

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

UNITED STATES OF AMERICA

v.

KAY F. GOW,
ROBERT T. GOW, and
JOHN G. WILLIAMS, JR.

SEALED

CASE NO. 2:17-cr-16FTM 99CM

18 U.S.C. § 371

18 U.S.C. § 1343

18 U.S.C. § 1956(h)

18 U.S.C. § 1957

INDICTMENT

The Grand Jury charges:

COUNT ONE

(Conspiracy to Commit Wire Fraud)

A. Introduction

At times material to this Indictment:

1. KAY F. GOW was a resident of the Middle District of Florida and was the spouse of ROBERT T. GOW (collectively “the GOWS”). KAY F. GOW owned, controlled, and operated HerbalScience Group, LLC, as well as VR Laboratories, LLC and VR Labs, Inc.

2. ROBERT T. GOW was a resident of the Middle District of Florida and was the spouse of KAY F. GOW. ROBERT T. GOW owned, controlled, and operated HerbalScience Group, LLC, as well as VR Laboratories, LLC and VR Labs, Inc.

3. JOHN G. WILLIAMS, JR. was a resident of Virginia who owned, controlled, and/or operated Williams-FRM Fast Response Maintenance, LLC, Williams Specialty Bottling Equipment, and Hong Kong Associates, LLC. JOHN G. WILLIAMS, JR. and his family members were investors in and on the payroll of entities owned and controlled by the GOWS.

4. HerbalScience Group, LLC (“HSG”) was a foreign limited liability company founded and controlled by the GOWS and operated by them in the Middle District of Florida and elsewhere. The GOWS promoted HSG as a group of scientists and chemical engineers working together to find alternate health and medicinal solutions using herbs and medicinal plants. The GOWS maintained and controlled one or more HSG bank accounts in the Middle District of Florida and elsewhere.

5. HerbalScience Singapore Pte, Ltd. (“HSS”) was a wholly owned subsidiary of HSG, incorporated in the Republic of Singapore on or about October 22, 2003, and owned and controlled by the GOWS. No later than in or around March 2011, HSS had ceased all operations and the company’s worth was valued at zero for tax purposes.

6. VR Laboratories, LLC was a foreign limited liability company owned and controlled by the GOWS and operated by them in the Middle

District of Florida and elsewhere. The GOWs falsely described VR Laboratories, LLC as poised to become the leading global formulator and producer of FDA-approved botanical pharmaceuticals. The GOWS maintained and controlled one or more VR Laboratories, LLC bank accounts in the Middle District of Florida and elsewhere.

7. VR Labs, Inc. was a wholly owned subsidiary of VR Laboratories, LLC, owned and controlled by the GOWS, and operated by them in the Middle District of Florida and elsewhere. The GOWS maintained and controlled one or more VR Labs, Inc. bank accounts in the Middle District of Florida and elsewhere. VR Laboratories, LLC and VR Labs, Inc. were collectively known as “VR Labs” (and hereinafter, the two entities are collectively referred to as “VR Labs”).

8. Chase Morgan Capital Corporation (“CMCC”) was a Florida corporation owned and controlled by the GOWS and operated by them in the Middle District of Florida and elsewhere. The GOWS falsely described CMCC as a commercial real estate, financial, and investment services business. The GOWS maintained and controlled one or more CMCC bank accounts in the Middle District of Florida and elsewhere.

9. Williams FRM-Fast Response Maintenance, LLC (“Williams-FRM”) was a Florida limited liability company owned and controlled by

JOHN G. WILLIAMS, JR. and another person (hereinafter referred to as “Principal 1”) and operated by them in the Middle District of Florida and elsewhere.

10. Williams Specialty Bottling Equipment was a fictitious name owned by Williams-FRM and registered with the Florida Secretary of State. The fictitious name Williams Specialty Bottling Equipment (“Williams Bottling”) was registered and used to create the appearance that Williams Bottling was a legitimate bottling line manufacturer and developer that was supplying the bottling line for the VR Labs manufacturing facility in Lee County, Florida.

11. Hong Kong Associates, LLC was another fictitious name owned by Williams-FRM and registered with the Florida Secretary of State by JOHN G. WILLIAMS, JR. Hong Kong Associates, LLC was registered and used to conceal the source of fraudulent wire transfers from JOHN G. WILLIAMS, JR. to VR Labs.

12. GCM Contracting Solutions (“GCM”) was a legitimate Ft. Myers, Florida-based construction company owned and operated by R.B. in the Middle District of Florida. GCM, together with KAY F. GOW, controlled a line of credit at Montgomery Bank of Missouri, in the Middle District of Florida and elsewhere.

13. A-Packaging Systems, Inc. (“APacks”) was a legitimate Indiana limited liability company that designed and constructed customized liquid packaging machinery. Williams Bottling, through JOHN G. WILLIAMS, JR., entered into a contract with APacks to purportedly purchase bottling line equipment from APacks.

14. Lee County was a political subdivision of the State of Florida. As such, Lee County could issue Recovery Zone Facility Bonds (“RZFBs”). RZFBs were tax-exempt bonds issued to raise funds to aid qualified businesses in designated recovery zones, including in Lee County, in the construction, renovation, reconstruction, or acquisition of property.

15. The Financial Incentives for Recruiting Strategic Targets (“FIRST”) initiative program was a grant program created in 2008 to bring economic development projects to Lee County, Florida. Lee County allocated \$25 million in budget reserves, funded through the collection of property taxes, to entice businesses to relocate or expand operations in Lee County and to bring high-value, high-wage, and high-skill technology jobs to Lee County.

16. The Lee County Board of County Commissioners had the authority to approve applications for RZFB funding and FIRST initiative

program grants to business entities through a competitive application process administered by the Lee County Industrial Development Authority and the Lee County Economic Development Office, respectively. The Lee County Economic Development Office was also responsible for the approval and issuance of payments to FIRST initiative grant program participants.

17. Lee County awarded VR Labs a \$5 million grant through the FIRST initiative program for the reimbursement of Qualified Capital Investments (“QCIs”) expended by or on behalf of VR Labs to build a manufacturing facility in Lee County. The FIRST initiative award agreement between Lee County and VR Labs defined a QCI as the purchase of manufacturing and research and development equipment, construction of improvements to real property on the project site as would be included in the bases of such property for federal tax purposes, and acquiring or leasing furniture, fixtures, and equipment for the facility. The agreement between Lee County and VR Labs required VR Labs to invest an additional \$9,000,000 in QCIs by September 1, 2013, and to create 208 jobs in Lee County with an average annual wage of \$66,850 by December 31, 2016. KAY F. GOW executed the agreement with Lee County on behalf of VR Labs.

B. The Conspiracy

18. Beginning on an unknown date, but at least as early as in or around September 2010, and continuing through at least in or around March 2013, in the Middle District of Florida and elsewhere, the defendants,

KAY F. GOW,
ROBERT T. GOW, and
JOHN G. WILLIAMS, JR.,

did knowingly and willfully combine, conspire, confederate and agree, with one another and with others, both known and unknown to the Grand Jury, to commit wire fraud, that is, to knowingly devise and intend to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, by transmitting and causing to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of 18 U.S.C. § 1343.

C. Manner and Means of the Conspiracy

19. It was part of the conspiracy that conspirators would and did operate HSG and cause HSG to be operated in Singapore as HSS. While directing and controlling the operations of HSS, conspirators would and did cause HSG's assets to be depleted, its investors to write-off HSG as a failed

investment, and its Board of Directors to advise the GOWS to file for bankruptcy. In addition, conspirators would and did establish, maintain, and control one or more bank accounts for HSG.

20. It was further a part of the conspiracy that conspirators would and did form VR Labs purportedly to formulate, develop, manufacture, promote, and sell FDA-approved botanical pharmaceuticals, among other things. Conspirators would and did establish, maintain, and control one or more bank accounts for VR Labs.

21. It was further a part of the conspiracy that conspirators would and did make false and fraudulent representations to HSG's Board of Directors about VR Labs to prevent the Board from forcing HSG into bankruptcy, including, but not limited to, that VR Labs was a third-party entity that wanted to license HSG's technology. Conspirators would and did conceal material facts from HSG's Board, including, but not limited to, the fact that the GOWS owned and controlled VR Labs.

22. It was further a part of the conspiracy that conspirators would and did make false and fraudulent representations to various individuals and government entities about the financial success of HSG, VR Labs, and the GOWS, including, but not limited to, that the GOWS sold HSS at a substantial profit and that the GOWS' personal wealth was backing VR Labs.

23. It was further a part of the conspiracy that conspirators would and did submit and cause to be submitted to Lee County, applications by VR Labs for \$42 million in RZFB funding and \$5 million in FIRST incentive program grant funds, which applications represented that VR Labs was a successful multinational business enterprise. Conspirators would and did cause the applications to falsely and fraudulently misrepresent the financial projections and financial strength of VR Labs by utilizing a third-party entity's information and financial projections. Conspirators would and did conceal material facts about VR Labs by, among other things, the intended omission of financial statements in correspondence to Lee County.

24. It was further a part of the conspiracy that conspirators would and did select GCM as the general contractor to build the VR Labs manufacturing facility, in part, because GCM had a line of credit at Montgomery Bank of Missouri. In doing so, conspirators would and did require that GCM pay all subcontractors through the line of credit, over which KAY F. GOW had joint control.

25. It was further a part of the conspiracy that conspirators would and did create and cause the fictitious name "Williams Specialty Bottling Equipment" to be registered with the Florida Secretary of State in order to lend the appearance of legitimacy to JOHN G. WILLIAMS, JR. and

Principal 1 as bottling line manufacturers and software developers, when in fact, its principals had no such experience or expertise, and Williams Bottling was used only for the purpose of contracting with VR Labs for the Lee County FIRST initiative grant project.

26. It was further a part of the conspiracy that conspirators would and did direct and cause GCM to use JOHN G. WILLIAMS, JR. and Williams Bottling purportedly to provide the bottling line for the VR Labs manufacturing facility, when in fact, its principals had no such experience or expertise, and Williams Bottling was used only for the purpose of contracting with VR Labs for the Lee County FIRST initiative grant project.

27. It was further a part of the conspiracy that conspirators would and did hire APacks to develop and build a bottling line for the VR Labs manufacturing facility, and to conceal from GCM and Lee County APacks' role in the manufacturing and development of the bottling line.

28. It was further a part of the conspiracy that conspirators would and did cause GCM to utilize a line of credit at Montgomery Bank of Missouri to pay upfront costs for the construction of the VR Labs manufacturing facility, including the costs of bottling line equipment purportedly provided by Williams Bottling, when in fact, Williams Bottling

had purchased no equipment and performed no work on the bottling line justifying such payments.

29. It was further a part of the conspiracy that conspirators would and did obtain price quotes and specification sheets from APacks for costs related to the development of the bottling line.

30. It was further a part of the conspiracy that conspirators would and did copy APacks' specification sheets onto Williams Bottling letterhead and double the amount of APacks' price quotes, thereby creating false and fraudulent Williams Bottling invoices for work and services it did not perform. Conspirators would and did send said invoices via interstate wires to VR Labs and to the GOWS to be used to request payments from GCM and ultimately Lee County.

31. It was further a part of the conspiracy that a conspirator would and did use the false and fraudulent Williams Bottling invoices to demand payment against GCM's line of credit at Montgomery Bank of Missouri, for equipment purportedly purchased and work purportedly performed by Williams Bottling on the bottling line, when in fact, no such equipment had been purchased, and no such work had been performed by Williams Bottling.

32. It was further a part of the conspiracy that conspirators would and did cause Montgomery Bank of Missouri to remit funds based on the false

and fraudulent Williams Bottling invoices and to wire the funds via interstate wire transfers from GCM's line of credit at Montgomery Bank of Missouri to the personal account of JOHN G. WILLIAMS, JR.

33. It was further a part of the conspiracy that conspirators would and did kick back a portion of the funds wired from GCM to JOHN G. WILLIAMS, JR. to the GOWS and VR Labs, via wire transfer from JOHN G. WILLIAMS, JR.'s personal bank account to an account in the name of "VR Laboratories, LLC." Once received, conspirators would and did use the kicked-back funds to pay themselves and their associates, among other things.

34. It was further a part of the conspiracy that a conspirator would and did submit and cause to be submitted to the Lee County Economic Development Office requests for reimbursement of FIRST incentive program funds to VR Labs, which requests included the false and fraudulent Williams Bottling invoices for equipment and work allegedly performed on the bottling line, when in fact, no such equipment had been purchased and no such work had been performed.

35. It was further a part of the conspiracy that conspirators would and did cause the Lee County Economic Development Office to issue FIRST initiative program reimbursement checks to VR Labs for construction

expenses related to the VR Labs project, based in part on the false and fraudulent Williams Bottling invoices.

36. It was further a part of the conspiracy that conspirators would and did enter into amended contracts with APacks for “change orders” that substantially increased the cost of the bottling line, when in fact, such change orders were submitted to falsely and fraudulently inflate the cost of the bottling line and thereby, the amount of Lee County FIRST initiative program funds that would be transmitted to VR Labs via kickbacks from JOHN G. WILLIAMS, JR.

37. It was further a part of the conspiracy that conspirators would and did fraudulently transfer funds from VR Labs, which they obtained from the Lee County FIRST initiative grant program, to entities owned and controlled by conspirators, and ultimately to conspirators themselves, via electronic funds transfers, wire transfers, payroll transfers, and checks, among other methods. Conspirators would and did disguise these transfers of funds as fees, salaries, expenditures, expenses, and other items, when in truth and in fact, conspirators were merely moving money between entities that they controlled for their own benefit and personal enrichment.

38. It was further a part of the conspiracy that conspirators would and did submit and cause to be submitted to Lee County annual statements,

periodic reports, letters, emails, and other correspondence containing false and fraudulent statements concerning the progress of the VR Labs manufacturing facility and the QCIs made by VR Labs into the project, when in truth and in fact, conspirators fraudulently used FIRST incentive program funds for conspirators' personal enrichment.

39. It was further a part of the conspiracy that conspirators would and did cause Lee County to transmit to VR Labs approximately \$4,694,548.04 of FIRST incentive program grant funds for QCIs allegedly expended by or on behalf of VR Labs to build the manufacturing facility, when in fact, VR Labs invested no funds in QCIs other than the FIRST incentive grant funds, created no jobs in accordance with the FIRST incentive award agreement, and the VR Labs manufacturing facility was never completed or operational.

40. It was further a part of the conspiracy that conspirators would and did solicit private investors to invest in VR Labs based on false and fraudulent representations including, but not limited to, that (a) all VR Labs employees were investors in VR Labs; (b) the then-CEO had invested \$1 million in VR Labs; (c) HSG and VR Labs were in good financial condition; and (d) VR Labs was being acquired by an independent company, which merger would be complete by the end of September 2012. Once received,

conspirators would and did use these investor funds to pay themselves and their associates, among other things.

41. It was further a part of the conspiracy that conspirators, together with Principal 1, would and did cause to be registered a fictitious name, "Hong Kong Associates, LLC," and would and did create "subscription agreements" between Hong Kong Associates, LLC and VR Labs, in order to conceal the source of the kickbacks from JOHN G. WILLIAMS, JR. to VR Labs and make them appear to be "investments."

42. It was further a part of the conspiracy that the conspirators and their family members would and did share in the proceeds of the fraud.

43. It was further a part of the conspiracy that the conspirators would and did conceal, misrepresent, and hide, and cause to be concealed, misrepresented, and hidden, the purpose of acts performed in furtherance of the conspiracy.

D. Overt Acts

44. In furtherance of the conspiracy and to effectuate the objects thereof, the following overt acts, among others, were committed within the Middle District of Florida, and elsewhere:

a. On or about October 4, 2010, ROBERT T. GOW formed “VR Laboratories, LLC” and caused an application to be filed with the Florida Secretary of State for said foreign entity to do business in the State of Florida.

b. On or about October 10, 2010, KAY F. GOW submitted and caused to be submitted to Lee County an application for RZFB funding and a FIRST incentive program grant application on behalf of VR Laboratories, LLC, d/b/a “Vitarich Laboratories.”

c. On or about February 3, 2011, KAY F. GOW submitted and caused to be submitted to Lee County a new FIRST incentive grant application on behalf of “VR Laboratories, LLC.”

d. On or about February 15, 2011, the GOWS caused the Lee County Board of County Commissioners to award “VR Laboratories, LLC,” a \$5 million grant through the FIRST initiative program to build a manufacturing facility in Lee County.

e. On or about February 16, 2011, KAY F. GOW, on behalf of “VR Laboratories, LLC,” executed and caused to be executed the FIRST incentive grant award agreement with Lee County, in which agreement KAY F. GOW agreed that VR Labs could seek reimbursement from Lee County for \$5,000,000 in FIRST incentive program funds only for QCIs, defined as

“investments made by or on behalf of [VR Laboratories, LLC] for purchasing manufacturing and research development equipment for Project facility, constructing improvements to real property on Project Site as would be included in the basis of such property for federal tax purposes, and acquiring or leasing furniture, fixtures and equipment for Project facility.”

f. On or about April 21, 2011, JOHN G. WILLIAMS, JR. and Principal 1 caused Williams Bottling to be registered with the Florida Secretary of State as a fictitious name owned by Williams-FRM.

g. In or around May 2011, VR Labs hired GCM and R.B. as the general contractor to build the VR Labs manufacturing facility.

h. In or around May 2011, KAY F. GOW directed GCM and R.B. to use Williams Bottling and JOHN G. WILLIAMS, JR. as the subcontractor for the bottling line portion of the VR Labs project.

i. On or about June 16, 2011, the GOWS caused the creation of a license agreement between HSG and VR Labs, which required VR Labs to pay HSG a monthly license fee for the purported rights to HSG’s technology.

j. On or about August 11, 2011, ROBERT T. GOW caused to be filed with the Florida Secretary of State an application for “VR Labs, Inc.” to do business in the State of Florida.

k. In or around September 2011, conspirators obtained specifications and price quotes from APacks for the purchase of a bottling line for the VR Labs manufacturing facility.

l. On or about September 27, 2011, JOHN G. WILLIAMS, JR., submitted and caused to be submitted to VR Labs an invoice from Williams Bottling for payment in the amount of \$710,286.00, by copying APacks' specifications for a bottling line onto Williams Bottling's letterhead and doubling the price quoted by APacks.

m. On or about September 28, 2011, KAY F. GOW sent and caused to be sent to an employee of Montgomery Bank of Missouri, an email with an attached fraudulent Williams Bottling invoice, requesting that Williams Bottling's invoice be paid immediately and that \$710,286.00 be wired to JOHN G. WILLIAMS, JR.'s personal bank account.

n. On or about the dates set forth below, each of which constitutes a separate overt act, the identified conspirator, alone and together with others known and unknown, conducted and caused to be conducted the following financial transactions:

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
n.1	KAY F. GOW and JOHN G. WILLIAMS, JR.	9/28/11	Interstate wire of \$710,286.00 from GCM's line of credit ending in 0672 at Montgomery Bank of Missouri to JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank
n.2	JOHN G. WILLIAMS, JR.	9/30/11	Interstate wire of \$320,000 from JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida
n.3	KAY F. GOW and ROBERT T. GOW	10/4/11	Check #1158 from VR Labs' Wells Fargo Bank account ending in 4186 to ROBERT T. GOW in the amount of \$5,484.61 and deposited into the GOWS' account ending in 1183 at Northern Trust Bank
n.4	KAY F. GOW and ROBERT T. GOW	10/4/11	Check #1160 from VR Labs' Wells Fargo Bank account ending in 4186 to KAY F. GOW in the amount of \$4,663.48 and deposited into the GOWS' account ending in 1183 at Northern Trust Bank

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
n.5	KAY F. GOW	10/5/11	Check #1164 from VR Labs' Wells Fargo Bank account ending in 4186 to HSG in the amount of \$33,333.00 and deposited into HSG's account ending in 0792 at Northern Trust Bank
n.6	KAY F. GOW	10/5/11	Check #1165 from VR Labs' Wells Fargo Bank account ending in 4186 to CMCC in the amount of \$153,650 and deposited into CMCC's account ending in 5139 at Northern Trust Bank
n.7	KAY F. GOW and ROBERT T. GOW	10/11/11	Check #1296 from CMCC's Northern Trust Bank account ending in 5139 to ROBERT & KAY GOW in the amount of \$58,800 and deposited into the GOWS' account ending in 1183 at Northern Trust Bank
n.8	KAY F. GOW and ROBERT T. GOW	10/17/11	Electronic transfer of \$32,246.17 from the GOWS' Northern Trust Bank account ending in 1183 to American Express account ending in 2-73000 in the name of "R T Gow"
n.9	KAY F. GOW and ROBERT T. GOW	10/18/11	Electronic transfer of \$733.16 from the GOWS' Northern Trust Bank account ending in 1183 to BMW Financial Services account ending in 9669 in the name of "Kay Gow"

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
n.10	KAY F. GOW	10/25/11	Check #1297 from CMCC's Northern Trust Bank account ending in 5139 to VR Laboratories, LLC in the amount of \$100,000 and deposited into VR Labs' Wells Fargo Bank account ending in 4186

o. On or about October 11, 2011, JOHN G. WILLIAMS, JR. and Principal 1, d/b/a Williams Bottling, entered into a contract with APacks purportedly to purchase a bottling line from APacks in the amount of \$800,225.00.

p. On or about November 2, 2011, JOHN G. WILLIAMS, JR., submitted and caused to be submitted to VR Labs an invoice from Williams Bottling to VR Labs for payment in the amount of \$710,286.00.

q. On or about the dates set forth below, each of which constitutes a separate overt act, the identified conspirator, alone and together with others known and unknown, conducted and caused to be conducted the following financial transactions:

OVERT ACT	CONSPIRATOR	DATE	TRANSACTION INFORMATION
q.1	KAY F. GOW and JOHN G. WILLIAMS, JR.	11/9/11	Interstate wire of \$710,286.00 from GCM's line of credit ending in 0672 at Montgomery Bank of Missouri to JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank
q.2	JOHN G. WILLIAMS, JR.	11/14/11	Interstate wire of \$320,000 from JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida
q.3	KAY F. GOW	11/15/11	Check #1183 from VR Labs' Wells Fargo Bank account ending in 4186 to HSG in the amount of \$33,333.00 and deposited into HSG's account ending in 0792 at Northern Trust Bank

r. On or about November 21, 2011, KAY F. GOW submitted and caused to be submitted to the Lee County Economic Development Office a reimbursement request in the amount of \$1,617,060.16 for funds allegedly expended by or on behalf of VR Labs.

s. On or about December 6, 2011, KAY F. GOW endorsed check number 738881 from Lee County to VR Labs, Inc. in the amount of \$1,617,060.17.

t. On or about December 16, 2011, JOHN G. WILLIAMS, JR., submitted and caused to be submitted to VR Labs an invoice from Williams Bottling for payment in the amount of \$675,108.00.

u. On or about the dates set forth below, each of which constitutes a separate overt act, the identified conspirator, alone and together with others known and unknown, conducted and caused to be conducted the following financial transactions:

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
u.1	KAY F. GOW and JOHN G. WILLIAMS, JR.	12/21/11	Interstate wire of \$675,108.00 from GCM's line of credit ending in 0672 at Montgomery Bank of Missouri to JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank
u.2	JOHN G. WILLIAMS, JR.	12/22/11	Interstate wire of \$660,000.00 from JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida
u.3	KAY F. GOW	12/23/11	Check #1222 from VR Labs' Wells Fargo Bank account ending in 4186 to HSG in the amount of \$58,963.26 and deposited into HSG's account ending in 0792 at Northern Trust Bank

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
u.4	KAY F. GOW and ROBERT T. GOW	12/27/11	Check #1219 from VR Labs' Wells Fargo Bank account ending in 4186 to the GOWS in the amount of \$11,594.97 and deposited into the GOWS' account ending in 1183 at Northern Trust Bank

v. On or about December 27, 2011, JOHN G. WILLIAMS, JR. and Principal 1, d/b/a Williams Bottling, entered into a second contract with APacks for a change order on the bottling line.

w. On or about January 6, 2012, JOHN G. WILLIAMS, JR. and Principal 1 registered Hong Kong Associates, LLC with the Florida Secretary of State as a fictitious name of Williams-FRM.

x. On or about the dates set forth below, each of which constitutes a separate overt act, the identified conspirator, alone and together with others known and unknown, conducted and caused to be conducted the following financial transactions:

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
x.1	KAY F. GOW and ROBERT T. GOW	1/9/12	Check #1225 from VR Labs' Wells Fargo Bank account ending in 4186 to ROBERT T. GOW in the amount of \$19,888.15 and deposited into the GOWS' Northern Trust bank account ending in 1183

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
x.2	KAY F. GOW and ROBERT T. GOW	1/12/12	Check #1231 from VR Labs' Wells Fargo Bank account ending in 4186 to KAY GOW in the amount of \$1,225.00 and deposited into the GOWS' Northern Trust Bank account ending in 1183
x.3	KAY F. GOW and ROBERT T. GOW	1/12/12	Check #1234 from VR Labs' Wells Fargo Bank account ending in 4186 to ROBERT T. GOW in the amount of \$1,778.96 and deposited into the GOWS' Northern Trust Bank account ending in 1183
x.4	KAY F. GOW and ROBERT T. GOW	1/17/12	Electronic transfer of \$15,609.69 from the GOWS' Northern Trust Bank account ending in 1183 to American Express account ending in 2-73000 in the name of "R T Gow"
x.5	KAY F. GOW and ROBERT T. GOW	1/20/12	Electronic transfer of \$11,839.28 from the GOWS' Northern Trust Bank account ending in 1183 to JP Morgan Chase account ending in 3513 in the name of the GOWS
x.6	KAY F. GOW and ROBERT T. GOW	2/14/12	Electronic transfer of \$23,017.92 from the GOWS' Northern Trust Bank account ending in 1183 to American Express account ending in 2-73000 in the name of "R T Gow"

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
x.7	KAY F. GOW and ROBERT T. GOW	2/21/12	Electronic transfer of \$733.16 from the GOWS' Northern Trust Bank account ending in 1183 to BMW Financial Services account ending in 9669 in the name of Kay Gow
x.8	JOHN G. WILLIAMS, JR.	2/23/12	Interstate wire of \$95,000.00 from JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida
x.9	KAY F. GOW and ROBERT T. GOW	2/27/12	Electronic transfer of \$11,839.29 from the GOWS' Northern Trust Bank account ending in 1183 to JP Morgan Chase Bank account ending in 3513 in the name of Robert and Kay Gow

y. On or about February 23, 2012, KAY F. GOW submitted and caused to be submitted to the Lee County Economic Development Office a second reimbursement request in the amount of \$1,127,051.97 for funds allegedly expended by or on behalf of VR Labs.

z. On or about March 5, 2012, JOHN G. WILLIAMS, JR., submitted and caused to be submitted to VR Labs an invoice from Williams Bottling for payment in the amount of \$261,959.40.

aa. On or about the dates set forth below, each of which constitutes a separate overt act, the identified conspirator, alone and together with others known and unknown, conducted and caused to be conducted the following financial transactions:

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
aa.1	KAY F. GOW and JOHN G. WILLIAMS, JR.	3/6/12	Interstate wire of \$261,959.40 from GCM's line of credit ending in 0672 at Montgomery Bank of Missouri to JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank
aa.2	KAY F. GOW	3/13/12	Deposit of check #746692 from Lee County to VR Labs, Inc. in the amount of \$1,127,051.97 to GCM's Montgomery Bank account ending in 5129 for credit to loan ending in 0672
aa.3	JOHN G. WILLIAMS, JR.	3/15/12	Interstate wire of \$35,000.00 from JOHN G. WILLIAMS, JR.'s personal account ending in 5906 at Wells Fargo Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida

bb. On or about March 16, 2012, KAY F. GOW submitted and caused to be submitted to the Lee County Economic Development Office a third reimbursement request in the amount of \$552,446.75 for funds allegedly expended by or on behalf of VR Labs.

cc. On or about March 27, 2012, KAY F. GOW endorsed check number 747788 from Lee County to VR Labs, Inc. in the amount of \$552,446.75.

dd. On or about April 2, 2012, JOHN G. WILLIAMS, JR., submitted and caused to be submitted to VR Labs an invoice for payment in the amount of \$25,515.50.

ee. On or about April 5, 2012, JOHN G. WILLIAMS, JR. and KAY F. GOW caused Montgomery Bank of Missouri to wire \$25,515.50 from GCM's line of credit to the personal account of JOHN G. WILLIAMS, JR.

ff. On or about April 16, 2012, the GOWS transferred \$32,883.42 from their Northern Trust Bank account ending in 1183 to American Express credit card ending in 2-74008 in the name of "R T Gow."

gg. On or about May 8, 2012, KAY F. GOW submitted and caused to be submitted to the Lee County Economic Development Office a fourth reimbursement request in the amount of \$681,302.84 for funds allegedly expended by or on behalf of VR Labs.

hh. On or about May 22, 2012, KAY F. GOW endorsed check number 752313 from Lee County to VR Labs, Inc. in the amount of \$681,302.84.

ii. On or about June 21, 2012, KAY F. GOW submitted and caused to be submitted to the Lee County Economic Development Office a fifth reimbursement request in the amount of \$716,686.32 for funds allegedly expended by or on behalf of VR Labs.

jj. On or about June 26, 2012, KAY F. GOW endorsed check number 755027 from Lee County to VR Labs, Inc. in the amount of \$716,686.32.

kk. On or about August 4, 2012, KAY F. GOW submitted and caused to be submitted to Lee County an annual report which contained false and fraudulent representations about VR Labs' operations in Lee County.

ll. In or around September 2012, ROBERT T. GOW falsely and fraudulently represented to victim-investor R.H. that, among other things, (a) all of VR Labs' employees had invested in the company; (b) the then-CEO of VR Labs had invested \$1 million into the company; (c) HSG and VR Labs were in good financial condition; and (d) VR Labs was merging with another company by the end of September 2012, in order to induce R.H. to invest \$500,000 in VR Labs.

mm. On or about the dates set forth below, each of which constitutes a separate overt act, the identified conspirator, alone and together with others known and unknown, conducted and caused to be conducted the following financial transactions:

<u>OVERT ACT</u>	<u>CONSPIRATOR</u>	<u>DATE</u>	<u>TRANSACTION INFORMATION</u>
mm.1	ROBERT T. GOW	9/24/12	Interstate wire #00625 for \$250,000.00 from S.H.'s account at Capital One Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida
mm.2	KAY F. GOW and ROBERT T. GOW	9/25/12	Interstate wire #00167 for \$33,333.00 from VR Labs' Wells Fargo bank account ending in 4186 to HSG's Northern Trust Bank account ending 0781
mm.3	ROBERT T. GOW	10/12/12	Interstate wire #02216 for \$250,000.00 from R.H.'s account at Capital One Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida
mm.4	KAY F. GOW and ROBERT T. GOW	10/19/12	Check #1417 from VR Labs' Wells Fargo bank account ending 4186 to HSG in the amount of \$33,333.00 and deposited into HSG's Northern Trust Bank account ending in 0792

nn. On or about December 26, 2012, JOHN G. WILLIAMS, JR., together with Principal 1, provided agents of the Federal Bureau of Investigation with false and fraudulent documents depicting a “subscription agreement” between Hong Kong Associates, LLC and VR Labs.

All in violation of 18 U.S.C. § 371.

COUNTS TWO THROUGH FIVE
(Wire Fraud)

A. Introduction

1. The Grand Jury hereby realleges Paragraphs 1 through 17 of Count One of this Indictment and incorporates such paragraphs by this reference as though fully set forth herein.

B. The Scheme

2. Beginning on an unknown date, but at least as early as in or around September 2010, and continuing thereafter, through and including at least in or around March 2013, in the Middle District of Florida, and elsewhere, the defendants,

KAY F. GOW,
ROBERT T. GOW, and
JOHN G. WILLIAMS, JR.,

did knowingly and willfully devise and intend to devise a scheme and artifice to defraud, and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises, did transmit and

cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing said scheme and artifice to defraud.

C. Manner and Means of the Scheme

3. The substance of the manner and means of the scheme and artifice to defraud is described in Paragraphs 19 through 43 of Count One of this Indictment, and the Grand Jury hereby realleges and incorporates by reference those paragraphs as through fully set forth herein.

D. Execution of the Scheme

4. On the dates set forth below in each count, in the Middle District of Florida and elsewhere, for the purpose of executing and attempting to execute the aforesaid scheme and artifice to defraud, the defendants did cause to be transmitted by means of wire communication in interstate and foreign commerce the following:

COUNT	DATE	NATURE OF WIRE
TWO	February 23, 2012	Wire transfer of \$95,000.00 from John G. Williams, Jr.'s Wells Fargo Bank account ending in 5906 in Virginia to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida

COUNT	DATE	NATURE OF WIRE
THREE	March 15, 2012	Wire transfer of \$35,000.00 from John G. Williams, Jr.'s Wells Fargo Bank account ending in 5906 in Virginia to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida
FOUR	September 24, 2012	Interstate wire #00625 for \$250,000.00 from S.H.'s account at Capital One Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida
FIVE	October 12, 2012	Interstate wire #02216 for \$250,000.00 from R.H.'s account at Capital One Bank to VR Labs' Wells Fargo Bank account ending in 4186 in the Middle District of Florida

In violation of 18 U.S.C. §§ 1343 and 2.

COUNT SIX
(Money Laundering Conspiracy)

A. Introduction

1. The Grand Jury hereby realleges paragraphs 1 through 17 of Count One of this Indictment and incorporates such paragraphs by this reference as though fully set forth herein.

B. The Conspiracy

2. Beginning on an unknown date, but at least as early as in or around September 2011, and continuing thereafter, through and including at least in or around March 2013, in the Middle District of Florida and elsewhere, the defendants,

KAY F. GOW, and
ROBERT T. GOW,

did knowingly and willfully combine, conspire, confederate, and agree with one another and with others, both known and unknown to the Grand Jury, to knowingly engage and attempt to engage in monetary transactions within the United States, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, that is, wire fraud, in violation of 18 U.S.C. § 1343, as alleged in Counts Two through Five of this Indictment, in violation of 18 U.S.C. § 1957.

C. Manner and Means of the Conspiracy

3. The manner and means by which the defendants sought to accomplish the object of the conspiracy included, among others, the allegations set forth in paragraphs 19 through 43 of Count One of this Indictment, which paragraphs are hereby realleged and incorporated by this reference as though fully set forth herein.

All in violation of 18 U.S.C. § 1956(h).

COUNTS SEVEN THROUGH TEN
(Illegal Monetary Transactions)

1. The Grand Jury hereby realleges and incorporates paragraphs 1 through 17 and 19 through 43 of Count One of this Indictment by this reference as though fully set forth herein.

2. On or about the dates set forth below, in the Middle District of Florida and elsewhere, the defendants,

KAY F. GOW, and
ROBERT T. GOW,

did knowingly engage and attempt to engage in the described monetary transactions, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, that is, wire fraud, in violation of 18 U.S.C. § 1343.

COUNT	DATE	MONETARY TRANSACTION
SEVEN	February 27, 2012	Electronic transfer of \$11,839.29 from the GOWS' Northern Trust Bank account ending in 1183 in the Middle District of Florida to JP Morgan Chase Bank account ending in 3513 in the name of the GOWS
EIGHT	March 14, 2012	Electronic transfer of \$11,437.80 from the GOWS' Northern Trust Bank account ending in 1183 in the Middle District of Florida to American Express account ending in 2-74008 in the name of "R T Gow"
NINE	April 16, 2012	Electronic transfer of \$32,883.42 from the GOWS' Northern Trust bank account ending in 1183 in the Middle District of Florida to American Express account ending in 2-74008 in the name of "R T Gow"
TEN	April 24, 2012	Electronic Transfer of \$11,839.29 from the GOWS' Northern Trust bank account ending 1183 in the Middle District of Florida to JP Morgan Chase account ending 3513 in the name of the GOWS

In violation of 18 U.S.C. §§ 1957 and 2.

FORFEITURE

1. The allegations contained in Counts One through Ten of this Indictment are hereby realleged and incorporated by reference for the purpose

of alleging forfeitures pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), as well as 18 U.S.C. § 982(a)(1).

2. From their engagement in the violations alleged in Count One, involving a conspiracy to commit wire fraud, in violation of 18 U.S.C. § 371, and the violations alleged in Counts Two through Five involving substantive wire fraud offenses in violation of 18 U.S.C. § 1343, the defendants, KAY F. GOW, ROBERT T. GOW, and JOHN G. WILLIAMS, JR., shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all of their right, title, and interest in any property, real and personal, constituting or derived from proceeds traceable to such offenses. The property to be forfeited includes, but is not limited to, a money judgment in the amount of \$5,194,548.04, representing the proceeds obtained as a result of these offenses.

3. From their engagement in the violations alleged in Count Six, involving a conspiracy to commit money laundering, in violation of 18 U.S.C. § 1956(h), and the violations alleged in Counts Seven through Ten involving illegal monetary transactions in violation of 18 U.S.C. § 1957, the defendants, KAY F. GOW and ROBERT T. GOW shall forfeit to the United States of America, pursuant to 18 U.S.C. § 982(a)(1), any and all right, title, and

interest they may have in any property, real or personal, involved in such offense, or any property traceable to such property.

4. If any of the property described above, as a result of any act or omission of the defendants:

- 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 played 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;

the United States of America shall be entitled to forfeiture of substitute property, under the provisions of 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(b)(1).

A TRUE BILL,

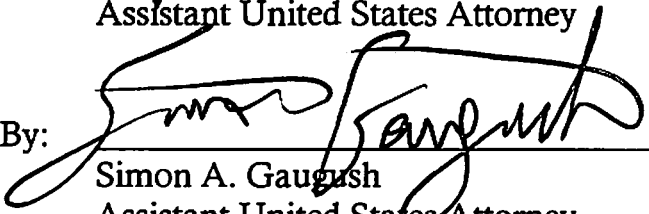

Foreperson

A. LEE BENTLEY, III
United States Attorney

By:


Josephine W. Thomas
Assistant United States Attorney

By:


Simon A. Gaughsh
Assistant United States Attorney
Chief, Economic Crimes Section

No.

UNITED STATES DISTRICT COURT
Middle District of Florida
Fort Myers Division

THE UNITED STATES OF AMERICA

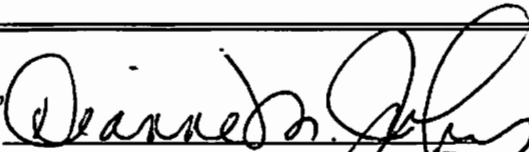
vs.

KAY F. GOW,
ROBERT T. GOW,
JOHN G. WILLIAMS, JR.

INDICTMENT

Violations: 18 U.S.C. § 371
18 U.S.C. § 1343
18 U.S.C. § 1956(h)
18 U.S.C. § 1957

A true bill,


Foreperson

Filed in open court this 23rd day of February, 2017

Clerk

Bail \$ _____
