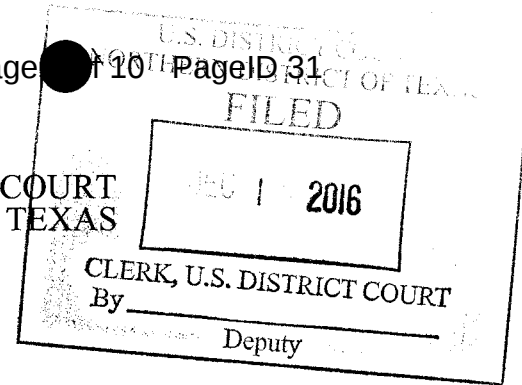


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION



UNITED STATES OF AMERICA

v.

NO.

JAMES VANBLARICUM (01)

4-16CR-283-Y

INDICTMENT

The Grand Jury charges:

Introduction

At all times material to this indictment:

Defendant **James VanBlaricum** controlled and operated Signal Oil and Gas Company (SOG) and Texas Energy Management, aka Texas Energy Mutual (TEM). SOG and TEM were oil and gas companies. SOG was incorporated in 2000 and TEM in 2008. SOG and TEM raised capital for investment in mineral leases and for oil and gas exploration and development. SOG and TEM sold percentages of oil and gas well projects in Texas and Oklahoma. Investors purchased percentages of mineral leases, and oil and gas well projects for an amount established by **VanBlaricum**. SOG and TEM offered several investment programs for purchase to investors.

A "lulling" letter or payment is designed to lull investors into a false sense of security, postpone inquiries or complaints, or make the transaction less suspect and is used in furtherance of a "Ponzi" or other fraudulent scheme.

The Scheme to Defraud

1. From on or about January 2007, and continuing thereafter until in or around August 2016, in the Fort Worth Division of the Northern District of Texas and elsewhere, **VanBlaricum** with the intent to defraud did devise and execute a scheme and artifice to defraud and to obtain money by materially false and fraudulent pretenses, statements representations and promises.
2. **VanBlaricum**, acting both personally and by and through other persons known and unknown to the Grand Jury, carried out the scheme in the following manner and by the following means:
 - a. **VanBlaricum** would and did form business entities, including SOG and TEM, ostensibly for the purpose of investing in mineral leases, and oil and gas production and earning a profit from those investments;
 - b. **VanBlaricum** would and did maintain a residence and home office on Sapphire Circle in Colleyville, Texas in the Northern District of Texas, at which many of the acts and transactions alleged in this Indictment occurred;
 - c. **VanBlaricum** would and did raise millions of dollars from investors by various means, including selling securities in the form of limited partnership interests in “programs” offered by SOG and TEM;
 - d. To obtain money from investors, **VanBlaricum** would and did communicate with potential investors both orally and in writing, in face-to-face meetings,

and by means and instrumentalities of interstate commerce such as mail, express couriers, telephone, and electronic mail;

e. To obtain money from investors, **VanBlaricum** would and did employ sales agents who worked on his behalf to raise money, including by selling securities in the form of limited partnership interests in “programs” offered by SOG and TEM;

f. Both personally and by and through sales agents, **VanBlaricum** would and did deceive investors and potential investors, and fraudulently induce them to invest money or leave it invested with the SOG and TEM, by misrepresenting material facts, including but not limited to the following:

i. **VanBlaricum** would and did represent that investors would earn an “assured” rate of return on their initial investment and that investors would receive a full refund of their initial investment amount after a defined period of time;

ii. **VanBlaricum** would and did represent that he intended and expected to use a certain percentage of the investors’ money to purchase mineral leases, and oil and gas well projects when in fact, **VanBlaricum** then and there well knew, he intended to spend a substantially smaller percentage of the money on mineral leases, and oil and gas well projects while using a substantial part of the investors’ money for purposes that the investors did not authorize or even know about, including payment of purported investment returns to other investors, commissions to sales agents, and payment of personal expenses for **VanBlaricum** and his family, friends, and business associates; and

iii. **VanBlaricum** would and did represent that he had purchased certain assets or were in the process of purchasing them, when in fact, as **VanBlaricum** then and there well knew, he had not purchased those assets and was not in the process of purchasing them;

iv. **VanBlaricum** would and did represent that oil and gas well projects were productive and profitable when in fact most were “dry holes”, produced oil for a short period of time, or had not been drilled.

g. Material facts that **VanBlaricum** represented to investors and potential investors, both personally and by and through sales agents, were false and misleading because **VanBlaricum** would and did omit material facts. For example, when **VanBlaricum** made promises about his use of investor funds, he would and did omit to state that he had made the same promises to other investors and then used those investors’ funds for purposes that the investors did not authorize or even know about, including the payment of purported investment returns to other investors, commissions to sales agents, and payment of personal expenses for **VanBlaricum** and his family, friends, and business associates;

h. **VanBlaricum** would and did identify himself to investors using a false name.

i. **VanBlaricum** would and did deposit investors’ funds into, and withdraw and expend investors’ funds from, accounts that **VanBlaricum** controlled, which were in the names of entities that **VanBlaricum** controlled;

j. **VanBlaricum** would and did cause funds to be transferred to, withdrawn from, and deposited into various accounts in order to create the appearance of business operations and revenue that **VanBlaricum** then and there well knew did not exist;

k. **VanBlaricum** would and did cause “lulling” payments to be paid to investors, ostensibly as returns on investment, when **VanBlaricum** then and there well knew that the funds came from other investors rather than from business operations;

l. **VanBlaricum** would and did, secretly and without authorization, take and spend money entrusted to them by investors for purposes that the investors neither approved nor knew about, and that were unrelated to the businesses in which the investors believed they were investing, including but not limited to advertising; vacations and international travel; escort and dating services; rent payments; automobile purchases; and payroll and commissions for employees and sales agents.

Count One
Mail Fraud
[Violation of 18 U.S.C. §1341]

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

On or about November 2, 2015, in the Fort Worth Division of the Northern District of Texas and elsewhere, the defendant, **James VanBlaricum**, 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 a private and commercial interstate carrier, check #1022 in the amount of \$273.98 from Benbrook, Texas, to victim A.S. in Wheaton, Illinois.

All done in violation of 18 U.S.C. §1341.

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

The allegations contained in Count 1 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 981(a)(1)(c) and 28 U.S.C. § 2461(c).

1. Upon conviction of the offense in violation of 18 U.S.C. § 1341 set forth in Count 1 of this Indictment, the defendant, **James VanBlaricum**, shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(c) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense(s). This property includes a “money judgment” in the amount of U.S. currency constituting the proceeds traceable to the offense. The personal property to be forfeited includes, but is not limited to, the following: 2011 Mercedes M-Class, VIN# 4JGBB5GB5BA726453 TX Plate DVW2698
2. 2015 Kia Sportage, VIN# KNDPB3ACXF7731392, TX Plate FWP9345
3. 2015 Kia Sportage VIN# KNDPB3AC1F7721754, TX Plate FWP9347
4. 2014 Hyundai Sonata, VIN# 5NPEC4AC8EH818633, TX Plate CTZ7432
5. 2015 Jeep Cherokee, VIN# 1C4PJMB5XFW513733, TX Plate FVH2621
6. 2016 Ford Fusion, VIN# 3FAP0H79GR140667, TX Plate GZX6269
7. 2012 Audi A6, VIN# WAUHGAF0CN131908, TX Plate GMW3090
8. 2014 Dodge Ram VIN# 1C6RR6KT0ES238103, TX Plate CWV3005
9. 2008 BMW X5, VIN# 5UXFE43538L020469

10. 2014 Dodge RAM truck, VIN# 1C6RR6FG2ES203883

11. Texas Energy Management surety bond paid to Oil and Gas Division of the Oklahoma Corporation Commission with check #501364818 in the amount of \$25,000.00.

12. Texas Energy Management surety bond paid to Oklahoma Secretary of State with check #55017605 in the amount of \$25,000.00.

All proceeds from the following bank accounts:

1. Frost Bank account XXXXX3731
2. Frost Bank account XXXXX9455
3. Frost Bank account XXXXX9463
4. Frost Bank account XXXXX9471
5. Frost Bank account XXXXX9544
6. Frost Bank account XXXXX9552
7. Chase Bank account XXXXXXXXXXXXX2747
8. Chase Bank account XXXXXXXXXXXXX5435

Pursuant to 21 U.S.C. § 853(p), 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 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c). All pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

A TRUE BILL.


Foreperson

JOHN R. PARKER
UNITED STATES ATTORNEY


DOUGLAS A. ALLEN

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INDICTMENT

18 U.S.C. § 1341
Mail Fraud

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

1 Count

A true bill rendered

FORT WORTH


FOREPERSON

Filed in open court this 14th day of December, 2016.

Defendant in Federal Custody since
August 17, 2016


UNITED STATES MAGISTRATE JUDGE
Magistrate Court Number: 4:16-MJ-544-BJ