

Presented to the Court by the foreman of the
Grand Jury in open Court, in the presence of
the Grand Jury and FILED in The U.S.
DISTRICT COURT at Seattle, Washington.

February 18 20 *10*
BRUCE RIFKIN, Clerk
By *A. Went Zachary* Deputy

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

KEVIN A. HALVERSON

Defendant.

NO. CR 10 - 35 JLR

INDICTMENT

The Grand Jury charges that:

**COUNTS 1 - 4
(Wire Fraud)**

I INTRODUCTION

1. KEVIN A. HALVERSON operated a sole proprietorship, Total Ticket Services ("TTS") in Bothell, Washington. The business of TTS was the purchase and sale of tickets for sporting events such as the Super Bowl and the Indianapolis 500, concerts, and Las Vegas, Nevada shows.

2. On September 22, 2006, three different creditors, who were victims of the fraudulent scheme which is the subject of this Indictment, filed involuntary Chapter 7 bankruptcy petitions against KEVIN A. HALVERSON and his wife in the United States Bankruptcy Court for the Western District of Washington.



1 3. As part of the bankruptcy proceedings, KEVIN A. HALVERSON filed
2 various schedules on which he listed the assets and liabilities of him and his wife. In one
3 such schedule, Schedule B, he purported to list all of their personal property, including
4 approximately \$450,000 in cash, which he claimed represented the proceeds from the sale
5 of tickets. On other schedules, Schedules D and E, he reported secured and unsecured
6 debts exceeding \$10,000,000, primarily in the form of unpaid loans.

7 4. At a meeting of creditors on January 18, 2007, KEVIN A. HALVERSON
8 testified under oath that the cash listed on Schedule B was from the sale of TTS's ticket
9 inventory. He promised to turn over the funds to the bankruptcy trustee, but instead he
10 absconded.

11 12 **II THE SCHEME AND ARTIFICE TO DEFRAUD**

13 **A. The Essence of the Scheme and Artifice**

14 1. Beginning at a date uncertain but in or about January 2003, and
15 continuing until in or about September 2006, KEVIN A HALVERSON, in Bothell,
16 within the Western District of Washington, and elsewhere, knowingly and willfully
17 executed and attempted to execute a scheme and artifice to defraud investors in his ticket
18 business by means of false and fraudulent pretenses, representations, and promises, in that
19 he told investors that funds which they provided to him and his business would be used to
20 buy tickets to various spectator events, sometimes specifying the particular event for
21 which he purportedly intended to purchase tickets for resale, when in fact, he used these
22 investors' money to pay "interest" on earlier investments; to repay principal on earlier
23 investments; and, for his own personal benefit, including his gambling. The scheme and
24 artifice to defraud constitutes a classic "Ponzi" scheme.

25 **B. The Scheme and Artifice to Defraud**

26 1. It was part of the scheme and artifice to defraud that KEVIN A.
27 HALVERSON solicited and caused others to solicit investments on his behalf and on the
28 behalf of his business by promising high rates of return, payable on funds invested for a

1 short period of time, sometimes as much as Fifty Percent of the amount invested for a six
2 month period.

3 2. It was further a part of the scheme and artifice to defraud that KEVIN A.
4 HALVERSON and those soliciting on his behalf, claimed that he was using the invested
5 funds to purchase tickets to various sporting events, concerts, and Las Vegas, Nevada
6 shows; that he had connections through Ticketmaster and other sources to obtain highly
7 sought after seats to these events; and, that he was able to pay high rates of returns on
8 these investments because he was able to resell the tickets that he purchased at a high
9 profit margin, sometimes equaling two to three times the face value of the ticket.

10 3. It was further a part of the scheme and artifice to defraud that KEVIN A.
11 HALVERSON used a small percentage of the invested funds to actually purchase event
12 tickets so as to perpetuate the image that he was operating a successful, ongoing ticket
13 sales business.

14 4. It was a further part of the scheme and artifice to defraud that KEVIN A.
15 HALVERSON and those soliciting on his behalf, requested that investments be made
16 either in cash or through cashier's checks, which they often sought the investors
17 assistance in cashing.

18 5. It was a further part of the scheme and artifice to defraud that KEVIN A.
19 HALVERSON used most of the invested funds to pay the promised interest that was due,
20 or delinquent, on prior investments, and to repay the principal investment when investors
21 insisted on the return of their investments.

22 6. It was a further part of the scheme and artifice to defraud that KEVIN A.
23 HALVERSON sought to induce those whose investments had become due and owing, to
24 renew or rollover the principal amount of the investment for an additional period and to
25 make additional investments. Often, KEVIN A. HALVERSON accomplished this
26 inducement by paying the investor, using funds that he had received from more recent
27 investors, the promised interest.
28

1 7. It was further part of the scheme and artifice to defraud that KEVIN A.
2 HALVERSON routinely signed promissory notes, sometimes drafted by the investors,
3 with either KEVIN A. HALVERSON or his business entity as the named obligor, in
4 which the terms of the commitment were set forth. On some occasions, one of the other
5 persons who solicited investments for the business or KEVIN A. HALVERSON's wife
6 would also sign the note as a guarantor. The purpose of the note was to provide an
7 additional inducement to investors that their investments would be repaid with the
8 promised interest.

9 8. It was a further part of the scheme and artifice to defraud that KEVIN A.
10 HALVERSON would occasionally provide investors with tickets to various events for
11 their personal use to enhance the perception that his business was successful and that he
12 actually had access to a wide variety of event tickets.

13 9. It was further part of the scheme and artifice to defraud that KEVIN A
14 HALVERSON would, without authorization from the investor, use a credit card issued to
15 the investor to purchase tickets for events for distribution through his business.

16 10. It was a further part of this scheme and artifice to defraud that KEVIN A.
17 HALVERSON caused investments in excess of \$10,000,000.00 to be made to him and to
18 his ticket business, all induced with promises of high returns to be paid after
19 comparatively short periods of time.

20 **C. EXECUTION OF THE SCHEME AND ARTIFICE TO DEFRAUD**

21 1. On or about the dates set forth below, at Bothell, within the Western District of
22 Washington and elsewhere, KEVIN A. HALVERSON having devised the scheme and
23 artifice to defraud and for obtaining money by means of false and fraudulent pretense,
24 representations, and promises, knowingly and willfully did transmit and cause to be
25 transmitted by means of wire communication in interstate and foreign commerce any
26 writings, signs, signals, pictures, and sounds, for the purpose of executing the scheme and
27 artifice to defraud, in that, KEVIN A. HALVERSON did cause each of the following
28 wire transmissions from Homestreet Bank, the investor's bank in the Western District of

1 Washington, through the Federal Reserve Bank of San Francisco, in San Francisco,
2 California, to Bank of America, the bank in which KEVIN A. HALVERSON maintained
3 his personal and business accounts in the Western District of Washington, each of which
4 constitutes a separate numbered count in this Indictment, and together these transmissions
5 form a representative sample of the investments induced through this fraudulent scheme
6 and artifice to defraud.

Count	Date	Amount of Wire Transfer	Receiving Bank Account Number
1	03/02/2005	\$100,000.00	****1804 (Total Ticket Services)
2	08/15/2005	\$100,000.00	***5813 (KEVIN A. HALVERSON)
3	08/26/2005	\$100,000.00	***5813 (KEVIN A. HALVERSON)
4	10/19/2005	\$200,000.00	***5813 (KEVIN A. HALVERSON)

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

Counts 5 – 9
(Engaging in Monetary Transactions)

On or about the dates set forth below, in Bothell, within the Western District of Washington, and elsewhere, KEVIN A. HALVERSON, knowingly and willfully, did engage in and cause to be engaged in the monetary transactions listed below in criminally derived property of a value greater than \$10,000, which in fact derived from specified unlawful activity, to wit: wire fraud as described in Counts 1 through 4 of this Indictment in violation of Title 18, United States Code, Section 1343 and Section 2, to wit: checks written on accounts in the name of, and controlled by, KEVIN A. HALVERSON, to investors in the fraudulent scheme to defraud as purported payments of interest on such investments; each such monetary transaction constitutes a separate numbered count in this Indictment, and together these transactions form a representative sample of the monetary transactions completed by KEVIN A. HALVERSON with the proceeds of this fraudulent scheme and artifice to defraud.

Count	Date	Amount of Monetary Transaction	Nature of Monetary Transaction	Investor Paid
5	03/03/2005	\$50,000.00	Check from Account ****1804	A.C.
6	08/17/2005	\$19,000.00	Check from Account ***5813	C.J.
7	10/20/2005	\$10,500.00	Check from Account ***5813	M.B.
8	10/21/2005	\$10,500.00	Check from Account ***5813	R.B.
9	10/25/2005	\$12,000.00	Check from Account ***5813	P.S.

All in violation of Title 18, United States Code, Section 1957 and Section 2.

ALLEGATIONS OF FORFEITURE

The allegations of the Indictment set forth above are hereby realleged and incorporated by reference for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Section 982(a)(2) and Title 28, United States Code, Section 2461(c).

Pursuant to Title 18, United States Code, Section 982(a)(1) and 982(a)(2)(A) and Title 28, United States Code, Section 2461(c), upon conviction of the offense charged in Counts 1 through 9 above, KEVIN A. HALVERSON shall forfeit to the United States any and all property, real or personal, which constitutes or is derived from proceeds traceable to a violation of Title 18, United States Code, Section 1343 (Wire Fraud) and Title 18, United States Code, Section 1957 (Engaging in Monetary Transactions), including but not limited to, the following:

A. Money Judgement

A sum of money in United States funds, representing the amount of the proceeds obtained as a result of the offense charged in Counts 1 through 9;

1 B. Substitute Assets

2 If any of the above-described forfeitable property, as a result of any act or
3 omission of KEVIN A. HALVERSON –

- 4 1. cannot be located upon the exercise of due diligence;
5 2. has been transferred or sold to, or deposited with, a third party;
6 3. has been placed beyond the jurisdiction of the Court;
7 4. has been substantially diminished in value; or,
8 5. Has been commingled with other property which cannot be subdivided
9 without difficulty;

10 it is the intent of the United States, pursuant to Title 21, United States Code, Section
11 853(p) to seek the forfeiture of any other property of KEVIN A. HALVERSON up to the
12 value of the above-described forfeitable property.

13
14 A TRUE BILL:

15 DATED: February 18 2010
16

17
18 FOREPERSON

19 Signature of Foreperson redacted pursuant to
20 the policy of the Judicial Conference of the
21 United States

22 
23 JENNY A. DURKAN
24 United States Attorney

25 
26 ROBERT WESTINGHOUSE
27 Assistant United States Attorney
28