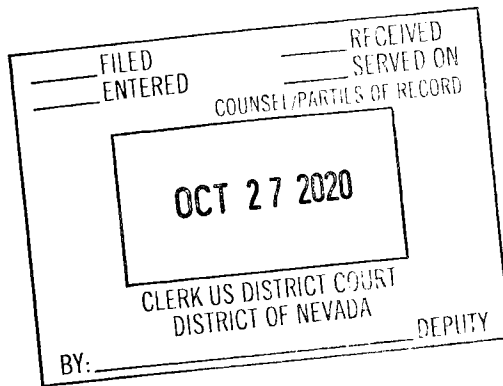


1 NICHOLAS A. TRUTANICH
United States Attorney
2 District of Nevada
Nevada Bar Number 13644
3 SIMON F. KUNG
Assistant United States Attorney
4 501 Las Vegas Blvd. South, Suite 1100
Las Vegas, Nevada 89101
5 (702) 388-6336
simon.kung@usdoj.gov



6 *Attorneys for Plaintiff*
7 *The United States of America*

8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**

10 UNITED STATES OF AMERICA,

11 Plaintiff,

12 vs.

13 JOHN FRANK THOMAS III,
aka "John Frank,"
14 aka "Johnathan West,"
aka "John Frank Rodgers,"
15 aka "John Marshall,"
aka "John Edwards," and
16 THOMAS JOSEPH BECKER,

17 Defendants.

CRIMINAL INDICTMENT

Case No.: 2:20-cr- 296

VIOLATIONS:

18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud; and

18 U.S.C. § 1341 – Wire Fraud

FORFEITURE ALLEGATION

19 THE GRAND JURY CHARGES THAT:

20 **COUNT ONE**

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

21 **The Object of the Conspiracy**

22
23 1. From on or about September 2010, and continuing up to and including
24 August 2019, in the State and Federal District of Nevada and elsewhere,

1 JOHN FRANK THOMAS III,
2 aka "John Frank,"
3 aka "Johnathan West,"
4 aka "John Frank Rodgers,"
5 aka "John Marshall,"
6 aka "John Edwards" ("THOMAS"), and
7 THOMAS JOSEPH BECKER ("BECKER"),

8 defendants herein, and others known and unknown, knowingly and intentionally combined,
9 conspired, confederated, and agreed, to commit an offense against the United States in
10 violation of Title 18, United States Code, Section 1349, that is to commit wire fraud, in
11 violation of Title 18, United States Code, Section 1343.

12 Manner and Means of the Conspiracy

13 2. The objects of the conspiracy were carried out, and to be carried out, in
14 substance, as follows:

15 a. During the course of the conspiracy THOMAS and BECKER
16 maintained and advertised the following entities, which they marketed to investors as
17 investment funds: Sports Psychometrics; Vegas Basketball Club; Vegas Football Club;
18 Einstein Sports Advisory; Quantum Sports Advisory; Wellington Sports Club; and
19 Welscorp, Inc. THOMAS and BECKER began recruiting clients for at least one of the
20 aforementioned entities no later than September 2010.

21 b. As part of their marketing to investors, THOMAS and BECKER
22 represented that they would use the invested money to make bets at sports books in Las
23 Vegas, Nevada. THOMAS and BECKER made misrepresentations to investors that they
24 would use their specialized sports betting skills and unique betting strategy to make sports
bets with the invested money. For example, in 2014 THOMAS and BECKER falsely told
potential investors, with regard to Vegas Football Club, that "[i]ts sole purpose is to grow its
Member's bankrolls by making strategic bets on sporting events." Each investor entered

1 into a “Sports Advisory Agreement” with THOMAS and BECKER. In a typical
2 agreement, THOMAS and BECKER represented to and sought to induce investors to agree
3 that, “In consideration of SPORTSADVISOR’s development of a proprietary handicapping
4 system that is highly accurate in predicting the outcome of NFL, NCAA Football, MLB,
5 NBA, and NCAA Basketball games, INVESTOR has contracted SPORTSADVISOR to
6 manage INVESTOR’s funds by making picks and placing bets at legal domestic
7 sportsbooks. . . until the INVESTOR’s funds grow [X]-fold.” Rather than using the investor
8 funds to bet on sports as promised, THOMAS and BECKER spent the overwhelming
9 majority of incoming money on themselves or to pay out other investors, *i.e.* they ran a
10 Ponzi scheme.

11 c. Throughout the course of the scheme, THOMAS and BECKER
12 posted advertisements online, including on Craigslist. For example, in or around July 2014,
13 THOMAS and BECKER posted an advertisement on Craigslist for Vegas Football Club
14 titled “— SPORTS BETTORS — Tired of Losing? (Want to make a Fortune?).” The
15 advertisement falsely claimed “[w]e have an interesting new twist on the sports betting
16 world that will make you \$6,000 to \$24,000 or more per week.”

17 d. THOMAS and BECKER also made fraudulent representations to
18 investors regarding their success rate at sports betting. For example, in 2014 they told
19 investors that their “‘special insights’ and ahead-of-the-curve strategies . . . can generate an
20 Average-Profit-Per-Bet of +140% or plus \$140 per \$100 bet ... and possibly as high as
21 +180% or plus \$180 per \$100 bet. In essence, unlimited riches.” Also, in August 2015,
22 THOMAS and BECKER advertised a purported “perfect investment opportunity,” offering
23 “quick access to funds -- funds can be withdrawn by wire or transfer in only one day” and
24 “exceptionally high yield -- we achieved a +10.75% ROI per betting day during 2014

1 Football Season.” In August 2016, THOMAS and BECKER told investors that they had
2 “an extraordinary investment opportunity” and a “low-risk way to TRIPLE your funds in
3 less than 4 months.” In June 2017, THOMAS and BECKER promised to investors a “low-
4 risk way to TRIPLE your funds in less than 6 months.” The August 2016 and June 2017
5 communications to investors included falsified returns on investment from their alleged
6 sports betting. In reality, THOMAS and BECKER had never achieved the winning rates
7 represented to investors.

8 e. Throughout the course of the scheme, THOMAS and BECKER
9 induced at least six hundred individuals to deposit money in one of their purported
10 investment funds. These individuals deposited amounts ranging from less than \$10,000 to
11 over \$500,000. The deposited money from investors went into bank accounts opened and
12 controlled by THOMAS and BECKER.

13 f. Individuals who deposited money with THOMAS and BECKER were
14 given login credentials to access their accounts by logging in through an online account on
15 websites controlled by THOMAS and BECKER. Through these websites, investors could
16 then access a spreadsheet showing their purported account activity, including percentage
17 gain or loss of their total account balance based on the alleged sports betting activities.
18 THOMAS and BECKER manipulated the websites so that investors would see their
19 account values increasing multiple-fold in value based on winning bets when in fact no such
20 bets (or gains) were occurring. For example, THOMAS and BECKER falsely represented
21 to J.S. that his account starting at \$15,005.65 with Vegas Basketball Club, grew to
22 approximately \$333,000, from February 2015 to March 2016. THOMAS and BECKER
23 falsely represented to F.G. that his account starting at \$535,738 grew to approximately
24 \$13,500,000 from October 2014 to April 2015. And THOMAS and BECKER falsely

1 represented to W.K. that his account starting at \$25,000 with Wellington Sports Club grew
2 to over \$9,000,000 from July 2016 to July 2018.

3 g. Based on written agreements, investors with THOMAS and BECKER
4 had the option of cashing out their accounts after reaching a pre-determined target amount
5 (e.g. three or five times the initial investment). Some investors also had the option of rolling
6 over their account balance into a new investment agreement after reaching the target
7 amount. Many investors opted to roll over their accounts into a new investment contract
8 after hitting the target amounts, based on fraudulent representations by THOMAS and
9 BECKER that their accounts had grown multiple-fold in value.

10 h. Most if not all investors were not paid out the full balance shown in
11 their online accounts even though these individuals were entitled to payment under their
12 agreements and had made repeated attempts to receive payment. For many investors,
13 THOMAS and BECKER did not pay back anything at all, not even their initial deposits,
14 despite their account values reflecting much higher amounts. The investors who were paid
15 by THOMAS and BECKER were paid with money from other investors, not winnings from
16 sports betting.

17 i. THOMAS and BECKER repeatedly made excuses for why they could
18 not pay investors the amount reported in their accounts and ignored their calls and emails.
19 For instance, some of THOMAS's excuses include that he had an abscess tooth for which
20 he had been hospitalized, that his assistant died in a car accident, that he was having issues
21 with withdrawing money from banks and sportsbooks, and that he was having issues with
22 the IRS. THOMAS and BECKER also told some investors that they would be paid out
23 once a large deposit from a hedge fund came in.
24

1 described in Paragraphs One and Two above, transmitted and caused to be transmitted by
 2 means of wire communication in interstate commerce, the writings, signs, signals, pictures,
 3 and sounds described below, with each wire communication constituting a separate
 4 violation of Title 18, United States Code, Sections 1343 and 2.

COUNT	DATE	DESCRIPTION OF TRANSMISSION
TWO	3/10/2017	A wire transfer of \$237,520.07 from a Citibank account in California to a US Bank account ending in 8128 in Nevada.
THREE	3/16/2017	A wire transfer of \$237,520.07 from a Citibank account in California to a US Bank account ending in 8128 in Nevada.
FOUR	5/5/2017	A wire transfer of \$100,000 from a Citizens Business Bank account in California to a Wells Fargo account ending in 6502 in Nevada.
FIVE	7/19/2017	A wire transfer of \$50,023.08 from a Wells Fargo Bank account in California to a US Bank account ending in 8128 in Nevada.
SIX	9/8/2017	A wire transfer of \$100,023.40 from a Citizens Business Bank account in Wyoming to a US Bank account ending in 8128 in Nevada.
SEVEN	9/19/2017	A wire transfer of \$100,025.27 from a Wells Fargo Bank account in California to a US Bank account ending in 8128 in Nevada.
EIGHT	10/04/2017	A wire transfer of \$100,023.08 from a Wells Fargo Bank account in California to a US Bank account ending in 8128 in Nevada.
NINE	10/20/2017	A wire transfer of \$100,023.40 from a Citizens Business Bank account in Wyoming to a US Bank account ending in 8128 in Nevada.

COUNT	DATE	DESCRIPTION OF TRANSMISSION
TEN	12/27/2017	A wire transfer of \$500,027.00 from a BOKF NA Bank account in Oklahoma to a Citibank account ending in 3671 in Nevada.
ELEVEN	1/31/2018	A wire transfer of \$100,000 from a Citizens Business Bank account in California to a Wells Fargo account ending in 6502 in Nevada.
TWELVE	2/16/2018	A wire transfer of \$100,026.07 from a First National Bankers Bank account in Georgia to a Wells Fargo account ending in 6502 in Nevada
THIRTEEN	7/28/2018	A wire transfer of \$25,023.58 from a JPMorgan Chase Bank account in California to a Bank of Nevada account ending in 3753 in Nevada.
FOURTEEN	2/8/2019	A wire transfer of \$25,030.57 from a Bank of America account in Texas to a JPMorgan Chase Bank account ending in 9386.

FORFEITURE ALLEGATION

Conspiracy to Commit Wire Fraud and Wire Fraud

6. The allegations contained in Counts One to Fourteen of this Criminal Indictment are hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) with 28 U.S.C. § 2461(c).

7. Upon conviction of any of the felony offenses charged in Counts One to Fourteen of this Criminal Indictment,

**JOHN FRANK THOMAS III,
aka "John Frank,"
aka "Johnathan West,"
aka "John Frank Rodgers,"
aka "John Marshall,"
aka "John Edwards", and
THOMAS JOSEPH BECKER,**

1 defendants herein, shall forfeit to the United States of America, any property, real or
2 personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C.
3 § 1343, a specified unlawful activity as defined in 18 U.S.C. §§ 1956(c)(7)(A) and
4 1961(1)(B), or 18 U.S.C. § 1349, conspiracy to commit such offense, an in personam
5 criminal forfeiture money judgment including, but not limited to, at least \$9,809,575.84
6 (property).

7 8. If any property being subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C)
8 with 28 U.S.C. § 2461(c), as a result of any act or omission of the defendant –

- 9 a. cannot be located upon the exercise of due diligence;
10 b. has been transferred or sold to, or deposited with, a third party;
11 c. has been placed beyond the jurisdiction of the court;
12 d. has been substantially diminished in value; or
13 e. has been commingled with other property which cannot be divided
14 without difficulty;

15 it is the intent of the United States of America, pursuant to 21 U.S.C. § 853(p), to seek
16 forfeiture of any other property of the defendant for the property listed above.

17 All pursuant to 18 U.S.C. § 981(a)(1)(C) with 28 U.S.C. § 2461(c); 18 U.S.C. § 1343;
18 18 U.S.C. § 1349; and 21 U.S.C. § 853(p).

19 DATED this 27th day of October, 2020.

20 A TRUE BILL:

21 /S/
FOREPERSON OF THE GRAND JURY

22 NICHOLAS A. TRUTANICH
United States Attorney

23 
SIMON F. KUNG
24 Assistant United States Attorney