

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
SAVANNAH DIVISION**

U. S. DISTRICT COURT
Southern District of Ga.
Filed in Office
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2-7 2018
Deputy Clerk

UNITED STATES OF AMERICA)	SUPERSEDING
)	INDICTMENT NO. 417-197
)	
v.)	18 U.S.C. § 371
)	Conspiracy to Commit
RICHARD P. UNDERWOOD)	Wire Fraud, Mail Fraud, and
)	False Statements
)	
)	18 U.S.C. § 1343
)	Wire Fraud
)	
)	18 U.S.C. § 1341
)	Mail Fraud

THE GRAND JURY CHARGES THAT:

Introduction:

At all times material to this Superseding Indictment:

1. Southern Energy Group, Inc. ("SEG") was a Tennessee-based business, formed on January 2, 2013, with a business address in Gallatin, Tennessee. SEG purported to be an oil and natural gas exploration company that offered and sold investments in oil and natural gas projects in Texas and Oklahoma.

2. TennStar Energy, Inc. ("Tennstar") was a Tennessee-based business, formed on December 20, 2013 under the name of Black Gold Resources, Inc. Tennstar maintained a central office in Hendersonville, Tennessee, and a second office in Lauderdale-by-the-Sea, Florida. Tennstar purported to be an oil and natural gas exploration company that offered and sold investments in oil and natural gas projects in Texas, Oklahoma, and Kansas.

3. SEG and Tennstar were jointly operated and controlled by co-conspirators David Stewart and David Greenlee, both of whom were convicted felons with past histories of involvement in oil and gas investment fraud.

4. Defendant **Richard P. Underwood** (“**Underwood**”) lived in Fort Lauderdale, Florida, and managed and operated Tennstar’s office in Lauderdale-by-the-Sea, Florida.

5. From in or about 2012 through February 2016, in the Southern District of Georgia and elsewhere, SEG and Tennstar utilized the internet, radio, and television to advertise opportunities to invest in SEG and Tennstar oil development projects. In written investment materials sent to investors, and during telephone calls with prospective investors, **Underwood** and others made repeated false statements to investors, and withheld material information from investors, in order to induce them to invest in SEG and Tennstar’s oil development projects. Through these false statements and material omissions, **Underwood** and others induced investors to invest approximately \$15,000,000 in SEG and Tennstar oil development projects. When the United States Securities and Exchange Commission (“SEC”) began an investigation into Tennstar and its investment offerings, **Underwood** and others drafted and submitted false documents about the role of David Stewart in the operation and control of Tennstar in response to an SEC subpoena.

COUNT ONE

18 U.S.C. § 371

Conspiracy to Commit Wire Fraud, Mail Fraud and False Statements

6. Paragraphs 1 through 5 of this Superseding Indictment are incorporated by reference as if fully set forth herein.

7. From in or about 2012 and continuing through February 2016, in Chatham County, within the Southern District of Georgia, and elsewhere, the defendant, **Richard P. Underwood**, did knowingly and willfully combine, conspire, confederate, and agree with other persons known and unknown to the grand jury to commit certain offenses, to wit:

a. Wire Fraud, that is, to execute and attempt to execute a scheme and artifice to defraud, and to obtain 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 communications in interstate and foreign commerce, writings, signs, visual pictures, and sounds, for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343;

b. Mail Fraud, that is, to execute and attempt to execute a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, by utilizing the United States mail and private and commercial interstate carriers, for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1341; and,

c. False Statements, that is, to knowingly and willfully make and use a false writing and document, knowing the same to contain a materially false, fictitious, and fraudulent statement and entry in a matter within the jurisdiction of the Executive branch of the Government of the United States, in violation of Title 18, United States Code, Section 1001.

MANNER AND MEANS OF THE CONSPIRACY

8. It was a part of the conspiracy that **Underwood** and other members of the conspiracy would use the internet, radio, and television to advertise opportunities to invest in SEG and Tennstar's oil development projects.

9. It was further part of the conspiracy that **Underwood** and other members of the conspiracy would operate call centers at the Tennessee and Florida offices of SEG and Tennstar, where salesmen telephoned prospective investors who responded to internet, radio, and television advertisements.

10. It was further part of the conspiracy that **Underwood** and other members of the conspiracy would make false statements during telephone calls with potential investors located throughout the United States, to convince investors to invest in SEG and Tennstar's oil development projects.

11. It was further part of the conspiracy that, as **Underwood** then knew, members of the conspiracy would at times assume false identities when communicating with prospective investors in order to conceal that they were convicted felons and/or previously subjected to regulatory action for involvement in investment fraud schemes.

12. It was further part of the conspiracy that **Underwood** and other members of the conspiracy would prepare and cause to be prepared false and fraudulent investment materials, for the Tennstar oil development projects, and that **Underwood** and others would cause said investment materials to be distributed to prospective investors. These investment materials contained false information about the experience and background of the management of Tennstar, and how Tennstar would use investor funds, and failed to reveal the identities of convicted felons that were responsible for the operation and management of Tennstar.

13. It was further part of the conspiracy that **Underwood** and other members of the conspiracy would send and cause to be sent false and fraudulent investment materials to prospective investors by way of mail or commercial interstate courier.

14. It was further part of the conspiracy that **Underwood** and other members of the conspiracy would direct some investors to send checks to the offices of Tennstar by way of the United States Postal Service or commercial interstate courier to fund investments in Tennstar oil development projects.

15. It was further part of the conspiracy that **Underwood** and other members of the conspiracy would direct investors to wire transfer money to accounts held in the name of Tennstar to fund investments in Tennstar oil development projects.

16. It was further part of the conspiracy that **Underwood** and other members of the conspiracy would prepare and cause to be prepared correspondence

and assessment letters seeking additional funds from investors, which contained false and fraudulent information about the status and productivity of Tennstar oil development projects.

17. It was further part of the conspiracy that **Underwood** and other members of the conspiracy would send and cause to be sent false and fraudulent assessment letters and other correspondence to investors by way of the United States Postal Service or commercial interstate courier.

18. It was further part of the conspiracy that Underwood and other members of the conspiracy would make interstate telephone calls and text messaging to communicate with each other about various aspects of their scheme to defraud.

19. It was further part of the conspiracy that, after the SEC began an investigation into Tennstar and its investment offerings, **Underwood** and other members of the conspiracy drafted and submitted false documents about the role of David Stewart in the operation and control of Tennstar in response to a subpoena.

OVERT ACTS

20. In furtherance of the conspiracy and to effect the objects thereof, Underwood and other members of the conspiracy committed the below-listed overt acts, among others:

A. In or about 2014, members of the conspiracy caused an advertisement for a Tennstar “can’t miss” oil well investment opportunity to be broadcast on Sirius satellite radio within the Southern District of Georgia and elsewhere.

B. On or about June 9, 2014, co-conspirator David Greenlee ("Greenlee") had an interstate telephone call with investor R.D. to convince R.D. to invest in an SEG oil development project, and Greenlee falsely told R.D. that his name was "David Johnson."

C. On or about October 9, 2014, Underwood conducted a text message exchange with co-conspirator David Stewart ("Stewart") about investor R.R., as follows:

UNDERWOOD: R.R. is a new investor. Greenlee closed in for one half unit. Net worth 3 to 6,000,000. Annual income \$900,000. Age: 89.

STEWART: I know lol. Prime reload candidate! Oh yes

UNDERWOOD: Ya think

D. In or about July 2015, co-conspirator S.R. conducted a telephone call with an undercover United States Secret Service agent in Savannah, Georgia, and provided false information to the Secret Service agent about the experience of Tennstar's management, success of past oil well development projects, and development and profitability of a new Tennstar oil development project.

E. In or about October 27, 2015, by way of Federal Express, **Underwood** and others sent and caused to be sent a false and fraudulent PPM about a Tennstar oil development project to an undercover Secret Service mailbox located in Savannah, Georgia.

F. On or about October 27, 2015, co-conspirator David Stewart conducted a telephone call with an undercover Secret Service agent in

Savannah, Georgia, to convince the undercover Secret Service agent to invest in a Tennstar project. During this telephone call, co-conspirator Stewart made false statements to the undercover agent, including but not limited to falsely identifying himself to the undercover agent as "David Johnson."

G. In or about November 2015, **Underwood** placed an interstate telephone call to an undercover Secret Service agent about investing in a Tennstar oil and development project.

H. On or about January 30, 2016, **Underwood** helped draft and submit a letter in response to a subpoena from the SEC, in which Underwood falsely stated that David Stewart was not a shareholder, officer, director, or affiliate of Black Gold Resources, nor did David Stewart have any responsibilities related to Black Gold Resources, when in truth and in fact and as Underwood then well knew, David Stewart operated and controlled Black Gold Resources.

I. On or about February 4, 2016, co-conspirator S.R. conducted an interstate telephone call with an undercover Secret Service agent in Savannah, Georgia, and provided false information to the Secret Service agent about the development and profitability of a Tennstar oil development project.

J. On or about February 6, 2016, **Underwood** conducted an interstate telephone call with an undercover Secret Service agent in Savannah, Georgia, about the investment in a Tennstar oil development project.

All done in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FOUR

18 U.S.C. § 1343

Wire Fraud

21. Paragraphs 1 through 20 of this Superseding Indictment are incorporated by reference as if fully set forth herein.

22. From in or about 2012 and continuing through February 2016, in Chatham County, within the Southern District of Georgia, and elsewhere, the defendant, **Richard P. Underwood**, aided and abetted by others, knowingly and willfully devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

23. On or about the following dates, Defendant **Richard P. Underwood**, aided and abetted by others, for the purpose of executing, and attempting to execute, the scheme and artifice, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, the following:

Count	Date of Wire	Description of Wire	Origin of Wire	Destination of Wire
Two	11/5/15	Interstate telephone call from Underwood to an undercover Secret Service agent concerning a Tennstar investment project.	Florida	Georgia
Three	2/4/16	Email from Underwood to an undercover Secret Service agent concerning a Tennstar investment project.	Florida	Georgia
Four	2/6/16	Interstate telephone call from Underwood to an undercover Secret Service agent concerning a Tennstar investment project.	Florida	Georgia

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

COUNT FIVE
18 U.S.C. § 1341
Mail Fraud

24. The allegations of paragraphs 1 through 20 of this Superseding Indictment are hereby realleged and incorporated as if fully set forth herein.

25. From in or about 2012 and continuing through February 2016, in Chatham County, within the Southern District of Georgia, and elsewhere, the defendant, **Richard P. Underwood**, aided and abetted by others, with the intent to defraud, knowingly devised and willfully participated in with knowledge of its fraudulent nature, a scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations, and promises, and that in advancing, furthering, or carrying out the scheme, Defendant **Richard P. Underwood** used or caused to be used the mails or commercial interstate carrier.

28. On or about October 27, 2015, for the purpose of executing or attempting to execute the above-described scheme and artifice to defraud, Defendant **Richard P. Underwood**, aided and abetted by others, knowingly caused to be delivered by mail or by commercial interstate carrier a false and fraudulent PPM about a Tennstar oil development project delivered by Federal Express to a Post Office Box in Savannah, Georgia.

All done in violation of Title 18, United States Code, Sections 2 and 1341.

CRIMINAL FORFEITURE

The allegations contained in Counts 1 through 5 of this Superseding Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

Upon conviction of one or more of the offenses set forth in Counts 1 through 5 of this Superseding Indictment, the defendant, **Richard P. Underwood** shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property which constitutes or is derived from proceeds obtained as a result of the offense(s) and any property traceable thereto.

The property to be forfeited includes, but is not limited to:

a. Personal Money Judgment

A sum of money equal to the proceeds Defendant obtained directly or indirectly as a result of the offenses charged in Counts 1 through 5 of this Superseding Indictment, and all property traceable thereto.

b. Currency and Other Monetary Instruments

- i. \$13,138.12 in U.S. Currency (in lieu of 25.0001538 Bitcoins seized from Coinbase, Inc.)

If any of the property described above, 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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 981 and Title 28, United States Code, Section 2461(c).

All pursuant to 18 U.S.C. § 981 and 28 U.S.C. § 2461(c).

A True Bill.

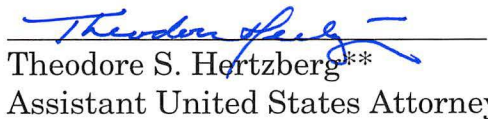
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