

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

UNITED STATES OF AMERICA

v.

No. **4-17CR-180-A**

MICAHA PAUL SNEED
a/k/a Micaha "Mike" McGrath

INDICTMENT

The Grand Jury charges:

General Allegations

At all times material to this Indictment:

1. Defendant **Micaha Paul Sneed, a/k/a, Micaha "Mike" McGrath, (McGrath)**, was a resident of Fort Worth, Texas. **McGrath** lived at various addresses in Fort Worth and had no verifiable employment since 2005.
2. BK and DW, (Brenda and Dave), a married couple, resided in a home they owned in Fort Worth, Texas, when **McGrath** befriended them in or about 2008. Dave was an engineer retired from Lockheed Martin. Brenda was a homemaker.
3. RM, (Bob), was a friend of Brenda and Dave and was 91 years old in 2011. Bob was retired and living in the house he had owned since 1991 in Fort Worth, Texas.
4. EC, (Ed), a Fort Worth resident who is 87 years old, was a longtime friend of Bob's from church.
5. MH is Ed's daughter and KH is his son-in-law, (Michelle and Kevin). They resided in Fort Worth, Texas.

The Scheme and Artifice to Defraud

6. Starting in or before 2008, and continuing until in or about June of 2017, **McGrath** devised and operated a scheme and artifice to defraud, and to obtain money by means of false and fraudulent material pretenses, representations and promises, in that, **McGrath** solicited and obtained money from victims, including Brenda, Dave, Bob, Ed, Michelle, and Kevin, by making false representations that he needed help paying legal fees related to a lawsuit with the U.S. government over his biological father's Florida estate, from which he claimed that he would receive approximately \$250 million in settlement. He also claimed to be the beneficiary of his deceased stepfather's \$5 million life insurance policy, and that too had costs associated with obtaining the proceeds.

It was part of the scheme that:

7. In or about 2008, **McGrath** asked Brenda and Dave for cash to pay costs associated with collection of the proceeds due him from his deceased stepfather's life insurance policy. They did so not knowing that his stepfather was still alive, and no such policy actually existed. Then, in or about 2009, **McGrath** repeatedly began asking Brenda and Dave for cash to pay expenses related to the federal lawsuit that did not, in fact, exist. They gave him the money he requested in return for **McGrath's** promise that he would repay them upon settlement and share the proceeds with them. Eventually, his demands for cash were so frequent that they depleted their cashflow and money on hand. On several occasions, Brenda and Dave told **McGrath** that they would have to obtain the cash from their IRA and 401K retirement accounts to pay him.

8. Because of the financial drain, Brenda and Dave experienced financial problems that made it difficult for them to pay both **McGrath** and their mortgage. When they told **McGrath** about their cashflow problem, he assured them that he would pay the mortgage on their home if they would keep providing him the money he needed for the legal expenses; they agreed, but he failed to pay the mortgage as promised. As a result of their depleted finances and **McGrath's** failure to pay their mortgage, Brenda's and Dave's home went into foreclosure, and they were forcibly evicted in 2011. Brenda and Dave then moved in with their friend Bob.

9. In total, Brenda and Dave gave **McGrath** approximately \$300,000 to help pay expenses on **McGrath's** purported lawsuit.

10. After Brenda and Dave moved in with Bob, **McGrath** befriended Bob as well. **McGrath** told Bob about the impending settlement of his federal lawsuit and soon began asking Bob for money to pay legal expenses to help move the settlement process along. In exchange, **McGrath** promised Bob a portion of the proceeds of the settlement. Eventually, in or about the middle of 2011, Brenda and Dave were able to move to another residence, and **McGrath** moved in with Bob.

11. At **McGrath's** suggestion, Bob obtained a reverse mortgage on his residence in or about April 2012, to continue to make cash payments to **McGrath** to cover legal expenses on the purported lawsuit.

12. In total, **McGrath** convinced Bob to give him approximately \$360,000 in cash to pay the bogus court fees in return for a share of the proceeds of the settlement.

13. To keep up with **McGrath's** demands for cash, beginning in or before December 2013, and continuing until in or about July 2015, Bob began borrowing money from Ed and other church members for expenses related to **McGrath's** purported lawsuit.

Initially, Ed and Bob would go to the bank to cash Ed's checks for **McGrath**, who would then collect the cash in the bank parking lot.

14. Beginning in or about the middle of 2015, Ed began paying **McGrath** directly for expenses related to the purported lawsuit in return for a share of the proceeds of the settlement. **McGrath** promised him over \$20 million in return for his help with the legal expenses. As **McGrath's** requests became more frequent, often insisting upon collecting cash several times per day, Ed explained to **McGrath** that he would need time to obtain additional cash from his investment/retirement accounts to pay **McGrath**.

15. In total, **McGrath** convinced Ed to give him over \$900,000 in cash to pay the bogus court fees in return for a share of the proceeds of the settlement.

16. Beginning in or about September 2015, Michelle and Kevin met **McGrath**. They too provided **McGrath** with money so he could pay expenses related to the purported lawsuit in return for a share of the proceeds of the settlement. **McGrath** told them that their share would be over over \$14 million. As he had with Ed, **McGrath** instructed Michelle and Kevin to pay him in cash. As had the other victims, Kevin explained to **McGrath** that he would be withdrawing cash from his investment/retirement accounts to pay **McGrath**.

17. From the time they met **McGrath**, until June 2017, **McGrath** exchanged thousands of text messages to Ed, Kevin, and Michelle. In them, **McGrath** asked for

cash, falsely assuring them that the lawsuit was to close that day or early the next day.

McGrath demanded that the victims deliver cash to him in various amounts, usually several hundred dollars at a time. He would instruct the victims to meet him, often multiple times per day, at a McDonald's parking lot near the intersection of Route 183 and Green Oaks Road in Fort Worth.

18. In furtherance of the scheme, **McGrath** provided Ed, Kevin and Michelle with falsely altered court documents from an existing case filed in the Northern District of Texas to prove the existence of the federal lawsuit.

19. In total, **McGrath** convinced Kevin and Michelle to give him over \$300,000 in cash to pay the bogus court fees in return for a share of the proceeds of the settlement.

20. Meanwhile, in or about the end of 2015, **McGrath** falsely told Bob that a clerk from the U.S. District Court had agreed to secretly assist him in resolving his federal lawsuit. Because the clerk was working against the interests of the federal government and needed anonymity, **McGrath** explained that Bob needed to leave his home, so that **McGrath** and the clerk could use the house to work on the lawsuit in private. In hopes of resolving the lawsuit, Bob packed some belongings and lived with various friends, so that **McGrath** and the clerk could use his home. In reality, **McGrath** asked his girlfriend to move into Bob's house with him, telling her that Bob moved to a retirement home.

21. Similar to Brenda and Dave, there came a point when Bob told **McGrath** that he was having cashflow problems. In response, **McGrath** told Bob that he would pay the taxes on Bob's house. Once again, **McGrath** failed to do so, resulting in a civil judgment against Bob entered on or about July 13, 2015. Early in the morning on or

about January 30, 2016, Bob, who was still living with friends due to his belief that **McGrath** and the clerk were using his house to work on the lawsuit, was called to his house to find that he had been evicted and that all of his belongings were on the street. Thereafter, Bob moved in with Brenda and Dave permanently.

22. In or about February 2016, **McGrath** told Ed, Kevin and Michelle that the court issued a “gag order,” prohibiting anyone associated with the lawsuit from mentioning it. **McGrath** informed Ed, Kevin and Michelle that Bob, Brenda and Dave were no longer eligible to receive any share of the proceeds because they violated the gag order. In an email to Ed dated May 22, 2017, **McGrath** reiterated that the people who controlled the estate would stop the settlement if the gag order was violated.

23. In or between October 20, 2014, and June 29, 2017, **McGrath** provided approximately 18 counterfeit checks to Ed, Kevin, Brenda and Dave, falsely representing that the checks were payments of partial proceeds from the lawsuit and/or the life insurance policy. Ed deposited approximately nine checks into his bank accounts, each of which was returned because no such account could be found.

24. In mid-June, 2017, **McGrath** told Ed and Kevin about the fictitious \$5 million life insurance policy, again claiming that his deceased stepfather had named him the beneficiary. At the same time, **McGrath** reminded Brenda and Dave about the life insurance policy, telling them, as well as Ed and Kevin, that receipt of the proceeds was imminent. In connection with the purported disbursement of the proceeds, **McGrath** told Brenda, Dave, Ed and Kevin that he needed to open new bank accounts to accept the \$5 million life insurance pay-out. To receive and deposit the disbursement, **McGrath** told

Brenda and Dave and Ed and Kevin that he needed them to give him cash to open new accounts at Chase Bank. Brenda gave him \$200. Later, he showed Brenda and Dave a screenshot on his cellphone. It was a photograph of what appeared to be a Chase Bank statement, showing over \$3 million in the account. Like the life insurance policy, however, no such amount was deposited at Chase Bank for **McGrath**.

25. **McGrath** knew that Brenda, Dave, Ed, Michelle and Kevin, in order to meet his demands for cash, requested funds from their investment accounts. Each request for funds from their respective accounts caused interstate wire communications. **McGrath's** email regarding the "gag order" to further his scheme also caused interstate wire communications outside of Texas. Similarly, Bob's request for a reverse mortgage to obtain funds he could use to pay **McGrath** caused interstate wire communications. As a result of **McGrath's** fraud scheme, the victims paid **McGrath** a total of approximately \$1.9 million.


Count One
Wire Fraud
(Violation of 18 U.S.C. §1343)

26. The Grand Jury realleges the allegations set forth in the Introduction and the Scheme and Artifice to Defraud paragraphs of this Indictment.

27. On or about May 22, 2017, in the Fort Worth Division of the Northern District of Texas and elsewhere, the defendant, **Micaha Paul Sneed, also known as Micaha “Mike” McGrath**, for the purpose of executing and attempting to execute the scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signals and sounds in that **McGrath** used the Internet to send an email from Texas through his mcgindustry domain account located in Massachusetts to EC’s sbcglobal.net email account routed through Yahoo Holding, Inc., in California, in which **McGrath** claimed that the people who controlled the estate would stop the settlement if the gag order that required their silence was violated, a claim that **McGrath** knew to be materially false.

All done in violation of 18 U.S.C. § 1343.

A TRUE BILL.



Foreperson

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MICAHA PAUL SNEED
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INDICTMENT

18 U.S.C. § 1343
Wire Fraud
1 Count

A true bill rendered

FORT WORTH


FOREPERSON

Filed in open court this 20th day of September, 2017.

**Defendant in Federal Custody since
August 16, 2017**


UNITED STATES MAGISTRATE JUDGE
Magistrate Court Number: 4:17-MJ-681