

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA



**INDICTMENT FOR WIRE FRAUD AND INTERNATIONAL
MONEY LAUNDERING AND NOTICE OF FORFEITURE**

UNITED STATES OF AMERICA

versus

WALLACE BYERS

: CRIMINAL NO. 19-24-BAJ-EWD
:
:
: 18 U.S.C. § 1343
: 18 U.S.C. § 1956(a)(2)(B)(i)
: 18 U.S.C. § 1956(i)(1)(B)
: 18 U.S.C. § 981
: 18 U.S.C. § 982
: 21 U.S.C. § 853
: 28 U.S.C. § 2461

THE GRAND JURY CHARGES:

At All Relevant Times Herein:

1. **WALLACE BYERS ("BYERS")** was a resident of Florida.
2. **WBI ASSOCIATES, LLC ("WBI")** was a Delaware limited liability company owned and controlled by **BYERS** that purportedly invested in high-yield investments.
3. **BYERS INVESTMENTS, LLC ("BYERS INVESTMENTS")** was a Delaware limited liability company owned and controlled by **BYERS**.
4. Victim A was a resident of Baton Rouge, Louisiana, who worked in the financial services industry.
5. Victim B was a resident of Baker, Louisiana, and long-time associate of Victim A.
6. Victim C was a resident of Virginia, who wanted to invest in gold.

AUSA group,
White,
USM

7. Victim D was a resident of Arizona, who had previously lost money investing in a lottery company.

8. Victim E was a resident of Hawaii and California, who had previously lost money investing in a lottery company.

9. Victim F was a resident of Minnesota and Florida, who had previously lost money investing in a lottery company.

10. Victim G was a resident of Indiana, who had previously lost money investing in a lottery company.

11. Victim H was a resident of California, who wanted to invest in foreign currency.

COUNTS ONE, TWO, AND THREE
(Wire Fraud)

Scheme to Defraud

12. Paragraphs 1 through 11 of this Indictment are incorporated herein by reference as factual allegations.

13. Beginning in or about October 2014 and continuing through in or about November 2018, in the Middle District of Louisiana and elsewhere, **WALLACE BYERS** (“**BYERS**”), defendant herein, devised and intended to devise a scheme to defraud, and to obtain money and property from Victim A, Victim B, Victim C, Victim D, Victim E, Victim F, Victim G, and Victim H, by means of materially false and fraudulent pretenses, promises, and representations, and for the purpose of executing the scheme, did knowingly cause interstate wire communications to be sent between the Middle District of Louisiana and locations outside the State of Louisiana.

Purpose of the Scheme to Defraud

14. The purpose of the defendant’s scheme was to unlawfully enrich himself.

Manner and Means

15. The manner and means by which **BYERS** sought to accomplish the purpose and object of the scheme to defraud included, among other things, the following:

- a. **BYERS** identified potential victims through commercial services that provided investor leads, social networking websites, and documents that identified victims of other schemes.
- b. **BYERS** solicited victims to invest with **WBI** by contacting them by telephone, text message, and email.
- c. **BYERS** told victims that the money would be invested, variously, in gold production, a lottery company, foreign currency, or “dark pools” or “blind pools.” Most of the money **BYERS** received from victims was not invested, but instead diverted to **BYERS’** personal use.
- d. To make his investment proposals appear legitimate, **BYERS** appropriated the names, logos, and marketing materials of other companies to create the impression that he was associated with these companies.
- e. **BYERS** told victims that he was paid by commission or fees.
- f. **BYERS** also represented that he had a partner, M.S., who would financially back any client’s investment.
- g. In order to induce victims to invest with **WBI**, **BYERS** made numerous materially false and fraudulent statements, representations, and promises, including among others, the following:
 - i. that **BYERS** had been a licensed financial broker for over 25 years;

ii. that **BYERS** had passed the Series 6 and 7 exams administered by the Financial Industry Regulatory Authority (“FINRA”);

iii. that **WBI** would refund or redeem the investment upon request;

iv. that victims would receive significant returns, often double or triple the investment; and

v. that victims would be paid within a short time frame.

h. For example, on December 14, 2016, **BYERS** emailed documents to Victim C about an investment in gold. In the cover letter, **BYERS** promised a \$300,000 return on a \$100,000 investment and promised to have Victim C “out” within two days. Victim C never received any money. On June 19, 2017, Byers emailed a very similar cover letter to Victim E that solicited a \$200,000 investment in a lottery company and promised to have Victim E “out” in approximately six weeks. Victim E never received any money.

i. **BYERS** also concealed and omitted to tell victims material facts, including, among others, that, on June 20th, 2017, a Florida state court permanently enjoined **BYERS** and **WBI** from seeking or securing investment of any kind and ordered **BYERS** and **WBI** to refrain from selling or attempting to market any kind of investment opportunities wherein the payment of money was solicited over the telephone, by the use of a computer, or over the internet.

j. **BYERS** directed his victims to send money to the account of **WBI**. **BYERS** then transferred the money to his personal accounts, or to other accounts controlled by him in the name of **WBI** or **BYERS INVESTMENTS**. Instead of investing the money sent to him by victims as promised, Byers spent the money on personal expenditures, including among

others, approximately \$10,000 per month in rent for his residence in a Miami hotel, the lease of luxury cars, and gambling in casinos.

k. For example, on March 20, 2018, Victim F wired \$200,000 to **WBI** and **BYERS** for investment in a lottery company. Instead of investing this money in a lottery company, on March 31, 2018, **BYERS** spent approximately \$115,000 of Victim F's money as a down payment on a 2017 Ferrari. Most of the remainder went to personal expenditures, such as rent, jewelry, and casinos.

l. In order to lull his victims into a false sense of security about their investments, postpone inquiries regarding his misrepresentations, make his activities less suspicious, and conceal and extend the scheme, **BYERS** did the following, among other things:

i. When victims asked **BYERS** about the status of their investments, **BYERS** frequently told the victims that additional money needed to be invested before any returns could be paid, that unnamed partners or investor groups had to be paid first, or that the money was invested overseas.

ii. **BYERS** assured victims that the investment was insured, safe, or a "real deal." For example, on June 19, 2018, Victim A asked **BYERS** for his money back. **BYERS** indicated that Victim A's money was already invested overseas and he did not have any control over it. On July 2, 2018, **BYERS** again told Victim A that his money was overseas and assured Victim A that this was a "real deal" and everything was insured, but explained that other people also had to get paid. In truth, during both of these conversations, Victim A's money was in the United States, sitting as cash in bank accounts controlled by **BYERS**.

iii. Sometimes, **BYERS** responded to victim inquiries by sending a screenshot or photo of a computer screen that reflected a large bank account balance. For example, on February 8, 2018, **BYERS** sent a text message to Victim B with an image of a TD Ameritrade account that showed a balance of over \$600,000. On February 12, 2018, **BYERS** emailed Victim D a similar image.

iv. **BYERS** also told his victims that he could not provide many details about the investment because of confidentiality and non-disclosure agreements he had signed with others.

Wire Transmissions

16. On or about the following dates, in the Middle District of Louisiana, **WALLACE BYERS**, defendant herein, having devised and intended to devise the scheme described in paragraphs 1 through 15 of this Indictment, for the purpose of executing the scheme, and attempting to do so, knowingly transmitted and caused to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals, and sounds, that is, the below described electronic communications between Louisiana and states outside of Louisiana, each of which constitutes a separate count:

Count	Date	Description of Interstate Wire Transmission Caused by Defendant
1	May 23, 2017	An interstate wire communication processed from the Middle District of Louisiana, through servers located in Delaware and Michigan, in connection with Victim B transferring \$60,000 from Victim B's JP Morgan Chase bank account ending in #4494 to BYERS' JP Morgan Chase bank account ending in #0806.
2	April 11, 2018	An interstate wire communication processed from the Middle District of Louisiana, through a server located in Delaware, in connection with Victim B transferring \$1,000,000 from Victim B's JP Morgan Chase bank account ending in #4494 to BYERS' JP Morgan Chase bank account ending in #0806.

3	September 5, 2018	A telephone call from BYERS , who was located in Florida, to Victim A, who was located in the Middle District of Louisiana, which was recorded as a voicemail in which BYERS stated, "It's \$35 million now, and payout in seven to ten days. Put all that together and we can complete everything."
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Each of the above is a violation of Title 18, United States Code, Section 1343.

COUNT FOUR
(International Money Laundering)

17. On or about July 24, 2018, within the Middle District of Louisiana and elsewhere, the defendant, **WALLACE BYERS**, having participated in the transfer of the proceeds of the specified unlawful activity from the Middle District of Louisiana to the Southern District of Florida, did transport, transmit, and transfer, and attempt to transport, transmit, and transfer, monetary instruments and funds, from a place within the United States, to or through a place outside the United States, thereby affecting interstate and foreign commerce, that is, **BYERS** sent a wire transfer of \$3,000,000 from **WBI's** bank account *****4004 at a TD Bank branch in Miami, Florida, to **BYERS INVESTMENTS'** bank account *****2001 at UBS Swiss Financial Advisers AG in Zurich, Switzerland, knowing that the monetary instruments and funds involved in the transportation, transmission, and transfer represented the proceeds of some form of unlawful activity and knowing that such transportation, transmission, and transfer was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of proceeds of the specified unlawful activity, i.e. wire fraud, in violation of 18 U.S.C. § 1343.

The above is a violation of Title 18, United States Code, Sections 1956(a)(2)(B)(i) and 1956(i)(1)(B).

NOTICE OF FORFEITURE

18. Upon conviction on any of Counts One through Three of this Indictment, **BYERS** shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds the defendant obtained directly or indirectly as a result of the violation, including but not limited to a sum of money equal to the amount of the proceeds of the offense, at least \$6,888,000, including but not limited to \$2,000,0000 currently held in UBS Swiss Financial Advisers AG account *****2001, in the name of **BYERS INVESTMENTS LLC**, and \$1,338.120.07 currently held in TD Ameritrade account *****0661, in the name of **WALLACE BYERS**.

19. Upon conviction on Count Four of this Indictment, **BYERS** shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), any and all property, real and personal, involved in such offense, and all property traceable to such property, including but not limited to a sum of money equal to the amount of the proceeds of the offense, of \$3,000,000, including but not limited to \$2,000,000 currently held in UBS Swiss Financial Advisers AG account *****2001, in the name of **BYERS INVESTMENTS LLC**, and \$1,000,000 currently held in TD Ameritrade account *****0661, in the name of **WALLACE BYERS**.

20. If any of the above-described forfeitable property, because of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or

- e. has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

UNITED STATES OF AMERICA, BY



BRANDON J. PREMIN
UNITED STATES ATTORNEY
MIDDLE DISTRICT OF LOUISIANA



ELIZABETH E. WHITE
ASSISTANT UNITED STATES ATTORNEY

A TRUE BILL

**REDACTED
PER PRIVACY ACT**



GRAND JURY FOREPERSON



DATE

Criminal Cover Sheet

U.S. District Court

Place of Offense:

Matter to be sealed: ☐ No ☒ YesCity Baton Rouge

Related Case Information:

County/Parish East Baton Rouge

Superseding Indictment _____ Docket Number _____

Same Defendant _____ New Defendant X*Investigating Agency FBI

Magistrate Case Number _____

*Agent Stephanie Hanson

Search Warrant Case No. _____

R 20/ R 40 from District of _____

Any Other Related Cases: _____

Defendant Information:

Defendant Name: Wallace Byers

U.S. Attorney Information:

AUSA Elizabeth E. WhiteBar # LABN 36295Interpreter: ☐ No ☐ Yes

List language and/or dialect: _____

Location Status:

Arrest Date _____

_____ Already in Federal Custody as of _____

_____ Already in State Custody _____

_____ On Pretrial Release _____

U.S.C. Citations:

Total # of Counts: 4

<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count(s)</u>	<u>Petty/ Misdemeanor/ Felony</u>
<u>18:1343</u>	<u>Wire Fraud</u>	<u>1-3</u>	<u>F</u>
<u>18:1956(a)(2)(B)(i)</u>	<u>International Money Laundering</u>	<u>4</u>	<u>F</u>
_____	_____	_____	_____
_____	_____	_____	_____

(May be continued on second sheet)

Date: 3/20/19Signature of AUSA: [Signature]

District Court Case Number (To be filled in by deputy clerk): _____