ownership and control of the proceeds of the specified unlawful activity and with the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code Sections 1956(a)(1)(A)(i) and (B)(i), all in violation of Title 18, United States Code, Section 1956(h).

2. In or about 2002, the defendant started a company, Enchanted Family Buying Company ("EFBC"), a Minnesota Corporation. EFBC was a shell corporation and had no real operations. In or about 2002, the defendant opened a bank account in the name of EFBC at Anchor Bank, a federally insured bank in Minnesota. At the request of Individual A, the owner and president of another company, Company A, the defendant began receiving funds into the EFBC account at Anchor Bank for Company A. These funds were wired into the EFBC account at Anchor Bank from third-party investors that loaned money to Company A. These third-party investors were advised that the funds were being sent to EFBC for the purchase of consumer electronics by Company A. In fact, the defendant wired almost all of the funds back to Company A.

3. Starting in or about 2002 until in or about September 2008, approximately $12 billion was routed through the EFBC account and re-directed to the account of Company A. Multiple times each month, wire transfers were made into the EFBC account. Wire transfers into the EFBC account from lenders ranged from approximately $2 million to approximately $25 million. Based on an agreement with Individual A, the defendant kept a percentage of the funds run through the EFBC account as a "commission." After each wire transfer into the account, the defendant, or someone working

at his direction, caused a wire transfer of the funds, less a commission of between .025 and .05 percent, from the EFBC account to the account of Company A.

4. The defendant knew that the funds wired into the EFBC account came from investors that were providing loans to Company A. The defendant knew that Individual A and Company A made false representations to investors about EFBC and the purpose of the funds wired to EFBC. The defendant knew that the wire transfers to the EFBC account were purported to be for the purchase of merchandise from EFBC by Company A. The defendant knew that Company A made no purchases of merchandise from EFBC. The defendant knew that the EFBC account was being used by Individual A and Company A to conceal or disguise the nature, source, ownership and control of the funds and to promote Individual A's mail fraud scheme.

5. From in or about 2002 until in or about September 2008, the defendant obtained over $3 million dollars in commissions for his role in the scheme. The vast majority of the fraud proceeds went to Company A and Individual A, and were then used to fund the operations of other companies owned by Individual A, to pay others who assisted in the fraud scheme, and for Individual A's extravagant lifestyle.

Forfeiture Allegations

Count 1 of this Information is hereby realleged and incorporated as if fully set forth herein by reference, for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(1).

As a result of the offense alleged in Count 1 of this Information, the defendant shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(1), all property, real or personal, involved in such offense, and any property traceable to such property.

If any of the above-described forfeitable property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1).

All in violation of Title 18, United States Code, Sections 982(a)(1) and 1956(h).

Date: 10/3/08

FRANK J. MAGILL, JR.
United States Attorney

BY: ______________________
JOSEPH T. DIXON, III
JOHN R. MARTI
TIMOTHY C. RANK
Assistant U.S. Attorneys