

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

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PETER J. ...
CLERK OF DISTRICT COURT
RIVER FALLS, WI

UNITED STATES OF AMERICA

INDICTMENT

v.

Case No. 18 - CR - 163 - WMC

JAMIE SMITH,

18 U.S.C. § 1341
18 U.S.C. § 1343
18 U.S.C. § 1014
18 U.S.C. § 981(a)(1)(C)
18 U.S.C. § 982
28 U.S.C. § 2461(c)

Defendant.

THE GRAND JURY CHARGES:

COUNTS 1-11

Background

1. At times material to this indictment:

(a) American Platinum Gold & Silver, Inc ("APGS") was a company incorporated and existing under the laws of the state of Wisconsin. From 2011 to 2014, APGS operated from various locations in Minnesota. From approximately September 2014 to July 2016, APGS operated from an office location at 594 Outpost Circle, Suite A1, Hudson, WI 54016. In July 2016, APGS moved to 709 St. Croix Street, River Falls, WI 54022.

(b) American Independent Gold & Silver, Inc ("AIGS") was a company incorporated and existing under the laws of the state of Wisconsin. From 2010 to 2014,

AIGS operated from various locations in Minnesota. In July 2016, AIGS operated from an office location at 709 St. Croix Street, River Falls, WI 54022.

(c) Defendant JAMIE SMITH owned and operated APGS and AIGS. SMITH was the President and Chief Executive Officer of both APGS and AIGS.

(d) APGS and AIGS operated as precious metals brokerages houses. These entities were engaged in the business of evaluating, buying, selling and trading coins and precious metals. APGS and AIGS charged a commission for their services.

(e) Through his work at APGS and AIGS, SMITH contacted individuals concerning their coins and precious metals, and offered to appraise the coins, or buy them, or trade them, or sell them for the client. SMITH would send prepaid FedEx boxes to the clients to use to ship the coins to SMITH. He sent APGS or AIGS invoices, by mail or email, to the clients detailing the nature of the coin transaction and the current price or value of the coins in question.

Scheme To Defraud

2. During the period beginning in or about May 2010 and continuing to on or about February 25, 2017, in the Western District of Wisconsin and elsewhere, the defendant,

JAMIE SMITH,

knowingly, and with the intent to defraud, devised and participated in a scheme to defraud the clients of APGS and AIGS, and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and by concealment of material facts.

3. It was part of the scheme to defraud that SMITH misappropriated money and property from the clients of APGS and AIGS by making material misrepresentations and omissions. For example, SMITH promised clients that he would not sell or trade their coins without their approval. In fact, SMITH liquidated his clients' coins and used the funds for purposes other than what he promised the clients. When contacted by the clients, who demanded their money or return of the coins, SMITH lied and told the clients their coins and/or money were in the mail and on the way, when in fact, they were not.

4. It was further part of the scheme to defraud that SMITH failed to honor his coin transaction agreements with his APGS and AIGS clients. More specifically, he:

(a) Took in money from certain clients for the purchase of coins, but never shipped the coins to the clients;

(b) Took in coins to liquidate for certain clients and failed to pay the clients for the coins, or return their coins to them; and

(c) Took in coins from certain clients for purposes of providing an appraisal of the coins, but never returned the coins to the clients, or paid the clients for keeping the coins.

5. It was further part of the scheme to defraud that SMITH falsely told certain clients over the phone, and by letter, in December 2016, that he needed two years to pay back what he owed them because he suffered a financial loss due to, among other things, an "employee embezzlement of company funds." SMITH asked these clients not to file lawsuits or to file complaints with the authorities because that

would force him to file bankruptcy and close his doors, which would result in these clients losing their investment with him. In exchange for the time extension, SMITH promised he would pay interest, penalties, and any taxes caused by the extension.

6. It was further part of the scheme to defraud that SMITH failed to inform certain clients that he misappropriated their coins and money, which was the real reason he could not pay them or give them back their coins. SMITH failed to inform certain clients that he used their money and property to pay for his personal expenditures, and to pay back other clients.

7. It was further part of the scheme to defraud that SMITH caused losses in excess of \$1,122,000 to his APGS and AIGS clients.

Mailings

8. On or about the dates listed below, in the Western District of Wisconsin and elsewhere, the defendant,

JAMIE SMITH,

for the purpose of executing this scheme, knowingly used, and caused to be used, the U.S. mails, and a private interstate carrier, as follows:

COUNT	DATE	NATURE OF MAILING
1	8-14-15	The defendant caused to be delivered by mail according to the directions thereon, check #9057 from J.P. payable to APGS in the amount of \$22,500, from J.P. in Stockbridge, Georgia to the defendant at APGS in Hudson, Wisconsin.
2	2-11-16	The defendant caused to be deposited a matter to be sent by private interstate carrier according to the directions thereon, specifically, a APGS agreement signed by SMITH, dated 2-11-16, from Hudson, Wisconsin to Rexburg, Idaho.

3	2-18-16	The defendant caused to be delivered by private interstate carrier according to the directions thereon, boxes of gold and silver coins from S.B. in Rexburg, Idaho to the defendant at APGS in Hudson, Wisconsin.
4	2-24-16	The defendant caused to be delivered by private interstate carrier according to the directions thereon, boxes of gold and silver coins from S.B. in Rexburg, Idaho to the defendant at APGS in Hudson, Wisconsin.
5	3-1-16	The defendant caused to be delivered by private interstate carrier according to the directions thereon, boxes of silver bullion bars from Equity Trust Company on behalf of R.C. in Fillmore, Utah to the defendant at APGS in Hudson, Wisconsin.
6	3-1-16	The defendant caused to be deposited a matter to be sent by private interstate carrier according to the directions thereon, specifically, APGS brochures, an IRA distribution request form, and an APGS invoice from the defendant at APGS in Hudson, Wisconsin to E.W. in Millford, Connecticut.
7	3-5-16	The defendant caused to be delivered by private interstate carrier according to the directions thereon, signed forms from E.W. in Millford, Connecticut to the defendant at APGS in Hudson, Wisconsin.
8	5-26-16	The defendant caused to be deposited a matter to be sent by private interstate carrier according to the directions thereon, specifically, empty prepaid FedEx boxes to be used to ship coins in, from the defendant at APGS in Hudson, Wisconsin to D.C. in Capac, Michigan.
9	6-2-16	The defendant caused to be delivered by private interstate carrier according to the directions thereon, boxes of gold and silver coins from D.C. in Capac, Michigan to the defendant at APGS in Hudson, Wisconsin.
10	6-29-16	The defendant caused to be delivered by mail according to the directions thereon, boxes of gold and silver coins from D.H. in Tecumseh, Michigan to the defendant at APGS in Hudson, Wisconsin.
11	12-17-16	The defendant caused to be placed in an authorized depository for mail matter in Hudson, Wisconsin, a letter from the defendant at APGS to D.H. in Tecumseh, Michigan re: requesting a two-year extension of time to repay his debts, which was caused by an

	employee embezzlement of company funds.
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(All in violation of Title 18, United States Code, Section 1341).

COUNTS 12-22

1-7. Paragraphs 1-7 of Count 1 are incorporated here.

Wires

8. On or about the dates listed below, in the Western District of Wisconsin and elsewhere, the defendant,

JAMIE SMITH,

for the purpose of executing this scheme, knowingly caused to be transmitted, by means of wire communication in interstate commerce, the signals and writings described below for each count:

COUNT	DATE	NATURE OF WIRE COMUNICATION
12	2-2-16	Check #1760 dated 2-2-16 from J.M. payable to APGS in the amount of \$50,000, deposited into APGS account #xxx-3209 at Wells Fargo Bank in Hudson, Wisconsin, cleared through Clearwater Credit Union in Lewiston, Idaho.
13	2-17-16	Check #1768 dated 2-17-16 from J.M. payable to APGS in the amount of \$75,000, deposited into APGS account #xxx-3209 at Wells Fargo Bank in Hudson, Wisconsin, cleared through Clearwater Credit Union in Lewiston, Idaho.
14	2-22-16 at 1:15 pm	Email from the defendant using <u>xxx@gmail.com</u> to R.C. in Fillmore, Utah regarding a APGS invoice agreeing to liquidate 6500 ounces of R.C.'s silver coins for \$99,125.
15	2-23-16	Wire transfer of \$65,000 from C.K.'s account at Equity Institutional in Ohio via Citibank in California to APGS bank account # xxx-3209 at Wells Fargo Bank in Hudson, Wisconsin.
16	3-7-16 at	Email from the defendant using <u>xxx@gmail.com</u> to L.B. at

	11:49 am	Kingdom Trust in Kentucky regarding directions on where to ship E.W.'s silver coins to APGS in Wisconsin.
17	5-26-16	Wire transfer of \$24,900 from R.M.'s bank account at Citywide Bank in Colorado to APGS bank account #xxx-3209 at Wells Fargo Bank in Hudson, Wisconsin.
18	6-14-16 at 5:15 pm	Fax from the defendant at APGS using xxx-2072 to D.C. in Capac, Michigan regarding a signed promise on a APGS invoice by the defendant to exchange D.C.'s silver coins for 2027 BU Canadian dollars.
19	7-8-16 at 6:42 pm	Email from the defendant using xxx@gmail.com to D.H. in Tecumseh, Michigan regarding an explanation as to why the defendant took in D.H.'s gold and silver coins and won't return calls or return the coins as requested.
20	12-16-16 at 3:55 pm	Email from the defendant using xxx@gmail.com to R.C. in Fillmore, Utah regarding a letter from the defendant asking for 24 more months to repay everybody due to an employee embezzlement of company funds.
21	1-13-17 at 3:38 pm	Email from the defendant using xxx@gmail.com to B.H. in Linsville, Pennsylvania regarding the defendant's offer to sell silver coins worth \$31,500 to B.H. upon B.H. wiring money to the defendant.
22	1-20-17	Wire transfer of \$31,500 from B.H.'s bank account at E-Trade Bank in Pennsylvania to AIGS bank account #xxx-6804 at Westconsin Credit Union in Hudson, Wisconsin.

(All in violation of Title 18, United States Code, Section 1343).

COUNT 23

1. Paragraphs 1-7 of Count 1 are incorporated here.
8. On or about January 29, 2016, in the Western District of Wisconsin, the defendant,

JAMIE SMITH,

knowingly made, and caused to be made, false statements for the purpose of influencing the action of Westconsin Credit Union, an institution the deposits of which were then insured by the National Credit Union Administration, in connection with a residential loan application, Form 1003, which contained numerous material false statements and omissions, including:

(a) The purchase price of the home was \$340,000;

(b) The defendant paid earnest money of \$100,000 to the seller, which the defendant substantiated by providing the credit union with a false APGS invoice dated January 7, 2016 purportedly showing a \$100,000 down payment by the defendant to W.S., in the form of 3500 BU Canadian coins worth \$50,000, and 3000 Silver .999 Round Buffalo coins worth \$50,000; and

(c) Omitting the fact that the real purchase price of the home was \$268,000, there was no \$100,000 payment in coins to the seller, and the defendant paid \$28,000 as a down payment to the seller outside of the closing in the form of three APGS checks dated January 22, 2016, for \$10,000, \$9,800, and \$8,200.

(All in violation of Title 18, United States Code, Sections 1014 and 2).

FORFEITURE ALLEGATION

1. Upon conviction of one or more of the offenses alleged in Counts 1 through 22 of this indictment, the defendant,

JAMIE SMITH,

shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C), 982, and 28 U.S.C. § 2461(c), any property constituting or derived from proceeds obtained directly or

indirectly as a result of the said violations, including but not limited to the following:

Money Judgment - a sum of money equal to \$1,019,099 in United States currency, representing the amount of proceeds obtained as a result of mail and wire fraud.

2. If any of the above-described forfeitable property, as a result 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

subdivided without difficulty, it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of the defendant up to the value of the property described above in paragraph 1.

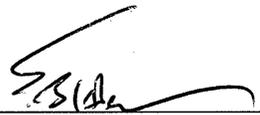
(In violation of Title 18, United States Code, Sections 981(a)(1)(C), 982 and Title 28, United States Code, Section 2461(c)).

A TRUE BILL



PRESIDING JUROR

Indictment returned: 11/28/2018



SCOTT C. BLADER
United States Attorney