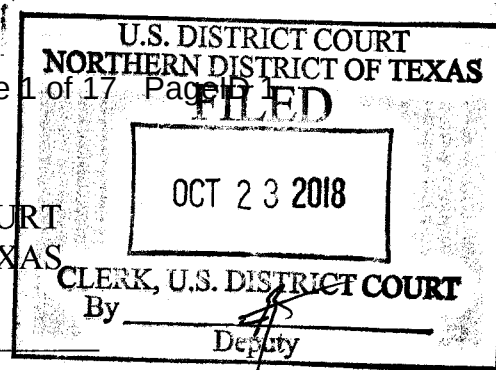


ORIGINAL



IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA

v.

JEFFREY A. RICHIE (1)
WENDY RICHIE (2)

No.

3-18CR-540-L

INDICTMENT

The Grand Jury Charges:

Introduction

At times material to this Indictment:

1. The Employee Retirement Income Security Act of 1974 (ERISA), Title 29, United States Code, Section 1001 et seq., was enacted to protect the interests of participants in private sector employee welfare benefit plans, including employee pension benefit plans. An employee pension benefit plan is a plan, fund, or program established or maintained by an employer or association of employers for the purpose of providing retirement income to employees. Employees that elect to participate in the retirement plan can save a portion of their income and defer paying taxes on the income until they withdraw their money from the plan either at retirement or through early withdrawals. A typical ERISA employee pension benefit plan is the 401(K).

2. ERISA requires that sponsors of private employee benefit plans design and administer their plans in accordance with ERISA. The core of Title I of ERISA consists of provisions that address the conduct of persons (fiduciaries) who are responsible for

operating pension and welfare benefit plans. Fiduciaries are required to discharge their duties solely in the interest of plan participants and beneficiaries for the exclusive purpose of providing benefits and defraying reasonable expenses of plan administration.

3. The Optional Retirement Program is a non-ERISA defined contribution plan that under Texas law is available as an alternative to the Teacher Retirement System. Optional Retirement Plans are limited to full-time faculty, librarians, and certain administrators and professionals employed by Texas public institutions of higher education.

4. Plan sponsors of both ERISA pension benefit funds and Optional Retirement Funds frequently retain a Third Party Administrator (TPA) to administer the benefit plans. A TPA commonly serves as an agent of plans for processing claims and for general plan administration and recordkeeping.

5. Vantage Benefits Administrators, Inc. (VBA) was incorporated in California and registered to do business in Texas in July 2016. VBA held itself out as an employee benefits consultant and contracted as a TPA for a number of ERISA plans and Optional Retirement Plans. VBA maintained its offices at 1201 Elm Street, Dallas, Texas, in the Northern District of Texas.

6. Defendant, **Jeffrey Richie** owned fifty percent of VBA's stock and was the President and Chief Executive Officer of VBA.

7. Defendant **Wendy Richie**, was the wife of Jeffrey Richie and owned 49 percent of VBA's stock. **Wendy Richie** was the Vice-President of Administration for the company and handled primarily the financial matters of VBA.

8. Matrix Trust Company (Matrix) was a financial services company located in Denver, Colorado. Matrix served as the funds custodian for a number of employee retirement benefit plans for which VBA served as a TPA.

9. C.P., M.B.A., A.A.D., and P.V.G. were employers engaged in industries and activities that affected interstate commerce. All four employers were plan sponsors of ERISA pension benefit plans for their employees and contracted with VBA to serve as a TPA.

10. T.A.M.U.S. and V.C. were institutions of higher learning in Texas and offered Optional Retirement Programs for the benefit of some of their employees. VBA served as the TPA for both plans.

11. VBA used a computer database called "Relius" for recordkeeping purposes and to facilitate the administration of the plans. Relius allowed plan participants to view their retirement account balances online. When an employee contributed to their retirement plan the funds along with the employer's matching funds would be transmitted to Matrix. Matrix then provided confirmation of the transactions to VBA which would update the information in Relius.

12. When a plan participant requested a disbursement from their retirement fund, the request would go to VBA, who would then initiate a disbursement request to Matrix. Matrix would then make the disbursement to the designated financial institution.

Count One
Conspiracy to Commit ERISA Theft and Wire Fraud
(Violation of 18 U.S.C. § 371)

1. The Grand Jury re-alleges and incorporates the Introduction of this Indictment as if fully set forth herein.
2. Beginning by at least 2014, the exact date being unknown, and continuing until in or about October 2017, in the Dallas Division of the Northern District of Texas and elsewhere, the defendants, **Jeffrey Richie** and **Wendy Richie**, did knowingly and willfully combine, conspire, confederate, and agree with each other to commit certain offenses against the United States, to wit:
 - a. To knowingly and willfully, embezzle, steal, and convert the money, funds, premiums, credits and assets of employee retirement benefit plans in violation of 18 U.S.C. § 664; and,
 - b. To knowingly and with intent to defraud, cause to be transmitted in interstate commerce by means of wire and radio communication, certain writings, signs, signals, and sounds for the purpose of executing and carrying out a scheme and artifice to defraud, and for obtaining money and property by means of false, material and fraudulent pretenses, representations, and promises, in violation of 18 U.S.C. §1343.

Manner and Means of the Scheme and Conspiracy

3. Beginning in or about 2014 and continuing through 2017, **Jeffrey Richie** and **Wendy Richie** engaged in a joint scheme and artifice to defraud, the object of which was to misappropriate retirement funds for which VBA served as the TPA. During this

period the defendants misappropriated approximately \$14.5 million in funds maintained by over a 1,000 plan participants in at least 20 ERISA and Optional Retirement Plans.

4. It was a part of the aforesaid conspiracy and scheme to defraud that **Wendy Richie**, acting with the knowledge and approval of **Jeffrey Richie**, prepared and submitted to Matrix by means of interstate electronic transmissions false and fraudulent requests for distributions from the retirement funds established by VBA's clients. The distribution requests prepared by **Wendy Richie** used the name and identity of an employee, or purported employee of the plan sponsor. The request would direct that the distribution be made by ACH transfer to a financial account that the employee has purportedly designated. In fact, the designated account was VBA's operating account at Bank of America numbered XXX9597. The funds were then used for VBA expenses, including company payroll. Funds were also transferred to **Jeffrey Richie** and **Wendy Richie's** personal bank account and used to acquire assets and pay for personal expenses.

Overt Acts

In furtherance of the aforesaid scheme and conspiracy and to effect the objects thereof, the conspirators committed the following overt acts, among others:

a. On or about June 3, 2016, **Wendy Ritchie** initiated a disbursement request to Matrix using the identity of "J.R." for \$85,725 from J.R.'s retirement account with M.B.A. to be deposited into VBA's account XXXX9597.

b. On or about June 9, 2016, **Wendy Richie** wire transferred \$55,000 from VBA's account XXXX9597 to Inwood National Bank as an escrow payment for the purchase of the defendant's residence located at 2414 Westmoreland Road, Red Oak,

Texas.

c. On or about June 15, 2016, **Wendy Richie** initiated a disbursement request to Matrix using the identity of "J.R." for \$93,193.83 from J.R.'s retirement account with M.B.A. to be deposited into VBA's account XXXX9597.

d. On or about June 17, 2016, **Wendy Richie** wire transferred \$31,208.48 from VBA's account XXXX9597 to Oasis Interiors Inc.

e. On or about June 17, 2016, an online transfer of \$31,028.50 was made from VBA's account to Jeffrey and Wendy Richie's joint account numbered XXXX 1415 at Citizens National Bank of Texas. On the same day, **Wendy Richie** issued a check drawn on account numbered XXX1415 in the amount of \$31,028.50 payable to Central Kubota for partial payment for farm equipment purchased by **Jeffrey Richie** that included a four wheel drive Kubota cab diesel tractor, with a front end loader, single spike bale spear, rotary cutter, and ATV tires.

f. On or about July 8, 2016, **Wendy Richie** initiated a disbursement request to Matrix using the identity of "S.O." for a distribution of \$87,254.66 to be made from S.O.'s retirement account with A.A.D. to be deposited into VBA's account XXXX9597.

g. On or about July 11, 2016, **Wendy Richie** wire transferred \$16,000.00 from VBA's account XXXX9597 to Jeffrey and Wendy Richie's joint account numbered XXXX1415 at Citizens National Bank of Texas.

h. On or about July 8, 2016, **Wendy Richie** issued two unnumbered checks drawn on account numbered XXXX1415. One check was in the amount of \$3,556.44 payable to J.G. with a memo field noting "July 10 Mortgage." The other check was in

the amount of \$11,500 payable to J.G. with a memo field noting "Goats & Mower."

i. On or about December 23, 2016, **Wendy Richie** initiated a disbursement request to Matrix using the identity of "L.M." for a distribution of \$48,309 to be made from L.M.'s retirement account with MBA to be deposited into VBA's account XXXX9597.

j. On or about December 23, 2016, an online transfer of \$11,500 was made from VBA's account XXXX9597 to **Jeffrey and Wendy Richie's** joint account numbered XXXX1415 at Citizens National Bank of Texas. On the same day, **Wendy Richie** issued check numbered 1033 drawn on account numbered XXX1415 in the amount of \$9,616.40 payable to "Design Interiors LLC" for the replacement of the breakfast room floor, the purchase of hand scraped wood, and labor, electrical, and carpentry for a custom mantle at the defendants' residence 2414 Westmoreland Road, Red Oak, Texas.

k. On or about June 29, 2017, **Wendy Richie** initiated a request to Matrix using the identity of "D.R." for a distribution of \$129,561.82 to be made from D.R.'s Optional Retirement Plan with T.A.M.U.S to be deposited into VBA's account XXXX9597.

l. On or about June 29, 2017, **Wendy Richie** transferred \$51,000.00 from VBA's account XXXX9597 to the defendants' joint account at Bank of America, account XXXX7168.

m. On or about June 30, 2017, **Wendy Richie** wire transferred \$52,652.78 from their Bank of America account XXXX7168 to an account at American National

Bank as the remainder of the lump sum due with interest on a second mortgage for the defendants' residence at 2414 Westmoreland Road, Red Oak, Texas.

In violation of 18 U.S.C. § 371 (18 U.S.C. §§ 664 and 1343).

Counts Two through SevenTheft or Embezzlement from Employee Benefit Plan and Aiding and Abetting
(18 U.S.C. §§ 664 and 2)

1. The Grand Jury re-alleges and incorporates the Introduction and the Manner and Means section of Count One of this Indictment as if fully set forth herein.
2. On or about the date set forth below for each count, in the Dallas Division of the Northern District of Texas and elsewhere, the defendants, **Jeffrey Richie** and **Wendy Richie**, aided and abetted by each other, knowingly stole, embezzled and unlawfully and willfully abstracted and converted to their own use and the use of others, money, funds, premiums, credits and assets of the employee pension benefit plan identified below for each count, subject to Title I of the Employee Retirement Income Security Act of 1974, and of funds connected therewith, by transmitting a distribution request in the amount and using the name of the participant also identified below:

Count	Date	Amount	Participant	Plan
2	6/3/2016	\$85,725	J.R.	M.B.A. Employees 401K
3	6/15/2016	\$93,193.83	J.R.	M.B.A. Employees 401K
4	7/08/2016	\$87,254.66	S.O.	A.A.D. Employees Profit Sharing Plan
5	7/13/16	\$21,749.92	J.K.	P.V.G. Defined Benefit Plan
6	12/23/2016	\$48,309	L.M.	M.B.A. Employees 401K
7	3/2/2017	\$985,000	C.C.	C.P. 401K

In violation of 18 U.S.C. §§ 664 and 2.

Counts Eight and Nine
Wire Fraud and Aiding and Abetting
(18 U.S.C. §§ 1343 and 2)

1. The Grand Jury re-alleges and incorporates the Introduction and the Manner and Means section of Count One of this Indictment as if fully set forth herein.

2. On or about the date set forth below for each count, in the Dallas Division of the Northern District of Texas, and elsewhere, defendants, **Jeffrey Richie** and **Wendy Richie**, aided and abetted by each other, for the purpose of executing and carrying out the aforesaid scheme and artifice to defraud, and for obtaining money and property by means of false, material and fraudulent pretenses, representations, and promises, did knowingly and with intent to defraud, cause to be transmitted in interstate commerce by means of wire and radio communication, certain writings, signs, signals, and sounds constituting a request for a distribution of retirement funds from the Optional Retirement Plan identified below, in the name and the amount also described below, by sending an electronic communication from VBA in Dallas, Texas to Matrix servers in Denver, Colorado:

Count	Date	Individual	Optional Retirement Plan	Amount
8	6/29/2017	D.R.	T.A.M.U.S.	\$129,561.82
9	10/13/2017	B.J.	V.C.	\$210,129.10

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

Count Ten

Aggravated Identity Theft and Aiding and Abetting
(Violation of 18 U.S.C. §§ 1028A and 2)

1. The Grand Jury re-alleges and incorporates the Introduction and the Manner and Means section of Count One of this Indictment as if fully set forth herein.
2. On or about June 3, 2016, in the Northern District of Texas, defendant, **Jeffrey Richie** and **Wendy Richie**, aided and abetted by each other, did knowingly transfer, possess, and use without lawful authority, the means of identification of another person, that is, the name and social security number belonging to J.R., during and in relation to the offenses of ERISA theft in violation of Title 18, United States Code, Section 664, and wire fraud in violation of Title 18, United States Code, Section 1343, knowing that the means of identification belonged to another actual person.

In violation of 18 U.S.C. §§ 1028A and 2.

Count Eleven

Aggravated Identity Theft and Aiding and Abetting
(Violation of 18 U.S.C. §§ 1028A and 2)

1. The Grand Jury re-alleges and incorporates the Introduction and the Manner and Means section of Count One of this Indictment as if fully set forth herein.
2. On or about June 29, 2017, in the Northern District of Texas, defendant, **Jeffrey Richie** and **Wendy Richie**, aided and abetted by each other, did knowingly transfer, possess, and use without lawful authority, the means of identification of another person, that is, the name and social security number belonging to D.R., during and in relation to the offense of wire fraud in violation of Title 18, United States Code, Section 1343, knowing that the means of identification belonged to another actual person.

In violation of 18 U.S.C. §§ 1028A and 2.

Count Twelve

Aggravated Identity Theft and Aiding and Abetting
(Violation of 18 U.S.C. §§ 1028A and 2)

1. The Grand Jury re-alleges and incorporates the Introduction and the Manner and Means section of Count One of this Indictment as if fully set forth herein.
2. On or about October 13, 2017, in the Northern District of Texas, defendant, **Jeffrey Richie** and **Wendy Richie**, aided and abetted by each other, did knowingly transfer, possess, and use without lawful authority, the means of identification of another person, that is, the name and social security number belonging to B.J., during and in relation to the offense of wire fraud in violation of Title 18, United States Code, Section 1343, knowing that the means of identification belonged to another actual person.

In violation of 18 U.S.C. §§ 1028A and 2.

Notice of Forfeiture
(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

Upon conviction for any of the offenses alleged in Count One through Twelve of this Indictment, defendants **Jeffrey Richie** and **Wendy Richie** shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the respective offense, whether directly or indirectly, including the total proceeds derived from the offense (commonly referred to as a “money judgment”).

Upon conviction for any of the offenses alleged in Count One through Twelve of this Indictment and pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), defendants **Jeffrey Richie** and **Wendy Richie** shall also forfeit the following property:

Bank of America Account Number XXXXXX9597 \$62,247.02

Bank of America Account Number XXXXXX4992 \$8,380.03

Bank of America Account Number XXXXXXXX7168 \$656.05

Bank of America Account Number XXXXXXXX9711 \$50,000.00

Alamo Title Company Cashier's Check to USMS \$33,557.19

Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b), if any of the above property subject to forfeiture, as a result of any act or omission of the defendant, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States of America to seek forfeiture of any other property of the defendant up to the value

of the above described property subject to forfeiture.

A TRUE BILL

FOREPERSON

ERIN NEALY COX
UNITED STATES ATTORNEY



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THE UNITED STATES OF AMERICA

v.

JEFFREY A. RICHIE (1)
WENDY RICHIE (2)

INDICTMENT

18 U.S.C. § 371
Conspiracy to Commit ERISA Theft and Wire Fraud
(Count 1)

18 U.S.C. §§ 664 and 2
Theft or Embezzlement from Employee Benefit Plan and Aiding and Abetting
(Counts 2 -7)

18 U.S.C. §§ 1343 and 2
Wire Fraud and Aiding and Abetting
(Counts 8 - 9)

18 U.S.C. §§ 1028A and 2
Aggravated Identity Theft and Aiding and Abetting
(Count 10-12)

18 U.S.C. § 981 (a)(1)(c) and 28 U.S.C. §2461(c)
Forfeiture Notice


12 Counts

A true bill rendered

DALLAS

FOREPERSON

Filed in open court this 22 day of October, 2018.


UNITED STATES MAGISTRATE JUDGE
No Criminal Matter Pending