

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
CRIMINAL NO. 11-228 (MJD/JJK)

| | | |
|---------------------------|---|-------------------------------|
| UNITED STATES OF AMERICA, |) | SUPERSEDING INDICTMENT |
| |) | |
| Plaintiff, |) | (18 U.S.C. § 2) |
| |) | (18 U.S.C. § 371) |
| v. |) | (18 U.S.C. § 1341) |
| |) | (18 U.S.C. § 1343) |
| 1. JASON BO-ALAN BECKMAN, |) | (18 U.S.C. § 1957) |
| a/k/a Bo Beckman, |) | (26 U.S.C. § 7201) |
| |) | (26 U.S.C. § 7206(1)) |
| 2. GERALD JOSEPH DURAND, |) | |
| a/k/a Jerry Durand, and |) | |
| |) | |
| 3. PATRICK JOSEPH KILEY, |) | |
| a/k/a Pat Kiley, |) | |
| |) | |
| Defendants. |) | |
| |) | |

THE UNITED STATES GRAND JURY CHARGES THAT:

BACKGROUND

- At all relevant times, the defendants - JASON BO-ALAN BECKMAN ("BECKMAN"), GERALD JOSEPH DURAND ("DURAND"), and PATRICK JOSEPH KILEY ("KILEY") - were residents of the State of Minnesota.
- At all relevant times, BECKMAN was licensed to sell securities in Minnesota.
- At all relevant times, DURAND and KILEY were not licensed to sell securities in Minnesota.
- During the relevant times, BECKMAN, DURAND, KILEY, TREVOR GILSON COOK ("COOK"), and CHRISTOPHER PETTENGILL ("PETTENGILL") formed and/or conducted business through entities identified by the terms "Universal Brokerage

SCANNED
NOV 22 2011
U.S. DISTRICT COURT MPLS

FILED NOV 22 2011
RICHARD D. SLETTER, CLERK
JUDGMENT ENTERED
DEPUTY CLERK'S OFFICE

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Services" and/or the acronym "UBS." These entities included but were not limited to UBS Diversified; UBS Diversified, LLC; UBS Diversified Growth, LLC; UBS Diversified FX Growth, LP; UBS Diversified FX Management, LLC; UBS Global Advisors, LLC; Universal Brokerage Services; Universal Brokerage FX; Universal Brokerage FX Management, LLC; and Universal Brokerage FX Advisors, LLC. These entities are hereafter referred to collectively as the "UBS Entities." These entities have no legitimate affiliation with the global financial services provider, UBS, AG.

5. During the relevant times, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL formed and/or conducted business through entities identified by the term "Oxford." These entities included but were not limited to The Oxford Private Client Group, LLC; Oxford Global Advisors, LLC; Oxford Global Holdings; Oxford FX Advisors, LLC; Oxford FX Growth, LP; Oxford FX Management, LLC; Oxford Institutional Growth LP; Oxford Global Partners, LLC; Oxford Retirement Holdings, LLC; Oxford Global Partners; Oxford Capital Investments; Oxford Capital Holdings, LLC; The Oxford; The Oxford Group; Oxford Global Partners; Oxford Global Managed Futures Fund, LP; and Oxford Global FX LLC. These entities are hereafter referred to collectively as the "Oxford Entities."

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6. During the relevant times, the "UBS Entities" and the "Oxford Entities" primarily conducted business at a residence on Tiffany Court in Burnsville, Minnesota; the Van Dusen Mansion on LaSalle Avenue in Minneapolis, Minnesota; and a bank building on Thomas Center Drive in Eagan, Minnesota.
7. During the relevant times, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL used the services of multiple foreign currency trading firms and foreign currency traders including but not limited to Refco FX, Tempest Asset Management, Peregrine Financial Group ("PFG"), Interbank FX, and Crown Forex, SA. During the relevant times, Crown Forex, SA, was located in Switzerland.
8. During the relevant times, "Crown Forex, LLC" was an unregistered shell company unrelated to Crown Forex, SA.
9. During the relevant times, "Basel Group, LLC" was an unregistered shell company.

COUNTS 1-11

(Wire and Mail Fraud)

10. From in or about 2005 through in or about November 2009, in the State and District of Minnesota and elsewhere, the defendants,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,
GERALD JOSEPH DURAND,
a/k/a Jerry Durand, and

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PATRICK JOSEPH KILEY,
a/k/a Pat Kiley,

along with COOK, PETTENGILL, and others known and unknown to the Grand Jury, each aiding and abetting and aided and abetted by the others, engaged in mail fraud and wire fraud by devising and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises and concealment of material facts, and knowingly:

- a. transmitted and caused the transmission in interstate commerce, by means of wire communications, certain signals and sounds, for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Sections 2 and 1343; and
- b. caused the sending, delivering, and moving by the United States Postal Service and interstate commercial carrier of various mailings for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Sections 2 and 1341.

SCHEME AND ARTIFICE TO DEFRAUD

11. Between 2005 and in or about October 2007, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction, solicited victim investors for the

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UBS Entities' purported foreign currency trading program ("Purported Currency Program"). Cook operated the Purported Currency Program through various foreign currency trading firms and foreign currency traders.

12. BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction, provided various descriptions to victim investors about how the Purported Currency Program worked and made representations to victim investors concerning its performance, safety, and liquidity. Specifically, they, and others acting at their direction, represented that the Purported Currency Program earned a double-digit rate of return, typically between 10.5 and 12 percent annually; that the Purported Currency Program was safe, such that victim investors could not lose their investment principal and could withdraw their investment assets at any time; and that individual investor assets would not be commingled and would be held in segregated accounts. These representations were material, were false and, oftentimes, omitted material information.
13. To gain investor trust and thereby secure and retain investor assets, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction, also made false representations concerning their backgrounds and

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qualifications and the backgrounds and qualifications of individuals acting at their direction. These false representations were material and, oftentimes, omitted material facts. As one example of these false representations, BECKMAN falsely represented that Morningstar - a provider of independent investment research worldwide - had rated him among the top money managers nationwide, when, in reality, Morningstar had never entered such a rating. As a second example of these false representations, DURAND and KILEY falsely represented that the UBS Entities' sales agents had "gone through extensive testing, examination and personal screening by UBS" before he or she was licensed, when, in reality, UBS conducted no such vetting of its sales agents and many were not licensed to sell securities.

14. BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction, caused the production and/or transmission of purported statements (hereinafter "Lulling Statements") to victim investors and, for some victim investors, caused the transmission of payments that purportedly reflected investment gain or return of investment principle (hereinafter "Lulling Payments").
15. Victim investors relied on the Lulling Statements. The Lulling Statements gave the false appearance that the

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Purported Currency Program was performing as promised and investor assets were held in individual, segregated accounts. Contrary to the representations made in the Lulling Statements, individual investor assets were commingled with assets other than those of the specific investor and were not always safe, liquid and performing as promised. In fact, the Lulling Statements and Lulling Payments that purported to represent investment gain were created by simply applying the promised rate of return to the amount invested and did not reflect the investors' actual investment assets and/or the actual return on those assets. These representations - as made in the form of Lulling Statements and Lulling Payments - were false and material.

16. In or about October 2007, the global financial services firm named UBS, AG, filed a trademark infringement lawsuit against DURAND, KILEY, COOK, PETTENGILL, and others for using the name UBS. As a result, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL stopped soliciting victim investors for the Purported Currency Program under entities with the name "Universal Brokerage Services" or the acronym "UBS" and began operating under the names Oxford Global Advisors and Universal Brokerage FX ("UBFX"), among others. BECKMAN, DURAND, KILEY, COOK, and PETTENGILL were principal agents of Oxford Global

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Advisors, UBFX, and/or related entities and were also signatories on various bank accounts and foreign currency trading accounts that were used in the operation of the Purported Currency Program.

17. BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction, trained and supervised Purported Currency Program sales agents and continued to solicit victim investors through telemarketing, media spots, investor seminars, personal meetings, word-of-mouth, and other means. These solicitations - as conducted and/or directed by BECKMAN, DURAND, KILEY, COOK, and PETTENGILL - involved the same material and false representations and material omissions concerning the performance, safety, and liquidity of the Currency Program.
18. Likewise, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction to solicit victim investors, continued to make false representations concerning their own backgrounds and qualifications and the backgrounds and qualifications of the individuals acting at their direction. These false representations and omissions were material.
19. Not all of the assets that victim investors provided for the purpose of investing in the Purported Currency Program were

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actually invested. In fact, a substantial percentage of victim investor assets, millions of dollars, were not invested in any foreign currency program, much less one involving the performance, safety, and liquidity of the Purported Currency Program. Instead, these millions of dollars in investor assets were diverted to pay for:

- a. compensation, personal expenses, and investments of BECKMAN, DURAND, KILEY, COOK, and PETTENGILL;
- b. Lulling Payments; and
- c. the expenses of operating the Oxford/UBS entities.

20. For those victim investor assets that were actually invested through foreign currency trading firms, the foreign currency trading actually conducted was not safe, liquid, and performing as promised by BECKMAN, DURAND, KILEY, COOK, PETTENGILL and others acting at their direction. Rather, the foreign currency trading actually conducted was high risk, volatile, and oftentimes resulted in significant losses to investor assets. Victim investors were not told of the risks and losses associated with the investments actually entered on their behalf and were not told that their assets were commingled with those of other victim investors. These affirmative omissions were material.

21. As one example of these material omissions, BECKMAN, DURAND,

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KILEY, COOK, and PETTENGILL never told victim investors that one of the foreign currency trading firms used in the Purported Currency Program through in or about June 2009 (Crown Forex, SA) was in dire financial condition and had been infused with funds from the Oxford and UBS Entities in an attempt to salvage it.

22. In March 2008, BECKMAN retained attorneys and, later, certified public accountants, purportedly to examine the Purported Currency Program in support of his bid to purchase an ownership interest in a professional sports team. As a result, and on or about July 31, 2008, a prominent Minneapolis law firm hired by BECKMAN expressly advised BECKMAN that:
- a. the Purported Currency Program was "riddled with illegalities [] [including] illegal sale of unregistered securities, inadequate or misleading disclosure to [victim investors], both about the products and about the fees, and transactions by unlicensed persons and entities";
 - b. the Purported Currency Program needed to be discontinued; and
 - c. investors' assets needed to be recovered.

Despite receiving this advice from his own attorneys, BECKMAN concealed it from victim investors, and, to the contrary,

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continued to participate in efforts to raise investor funds.

23. By July 31, 2008, Oxford/UBS Entities' victim investors had entrusted approximately \$117 million in investor assets to BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction.
24. In the summer of 2008 and as a result of concerns about COOK's handling of the Purported Currency Program and investor assets, DURAND and PETTENGILL discontinued the majority of their direct solicitations of victim investors for the Purported Currency Program conducted by COOK but did not disclose and affirmatively concealed their significant concerns from victim investors. They also failed to disclose and affirmatively concealed the material information they knew concerning the Purported Currency Program's actual performance, safety, and liquidity as well as the significant problems and/or losses associated with the foreign currency trading firms and/or foreign currency traders. Despite their lack of solicitation of victim investors for the Purported Currency Program from in or about August 2008 through in or about July 2009, during this period DURAND and PETTENGILL obtained payments from the Oxford/UBS Entities and/or Cook of at least \$625,000.00.
25. Starting in approximately August 2008, BECKMAN, KILEY, COOK,

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and others acting at their direction, began telling victim investors to make their investment checks payable to "Crown" or "Crown Forex" and/or to wire their investment funds to a bank account held in the name of Crown Forex, LLC. This bank account in the name of Crown Forex, LLC, was not, however, an account for Crown Forex, SA, of Switzerland, and had been opened on or about June 16, 2008, at a bank in Minnesota. The bank account was instead a ruse to give victim investors the false impression that their investment assets were being placed directly with Crown Forex, SA, in Switzerland and were not being held by the Oxford/UBS Entities. This practice of advising victim investors regarding their purported deposits to Crown Forex, SA, continued even though BECKMAN, KILEY, and COOK, well knew of the significant financial problems with Crown Forex, SA, including but not limited to:

- a. in or before February 2008, that the company owed its investors approximately \$14 million and was not under control financially;
- b. in or before March of 2009, that a Swiss regulatory authority was investigating Crown Forex, SA, such that no new investor assets would be accepted and existing assets could not be withdrawn; and
- c. in approximately May of 2009, that Crown Forex, SA was in

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bankruptcy proceedings.

The substantial majority of victim investor assets deposited into the Crown Forex, LLC, bank account was not sent to Crown Forex, SA, in Switzerland.

26. In or about June 2009, KILEY and COOK began telling victim investors of a new custodian for victim investors' Purported Currency Program assets, namely, the Basel Group. KILEY, COOK, and others acting at their direction began telling victim investors to make their investment checks payable to "Basel" and/or to wire their investment funds to a Minnesota bank account held in the name of Basel Group, LLC. Basel Group, LLC, was simply a name used by KILEY and COOK to open a bank account in Minnesota for the deposit of investor assets. This account gave victim investors the false impression that their checks were actually being received by Basel, when in fact the checks were deposited into a Minnesota bank account in the name of Basel Group, LLC, at the same bank where BECKMAN, KILEY, and COOK had operated the Crown Forex, LLC, account.
27. Throughout this time period - August 2008 through July 2009 - BECKMAN, KILEY, and COOK, directly and through others acting at their direction, caused the transmission of Lulling Statements and Lulling Payments. These statements continued

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to misrepresent the actual amount of victim investor assets actually directed to the Purported Currency Program; the actual rate of return on or losses to victim investor assets; and the commingling of individual victim investor's assets with those of other victim investors. These representations were false, were material and, oftentimes, omitted material facts.

28. Between August 2008 and July 2009, victim investors entrusted approximately \$74 million in new assets to BECKMAN, KILEY, and COOK, directly and through others acting at their direction, for investment in the Purported Currency Program. During the same period, DURAND and PETTENGILL continued to affirmatively conceal from victim investors the material information known to them about COOK and the Purported Currency Program, and continued to make false and material representations to victim investors concerning COOK and the Purported Currency Program.
29. For the time period of 2005 through July 2009, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction, secured approximately \$194 million in investor assets for investment in the Purported Currency Program. Of this, only approximately \$109 million was actually sent to currency trading firms within and outside the United States; approximately \$52 million was paid to

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victim investors in the form of Lulling Payments that purported to represent victim investors' return on their Purported Currency Program investments and withdrawals of investment assets; approximately \$68 million was lost in risky trading; and approximately \$30 million funded the business and personal expenses and investments of BECKMAN, DURAND, KILEY, COOK, and PETTENGILL.

WIRES

30. On or about the dates set forth below, in the State and District of Minnesota, and elsewhere, the defendants,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,
GERALD JOSEPH DURAND,
a/k/a Jerry Durand, and
PATRICK JOSEPH KILEY,
a/k/a Pat Kiley,

along with COOK, PETTENGILL, and others known and unknown to the Grand Jury, each aiding and abetting and aided and abetted by the others, for the purpose of executing the aforesaid scheme to defraud, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, certain signals and sounds, as further described below:

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| Count | On or About Date | Description of Wire |
|-------|--------------------|---|
| 1 | March 27, 2007 | Interstate wire transfer of \$1,500,000.00 from account of victim investor R.M. to UBS Diversified Growth, LLC, account at Wells Fargo Bank |
| 2 | March 13, 2008 | Interstate wire transfer of \$1,000,000.00 from account of victim investor C.O. to Oxford Global Advisors account at Wells Fargo Bank |
| 3 | July 3, 2008 | Interstate wire transfer of \$500,000.00 from account of victim investor A.Q. to Crown Forex, LLC, account at Associated Bank |
| 4 | September 24, 2008 | Interstate wire transfer of \$30,000.00 from UBS Diversified Growth, LLC, account at Wells Fargo Bank to account of victim investor L.H. |
| 5 | December 16, 2008 | Interstate wire transfer of \$75,000.00 from UBS Diversified Growth, LLC, account at Wells Fargo Bank to the personal account of DURAND at Wells Fargo Bank |
| 6 | December 23, 2008 | Interstate wire transfer of \$687,500.00 from account of victim investor R.P. to account of Crown Forex, LLC, at Associated Bank |
| 7 | June 30, 2009 | Interstate wire transfer of \$320,940.00 from account Entrust Midwest, LLC, to account of Crown Forex, LLC, at Associated Bank |
| 8 | July 1, 2009 | Interstate wire transfer of \$75,000.00 from the account of victim investor B.G. to the account of Basel Group, LLC, at Associated Bank |

All in violation of Title 18, United States Code,

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Sections 2 and 1343.

MAILINGS

31. On or about the dates set forth below, in the State and District of Minnesota and elsewhere, defendants,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,
GERALD JOSEPH DURAND,
a/k/a Jerry Durand, and
PATRICK JOSEPH KILEY,
a/k/a Pat Kiley,

along with COOK, PETTENGILL, and others known and unknown to the Grand Jury, each aiding and abetting the other, for the purpose of executing the aforesaid scheme to defraud, did knowingly cause to be delivered by the United States mail and interstate commercial carrier, according to the direction thereon, the matters particularly set forth below:

| Count | On or About Mailing Date | Description |
|-------|--------------------------|---|
| 9 | March 15, 2007 | UBS Entities letter to then-prospective investor T.H. and signed "Gerald Durand" |
| 10 | May 7, 2008 | Five checks totaling \$117,512.29 sent by victim investors R.G. and P.G. |
| 11 | June 1, 2008 | Oxford Global Advisors Currency Program account statement of victim investors R.P. and M.P. for the period ending June 1, 2008 and advising, "Please contact Bo |

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| | | |
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| | | Beckman or Chris Pettengill with questions." |
|--|--|--|

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

COUNT 12

(Conspiracy to Commit Mail and Wire Fraud)

32. The grand jury re-alleges all the allegations contained in paragraphs 1 through 9 and 11 through 29 of this Indictment.

33. On or about the dates set forth below, in the State and District of Minnesota, and elsewhere, defendants,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,
GERALD JOSEPH DURAND,
a/k/a Jerry Durand, and
PATRICK JOSEPH KILEY,
a/k/a Pat Kiley,

along with COOK, PETTENGILL, and others known and unknown to the grand jury, did knowingly combine, conspire, and agree with each other and other persons known and unknown to the Grand Jury to commit offenses against the United States including mail fraud and wire fraud by executing a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses representations and promises, as described above in paragraphs 11 through 29 of this Indictment, by knowingly:

a. transmitting and causing the transmission in

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interstate commerce, by means of wire communications, certain signals and sounds, for the purpose of executing such scheme and artifice, and

b. causing the sending, delivering, and moving by the United States Postal Service and interstate commercial carrier of various mailings for the purpose of executing such scheme and artifice.

OVERT ACTS

34. To effect the objects of the conspiracy and in furtherance of the conspiracy, BECKMAN, DURAND, KILEY, COOK, PETTENGILL, and other co-conspirators known and unknown to the Grand Jury, committed and caused to be committed, among others, the following overt acts in the District of Minnesota and elsewhere:

- a. On or about March 21, 2007, DURAND and PETTENGILL discussed the UBS Entities' Currency program with victim investors P.M. and J.M., stating and implying that the Purported Currency Program was safe, not risky, and guaranteed.
- b. On or about February 18, 2008, DURAND and COOK negotiated a "pledge agreement" with Crown Forex, SA, wherein Oxford Global Advisors agreed to provide \$4 million in exchange for control of Crown

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Forex, SA's operations and an exercisable option for part ownership in Crown Forex, SA.

- c. On or about March 25, 2008, DURAND emailed COOK, stating: "bullets for Pat [KILEY] # an opportunity to obtain ownership in a Private Swiss Bank # The Swiss Banking laws remain the safest and most stringent in the world # we have available a 20% equity participation the following terms 1st 5.0 million USD will receive 20% 2nd 5.0 million USD will receive 12% # the bank has pending commitment from middle east oil money of over 2.0 billion USD mostly Saudi # the return on investment in the next 3 years should exceed 40 times # unlimited asset management strategies will be available GOOD LUCK JD."
- d. On or about May 15, 2008, DURAND emailed COOK regarding a meeting with a fund administrator in Switzerland and stated, in part, I "asked [S.S., CEO of Crown Forex, SA,] to go with me * * * [S.S., CEO of Crown Forex, SA,] was all set to go and at the last minute said he was going to Jordan for personal reasons...his whole attitude was like f**k y*u to me * * * I think they are f*****g us bad...I

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am aware that they are not letting us see the full picture....I think we need to string [S.S., CEO of Crown Forex, SA,] along as long as possible and get as much money back as we can and that might be the best we can hope for.....I don't believe we can ever trust [S.S., CEO of Crown Forex, SA,].."

- e. On or about June 9, 2008, BECKMAN emailed DURAND, COOK, and PETTENGILL concerning his examination of the Purported Currency Program operation and stated in an attachment to that email, in part, "We all need to be on the same page in order for us to handle this properly. We all know what needs to be done: I. Accounting for all investments into the 'fed funds' program via Oxford entities. II. Undo what has been done. III. Determine direction moving forward."
- f. On or about June 27, 2008, DURAND emailed BECKMAN stating, "You should proof the newsletter that [G.W.] has put together....it has completely lost its credibility by having a cast of characters with titles and business relationships to Oxford that do not exist...WE (Chris [PETTENGILL], you and I) need to dictate this letter...I started it when you and

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I agreed to bring [G.W.] on for the Oxford....Trevor [COOK] has again bastardized it * * I have no problem coordinating this effort with [G.W.]...I will not be a party to continued bulls**t half-truths and outright lies and this issue has it all. Let me know when we can talk and resolve this..."

- g. On or about July 21, 2008, PETTENGILL emailed COOK and BECKMAN and said he was "dodging bullets" from K.L., a former UBS/Oxford Entities sales agent, who PETTENGILL described as "not beyond going the extra mile in hosing us" if certain victim investors' assets were not returned; this email included a forwarded copy of the sales agent's email to PETTENGILL, which detailed alleged illegalities in the handling of the Purported Currency Program to include commingling of investor assets;
- h. On or about August 7, 2008, BECKMAN responded by email to COOK and another Oxford Entities' associate concerning a Currency Program inquiry by the holder of the investment advisor license for the Oxford Private Client Group and stating, "Now the ship begins to sink. This is not good. I will

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needless to say take care of it, I just wanted you to know."

- i. On or about June 14, 2009, KILEY hosted a radio program, stating in part, "Welcome once again truth seekers around the world, American and international * * * And the information that I bring you on these broadcasts are the facts, documented and verified. I do not come to persuade you, but instead to warn you * * * Triple w dot Pat Kiley dot com. All broadcasts have been archived * * * If you're truly concerned about what's happening to your 401ks, your IRAs, etcetera, I'd have to say pay very close attention, because for 21 years, our firm has worked with various countries' currencies and their bank interest rates, and we are not connected in any way to stocks, bonds, real estate, etcetera, so we could care less if they go up or down, as we are totally detached and unaffected by them. In other words, our clients profit from chaos, and believe me there is plenty of it out there, and we've done this for companies and corporations, national and international for 22 years plus, but in the last

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five years, we opened it up to you, the private investor, with all of the corporate profits and returns, and our clients' funds are held in segregated accounts under your own name and fully liquid back to the client 24 hours a day, seven days a week. So for further free financial information, I would advise you to call that toll free number which is 1-800-344-3155, again that's 1-800-344-3155. And I've got to believe because of that call, you will have great piece of mind."

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

COUNTS 13-14
(Wire Fraud)

35. From in or about 2006 through in or about 2010, in the State and District of Minnesota and elsewhere, the defendant,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,

engaged in wire fraud by devising and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises and concealment of material facts, and knowingly transmitted and caused the transmission in interstate commerce, by means of wire

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communications, certain signals and sounds, for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

SCHEME AND ARTIFICE TO DEFRAUD

36. In or about 2006, BECKMAN solicited victim investors (R.O. and C.O.), now in their 90s, to purchase insurance policies on R.O.'s life. BECKMAN represented that he would later sell the insurance policies on the viatical market and thereby generate a profit for the victim investors.
37. In or about 2008, BECKMAN represented to the victim investors, who were then also victim investors in the Purported Currency Program, that he had tried to sell the life insurance policies but the policies had no value. These representations were material and were false in that BECKMAN had sold the life insurance policies for approximately \$3.95 million.
38. In or about March 2008, BECKMAN used approximately \$3 million from the proceeds of the policy sales to prop up the Purported Currency Program, specifically by partially satisfying a loss in a currency trading account held in BECKMAN's name at PFG.
39. Thereafter, BECKMAN, directly and through others acting at his direction, generated false documents to conceal his theft. These documents gave the false appearance that C.O. had used the proceeds of the viatical sales to purchase an ownership

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interest in the Oxford Private Client Group and/or to invest in the Purported Currency Program.

WIRES

40. On or about the dates set forth below, in the State and District of Minnesota, and elsewhere, the defendant,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,

for the purpose of executing the aforesaid scheme to defraud, did knowingly transmit and cause to be transmitted in interstate commerce, by means of wire communications, certain signals and sounds, as further described below:

| Count | On or About Date | Description of Wire |
|-------|------------------|---|
| 13 | February 8, 2008 | Interstate wire transfer of \$1.975 million from account at Bank of New York Mellon to Oxford Global Advisors account at Wells Fargo Bank |
| 14 | March 4, 2008 | Interstate wire transfer of \$1.975 million from account at Bank of New York Mellon to Oxford Global Advisors account at Wells Fargo Bank |

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

COUNTS 15-20
(Money Laundering)

41. The grand jury re-alleges all the allegations contained in paragraphs 1 through 31 of this Indictment.

42. On or about the dates set forth below, in the State and

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District of Minnesota, and elsewhere, the defendants identified below, aiding and abetting and aided and abetted by each other, COOK, PETTENGILL, and others known and unknown to the grand jury, did knowingly engage and attempt to engage in a monetary transaction by, through, or to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000.00, namely those transactions identified below, using proceeds derived from a specified unlawful activity, that is wire and mail fraud as alleged in Counts 1 through 11:

| Count | Defendant | On or About Date | Financial Transaction |
|-------|---|----------------------|--|
| 15 | GERALD JOSEPH DURAND a/k/a Jerry Durand | March 21, 2008 | Wire transfer of \$400,000.00 from the Wells Fargo Bank account of Oxford FX Growth, LP to the account of a movie production company |
| 16 | GERALD JOSEPH DURAND a/k/a Jerry Durand | August 26, 2008 | Wire transfer of \$475,000.00 from the Wells Fargo Bank account of Oxford Global Holdings, LLC to the Bremer Bank account of Oxford Global Holdings, LLC |
| 17 | JASON BO-ALAN BECKMAN a/k/a Bo Beckman | November 17, 2008 | Check #6059 for \$119,241.51 drawn on BECKMAN's personal Wells Fargo Bank account and payable to a law firm |
| 18 | JASON BO-ALAN | June 19, | Check #6345 for \$16,500.00 |

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| | | | |
|----|--|----------------------|--|
| | BECKMAN a/k/a Bo Beckman | 2009 | drawn on BECKMAN's personal Wells Fargo Bank account and payable to a construction company |
| 19 | PATRICK JOSEPH KILEY a/k/a Pat Kiley | July 13, 2009 | Wire transfer of \$100,000.00 from the Basel Group, LLC, bank account at Associated Bank to the account of an attorney |
| 20 | GERALD JOSEPH DURAND a/k/a Jerry Durand | December 10, 2010 | Exchange of 12,241 in Swiss francs for \$11,839 (U.S. dollars) at Wells Fargo Bank |

All in violation of Title 18, United States Code, Sections 1957 and 2.

THE TAX COUNTS

43. The grand jury realleges paragraphs 1 though 9, 11 through 29, 34, and 36 through 39, above as though restated in this paragraph for the purpose of alleging the substantive tax counts set forth below.
44. As a result of the fraud schemes described above, BECKMAN and DURAND received substantial income which gave rise to substantial federal income tax liabilities which they fraudulently omitted from their United States Individual Income Tax Returns during the years 2006, 2007, 2008 and 2009, or simply evaded, as set forth below.

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TAXABLE YEAR ENDED DECEMBER 31, 2006

COUNT 21

(Durand False Individual Income Tax Return - 2006)

45. On or about April 15, 2007, in the State and District of Minnesota, the defendant,

GERALD JOSEPH DURAND,
a/k/a Jerry Durand,

did willfully make and file with the Internal Revenue Service a false United States Individual Income Tax Return, Form 1040, jointly with his wife for the taxable year ended December 31, 2006, which he signed and subscribed on or about April 6, 2007, and which was verified by a written declaration that it was made under the penalties of perjury, and which said Income Tax Return he did not believe to be true and correct as to every material matter in that Line 22 reported total income of \$141,658 whereas, as he then and there well knew and believed, their total income was substantially more than \$141,658.

All in violation of Title 26, United States Code, Section 7206(1).

TAXABLE YEAR ENDED DECEMBER 31, 2007

COUNT 22

(Beckman False Individual Income Tax Return - 2007)

46. On or about October 22, 2008, in the State and District of Minnesota, the defendant,

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JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,

did willfully make and file with the Internal Revenue Service a false United States Individual Income Tax Return, Form 1040, jointly with his wife for the taxable year ended December 31, 2007, which he signed and subscribed on or about October 13, 2008, and which was verified by a written declaration that it was made under the penalties of perjury, and which said Income Tax Return he did not believe to be true and correct as to every material matter in that Line 17 reported a purported partnership loss of \$806,600 and in that Line 22 reported total income of -\$335,278 whereas, as he then and there well knew and believed, the partnership loss of \$806,600 was fictitious and their total income was substantially higher than -\$335,278.

All in violation of Title 26, United States Code, Section 7206(1).

COUNT 23

(Durand False Individual Income Tax Return - 2007)

47. On or about April 15, 2008, in the State and District of Minnesota, the defendant,

GERALD JOSEPH DURAND,
a/k/a Jerry Durand,

did willfully make and file with the Internal Revenue Service

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a false United States Individual Income Tax Return, Form 1040, jointly with his wife for the taxable year ended December 31, 2007, which he signed and subscribed on or about April 11, 2008, and which was verified by a written declaration that it was made under the penalties of perjury, and which said Income Tax Return he did not believe to be true and correct as to every material matter in that Line 22 reported total income of \$124,031.92 whereas, as he then and there well knew and believed, their total income was substantially more than \$124,031.92.

All in violation of Title 26, United States Code, Section 7206(1).

TAXABLE YEAR ENDED DECEMBER 31, 2008

COUNT 24

(Tax Evasion by Defendant Beckman)

48. During the year ended December 31, 2008, BECKMAN and his wife received taxable income exceeding \$3.9 million, and upon said taxable income there was owing to the United States of America income taxes exceeding \$1.3 million.
49. Well knowing and believing the facts set forth in the preceding paragraph, the defendant,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,

in the State and District of Minnesota, did willfully evade

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and attempt to evade and defeat the income tax due and owing by him and his wife to the United States of America for taxable year ended December 31, 2008, by certain willful acts of omission and by various affirmative actions, including the following:

- a. Even though counseled by his tax return preparer to file an Individual Income Tax Return for the taxable year ended December 31, 2008, BECKMAN willfully failed to file an Individual Income Tax Return on Form 1040 for the taxable year ended December 31, 2008.
- b. In or about February of 2008, BECKMAN caused two policies insuring the life of investor R.O. to be sold on the viatical market. Rather than remitting the \$3.95 million in proceeds generated by the sale of these policies to his client, BECKMAN stole those proceeds and used them, at least in part, to prop up a currency trading account held in his name at PFG and which had incurred a loss of approximately \$15 million. Well knowing and believing that those stolen proceeds were income to him, in February and March of 2008, he caused those proceeds to be wired circuitously from Bank of New

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York Mellon through several different accounts in various business names (including Oxford Global Advisors, Oxford Global Holdings and Oxford FX Growth LP) before transferring them, in part, to prop up his PFG account. Beckman did not report this income.

All in violation of Title 26, United States Code, Section 7201.

COUNT 25

(Durand False Individual Income Tax Return - 2008)

50. On or about April 15, 2009, in the State and District of Minnesota, the defendant,

GERALD JOSEPH DURAND,
a/k/a Jerry Durand,

did willfully make and file with the Internal Revenue Service a false United States Individual Income Tax Return, Form 1040, jointly with his wife for the taxable year ended December 31, 2008, which he signed and subscribed on or about April 14, 2009, and which was verified by a written declaration that it was made under the penalties of perjury, and which said Income Tax Return he did not believe to be true and correct as to every material matter in that Line 22 reported total income of \$135,030.74 whereas, as he then and there well knew and believed, their total income was substantially more than

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\$135,030.74.

All in violation of Title 26, United States Code, Section 7206(1).

TAXABLE YEAR ENDED DECEMBER 31, 2009

COUNT 26

(Beckman False Individual Income Tax Return - 2009)

51. On or about January 3, 2011, in the State and District of Minnesota, the defendant,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,

did willfully make and file with the Internal Revenue Service a false United States Individual Income Tax Return, Form 1040, separately from his wife for the taxable year ended December 31, 2009, which he signed and subscribed on or about December 1, 2010, and which was verified by a written declaration that it was made under the penalties of perjury, and which said Income Tax Return he did not believe to be true and correct as to every material matter in that Line 22 reported total income of -\$6,607 and Line 41 reported itemized deductions of \$1,563,543, an amount which was materially false in that \$1,498,853 of such amount was falsely claimed as a "LOSS ON PONZI SCHEME" on line 28 of Beckman's Schedule A whereas, as he then and there well knew and believed, his total income was substantially more than -\$6,607 and the "LOSS ON PONZI SCHEME"

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reported on his Schedule A was fictitious.

All in violation of Title 26, United States Code, Section 7206(1).

FORFEITURE ALLEGATIONS

52. Counts 1 through 26 of this Superseding Indictment are hereby realleged and incorporated as if fully set forth herein by reference, for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 982(a)(1) and 981(a)(1)(C), in conjunction with Title 28, United States Code, Section 2461(c).

53. As the result of the offenses alleged in Counts 1 through 14 of this Superseding Indictment, the defendants,

JASON BO-ALAN BECKMAN,
a/k/a Bo Beckman,
GERALD JOSEPH DURAND,
a/k/a Jerry Durand, and
PATRICK JOSEPH KILEY,
a/k/a Pat Kiley,

shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property constituting, or derived from, proceeds traceable to the violations alleged in Counts 1 through 14.

54. As a result of the offenses alleged in Counts 15 through 20 of this Superseding Indictment, the defendants,

JASON BO-ALAN BECKMAN,

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a/k/a Bo Beckman,
GERALD JOSEPH DURAND,
a/k/a Jerry Durand, and
PATRICK JOSEPH KILEY,
a/k/a Pat Kiley,

shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(1), all property, real and personal, involved in said money laundering violations and all property traceable to such property, including the sum of money involved in each of Counts 15 through 20.

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

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

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All in violation of Title 18, United States Code, Sections 2, 371, 981(a)(1)(C), 982(a)(1), 1341, 1343, 1957; Title 26, United States Code, Sections 7201, 7206(1); and Title 28, United States Code, Section 2461(c).

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON