

FILED

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
DEL RIO DIVISION

2017 APR -5 AM 11:33

CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS

BY SAJ
DEPUTY CLERK

UNITED STATES OF AMERICA

Cause No.:

v.

SEALED INDICTMENT

- (1) JAMES EDWARD COX
A/K/A "JAMIE COX"
A/K/A "PARKER JAMES"
(2) KELLY RAY CORONADO
A/K/A "KELLY RAE"
A/K/A "BILLY LEWIS"
A/K/A "BEREND JAN
REINDER KUIPERS"
(3) GORDON RICHARD MOSKOWITZ

[Vio: COUNT ONE: 18 U.S.C. § 1349
Conspiracy to Commit Wire Fraud;
COUNT TWO: 18 U.S.C § 1956 (h)
Conspiracy to Commit Money
Laundering.]

DR 17 CR 0346

THE GRAND JURY CHARGES:

INTRODUCTION

1. At all times relevant to this Indictment, unless otherwise indicated:

The Defendants

2. JAMES EDWARD COX was a resident of North Carolina. He owned and operated a purported financial brokerage firm, SUPERIOR FUNDING SOLUTIONS ("SUPERIOR"), which maintained principal place of business in North Carolina.
3. KELLY RAY CORONADO was a resident of Del Rio, Texas. He owned and operated the following purported financial brokerage firms, all of which, with the exception of the last, were established and operated in Del Rio, Texas, within the Western District of Texas:
- a. INTL BANKING SERVICES ("INTL BANKING"),
 - b. KRC GLOBAL RESOURCES ("KRC GLOBAL"), and
 - c. SYMR LIMITED – HONG KONG, CHINA ("SYMR").

4. GORDAN RICHARD MOSKOWITZ was a resident of Florida. He owned and operated BUSINESS 1, which maintained a principal place of business in Florida and business bank accounts in Hong Kong, China.

The Fraudulent Scheme

5. From on or about January 2010 through on or about January 2017, the Defendants, together with others known and unknown, devised and operated a fraudulent “advance fee” scheme, through which they obtained in excess of five million dollars from victims.
6. The scheme would begin with the Defendants, together with others known and unknown, representing themselves to victims as sophisticated brokers of financial instruments and other high-yield securities. The Defendants would tell the victims that for an advance percentage fee, the victims would have access to large swaths of international capital on a short-term basis or to high-level trading programs available only to the world’s elite traders and financiers.
7. To promote their schemes, the Defendants would create businesses, websites, and internet advertisements. To further their schemes, they established escrow and offshore bank accounts. To complete their schemes and frustrate victim redress, they used aliases, burner phones, and Internet Protocol proxies.
8. Typically, the Defendants would exchange several emails and phone calls with identified victims, or “clients” as they called them, where they would negotiate over the size of the financial instrument or over the size of the advance percentage fee itself.
9. Once a victim agreed to fund the investment opportunity, the Defendants would require that the intended victim sign financing and escrow agreements. The agreements would

direct the victims to send their advance fee to a designated third-party escrow agent. Unbeknownst to the victim, the escrow agent was also in on the fraud.

10. After the victim wired the advance fee to escrow, the Defendants would then bilk the escrow accounts without the victim's permission or consent and ultimately refusing to provide any actual financing or investment opportunities to the victims.

The Defendants' Fraud on Victim-1

11. Beginning on or about June 2010, COX and CORONADO, together with others known and unknown, solicited fees totaling \$550,000 from an individual, ("Victim-1,") in exchange for short-term financing.
12. Relying on the COX's and CORONADO's misrepresentations, Victim-1 entered into a joint venture agreement and escrow agreement requiring Victim-1 to pay a percentage advance fee in exchange for \$25 million in short-term financing for the joint venture.
13. The joint venture agreement designated KRC GLOBAL as the Service Provider. As the Service Provider, KRC GLOBAL agreed to arrange access to the \$25 million for Victim-1's use in the joint venture. CORONADO, as sole owner of KRC GLOBAL, entered into the financing agreement with no intention of providing the agreed-upon financing to Victim-1.
14. Once Victim-1 wired the advance fees to the designated escrow account, the Defendants diverted the fees without Victim-1's knowledge or consent. When Victim-1 asked the designated escrow agent to refund his advance fees, COX, through SUPERIOR, sent the escrow agent a script to forward to Victim-1. No financing ever occurred.

The Defendants' Fraud on Victim-2

15. Beginning on or about January 2011, COX and CORONADO, together with others known and unknown, solicited fees totaling \$1,149,978 from an individual, ("Victim-2,") in exchange for short-term financing.
16. Relying on the defendants' misrepresentations, Victim-2 entered into financing and escrow agreements requiring Victim-2 to a percentage advance fee in exchange for \$665 million in short-term financing.
17. The financing agreement designated INTL BANKING as the Service Provider. As Service Provider, INTL BANKING agreed to arrange access to the \$665 million for Victim-2's use in short-term financing. CORONADO, as sole owner of INTL BANKING, entered into the financing agreement with no intention of providing the agreed-upon financing to Victim-2.
18. When Victim-2 insisted on further assurances before sending the advance fee, the Defendant, on or about January 24, 2011, provided an account statement to Victim-2's stateside representative for a Bank of America account showing \$665 million purportedly set-aside for Victim-2's access. In truth and in fact, the Defendants falsified the Bank of America statement in an effort to cause Victim-2 to wire the advance fee.
19. Once the Victim-2 wired the advance fee to the designated escrow account, the Defendants diverted the fees without Victim-2's knowledge or consent.
20. When no financing occurred, Victim-2 demanded repayment pursuant to the terms of the financing and escrow agreements.
21. Instead of repaying Victim-2, the Defendants provided a second account statement purportedly showing an account accessible to Victim-2 containing €500,000,000. That

account, in reality, as the Defendants well knew, did not exist and no financing ever occurred.

The Defendants' Fraud on Victim-3

22. Beginning on or about June 2011, COX and CORONADO, together with others known and unknown, solicited advance fees totaling \$187,500 from an individual, ("Victim-3,") in exchange for short-term financing.
23. Relying on the defendants' misrepresentations, Victim-3 entered into financing and escrow agreements requiring Victim-3 to pay advance fees in exchange for \$50 million in short-term financing. The financing agreement designated KRC GLOBAL as the Service Provider. Under the financing agreement, KRC GLOBAL was required to arrange access to the \$50 million for Victim-3's use in funding their company's payroll obligations.
24. In truth and in fact, the defendants, through KRC GLOBAL or any other business entities, held no intention to provide financing for Victim-3. Once Victim-3 wired the advance fees to the designated escrow account, the defendants then diverted the fees without Victim-3's knowledge or consent. No financing ever occurred.

The Defendants' Fraud on Victims-4 and -5

25. Beginning on or about August 2011, COX and CORONADO, together with others known and unknown, solicited advance fees totaling \$354,000 from individuals, ("Victims-4 and -5,") in exchange for \$32 million in short-term financing.
26. Relying on the defendants' misrepresentations, Victims-4 and -5 entered into financing and escrow agreements requiring them to pay the advance fees. The financing agreement

designated KRC GLOBAL as the Service Provider. Under the financing agreement, KRC GLOBAL was required to arrange access to the \$6.8 million for Victims-3 and -4's use in a development venture.

27. In truth and in fact, the defendants, through KRC GLOBAL or any other business entities, held no intention to provide financing for Victims-4 and -5. Once Victims-4 and -5 wired the advance fees to the designated escrow account, the Defendants then diverted the fees without Victims-4 and -5's knowledge or consent. No financing ever occurred.

The Defendants' Attempt to Defraud Victim-6

28. Beginning on or about April 2012, COX, CORONADO, and MOSKOWITZ, together with others known and unknown, solicited advance fees totaling \$1.75 million from an individual, ("Victim-6,") in exchange for an unknown amount in short-term financing.
29. Relying on the defendants' misrepresentations, sent through their aliases PARKER JAMES and WILLIAM LEWIS at Harloff and Associates ("HARLOFF,") Victim-6 entered into financing and escrow agreements requiring them to pay advance fees. The financing agreement designated HARLOFF as the Service Provider. As Service Provider, HARLOFF, JAMES, and LEWIS were required to arrange access to the unknown amount for Victim-6's use in a development project. When Victim-6 inquired about an insurance policy to cover his advance fees, defendant MOSKOWITZ created a purported insurance company to assuage Victim-6's concern about sending their advance fees unprotected. In truth and in fact, the Defendants knew the insurance policy offered would have no effect in protecting Victim-6's investment, and that they never intended to provide financing for Victim-6.

30. Once Victim-6 wired the advance fees to the designated escrow account, Defendant MOSKOWITZ attempted to wire \$620,000 of the advance fees to BUSINESS 1's Hong Kong account. Fraud examiners at Branch Banking & Trust Company ("BB&T") flagged the wire transfer and recalled the \$600,000. Despite MOSKOWITZ's efforts on or about April 17, 2012, in misrepresenting the source and reason for the wire transfer, BB&T refused to release the advance fees from the escrow account. The Defendants ultimately wired Victim-6 back their advance fee.

The Defendants' Fraud on Victim-6

31. Beginning in or about May 2012, CORONADO, together with others known and unknown, solicited another payment totaling \$3.1 million from Victim-6. CORONADO and his co-conspirators offered Victim-6 entry into a high-yield investment program that would allow Victim-6's non-profit organization access to interest payments accruing from €900,000,000 worth of "blocked funds," which, as CORONADO and his conspirators promised, were funds available for Victim-6's benefit in the high-yield investment program.

32. Relying on the misrepresentations made by CORONADO and his co-conspirators, Victim-6 entered into new financing and escrow agreements and sent the increased advance fee to a Hong Kong based account under the name Worldwide Escrow Holdings Limited, organized and controlled by CORONADO's co-conspirator. Under the terms of the investment program, Victim-6 was to receive a quarterly return on the blocked funds in the form of interest payments. In truth and in fact, CORONADO and his co-conspirators never

intended to arrange for Victim-6's placement into a high-yield investment program. As CORONADO and his co-conspirators knew, no investment program ever existed.

33. Once Victim-6 wired the payment to the designated escrow account, CORONADO and his co-conspirators diverted the payment without Victim-6's knowledge or consent. No financing or interest payments ever occurred.

The Defendant's Fraud on Victim-7

34. Beginning in or about October 2015, CORONADO, together with others known and unknown, solicited a \$1,500,000 fee from an undercover federal agent, (the "UC,") who CORONADO believed to be an investment manager at an investment group, Mountain Fitness Organization. CORONADO represented to the UC that his fee would be in exchange for entry into a high-yield investment program.

35. During a telephone conversation on or about November 16, 2015, in Del Rio, Texas, CORONADO represented to the UC, among other false and misleading statements, that:

- a. he was an investor, BEREND JAN REINDER KUIPERS, who also invested in the Program;
- b. the Program was managed by the Atlas Gayle Trust located in New Zealand; and
- c. the average return on investment in the Program was 10 percent per week;

36. In truth and in fact, as CORONADO well knew: (1) that he, as himself or his fictitious identity, BEREND JAN REINDER KUIPERS, had not invested in any such high-yield investment program; (2) that the Atlas Gayle Trust was completely fictitious; and (3) that he had not received any return on investment through the Atlas Gayle Trust.

37. On or about December 2015, CORONADO and his co-conspirators sent a memorandum of understanding (the "MOU") to the UC. Among other things, the MOU required the UC's investment group to pay \$1,500,000 in exchange for placement into the high-yield investment program. The UC instead paid \$10,000. After not receiving placement into the high-yield investment program, the UC asked for his initial payment back. No refund or financing ever occurred.

Statutory Allegations

COUNT ONE
(Conspiracy to Commit Wire Fraud - 18 U.S.C. § 1349)

38. The allegations contained in paragraphs 1 through 37 are realleged and incorporated in Counts One and Two, inclusive, of this Indictment, as though fully set forth therein.

39. On or about January 1, 2010, and continuing to January 1, 2017, within the Western District of Texas and elsewhere, the Defendants,

JAMES EDWARD COX,
KELLY RAY CORONADO, and
GORDON RICHARD MOSKOWITZ,

together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud Victims 1-7 and obtain money and property from Victims 1-7 by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

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

COUNT TWO
(Conspiracy to Commit Money Laundering - 18 U.S.C. § 1956 (h))

41. The allegations contained in paragraphs 1 through 37 are realleged and incorporated in Counts One and Two, inclusive, of this Indictment, as though fully set forth therein.
42. From on or about January 1, 2010, and continuing to January 1, 2017, within the Western District of Texas and elsewhere, the Defendants,

JAMES EDWARD COX
KELLY RAY CORONADO, and
GORDON RICHARD MOSKOWITZ,

did knowingly combine, conspire, and agree with each other and with other persons known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit:

- a. Conducted and attempted to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, wire fraud in violation of Title 18, United States Code, Section 2 and 1343; and conspiracy to commit wire fraud in violation of Title 18, United States Code, Section 1349, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and
- b. Transferred, and attempted to transport, transmit, and transfer a monetary instrument or funds involving the proceeds of specified unlawful activity, that is,

wire fraud in violation of Title 18, United States Code, Section 2 and 1343; and conspiracy to commit wire fraud in violation of Title 18, United States Code, Section 1349, from a place in the United States to or through a place outside the United States, or to a place in the United States from or through a place outside the United States, knowing that the funds involved in the transportation, transmission, and transfer represented the proceeds of some form of unlawful activity and knowing that such transportation, transmission, and transfer was designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i).

Object of the Money Laundering Conspiracy

43. It was a part and object of the conspiracy that KELLY RAY CORONADO, JAMES EDWARD COX, GORDON RICHARD MOSKOWITZ, and others, together and separately, knowingly conducted financial transactions that involved proceeds of specified unlawful activities described in paragraphs 1 through 37 to conduct financial transactions that were designed to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity.

44. All in violation of Title 18, United States Code, Section 1956(h).

NOTICE OF UNITED STATES OF AMERICA'S DEMAND FOR FORFEITURE
[See Fed. R. Crim. P. 32.2.]

This Notice of Demand for Forfeiture includes but is not limited to the property described below in Paragraphs III through V.

I.
WIRE FRAUD VIOLATIONS AND FORFEITURE STATUTES
[Title 18 U.S.C. §1349,
subject to forfeiture pursuant to Title 18 U.S.C § 981(a)(1)(C),
made applicable to criminal forfeiture by Title 28 U.S.C. § 2461.]

As a result of the foregoing criminal violations set forth above, the United States of America gives notice to the Defendant(s) listed in said count(s) of its intent to seek the forfeiture of the property described below upon conviction pursuant to Fed. R. Crim. P. 32.2 and Title 18 United States Code, Section 981(a)(1)(C), which states:

Title 18 U.S.C. § 981. Civil forfeiture

(a)(1) The following property is subject to forfeiture to the United States:

....

(C) Any property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting "specified unlawful activity" (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

II.
MONEY LAUNDERING VIOLATIONS AND FORFEITURE STATUTE
[Title 18 U.S.C. §1956(h),
subject to forfeiture pursuant to Title 18 U.S.C. § 982(a)(1).]

As a result of the foregoing criminal violations set forth above, the United States of America gives notice to the Defendant(s) listed in said count(s) of its intent to seek the forfeiture of the property described below upon conviction pursuant to Fed. R. Crim. P. 32.2 and Title 18 United States Code, Section 982(a)(1), which states:

Title 18 U.S.C. § 982. Criminal forfeiture

(a)(1) The court, in imposing sentence on a person convicted of an offense in violation of section 1956, 1957, or 1960 of this title, shall order that the person forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property.

III.
PROPERTIES

1. Real Property located and situated at **106 Virgie Street, Del Rio, Val Verde County, Texas**, with all buildings, appurtenances, and improvements thereon and any and all surface and sub-surface rights, title, and interests, if any, and being more fully described as follows:

HILLCREST BLOCK F LOT 3; and

2. Real Property located and situated at **404 Cottonfield Circle, Waxhaw, Union County, North Carolina**, with all buildings, appurtenances, and improvements thereon and any and all surface and sub-surface rights, title, and interests, if any, and being more fully described as follows:

#2 PROVIDENCE ACRES PH1 OPCB120A;

IV. MONEY JUDGMENT

Money Judgment: A sum of money which represents the value of the proceeds from and/or the property involved in the violations charged in the indictment for which the Defendants assessed a money judgment are jointly and severally liable.

V. SUBSTITUTE ASSETS

If any of the property described above as being subject to forfeiture for the violations set forth above, as a result of any act or omission of the Defendants:

- 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;

it is the intent of the United States of America to seek forfeiture of any other property, up to the value of said money judgment, as substitute assets pursuant to Title 21 U.S.C. 853(p) and Fed. R. Crim. P. 32.2(e)(1).

A TRUE BILL

FOREPERSON

RICHARD L. DURBIN, JR.
United States Attorney

By:

PAUL T. HARLE

Assistant United States Attorney

By:

DANIEL S. LEE

Assistant United States Attorney

SEALED:
UNSEALED: XX

PERSONAL DATA SHEET
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
DEL RIO DIVISION

DR 17 CR0346

COUNTY: VAL VERDE USAO #: 2015R15850
DATE: APRIL 5, 2017 MAG. CT. #: MATTER
AUSA: PAUL T. HARLE AND DANIEL S. LEE
DEFENDANT: JAMES EDWARD COX A/K/A "JAIME COX" A/K/A PARKER JAMES"
CITIZENSHIP: USA
INTERPRETER NEEDED: NO LANGUAGE: ENGLISH
DEFENSE ATTORNEY: UNKNOWN
ADDRESS OF ATTORNEY:
DEFENDANT IS: NOT DETAINED DATE OF ARREST:
BENCH WARRANT NEEDED: YES
PROBATION OFFICER: N/A
NAME AND ADDRESS OF SURETY: N/A
YOUTH CORRECTIONS ACT APPLICABLE: NO
PROSECUTION BY: INDICTMENT
OFFENSE: (Code & Description): COUNT ONE: 18 U.S.C. § 1349 Conspiracy to Commit Wire Fraud; COUNT TWO: 18 U.S.C § 1956 (h) Conspiracy to Commit Money Laundering.
OFFENSE IS: FELONY
MAXIMUM SENTENCE: Count 1: 0-20 years imprisonment; up to \$250,000 fine; up to 3 years of supervised release; \$100 mandatory special assessment; Count 2: 0-20 years imprisonment; up to \$500,000 fine or twice the value of the property involved, whichever is greater; up to 3 years of supervised release; \$100 mandatory special assessment.
PENALTY IS MANDATORY: YES & NO
REMARKS: See above
W/DT-CR-3

SEALED:
UNSEALED: XX

PERSONAL DATA SHEET
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
DEL RIO DIVISION

DR 17 CR 0346

COUNTY: VAL VERDE

USAO #: 2015R15850

DATE: APRIL 5, 2017

MAG. CT. #: MATTER

AUSA: PAUL T. HARLE AND DANIEL S. LEE

DEFENDANT: KELLY RAY CORONADO A/K/A "KELLY RAE", A/K/A "BILLY LEWIS",
A/K/A "BEREND JAN REINDER KUIPERS"

CITIZENSHIP: USA

INTERPRETER NEEDED: NO

LANGUAGE: ENGLISH

DEFENSE ATTORNEY: ROBERT GARZA

ADDRESS OF ATTORNEY: 2116 VETERANS BLVD. SUITE 5, DEL RIO, TEXAS

DEFENDANT IS: NOT DETAINED

DATE OF ARREST:

BENCH WARRANT NEEDED: YES

PROBATION OFFICER: N/A

NAME AND ADDRESS OF SURETY: N/A

YOUTH CORRECTIONS ACT APPLICABLE: NO

PROSECUTION BY: INDICTMENT

OFFENSE: (Code & Description): COUNT ONE: 18 U.S.C. § 1349 Conspiracy to Commit Wire
Fraud; COUNT TWO: 18 U.S.C § 1956 (h) Conspiracy to Commit Money Laundering.

OFFENSE IS: FELONY

MAXIMUM SENTENCE: Count 1: 0-20 years imprisonment; up to \$250,000 fine; up to 3 years
of supervised release; \$100 mandatory special assessment; Count 2: 0-20 years imprisonment; up
to \$500,000 fine or twice the value of the property involved, whichever is greater; up to 3 years of
supervised release; \$100 mandatory special assessment.

PENALTY IS MANDATORY: YES & NO

REMARKS: See above

W/DT-CR-3

SEALED:
UNSEALED: XX

PERSONAL DATA SHEET
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
DEL RIO DIVISION

DR 17 CR 0346

COUNTY: VAL VERDE

USAO #: 2015R15850

DATE: APRIL 5, 2017

MAG. CT. #: MATTER

AUSA: PAUL T. HARLE AND DANIEL S. LEE

DEFENDANT: GORDON RICHARD MOSKOWITZ

CITIZENSHIP: USA

INTERPRETER NEEDED: NO

LANGUAGE: ENGLISH

DEFENSE ATTORNEY:

ADDRESS OF ATTORNEY:

DEFENDANT IS: NOT DETAINED

DATE OF ARREST:

BENCH WARRANT NEEDED: YES

PROBATION OFFICER: N/A

NAME AND ADDRESS OF SURETY: N/A

YOUTH CORRECTIONS ACT APPLICABLE: NO

PROSECUTION BY: INDICTMENT

OFFENSE: (Code & Description): COUNT ONE: 18 U.S.C. § 1349 Conspiracy to Commit Wire Fraud; COUNT TWO: 18 U.S.C § 1956 (h) Conspiracy to Commit Money Laundering.

OFFENSE IS: FELONY

MAXIMUM SENTENCE: Count 1: 0-20 years imprisonment; up to \$250,000 fine; up to 3 years of supervised release; \$100 mandatory special assessment; Count 2: 0-20 years imprisonment; up to \$500,000 fine or twice the value of the property involved, whichever is greater; up to 3 years of supervised release; \$100 mandatory special assessment.

PENALTY IS MANDATORY: YES & NO

REMARKS: See above

W/DT-CR-3