

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

WILSON BASTON,
a/k/a “Chanon Gordon,”
a/k/a “William Baston,”
a/k/a “Jackie Wilson,”

Defendant.

SEALED INDICTMENT

23 Cr.

23 CRIM 303

COUNT ONE
(Wire Fraud)

The Grand Jury charges:

OVERVIEW OF THE SCHEME

1. From at least in or about November 2018, up through and including at least in or about June 2023, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, and others, engaged in a scheme (the “Fraud Scheme”) to defraud investors in a series of purported real estate investments managed by Gordon Management Group LLC (“GMG”). In order to defraud his investors, BASTON falsely represented to investors that he would use their investment contributions to fund real estate transactions in the New York City area. However, in truth and in fact, BASTON operated GMG as a Ponzi scheme. Rather than use investment contributions to fund real estate transactions as he promised, BASTON instead used funds from new and existing investors to repay money that was owed to other investors. BASTON also misappropriated investor funds by spending them on personal expenses such as payments to BMW. During the course of the Fraud Scheme, BASTON solicited in excess of \$10 million, little of which he utilized in the promised real estate investments—and much of which he used to repay

other investors or misappropriated for his own personal use, or the personal use of others. Further, in order to avoid detection and falsely instill confidence in his investors, BASTON, who was previously convicted in federal court of seventeen counts of mail and wire fraud for operating a fraudulent investment scheme, hid his true identity and the fact of his prior conviction from all of his investors by falsely representing that his name was “Chanon Gordon” or, on at least one occasion, “Jackie Wilson.”

OPERATION OF THE FRAUD SCHEME

BASTON Falsely Represents He Will Use Investor Funds to Facilitate Real Estate Deals

2. Throughout the Fraud Scheme, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, falsely represented to investors that he would use their investment contributions in connection with several types of real estate transactions. For example, in one type, BASTON falsely represented to investors he would use their investments to fund down payments on properties. Specifically, BASTON represented that this type of real estate transaction involved purchasing and then quickly reselling at a profit, or “flipping,” sales contracts for distressed properties. In another type of investment deal, BASTON falsely represented to investors that their funds would be used to complete real estate closings, typically in exchange for the repayment of the investors’ principal and a flat fee due within a short period after the closing.

3. With respect to each type of investment deal, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, typically executed written investment agreements, including “Promissory Notes,” in which he promised to repay his investors their principal as well as interest and/or a share of the sales profits. In truth and in fact, however, BASTON used little or none of his investors’ funds in the manner he promised he would. Instead, BASTON used the funds of new or existing investors to repay other investors, in a Ponzi-like

fashion, and misappropriated investor funds for his own personal use and the personal use of others.

4. For example, on or about October 12, 2021, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, executed an investment agreement (the “Investment Agreement”) with an investor (“Investor-1”), as well as a Promissory Note. Under the terms of the Investment Agreement, the parties “agreed to enter a transaction involving providing [\$51,000 in] funds to complete a specific closing” which would “be held and remain in escrow until completed and returned.”

a. The Investment Agreement stated that BASTON had “identified a funding opportunity where funds will be used to complete a specific closing and immediately return at the completion of the closing.” Under the terms of the Promissory Note, BASTON, using the name Chanon Gordon, agreed to repay Investor-1’s principal and a flat fee of \$6,000 within fourteen days.

b. That same day, October 12, 2021, Investor-1 funded the investment by causing the sending of an interstate wire from New York, New York, to a GMG bank account, in the amount of \$51,000.

c. Instead of using Investor-1’s funds to complete a real estate closing, as he had promised he would, BASTON used Investor-1’s \$51,000 investment to repay other investors and third parties, including a portion of a \$60,000 repayment owed to another investor.

5. Throughout the Fraud Scheme, in addition to misusing investor funds in the Ponzi-like fashion described above, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, also misappropriated investor funds by spending them on personal expenses, such as, among other things, car payments to BMW. BASTON also

withdrew more than \$400,000 in cash that he initially obtained from investor.

BASTON Initially Repays Investors to Garner Trust and Induce Them to Invest More

6. To garner trust with his investors and convince them to invest larger amounts of money, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, would often initially repay both the interest and principal to his investors as promised. For example, over several months in 2021, another investor (“Investor-2”) and their spouse invested hundreds of thousands of dollars in real estate investments with GMG that appeared to Investor-2 to be successful. BASTON frequently made these initial payments to new investors by using money obtained from other investors, rather than from a return on actual underlying real estate investments. Investors therefore were initially under the false impression their investments had been successful, when in truth and in fact, and as BASTON knew, in many instances BASTON had not invested their money at all, but instead had used it to repay other investors to whom GMG owed money.

7. Because the investors believed their initial “investments” were successful, and that GMG was legitimate and making profits on the transactions, they often subsequently agreed to roll over their existing investments into new investments or to invest additional, larger sums of money. For example, after Investor-2 engaged in a series of “successful” investments, Investor-2 took out a line of credit on Investor-2’s house to invest in additional GMG deals.

8. Once victims of the Fraud Scheme had invested a significant amount of money with WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, he often ceased paying them the promised interest and failed to return their principal. For example, after Investor-2 had invested hundreds of thousands of dollars with GMG, BASTON ceased paying Investor-2 a significant portion of the principal, interest, and profit share for which

Investor-2 was owed. In total, BASTON stole and misappropriated more than \$250,000 from Investor-2.

*BASTON Lies to His Investors About Why He Has Not Repaid Them and
Falsifies Documents*

9. Eventually, when the victims of the Fraud Scheme began to raise concerns to WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, about the status of their unpaid investments, and asked him to return their money, BASTON employed a variety of lulling tactics and/or avoided responding to their calls and texts.

a. For example, in or around early 2022, a group of disgruntled investors who were owed money by BASTON joined a group chat (the “Group Chat”) that included BASTON as a participant. Within the Group Chat, investors raised numerous concerns to BASTON, including the following, in part: “Gordon can you please contact me I been trying to reach you and haven’t gotten a response,” to which another investor responded, “Same here. Called multiple times.”

b. In response to numerous similar messages in the Group Chat, BASTON eventually wrote, “Good morning getting over Covid-19. I will resume payment schedule next week.”

c. Subsequently, when BASTON had still failed to repay the investors, they continued to raise complaints and concerns in the Group Chat, including, in substance and in part, that one investor was owed approximately \$50,000; another investor was owed \$157,000; and BASTON had been avoiding another investor. Another investor wrote that “Literally keep calling him and he’s not picking up.” Another investor wrote, “We got scammed.”

d. Eventually, after investors sent dozens of similar messages to BASTON, he responded, “Good morning. I’m not ignoring anyone. While I may not have been able to speak

with everyone who has called, I have in fact responded by text to many of you. I'm going to have an update for everyone by next Friday, which will include the phone number of my assistant who will be dedicated to answering your calls, following up with your concerns and working with you to structure realistic payouts based on funds availability. In the meantime, please be patient while I continue to work on the resolve of this. Any questions or concerns will be adequately addressed in this week's group chat. Enjoy your weekend. Thanks."

e. Nonetheless, after sending this chat message, BASTON continued to perpetrate the scheme, by failing to repay his investors and by continuing to misappropriate investor funds by using them to repay other investors and for his own personal use.

10. Throughout the period referenced in this Indictment, WILSON BASTON, a/k/a "Chanon Gordon," a/k/a "William Baston," a/k/a "Jackie Wilson," the defendant, also provided false excuses and explanations to investors as to why they had not received the money they were owed.

a. For example, in or around March 2022, after BASTON had stopped paying Investor-2 the money Investor-2 was owed, BASTON falsely represented to Investor-2, in substance and in part, that BASTON's bank account at a particular bank had been suspended due to malicious activity, and that this had caused the delay in payment. In truth and in fact, and as BASTON knew, none of his or GMG's bank accounts at that bank had been suspended during this period.

b. In addition, BASTON sent Investor-2 an image that purportedly depicted confirmation of a \$48,000 wire transfer from a GMG bank account to a bank account on behalf of Investor-2 (the "Wire Confirmation"). This \$48,000 represented a sum of money that BASTON owed Investor-2 in connection with a GMG investment. In truth and in fact, and as BASTON

knew, the Wire Confirmation was fabricated, and the wire transfer had never been sent to Investor-2.

STATUTORY ALLEGATIONS

11. From at least in or about November 2018, up through and including at least in or about June 2023, in the Southern District of New York and elsewhere, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, in the course of soliciting investments into a purported real estate investment company, BASTON made false and misleading statements to current and prospective investors about, among other things, his true identity, the manner in which he would use and had used their funds, and the performance of their investments.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT TWO **(Securities Fraud)**

The Grand Jury further charges:

12. The allegations contained in paragraphs 1 through 10 of this Indictment are repeated and realleged as if fully set forth herein.

13. From at least in or about November 2018, up through and including at least in or about June 2023, in the Southern District of New York and elsewhere, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, and others known and unknown, willfully and knowingly, directly and indirectly, by use of a means and

instrumentality of interstate commerce and of the mails, and of a facility of a national securities exchange, used and employed, in connection with the purchase and sale of a security, a manipulative and deceptive device and contrivance, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing a device, scheme, and artifice to defraud; (b) making an untrue statement of material fact and omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in an act, practice, and course of business which operated and would operate as a fraud and deceit upon a person, to wit, BASTON and others known and unknown engaged in a scheme to defraud investors by making false and misleading statements to current and prospective investors about, among other things, the manner in which BASTON would use and had used their funds and the performance of their investments, and misappropriating investor funds for uses inconsistent with his representations to investors and for his own benefit.

(Title 15, United States Code, Sections 78j(b) & 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; Title 18, United States Code, Section 2.)

COUNT THREE
(Aggravated Identity Theft)

The Grand Jury further charges:

14. The allegations contained in paragraphs 1 through 10 of this Indictment are repeated and realleged as if fully set forth herein.

15. From at least in or about November 2018, up through and including at least in or about June 2023, in the Southern District of New York and elsewhere, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code,

Section 1028A(c), to wit, BASTON used and transferred the name and bank account numbers of another person during and in relation to the wire fraud scheme charged in Count One of this Indictment.

(Title 18, United States Code, Sections 1028A(a)(1),
1028A(b), and 2.)

FORFEITURE ALLEGATION

16. As a result of committing the offenses alleged in Counts One and Two of this Indictment, WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant, 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 and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Assets Provision

17. If any of the above-described forfeitable property, as a result of any act or omission of WILSON BASTON, a/k/a “Chanon Gordon,” a/k/a “William Baston,” a/k/a “Jackie Wilson,” the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)



Damian Williams
DAMIAN WILLIAMS
United States Attorney