

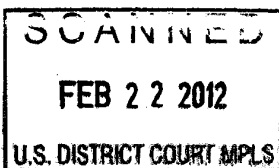
UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
CRIMINAL NO. 11-228 (MJD/JJK)

UNITED STATES OF AMERICA,	)	SECOND SUPERSEDING INDICTMENT
	)	
Plaintiff,	)	(18 U.S.C. § 2)
	)	(18 U.S.C. § 1001)
v.	)	(18 U.S.C. § 1341)
	)	(18 U.S.C. § 1343)
1. JASON BO-ALAN BECKMAN,	)	(18 U.S.C. § 1349)
a/k/a Bo Beckman,	)	(18 U.S.C. § 1957)
	)	(26 U.S.C. § 7201)
2. GERALD JOSEPH DURAND,	)	(26 U.S.C. § 7206(1))
a/k/a Jerry Durand, and	)	
	)	
3. PATRICK JOSEPH KILEY,	)	
a/k/a Pat Kiley,	)	
	)	
Defendants.	)	
	)	

THE UNITED STATES GRAND JURY CHARGES THAT:

INTRODUCTION

1. The defendants - JASON BO-ALAN BECKMAN ("BECKMAN"), GERALD JOSEPH DURAND ("DURAND"), and PATRICK JOSEPH KILEY ("KILEY"), along with Trevor Cook ("Cook") and Christopher Pettengill ("Pettengill") - directly and through others acting at their direction - knowingly tricked approximately 700 victim investors nationwide into investing over \$190 million in a purported currency program investment ("Purported Currency Program") by falsely telling them that it was a safe way to earn double-digit returns and by lying about their experience and qualifications as investment professionals.
2. The majority of victim-investor assets were not invested in a Purported Currency Program of the type described by BECKMAN,



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RICHARD D. SLETTEN
JUDGMENT ENTD
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DURAND, KILEY, COOK, PETTENGILL and others acting at their direction but were instead used to pay the defendants' business and personal expenses, to cover trading losses, to make lulling payments to some victim investors, and to inflate BECKMAN's apparent assets and thereby enhance his bid to purchase a portion of the Minnesota Wild hockey team.

BACKGROUND

3. At all relevant times, the defendants - BECKMAN, DURAND, and KILEY - were residents of the State of Minnesota.
4. At all relevant times, BECKMAN was licensed to sell securities in Minnesota.
5. At all relevant times, DURAND and KILEY were not licensed to sell securities in Minnesota.
6. During the relevant times, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL formed and/or conducted business through entities identified by the terms "Universal Brokerage 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.

7. 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."
8. 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.
9. 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, Saxo Bank, and Crown Forex, SA. During the relevant times, Crown Forex, SA, was located in Switzerland.

10. During the relevant times, "Crown Forex, LLC" and "Basel Group, LLC" were names used to open bank accounts in Minnesota for deposit of victim-investor assets.

COUNTS 1-12

(Wire and Mail Fraud)

11. 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
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

- 12. 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 Purported Currency Program. Cook operated the Purported Currency Program through various foreign currency trading firms and foreign currency traders.
- 13. 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 false representations to victim investors concerning its performance, safety, and liquidity. For example, they, and others acting at their

direction, oftentimes 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/or that individual investor assets would not be commingled with other investors' assets but would be held in segregated accounts. These false representations were material and, oftentimes, omitted material information.

14. 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 about their backgrounds and qualifications and the backgrounds and qualifications of the individuals and/or entities offering the Purported Currency Program. These false representations were material and, oftentimes, omitted material facts. As examples of these false representations, BECKMAN falsely represented to some victim investors 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; and BECKMAN represented to some victim

investors that he was in the process of becoming an owner of the Minnesota Wild hockey team, when in fact his bid to become an owner was riddled with fraud. As another example of these false representations, DURAND and KILEY falsely represented to some investors 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.

15. BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction, caused the production and/or transmission to some investors of purported statements (hereinafter "Lulling Statements") and/or payments that purportedly reflected investment gain or return of investment principal (hereinafter "Lulling Payments").
16. Victim investors who received these Lulling Statements relied on them. The Lulling Statements gave the false appearance that the Purported Currency Program was performing as promised and that investor assets were not commingled with other victim-investor assets and were instead held in individual, segregated accounts. Contrary to the representations made in the Lulling Statements, victim-investor assets were commingled and not held in individual, segregated accounts and were not

always safe, liquid and/or 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 victim-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 and, oftentimes, omitted material facts.

17. 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 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.

18. 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 continued material and false representations and material omissions concerning the performance, safety, and/or liquidity of the Purported Currency Program.
19. Likewise, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL, directly and through others acting at their direction, continued to make false representations and/or to omit information concerning the backgrounds and qualifications of individuals and/or entities offering the Purported Currency Program. These false representations and omissions were material.
20. Not all of the assets that victim investors provided for the purpose of investing in the Purported Currency Program were actually invested. In fact, a substantial percentage of victim-investor assets, millions of dollars, were not invested on behalf of victim investors in any foreign currency program,

much less one involving the performance, safety, and/or liquidity of the Purported Currency Program. Instead, these millions of dollars in investor assets were diverted to:

- a. pay for compensation, personal expenses and investments of BECKMAN, DURAND, KILEY, COOK, and PETTENGILL;
- b. pay Lulling Payments to victim investors;
- c. cover the expenses of operating the Oxford/UBS entities, including margin calls for substantial trading losses; and
- d. falsely increase BECKMAN's apparent net worth and thereby enhance his bid to purchase an ownership interest in the Minnesota Wild hockey team.

21. To the extent that victim-investor assets were actually invested through foreign currency trading firms, the foreign currency trading actually conducted was not safe, liquid, and/or 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. BECKMAN, DURAND, KILEY, COOK, PETTENGILL and others acting at their direction did not tell victim investors of the true risks and losses associated with the investments actually entered on their behalf and further did not tell

victim investors that their assets were commingled with other victim-investor assets rather than being held in individual, segregated accounts for each investor. These affirmative omissions were material.

22. As one example of these material omissions, BECKMAN, DURAND, KILEY, COOK, and PETTENGILL never told victim investors that one of the foreign currency trading firms, pitched as part of the Purported Currency Program through in or about June 2009 (Crown Forex, SA), was in dire financial condition and had been infused with assets from the UBS/Oxford Entities in an attempt to salvage it.
23. In 2008, BECKMAN retained attorneys and, later, certified public accountants, to help him present himself to the National Hockey League ("NHL") in support of his bid to purchase an ownership interest in the Minnesota Wild. 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.
24. Despite receiving this advice from his own attorneys, and to advance his bid for ownership in the Minnesota Wild, BECKMAN concealed this material information from victim investors; caused assets to be transferred out of the Crown Forex, LLC, bank account and into a UBS Entities bank account to give the false appearance that victim-investor assets had been returned as Beckman's retained attorneys had advised; and continued to participate in efforts to raise additional investor assets for the Purported Currency Program.
25. 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.
26. 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. For their silence, DURAND and PETTENGILL obtained payments from the Oxford/UBS Entities and/or COOK of at least \$625,000.00 between August 2008 and July 2009.

27. Starting in approximately August 2008, BECKMAN, KILEY, COOK, 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 assets 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.
28. BECKMAN, KILEY, and COOK continued to promote the program as though victim-investor assets were being placed at Crown Forex, SA, in Switzerland, even though BECKMAN, KILEY and COOK

knew of the significant financial problems with Crown Forex, SA, having been informed:

- a. in or about February 2008, that the company owed its investors approximately \$14 million and had significant financial problems;
- 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 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.

29. In or about June 2009, KILEY and COOK began telling some victim investors of a new custodian for victim-investors' Purported Currency Program assets, namely, Basel Group. KILEY, COOK, and others acting at their direction began telling some victim investors that the Purported Currency Program was being offered through Basel Group, rather than Crown Forex, SA, and that victim investors should either make their investment checks payable to "Basel" or wire their investment assets to a 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 a purportedly legitimate entity - Basel Group - when in fact the checks were simply deposited into a Minnesota bank account in the name of Basel Group, LLC, and at the same bank as the Crown Forex, LLC, bank account.

30. 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 to some investors. These statements were produced in hard copy and/or were available on-line, purportedly from Crown Forex, SA. These statements and lulling payments falsely represented and concealed the true 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 assets with those of other victim investors. These false representations and omissions were material.
31. Throughout this same time period and in support of his bid to buy into the Minnesota Wild hockey team, BECKMAN, through

others, diverted millions of dollars of victim-investor assets to accounts that he represented to the NHL were his accounts instead of placing those assets in the Purported Currency Program that he described to his investors.

32. For example, on or about January 2, 2008, BECKMAN secured more than \$600,000.00 from victim investors - including J.M. and members of J.M.'s family - and on or about July 23, 2008, BECKMAN secured approximately \$3.7 million from the A.Q. Trust. The \$600,000.00 was deposited along with other victim-investor assets in a foreign currency trading account at PFG, and \$2 million of the approximately \$3.7 million was deposited in a foreign currency trading account at Saxo Bank. BECKMAN represented to the NHL that these trading accounts - at PFG and Saxo Bank - and the assets within those accounts were his.
33. 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 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.

34. 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 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

35. 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:

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 the 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 the 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 the 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 the account of victim-investor L.H.
5	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
6	April 8, 2009	Interstate wire transfer of \$130,000.00 from the account of victim-investor G.I. to the Crown Forex, LLC account at Associated Bank

7	April 9, 2009	Interstate wire transfer of \$349,581.92 from the account of Entrust Midwest, LLC, for the benefit of victim-investor C.E. to the Crown Forex, LLC account at Associated Bank
8	June 30, 2009	Interstate wire transfer of \$320,940.00 from Entrust Midwest, LLC, for the benefit of victim-investor S.J. to the account of Crown Forex, LLC, at Associated Bank
9	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, Sections 2 and 1343.

MAILINGS

36. 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
10	March 15, 2007	UBS Entities letter to then-prospective investor T.H. and signed "Gerald Durand"
11	May 7, 2008	Five checks totaling \$117,512.29 sent by victim-investors R.G. and P.G. to Kiley
12	June 1, 2008	Oxford Global Advisors Purported Currency Program account statement of victim-investors R.P. and M.P. for the period ending June 1, 2008 and advising, "Please contact Bo Beckman or Chris Pettengill with questions."

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

COUNT 13

(Conspiracy to Commit Mail and Wire Fraud)

37. The grand jury re-alleges all the allegations contained in paragraphs 1 through 10 and 12 through 34 of this Indictment.

38. From in or about 2005 through in or about November 2009, 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 1 through 10 and 12 through 34 of this Indictment, by knowingly:

- a. transmitting and causing the transmission in 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

39. 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' Purported 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 Forex, SA's operations and an exercisable option for partial ownership of 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 September 30, 2008, DURAND prepared a handwritten listing of illegal conduct by BECKMAN and COOK in order to extract victim-investor assets from COOK and BECKMAN in return for his silence.
- e. 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 K.L.'s email to PETTENGILL, which detailed alleged illegalities in the handling of the Purported Currency Program to include commingling of investor assets;
- f. On or about July 24, 2008, BECKMAN secured assets from a victim investor for investment in the Purported Currency Program but diverted \$2 million of these assets to an account at Saxo Bank, which he later touted to the NHL as his account containing his assets;
- g. On or about August 7, 2008, and in response to an

inquiry about the details of the Purported Currency Program by a person BECKMAN knew to be financially savvy, BECKMAN wrote to COOK: "Now the ship begins to sink. This is not good. I will needless to say take care of it, I just wanted you to know."

- h. On or about September 29, 2008, BECKMAN, directly or through another acting at his direction, solicited a false representation from S.S. of Crown Forex, SA, that "Oxford Capital Group" had over \$4 billion in assets under management as of that date.
- i. On or about December 16, 2008, after DURAND met with COOK, PETTENGILL and victim-investor R.M., and failed to advise R.M. of DURAND's real concerns about COOK and COOK's handling of the Purported Currency Program, COOK, directly or through another acting at his direction, wire transferred \$75,000.00 to DURAND from the bank account of UBS Diversified Growth to compensate DURAND for not revealing to victim-investors, including R.M., that the Purported Currency Program was in danger.
- j. 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 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 peace of mind."

All in violation of Title 18, United States Code, Section 1349.

COUNTS 14-15
(Wire Fraud)

40. The grand jury re-alleges all the allegations contained in paragraphs 1 through 10 and 12 through 34 of this Indictment.
41. 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 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

42. 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.
43. In February and March 2008, BECKMAN caused the two life insurance policies to be sold and concealed from R.O. and C.O. that the sale generated approximately \$3.95 million in proceeds.
44. Specifically, in March 2008, BECKMAN caused approximately \$1.975 million from the proceeds obtained in March 2008 to partially satisfy a loss in a currency trading account held in BECKMAN's name at PFG, an asset that BECKMAN held out as his own to the NHL. The other approximately \$1.975 million in proceeds was commingled with the Oxford Entities' general assets, assets from which COOK later provided \$5 million for BECKMAN to use in his bid for ownership in the Minnesota Wild.
45. 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 interest in the Oxford Private Client Group and/or to invest

in the Purported Currency Program.

WIRES

46. 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
14	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
15	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 16-17
(Mail Fraud)

47. The grand jury re-alleges all the allegations contained in paragraphs 1 through 10 and 12 through 34 of this Indictment.

48. From in or about 2007 through in or about 2009, in the State and District of Minnesota and elsewhere, the defendant,

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engaged in mail 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 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

49. In early 2008, BECKMAN applied to the National Hockey League ("NHL") to purchase an ownership in the Minnesota Wild.
50. BECKMAN hired a local law firm and, later, certified public accountants, to assist him in the process.
51. In or about 2008, BECKMAN, directly and through others acting at his direction, advised the NHL of his personal background, his financial status and his business activities, all to allow the NHL to examine BECKMAN's suitability for ownership.
52. In so advising the NHL, BECKMAN - directly and through COOK, PETTENGILL, and others acting at BECKMAN's direction - made representations to the NHL concerning, among other things,

BECKMAN's assets, the Purported Currency Program, and the value of the Oxford/UBS Entities' assets under management. These representations were false and material, oftentimes omitted material facts, and gave the false impression that BECKMAN had the financial wherewithal - millions of dollars in assets - to purchase an ownership interest in the Minnesota Wild.

53. As one example of these representations, BECKMAN, directly and through others acting at his direction, told the NHL that BECKMAN's entities had approximately \$4 billion in assets under management in the Purported Currency Program at Crown Forex, SA, in Switzerland. In fact, BECKMAN's claimed entities managed only a fraction of those amounts.
54. These misrepresentations concerning assets under management, as made by BECKMAN to the NHL, were also shared with Purported Currency Program sales agents and, eventually, with some victim investors, giving both the sales agents and victim investors the false impression that the Purported Currency Program was legitimate.
55. As an additional example of BECKMAN's misrepresentations to the NHL, BECKMAN, directly and through others acting at his direction, told the NHL that certain foreign currency trading accounts were his accounts and contained his assets. Contrary

to these representations, the accounts were not his and actually contained, at least in part, substantial assets that had been solicited from victim investors for the Purported Currency Program and proceeds from the sale of R.O.'s life insurance policies.

56. Ultimately, the NHL discontinued its examination of BECKMAN and did not approve him for ownership in the Minnesota Wild.

MAILINGS

57. 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 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 Date	Description
16	May 15, 2008	Jason B. Beckman NHL Application with attachments
17	October 10, 2008	Jason B. Beckman NHL Application Letter II with attachments

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

COUNTS 18-23
(Money Laundering)

58. The grand jury re-alleges all the allegations contained in paragraphs 1 through 10 and 12 through 34 of this Indictment.
59. On or about the dates set forth below, in the State and 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 13:

Count	Defendant	On or About Date	Financial Transaction
18	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

19	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
20	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
21	JASON BO-ALAN BECKMAN a/k/a Bo Beckman	February 11, 2009	Wire transfer of \$2.2 million from the Associated Bank account of Crown Forex, LLC to the account of Beckman and his wife
22	PATRICK JOSEPH KILEY a/k/a Pat Kiley	July 13, 2009	Cashier's check payable to the order of "Patrick Kiley" in the amount of \$575,000.000
23	PATRICK JOSEPH KILEY a/k/a Pat Kiley	July 7, 2009	Wire transfer of \$100,000.00 from the Basel Group, LLC, bank account at Associated Bank to the account of an attorney

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

COUNTS 24-25

(Concealing a Material Fact from the United States)

60. The grand jury re-alleges all the allegations contained in paragraphs 1 through 10 and 12 through 34 of this Indictment.

61. Federal law requires financial institutions to report currency

(cash or coin) transactions over \$10,000 conducted by, or on behalf of, one person. These transactions are reported on Currency Transaction Reports ("CTRs").

62. To comply with this law, financial institutions must obtain personal identification information about the individual conducting the transaction such as a social security number as well as a driver's license or other government-issued document regardless of whether or not the individual conducting the transaction has an account relationship with the financial institution.

63. DURAND, knowing that the federal government mandates such reporting and that a court-appointed Receiver was searching for assets of the Purported Currency Program fraud, solicited R.L. to exchange Swiss francs for U.S. currency (the "Currency Exchanges") at Wells Fargo Bank, N.A., a financial institution.

64. DURAND convinced R.L. to execute the Currency Exchange by claiming that DURAND could get a better exchange rate if R.L. made the exchange because R.L. had a Wells Fargo account.

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

GERALD JOSEPH DURAND,

knowingly and willfully falsified, concealed and covered up by

any trick, scheme, and device a material fact in a matter within the jurisdiction of the executive branch of the government of the United States, namely, defendant DURAND concealed that Swiss francs, in the amounts identified below, were his, not R.L.'s; and, in doing so, caused CTRs to be filed that did not reflect the material fact that the money involved in each of the Currency Exchanges was DURAND's:

Count	On or about date	Swiss Francs	U.S. Dollars
24	December 10, 2010	12,241 chf	\$11,839
25	March 9, 2011	10,000 chf	\$10,147

All in violation of Title 18, United States Code, Sections 1001(a)(1) and 2.

THE TAX COUNTS

66. The grand jury re-alleges all the allegations contained in paragraphs 1 through 10 and 12 through 34 of this Indictment.
67. 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.

TAXABLE YEAR ENDED DECEMBER 31, 2006

COUNT 26

(Durand False Individual Income Tax Return - 2006)

68. 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 27

(Beckman False Individual Income Tax Return - 2007)

69. On or about October 22, 2008, 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, 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 28

(Durand False Individual Income Tax Return - 2007)

70. 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 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 29

(Tax Evasion by Defendant Beckman)

71. 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.
72. 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 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 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 30

(Durand False Individual Income Tax Return - 2008)

73. 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 \$135,030.74.

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

TAXABLE YEAR ENDED DECEMBER 31, 2009

COUNT 31

(Beckman False Individual Income Tax Return - 2009)

74. 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" reported on his Schedule A was fictitious.

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

FORFEITURE ALLEGATIONS

75. Counts 1 through 23 of this 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).
76. As the result of the offenses alleged in Counts 1 through 17 of this 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 17.

77. As a result of the offenses alleged in Counts 18-23 of this 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 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 18-23.

78. 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, 981(a)(1)(C), 982(a)(1), 1341, 1343, 1349, 1957;
and Title 28, United States Code, Section 2461(c).

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON