

UNITED STATES DISTRICT COURT

for the

Northern District of California

United States of America

v.

Dwayne Kent Singleton*Defendant*Case No. **CR 13-000579-LHK****G-14-MJ-05**

ARREST WARRANT

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay

(name of person to be arrested)

Dwayne Kent Singleton

who is accused of an offense or violation based on the following document filed with the court:

- ☐ Indictment ☒ Superseding Indictment ☐ Information ☐ Superseding Information ☐ Complaint
☐ Probation Violation Petition ☐ Supervised Release Violation Petition ☐ Violation Notice ☐ Order of the Court

This offense is briefly described as follows:

Counts 1 - 8 - 18:1341 - Wire Fraud
Counts 9- 16- 18:1341 - Mail Fraud

Date: **Jan 15, 2014**

Cita F. Escalano
Issuing officer's signature

City and state: **San Jose, CA**

Cita F. Escalano-CR CSA
Printed name and title

Return

This warrant was received on (date) **01/24/2014**, and the person was arrested on (date) **02/03/2014**
at (city and state) **Houston, Texas**

Date:

01/24/2014

Michael James Ka
Arresting officer's signature

Michael James Ka Special Agent
Printed name and title

RECEIVED
U.S. MARSHAL SERVICE
FBI - SAN JOSE
JAN 24 2014

United States District Court
FOR THE
NORTHERN DISTRICT OF CALIFORNIA

Filed

JAN 15 2014

SEALED BY ORDER
OF THE COURT

VENUE: SAN JOSE

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

UNITED STATES OF AMERICA,

v.

CR-13-00579-LHK

DWAYNE KENT SINGLETON

G-14-MJ-05

DEFENDANT(S).

SUPERSEDING INDICTMENT

8 U.S.C. § 1343 (Wire Fraud);
18 U.S.C. § 1341 (Mail Fraud)

A true bill.

TDL

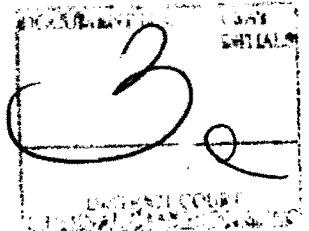
Foreman

Filed in open court this 15 day of

January, 2014

U.S. Magistrate ~~Clerk~~ Judge

Bail, \$ No bail arrest
warrant



1 MELINDA HAAG (CABN 132612)
2 United States Attorney

Filed

JAN 15 2014

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

SEALED BY ORDER
OF THE COURT

8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION
11

12 UNITED STATES OF AMERICA,) NO. CR 13 – 579 LHK
13 Plaintiff,) VIOLATIONS:
14 v.) 18 U.S.C. § 1343 (Wire Fraud);
15 DWAYNE KENT SINGLETON,) 18 U.S.C. § 1341 (Mail Fraud)
16 Defendant.)
17)

18 SUPERSEDING INDICTMENT

19 The Grand Jury charges:

20 INTRODUCTORY ALLEGATIONS

21 At all times relevant to this Superseding Indictment, except where the time period is otherwise
22 specified:

- 23 1. DWAYNE KENT SINGLETON ("SINGLETON") was a resident of Texas.
- 24 2. Santana Energy Services, LLC ("Santana") was an energy services company founded by
25 SINGLETON and other individuals in 2007. The administrative operations of Santana's business were
26 located in Santa Clara, California. The company's primary focus was re-entry drilling of existing wells
27 that had been abandoned by larger oil companies but retained the potential for additional oil reserves.
- 28 3. SINGLETON resided in Texas and assumed the role of site operations manager for the oil

1 drilling sites.

2 4. Among other duties, SINGLETON submitted Santana's contractor and vendor payment
3 requests via telephone or email to Santana's offices in California. After reviewing the requests for
4 payment and in reliance upon SINGLETON's representations, a Santana executive in California signed
5 the checks drawn on its business account in Santa Clara. Typically, the signed vendor checks were then
6 sent via Federal Express to SINGLETON in Texas.

7 THE SCHEME TO DEFRAUD

8 5. Beginning in approximately early 2008, SINGLETON began requesting payments from
9 Santana for work purportedly performed or equipment/infrastructure purportedly furnished by vendors
10 at Santana's drill sites in Texas. SINGLETON directed his assistant to send email requests to Santana's
11 office in California. In requesting checks made payable to third-party vendors, SINGLETON typically
12 explained that it was necessary to purchase certain services or products through these vendors that could
13 not be purchased directly by Santana.

14 6. SINGLETON, either directly or through his assistant in Texas, emailed Santana's offices in
15 Santa Clara, requesting that checks be made payable to certain entities. Typically, the emails were brief
16 and identified the vendors for which SINGLETON was requesting payment from Santana.

17 7. Based on Santana's understanding that the payments were being made to third-party vendors
18 for work performed at, or equipment/infrastructure supplied to, one of Santana's drilling sites, Santana's
19 employees in Santa Clara prepared and executed checks drawn on a Santana-controlled business account
20 at United American Bank, a financial institution located in Santa Clara.

21 8. Santana then typically transmitted those checks via Federal Express to SINGLETON's
22 offices in Texas.

23 9. In fact, as SINGLETON well knew, he had misrepresented in the emails he had
24 transmitted, or caused to be transmitted, to Santana's Santa Clara office the nature, identity, and role of
25 certain vendors in connection with these Santana work sites. On numerous occasions, SINGLETON
26 requested checks made payable to vendors that SINGLETON himself had created and controlled. Upon
27 receipt of those checks, SINGLETON had deposited, or caused to be deposited, those checks into bank
28 accounts that SINGLETON alone controlled.

10. Many of these accounts were in the names of shell companies with names similar to – and only slightly different from – genuine contractors and vendors that had actually been retained to perform services, products, and/or equipment for the benefit of Santana. These shell companies had no employees, vouchers, credit, or expenses associated with Santana. The money deposited into these accounts was not used for Santana expenses, as SINGLETON had represented in his emails and other communications with Santana. Instead, it was spent by SINGLETON for unauthorized, personal matters, and not for benefit of Santana.

11. As a result of the scheme, SINGLETON diverted well over \$1,000,000 for purposes unauthorized by and unrelated to Santana, including SINGLETON's household account, payments of expenses including the mortgage on SINGLETON's residence, maintenance on his private jet, and business operations at his hunting ranch in North Texas. In each instance, SINGLETON, directly or through his assistant, requested payments in emails to Santana's offices in Santa Clara. Each "company" had, in reality, no employees. The offices listed with the Texas Secretary of State listed the same Galveston address used by SINGLETON himself. All of the checks were deposited into accounts held by the SINGLETON companies at Frost National Bank in Texas and subsequently transferred to and/or spent on non-Santana matters.

“Coastal” Entities

12. At SINGLETON's request, Santana provided \$607,937 to entities with variations of "Coastal" in their business name. Of that, at least \$265,980 was transferred to SINGLETON's personal account. Another \$257,000 was transferred to an account in the name of a company owned also by SINGLETON. None of the subsequent spending from either account was related to Santana operations.

M-I

13. At SINGLETON's request, Santana provided \$389,000 for payment to M-I. Of that amount, only \$57,778.75 was paid to a contractor used by Santana. All of the remaining \$331,221.25 of Santana's funds went directly to SINGLETON or SINGLETON -controlled entities and none of those funds were spent for the benefit of Santana.

S.T.W.S.

14. Santana made several payments to a company SINGLETON identified as S.T.W.S.

1 S.T.W.S. did not conduct any work at the drilling site. No employees, credits, expenses or contracts
2 exist for this company. None of the \$86,500 paid to S.T.W.S. went to oil-related companies but instead
3 went to SINGLETON and SINGLETON-owned companies on items unrelated to Santana.

4 E.D.

5 15. E.D. was a company controlled by SINGLETON when he had worked in another
6 business venture between 1999 and 2003. Of the approximately \$72,000 in funds provided by Santana
7 at SINGLETON's request to an entity identified as E.D., approximately \$45,800 went to SINGLETON
8 or SINGLETON-owned companies. The majority of the remaining funds were spent on non-business
9 items that appear unrelated to Santana.

10 B.D.

11 16. At SINGLETON's request, Santana provided approximately \$135,000 to an entity
12 identified as B.D. Of that amount, \$134,000 was directly transferred to SINGLETON and spent on non-
13 business items that appear unrelated to Santana.

14 Summary

15 17. Between approximately early 2008 and April 2009, SINGLETON fraudulently requested,
16 received, and deposited a total of approximately \$1,381,166.95 from Santana.

17 COUNTS ONE - EIGHT: (18 U.S.C. § 1343 – Wire Fraud)

18 18. Paragraphs 1 through 17 are realleged as if fully set forth herein.

19 19. Beginning in or about early 2008, and continuing to in or about April 2009, in the
20 Northern District of California and elsewhere, the defendant,

21 DWAYNE KENT SINGLETON,
22 having knowingly and intentionally devised a material scheme and artifice to defraud and to obtain
23 money by means of materially false and fraudulent pretenses, representations, and promises, did for the
24 purpose of executing such a scheme and artifice knowingly cause to be transmitted in interstate
25 commerce by a wire communication certain writings, signs, signals, and pictures, namely email
26 requesting payments for the benefit of certain vendors correspondence described below:

27 ///

28 ///

COUNT	DATE	DESCRIPTION
1	9/8/2008	Email from M.Z. to B.S. "Subject: Vendor Ck Request"
2	9/30/2008	Email from SINGLETON to B.S. "Subject: hummel"
3	1/21/2009	Email from SINGLETON to B.S. "Subject: Duty #1 Check Request"
4	2/9/2009	Email from SINGLETON to B.S. "Subject: Duty # 1"
5	2/23/2009	Email from SINGLETON to B.S. "Subject: Chwck"
6	3/18/2009	Email from SINGLETON to B.S. "Subject: Check"
7	3/30/2009	Email from SINGLETON to B.S. "Subject: Re: Favor"
8	4/29/2009	Email from M.Z. to B.S. "Subject: Vendor Ck Request"

All in violation of Title 18, United States Code, Section 1343.

COUNTS NINE - SIXTEEN: (18 U.S.C. § 1341 – Mail Fraud)

20. Paragraphs 1 through 17 are realleged as if fully set forth herein.

21. Beginning in or about early 2008, and continuing to in or about April 2009, in the Northern District of California and elsewhere, the defendant,

DWAYNE KENT SINGLETON,

having knowingly and intentionally devised a material scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations and promises, did for the purpose of executing such a scheme and artifice knowingly cause correspondence described below to be mailed and delivered by a commercial interstate carrier:

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SUPERSEDING INDICTMENT

COUNT	DATE	ITEM SENT	SENT FROM	SENT TO
9	9/10/2008	United American Bank Check No. 1177 for \$25,000 payable to C.S.	CALIFORNIA	TEXAS
10	9/30/2008	United American Bank Check No. 1189 for \$42,000 payable to S.T.W.S.	CALIFORNIA	TEXAS
11	1/22/2009	United American Bank Check No. 1004 for \$60,000 payable to M.I.	CALIFORNIA	TEXAS
12	2/10/2009	United American Bank Check No. 1010 for \$20,000 payable to C.S.	CALIFORNIA	TEXAS
13	2/24/2009	United American Bank Check No. 1014 for \$52,000 payable to C.T.	CALIFORNIA	TEXAS
14	3/19/2009	United American Bank Check No. 1021 for \$20,000 payable to C.R.	CALIFORNIA	TEXAS
15	3/31/2009	United American Bank Check No. 1026 for \$12,500 payable to M.I.	CALIFORNIA	TEXAS
16	4/30/2009	United American Bank Check No. 1031 for \$11,000 payable to C.T.	CALIFORNIA	TEXAS

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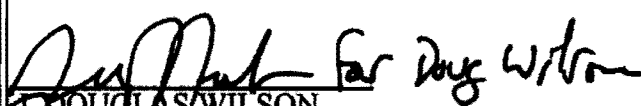
1 All in violation of Title 18, United States Code, Section 1341.

3 FOREPERSON

6 DATED: 1/15/14

5 
A TRUE BILL

8 MELINDA HAAG
United States Attorney

10 
11 J. DOUGLAS WILSON
12 Chief, Criminal Division

13 Approval as to form:

15 
16 TIMOTHY J. LUCEY
17 Assistant United States Attorney

28 SUPERSEDING INDICTMENT