

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No.
	:	
FORD F. GRAHAM	:	18 U.S.C. § 1343
	:	15 U.S.C. §§ 78j(b), 78ff(a);
	:	and 17 C.F.R. § 240.10b-5
	:	18 U.S.C. § 1028A
	:	18 U.S.C. § 1956(a)(1)(B)(i)
	:	18 U.S.C. § 1957
	:	18 U.S.C. § 1349
	:	18 U.S.C. § 2

**INDICTMENT**

The Grand Jury in and for the District of New Jersey, sitting at  
Trenton, charges as follows:

**COUNTS ONE THROUGH EIGHT**  
(Wire Fraud)

1. At all times relevant to this Indictment:

***Individuals and Entities***

a. Defendant FORD F. GRAHAM (“GRAHAM”) resided in or around Princeton, New Jersey, and held himself out as the owner, chief executive, chairman, manager, and/or principal member of dozens of corporate entities purporting to do business under, or that were otherwise affiliated with, an umbrella organization, Vulcan Capital Corporation, sometimes also referred to as the Vulcan Capital Group (hereafter, “Vulcan”).

b. The Vulcan family of entities, acting by and through defendant GRAHAM, purported to invest in energy and natural resource projects, and other investment projects, in the United States and other countries, including Nigeria, Turkey, Iraq, Bangladesh, and others.

c. Bank 1 was a financial institution, as defined by Title 18, United States Code, Section 20, with accounts insured by the Federal Deposit Insurance Corporation (“FDIC”) and headquarters in San Francisco, California.

d. Bank Account 9078 was a business checking account held at Bank 1 in the name of “Specialty Fuels America,” which was controlled by GRAHAM.

e. Bank Account 4669 was a business checking account held at Bank 1 in the name of “Aries Energy Group, LLC,” which was controlled by GRAHAM.

f. Bank Account 0858 was a business banking account held at Bank 1 in the name of “Vulcan Energy International, LLC,” which was controlled by GRAHAM.

g. Co-conspirator 1 (“CC-1”) was GRAHAM’s spouse, who resided with defendant GRAHAM in or around Princeton, New Jersey.

h. Co-conspirator 2 (“CC-2”) was one of GRAHAM’s associates, who resided in or around Mobile, Alabama.

i. Victim-1 was an acquaintance of GRAHAM who resided in or around Princeton, New Jersey, and who invested a substantial amount of money with GRAHAM.

j. Victim-2 was an acquaintance of GRAHAM who resided in or around Princeton, New Jersey, and who invested a substantial amount of money with GRAHAM.

### **The Scheme to Defraud**

2. From in or about December 2012 to in or about September 2013, in Mercer County, in the District of New Jersey, and elsewhere, the defendant,

FORD F. GRAHAM,

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud investment clients (the “Victims”), and to obtain money and property from the Victims by means of materially false and fraudulent pretenses, representations, and promises, including but not limited to material and fraudulent misrepresentations and omissions relating to, among other things, the misappropriation of investor funds, as set forth below.

### **Goal of the Scheme to Defraud**

3. The goal of the scheme was for GRAHAM to enrich himself by inducing victims to invest in securities and other investments for a variety of purported energy and natural resource projects, which GRAHAM promoted through material and fraudulent misrepresentations and omissions. GRAHAM then misappropriated and converted substantial amounts of investor funds for GRAHAM’s, CC-1’s, and CC-2’s personal use and benefit, rather than for the investment purpose for which those funds purportedly were intended. GRAHAM further used the investor funds to pay back prior investors in the manner of a Ponzi scheme.

### **Manner and Means of the Scheme to Defraud**

4. It was part of the scheme to defraud that:

a. On behalf of Vulcan and its affiliated entities, GRAHAM solicited millions of dollars in investments from high-net-worth investors, including, but not limited to Victim-1 and Victim-2, in connection with several purported oil and natural resource projects.

b. GRAHAM induced many of these investments by falsely representing to the Victims that GRAHAM and CC-1 would be investing large amounts of their own personal funds in the same investment vehicle.

c. GRAHAM made various misrepresentations and material omissions, regarding the purpose for which he would use the Victims' investments, that is that the investor funds would be used to purchase shares of the target company, and not to fund expenditures, such as for consultants, attorneys, litigation or any other projects.

d. After obtaining the Victims' money, GRAHAM moved the Victims' funds through one or more bank accounts that GRAHAM or CC-1 controlled to disguise and conceal the nature, source and ownership of the funds, before GRAHAM then used the funds for his and his co-conspirators' own personal financial enrichment, and to repay other investors in a Ponzi-like fashion, all uses of investor funds unrelated to the purposes for which the Victims invested.

e. In order to lull his Victims into a sense of security regarding their investments, GRAHAM periodically provided the Victims with false

information as to the status of their investments and bogus explanations for why the payments on their investments were delayed.

**Acts in Furtherance of the Scheme to Defraud**

5. In furtherance of the scheme to defraud, Graham committed the following acts, among others, in the District of New Jersey and elsewhere:

a. Beginning in or around December 2012 and continuing into January 2013, GRAHAM began soliciting an investment from Victim-1 in a purported business opportunity that Vulcan and one of its affiliates, Aries Energy Group (“Aries”), purportedly were sponsoring. GRAHAM informed Victim-1 that the investment was a secured convertible promissory note that would be issued by another entity, CCC Holdings, LLC (“CCC”). CCC, in turn, would use the capital invested to acquire a controlling equity stock interest in another entity, Specialty Fuels Bunkering, LLC (“SFB”), an oil bunkering business located in or around Mobile, Alabama. To entice Victim-1 to invest in the purported business opportunity, GRAHAM provided Victim-1 with an information memo highlighting aspects of the investment (the “SFB Offering Memo”) which, among other things, described SFB and its history, including that despite an ongoing management dispute between CC-2 and another owner of SFB, SFB was profitable and well capitalized, and would be a profitable investment once this other owner was removed.

b. GRAHAM further provided Victim-1 with a document labeled “Ownership Analysis” which outlined the various ownership interests in CCC and SFB, if Victim-1 made an investment. This document stated that if Victim-1

invested \$1.5 million in CCC, Victim-1 would own 42.857% of CCC, which would translate to a 22.286% ownership interest in SFB. The document further indicated that with GRAHAM and CC-1's personal investment of \$500,000, "NEH," a purported Vulcan affiliate, would own 14.286% of CCC, and therefore would own 7.42% of SFB. Based on this document and GRAHAM's other representations, Victim-1 believed that GRAHAM and CC-1 personally were investing in SFB stock, which gave Victim-1 comfort with the investment.

c. Specifically, and contrary to the agreed upon investment, GRAHAM did not invest Victim-1's \$1.5 million in the purchase of SFB stock. Between January 2013 and April 2013, and unbeknownst to Victim-1, GRAHAM (i) transferred a portion of Victim-1's money to Bank Account 0858, another business account GRAHAM controlled; (ii) transferred a portion of Victim-1's money to a personal account that GRAHAM and/or CC-1 controlled; (iii) transferred a portion of Victim-1's money to an account that CC-2 controlled; and (iv) used a portion of Victim-1's money to make payments to other individuals and entities that were entirely unrelated to CCC or SFB. A sample of these fraudulent transfers are detailed in the table in paragraph 6 below, each instance representing a separate charge of wire fraud.

d. Additionally, on or about April 2, 2013, GRAHAM transferred or caused to be transferred \$230,000 of Victim-1's money from Bank Account 9078 account to an account held by another GRAHAM investor, Victim-2. A few days later, on or about April 5, 2013, GRAHAM transferred or caused to be transferred another \$3,689.12 to Victim-2's account. GRAHAM previously had solicited and

obtained hundreds of thousands of dollars in investments from Victim-2 for other purported Vulcan projects. The payments from Victim-1's investment to Victim-2 reflected GRAHAM's misappropriation of Victim-1's investment money to repay, in a Ponzi-like fashion, Victim-2 for prior investments.

e. In or around April 2013, Victim-1 was scheduled to receive a first interest payment under the CCC convertible note, but Victim-1 did not receive it. In a series of e-mails on or about May 28, 2013 and May 29, 2013, GRAHAM represented to Victim-1 that "My CFO confirmed we mailed out check early April," and that a replacement check would be sent to Victim-1 at Victim-1's address. Victim-1, however, never received a replacement check. Indeed, at no time did Victim-1 ever receive an interest payment in connection with the CCC note in which Victim-1 had been told by GRAHAM Victim-1 had invested.

f. Additionally, beginning in or around March 2013, GRAHAM informed Victim-1 that the SFB acquisition was delayed due to litigation with the current owner. Through various communications, GRAHAM requested additional funds from Victim-1, stating that the money was needed to pay for "lawyers, accountants, and forensic auditors" in support of the takeover litigation to acquire SFB. In reliance on GRAHAM's representations, and seeking to avoid a loss on Victim-1's initial investment, between June 2013 and September 2013, Victim-1 contributed an additional \$740,000, in various installments, believing that this money was being used to support ongoing efforts to finalize CCC's takeover of SFB. GRAHAM represented that Victim-1 would be fully reimbursed for any contribution to cover these costs. Instead, as with Victim-1's initial investment, GRAHAM

fraudulently misappropriated substantial portions of Victim-1's subsequent financial contribution for GRAHAM's and his confederates' own personal use, benefit, and enrichment. A sample of these fraudulent transfers are detailed in the table in paragraph 6 below, each instance representing a separate charge of wire fraud.

g. Undisclosed by GRAHAM or anyone else, Victim-1's initial investment was never used to purchase SFB stock. Victim-1's subsequent financial contributions were not used to support the efforts to finalize CCC's takeover of SFB. Victim-1 never received an interest payment from GRAHAM, SFB, CCC, or any other source on his convertible promissory note issued from his initial investment of \$1.5 million, and Victim-1 never received reimbursement for the subsequent \$740,000 contribution he made thereafter. In total, Victim-1 lost at least \$2,240,000 in connection with the bogus investments fraudulently advertised by GRAHAM to be in connection with the SFB transaction.

#### **Execution of the Scheme to Defraud**

6. On or about the dates set forth below, for the purpose of executing and attempting to execute the scheme and artifice to defraud, in the District of New Jersey and elsewhere, the defendant,

FORD F. GRAHAM,

knowingly transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, the following writings, signs, signals, pictures, and sounds, each constituting a separate count of this Indictment:



<b>Count</b>	<b>Approximate Date</b>	<b>Description</b>
1	January 14, 2013	GRAHAM caused an interstate wire of \$8,800 to be paid from Bank Account 0858 to a company to satisfy the rent payments due for Vulcan's New York offices.
2	January 22, 2013	GRAHAM caused an interstate wire of \$42,274.46 to be transferred from Bank Account 0858 to an account held by a health insurance company in New York.
3	March 14, 2013	GRAHAM caused an interstate wire of \$9,250 to be sent from Bank Account 0858 to an account held by CC-1.
4	April 2, 2013	GRAHAM caused an interstate wire of approximately \$230,000 to be sent from Bank Account 9078 to an account held by Victim-2.
5	April 12, 2013	GRAHAM caused an interstate wire of approximately \$6,007.79 to be sent from Bank Account 9078 to an account held by CC-1's mother.
6	July 2, 2013	GRAHAM caused an interstate wire of approximately \$5,500 to be transferred from Bank Account 8058 to a Vulcan account in Nigeria.
7	August 14, 2013	GRAHAM caused an interstate wire of \$1,038.63 to be paid from Bank Account 9078 to a company in Istanbul, Turkey.
8	August 28, 2013	GRAHAM caused an interstate wire of \$27,626.52 from Bank Account 4669 to Tuition Management Systems, in fulfillment of his daughter's private school tuition.

In violation of Title 18, United States Code, Section 1343 and Section 2.

**COUNT NINE**  
(Securities Fraud)

1. The allegations in Paragraphs 1 through 6 of Counts One through Eight of this Indictment are realleged here.

2. From in or about December 2012 to in or about September 2013, in Mercer County, in the District of New Jersey, and elsewhere, the defendant,

FORD F. GRAHAM,

knowingly and willfully used and employed, in connection with the purchase and sale of securities, manipulative and deceptive devices and contrivances, in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, namely, that defendant GRAHAM, among other things, received investment funds from the Victims and, rather than invest the funds in securities on the Victims' behalf, as he had represented to them, misappropriated the funds for his own personal use and to further his fraudulent scheme.

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

**COUNTS TEN THROUGH FIFTEEN**

(Wire Fraud)

1. The allegations in Paragraphs 1 of Counts One through Eight of this Indictment are realleged here.

2. Victim-3 was an acquaintance of GRAHAM who resided in or around Princeton, New Jersey.

3. Victim-4 was, between in or about 2009 and in or about 2014, Vulcan's chief financial officer.

4. Victim-5 resided in or around Tempe, Arizona.

5. Victim-6 was an electronic payment processing company headquartered in or around San Francisco, California.

6. Bank Account 2792 was a business account held at Bank 1 in the name of RIM Enterprises, LLC, which was controlled by GRAHAM.

7. Bank Account 5788 was a business checking account held at Bank 1 in the name "Diomedes Partners LTD, LLC," which was controlled by GRAHAM and CC-1.

8. Bank Account 7047 was a business checking account held at Bank 1 in the name "Diomedes Partners LTD, LLC," which was controlled by GRAHAM.

***Payment Processing Platforms***

9. Victim-6 operates an electronic payment processing platform that allows merchants (often small businesses and individuals) to process credit card payments quickly using a card reader attached to a mobile device, such as a smartphone or tablet, or by manually inputting a card number through Victim-6's

mobile application. When a merchant processes a credit card for payment, Victim-6 credits the corresponding amount to the merchant's Victim-6 account, and causes the cardholder's credit card to be charged for that amount. Victim-6 ultimately is reimbursed for the amount credited through the purchaser's bank. Victim-6 also collects a fee from the merchant for every transaction processed. On a daily basis, Victim-6 causes the money then in the merchant's Victim-6 account to be deposited into the merchant's external bank account linked to the Victim-6 account.

10. When a merchant creates an account with Victim-6, Victim-6 requires the merchant to provide certain information, including, among other things, name, address, telephone number, e-mail address, and other related information. To manage risk, Victim-6 verifies the merchant's identity and will request additional personal information as necessary, such as certain information from principals of the merchant, including their driver's license number, social security number, and date of birth. When a merchant accesses its Victim-6 account to settle funds, Victim-6 collects bank account and payment card numbers and information about the merchant's financial institution. In some cases, Victim-6 also requires merchants to submit certain documentation to verify the nature and validity of the merchant's business.

### **The Scheme to Defraud**

11. From in or about December 2017 to in or about February 2018, in Mercer County, in the District of New Jersey, and elsewhere, the defendant,

FORD F. GRAHAM,

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud payment processing companies and other institutions and individuals to obtain money and property from those companies by means of materially false and fraudulent pretenses, representations, and promises, including but not limited to material and fraudulent misrepresentations and omissions relating to, among other things, the veracity of financial documents, invoices, and signatures, as set forth below.

### **Goal of the Scheme to Defraud**

12. The goal of the scheme was for GRAHAM to enrich himself by fraudulently opening merchant accounts with Victim-6 that GRAHAM would thereafter control. GRAHAM then used these fraudulently opened accounts to charge stolen credit cards numbers for goods and services that GRAHAM and his companies did not provide.

### **Manner and Means of the Scheme to Defraud**

13. It was part of the scheme to defraud that:

a. On or about January 10, 2018, GRAHAM opened two accounts with Victim-6 under the name RIM Enterprises, LLC (“RIM”). In opening these accounts, GRAHAM provided Victim-3’s name and address, as well as an email address that purported to be for Victim-3, as information associated with the RIM account. GRAHAM also provided Victim-3’s actual date of birth, social security number and telephone number. In truth and in fact, these accounts were opened, controlled, and operated by GRAHAM, and done entirely without Victim-3’s knowledge or permission.

b. GRAHAM provided Bank Account 2792 as the bank account associated with RIM to which payments by Victim-6 could be made. However, even though Victim-3's information was used to open the RIM accounts with Victim-6, GRAHAM, not Victim-3, opened and, along with CC-1, controlled the accounts. The mailing address for Bank Account 2792 was listed as 75 Rockefeller Plaza, New York, New York, which was the former location of Vulcan's offices.

c. In or around early January 2018, Victim-6 requested that RIM provide certain documents and information to verify the business's legitimacy. In response to the request, GRAHAM submitted certain documents to Victim-6, including, among other things: (i) a statement describing RIM's line of business as being in the area of personal security consulting and self-defense training, which included citations to several websites advertising and profiling Victim-3's genuine business in that sector; (ii) bank statements from October 2017 through December 2017, purportedly for Bank Account 2792; (iii) a scanned image of Victim-3's passport; and (iv) incorporation documents for RIM.

d. The bank statements GRAHAM submitted to Victim-6, purporting to be for Bank Account 2792, were fraudulent. For example, Graham altered the statements to reflect Victim-3's business address while the actual address associated with the account was Vulcan's former address in New York City. Graham further altered the statements to reflect financial transactions consistent with the self-defense training services that RIM purportedly offered, when in fact no such transactions actually occurred in the actual Bank Account 2792.

e. GRAHAM also submitted incorporation documents for RIM to Victim-6 which bore Victim-3's name and signature. Victim-3 did not, however, sign any incorporation documents concerning RIM, and did not authorize that his name be used to establish RIM as a corporate entity.

f. Once the RIM accounts were created and verified by Victim-6 in reliance on the fabricated documentation described above, in or around January 2018, RIM successfully processed at least five fraudulent transactions on Victim-6's electronic platform, totaling approximately \$36,415.00. Each of the cardholders whose credit cards were charged in these fraudulent transactions contested the charges.

g. Before Victim-6 could take action on the fraudulent RIM charges, GRAHAM withdrew or transferred tens-of-thousands-of-dollars and transferred the stolen funds to the Bank Account 2792. Subsequently, GRAHAM transferred funds out of that account to other bank accounts controlled by GRAHAM and/or CC-1, and also executed transactions from the Bank Account 2792 that had no relation to the services that RIM had purportedly provided.

h. On or about December 17, 2017 and January 3, 2018, GRAHAM created three accounts with Victim-6 under the name Diomedes Partners ("Diomedes"). GRAHAM established the Diomedes accounts using his own name, address, contact and biographical information as the information associated with the accounts. Two external bank accounts were linked to the Diomedes accounts: Bank Account 5788 and Bank Account 7047, both of which were controlled by GRAHAM and CC-1.

i. To verify Diomedes business, GRAHAM submitted certain fabricated documents to Victim-6, including statements that provided information about the company and its business; purported invoices for services that Diomedes had rendered; bank statements for Bank Account 5788 account and Bank Account 7047; and incorporation documents for the company.

j. After the Diomedes accounts were created and verified by Victim-6 in reliance on the fabricated documentation described above, on or about January 3, 2018, GRAHAM through Diomedes successfully processed a fraudulent transaction on Victim-6's electronic platform, totaling approximately \$11,500.00, using Victim-5's credit card number. Victim-5 disputed the charge as fraudulent.

k. The documents GRAHAM submitted to Victim-6 to substantiate the charge to Victim-5's credit card account were fabricated and fraudulent, and GRAHAM processed the charge to Victim-5's card without having provided any services to Victim-5 whatsoever. Further, although Victim-4 formerly worked for GRAHAM as Vulcan's CFO, Victim-4 never worked for Diomedes, did not initial the product order form, and had no knowledge of the transaction in question.

l. Before Victim-6 could take action to address the fraudulent transactions processed on Victim-5's credit card and other individual's credit cards, GRAHAM successfully withdrew or transferred funds that had been credited by Victim-6 to Bank Account 5788.

#### **Acts in Furtherance of the Scheme to Defraud**

14. In furtherance of the scheme to defraud, Graham committed the following acts, among others, in the District of New Jersey and elsewhere:



a. On or about January 11, 2018, RIM charged Cardholder-1's card approximately \$14,000 from an IP address originating from GRAHAM's home. This charge was disputed by Cardholder-1.

b. On or about January 19, 2018, RIM charged Cardholder-2's card approximately \$5,750 from an IP address registered to GRAHAM's mother-in-law's address. This charge was disputed by Cardholder-2.

c. On or about January 19, 2018, RIM charged Cardholder-3's card approximately \$4,800 from the IP address registered to GRAHAM's mother-in-law's address. This charge was disputed by Cardholder-3.

d. Also on or about January 19, 2018, RIM charged Cardholder-3's card a second time, for approximately \$4,950. This charge was disputed by Cardholder-3.

e. On or about January 20, 2018, RIM charged Cardholder-4's card approximately \$6,915 from the IP address registered to GRAHAM's mother-in-law's address. This charge was disputed by Cardholder-4.

f. Because the cardholders disputed these transactions, Victim-6 requested that RIM provide documentation to substantiate the charges as part of the dispute resolution process. In response, GRAHAM submitted, through Victim-6's online portal, fabricated invoices corresponding to two of the disputed charges, totaling approximately \$9,750, which bore what appeared to be Victim-3's signature, and indicated that they had been paid on January 18, 2018. The invoices submitted to Victim-6 were false and fraudulent, and all of the charges processed by RIM were fraudulent as well.

g. On or about January 3, 2018, Diomedes processed a charge on Victim-5's credit card in the amount of \$11,500.00 from the IP address assigned to GRAHAM's Princeton residence. Victim-5 disputed that charge as fraudulent and, as part of the dispute resolution process, Victim-6 requested that GRAHAM provide information and documents about the transaction. In response, GRAHAM submitted to Victim-6 the following documents, among others:

i. A product order form, dated January 3, 2018, with handwritten entries containing Victim-5's name, address, and the notation, "per e-mail/call." The form also identified the services ordered, and terms of payment. The form had handwritten notations on the line for the customer's signature read, "cc slip e-mail and confirmed by customer," and "see e-mail and cc slip from customer." The form bore the forged initials of Victim-4.

ii. A client credit card pre-authorization form, dated January 3, 2018, purportedly signed by Victim-5, and which ostensibly authorized his card to be charged by Diomedes in the amount of \$11,500.00. The form contained Victim-5's name, address, credit card information, and Victim 5's forged signature authorizing the charge.

### **Execution of the Scheme to Defraud**

15. On or about the dates set forth below, for the purpose of executing and attempting to execute the scheme and artifice to defraud, in the District of New Jersey and elsewhere, the defendant,

FORD F. GRAHAM,

knowingly transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, the following writings, signs, signals, pictures, and sounds, each constituting a separate count of this Indictment:

Count	Approximate Date	Description
10	January 3, 2018	GRAHAM caused an interstate wire to charge \$11,500 on a credit card held by Victim-5.
11	January 11, 2018	GRAHAM caused an interstate wire to charge \$14,000 to a credit card held by Cardholder-1
12	January 19, 2018	GRAHAM caused an interstate wire to charge \$5,750 to a credit card held by Cardholder-2
13	January 19, 2018	GRAHAM caused an interstate wire to charge \$4,800 to a credit card held by Cardholder-3
14	January 19, 2018	GRAHAM caused an interstate wire to charge \$4,950 to a credit card held by Cardholder-3
15	January 20, 2018	GRAHAM caused an interstate wire to charge \$6,915 to a credit card held by Cardholder-4

In violation of Title 18, United States Code, Section 1343 and Section 2.

**COUNT SIXTEEN**  
(Aggravated Identity Theft)

1. The allegations in Paragraphs 1 through 15 of Counts Ten through Fifteen of this Indictment are realleged here.

2. From in or about December 2017 to at least in or about February 2018, in Mercer County, in the District of New Jersey, and elsewhere, the defendant,

FORD F. GRAHAM,

knowingly transferred, possessed, and used, without lawful authority, the means of identification of another person, namely, Victim-3, during and in relation to a violation of federal law, namely, wire fraud as charged in Counts 11 to 15, above, contrary to Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1028A and 2.

**COUNT SEVENTEEN**  
(Aggravated Identity Theft)

1. The allegations in Paragraphs 1 through 15 of Counts Ten through Fifteen of this Indictment are realleged here.

2. From in or about December 2017 to at least in or about February 2018, in Mercer County, in the District of New Jersey, and elsewhere, the defendant,

FORD F. GRAHAM,

knowingly transferred, possessed, and used, without lawful authority, the means of identification of another person, namely, Victim-4, during and in relation to a violation of federal law, namely, wire fraud as charged in Count 10, above, contrary to Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1028A and 2.

**COUNT EIGHTEEN**  
(Aggravated Identity Theft)

1. The allegations in Paragraphs 1 through 15 of Counts Ten through Fifteen of this Indictment are realleged here.

2. From in or about December 2017 to at least in or about February 2018, in Mercer County, in the District of New Jersey, and elsewhere, the defendant,

FORD F. GRAHAM,

knowingly transferred, possessed, and used, without lawful authority, the means of identification of another person, namely, Victim-5, during and in relation to a violation of federal law, namely, wire fraud as charged in Count 10, above, contrary to Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1028A and 2.

**COUNT NINETEEN**  
(Conspiracy to Commit Wire Fraud)

1. The allegations set forth in Paragraphs 1 of Counts One through Eight of this Indictment, and Paragraph 7 of Counts Ten through Fifteen are realleged and incorporated by reference as if fully set forth herein.

2. At all times relevant to Count Nineteen of this Indictment:

a. Victim-7 was a municipal public works agency located in or around Des Moines, Iowa.

b. Company A was a financial services company that provided clearing and settlement services for the financial markets. Victim-7 had previously, and in 2017, was required to make an annual bond payment by way of wire transfer to Company A.

c. Bank Account 9475 was a business checking account held at Bank 1 in the name “Nassau Energy Partners,” which was controlled by GRAHAM.

d. Victim-8 was a law firm located in or around Nantucket, Massachusetts.

e. Law Firm A was a law firm based in Nantucket, Massachusetts which represented the seller of a real estate transaction under contract with a buyer represented by Victim-8.

f. Bank Account 0071 was a business checking account held at Bank 1 in the name “Aeolus Holdings LTD., LLC,” which was controlled by GRAHAM.

g. Victim-9 resided in or around Encinitas, California.

h. Title Company A was a title company doing business in California, whose services were utilized in a real estate transaction with Victim-9.

i. A business email compromise ("BEC") was a method of wire fraud often targeting businesses, entities, or individuals working on business transactions involving high-dollar wire transactions. The fraud was carried out by compromising and/ or "spoofing" legitimate email accounts through social engineering or computer intrusion techniques to cause employees of the target company (or other individuals involved in legitimate business transactions) to conduct unauthorized transfers of funds, most often to accounts controlled by the fraud perpetrators.

3. From in or about November 2017 to in or about June 2018, in Mercer County, in Mercer County, in the District of New Jersey, and elsewhere, the defendant.

FORD F. GRAHAM,

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



### **Goal of the Conspiracy**

4. The goal of the conspiracy was for defendant GRAHAM and his co-conspirators to enrich themselves by channeling through various financial accounts they controlled funds that other co-conspirators had stolen from businesses and individuals through computer intrusion techniques.

### **Manner and Means of the Conspiracy**

5. From in or about November 2017 to in or about June 2018, it was part of the scheme that GRAHAM, and others known and unknown, participated in business email compromise scams ("BEC scams"), as described below, targeting multiple victims throughout the United States.

6. It was part of the conspiracy that, in executing the BEC scams, co-conspirators created email addresses mimicking but differing slightly from legitimate email addresses of employees of victim companies and employees of businesses that dealt with individual victims in connection with real estate purchases.

7. It was further part of the conspiracy that co-conspirators sent emails to victims from these deceptive addresses, which, while on the emails' faces appeared to request the payment of legitimate invoices or debts owed by the victims, in actuality deceived the victims into wire transferring funds into bank accounts controlled by GRAHAM.

8. It was further part of the conspiracy that, in total, the BEC scams attempted to defraud Victims-7 and -8 of more than \$5.3 million, and attempted and/or did defraud Victim-9 of more than \$650,000.

### **Acts in Furtherance of the Conspiracy**

9. In furtherance of the conspiracy and in order to affect the object thereof, its members committed the following acts, among others, in the District of New Jersey and elsewhere:

#### **Victim-7**

10. Victim-7, a municipal agency operating in or around Des Moines, Iowa, was obligated to make annual principal and interest payments on certain bonds to Company A. In calendar year 2017, Victim-7 was required to make an annual bond payment of approximately \$4.66 million.

11. On or about November 29, 2017, representatives of Victim-7 corresponded via e-mail with Company A representatives regarding the 2017 annual bond payment. The representatives agreed that Victim-7 would make the 2017 bond payment on or before December 1, 2017. The representatives also verified that the funds would be wired to the same account into which Victim-7 had wired its bond payments in previous years.

12. Shortly thereafter, on or about November 29, 2017, representatives of Victim-7 received follow-up communications from an e-mail account that appeared to be from the same Company A representatives referenced in paragraph 11, above, but which later was identified as a fraudulent e-mail account established by an unidentified co-conspirator (the “fake Company A e-mail account”). The follow-up e-mails from the fake Company A e-mail account advised Victim-7 that the designated bank account to which Victim-7 agreed to wire its bond payment was no

longer active. Accordingly, the e-mail sent from the fake Company A e-mail account requested that Victim-7 instead make its bond payment to Bank Account 9475.

13. In truth and in fact, Bank Account 9475 was opened in the name “Nassau Energy Partners,” controlled by GRAHAM and CC-1, and not affiliated with Company A. The account opening paperwork for Bank Account 9475 represented that Nassau Energy Partners was an “energy finance company” with \$14 million in annual gross sales. These representations were false. This account, and others opened under the same name, had no incoming deposits or payments consistent with legitimate commerce, and no account activity consistent with GRAHAM’s representation that Nassau Energy Partners ever had annual sales approaching \$14 million.

14. Follow-up e-mails sent from the fake Company A representative were fraudulent, and had been sent to Victim-7 by one or more of GRAHAM’s co-conspirators to induce Victim-7 inadvertently to re-route the 2017 debt payment to Bank Account 9475. The co-conspirator(s) structured the e-mails to appear legitimate, to deceive Victim-7 into routing its debt payment to Bank Account 9475, over which GRAHAM and/or CC-1 had control, so that members of the conspiracy could misappropriate the wired funds for their own personal use, benefit, and enrichment.

15. Representatives of Victim-7 detected minor discrepancies between the legitimate e-mails from Company A and the fraudulent e-mails sent from the fake Company A e-mail account. Victim-7 representatives ultimately called Company A

to confirm the correct wire instructions, and the 2017 debt payment was made to the verified Company A account and not to Bank Account 9475.

**Victim-8**

16. Victim-8 was a law firm operating in or around Nantucket, Massachusetts. In or around February 2018, Victim-8 represented the buyer in a real estate transaction. In that capacity, on or about February 13, 2018, representatives of Victim-8 received an e-mail communication from Law Firm A, the law firm representing the seller, which provided the bank account information into which Victim-8 would wire its client's funds, anticipated to be approximately \$700,000.

17. Thereafter, between on or about February 13, 2018 and on or about February 14, 2018, Victim-8 received follow-up e-mail communications from an account purporting to be representatives of Law Firm A, as referenced in paragraph 16 above, but which later was identified as a fraudulent e-mail account established by an unidentified co-conspirator (the "fake law firm e-mail account"). In these communications, the sender requested that Victim-8 instead send the payment to Bank Account 0071.

18. In truth and in fact, Bank Account 0071 was opened in the name "Aeolus Holdings," controlled by GRAHAM and CC-1, and not affiliated with Law Firm A. The account opening paperwork for Bank Account 0071 represented that Aeolus Holdings was a "technology licensing company" with \$150,000 in annual gross sales in 2017. These representations were false. This account, and others held in the same name, had no incoming deposits or payments consistent with legitimate

commerce, and no account activity consistent with GRAHAM's representation that Aeolus Holdings ever had annual sales approaching \$150,000.

19. Follow-up e-mails sent from the fake law firm e-mail account were fraudulent, and had been sent to Victim-8 by one or more of GRAHAM's co-conspirators to induce Victim-8 inadvertently to re-route the purchaser's funds to Bank Account 0071. The co-conspirator(s) structured the e-mail to appear legitimate, to deceive Victim-8 into routing its client's funds to Bank Account 0071, over which GRAHAM and CC-1 had control, so that members of the conspiracy could misappropriate the wired funds for their own personal use, benefit, and enrichment.

20. During follow-up e-mail communications among Law Firm A, Victim-8, and the fake law firm e-mail account, the fake law firm e-mail account again requested that Victim-8 change the recipient account, and provided account and routing information for another bank account, which turned out to be invalid. Victim-8 ultimately transmitted payment to the correct recipient account.

#### **Victim-9**

21. Victim-9 resided in or around Encinitas, California. In or around May and June 2018, Victim-9 contracted to purchase real estate located in Vista, California. In connection with that purchase, Victim-9 was scheduled to make a wire transfer of approximately \$651,000 to Title Company A, the designated title company for the transaction.

22. In connection with the transaction, a representative of Title Company A e-mailed wire instructions to Victim-9 instructing Victim-9 to wire the purchase

funds to Title Company A's account at its own trust bank. Thereafter, however, Victim-9 received another e-mail, purportedly from Title Company A, directing Victim-9 instead to direct the funds to another account held at a different financial institution, Bank Account 5788.

23. In truth and in fact, Bank Account 5788 was opened in the name "Diomedes Partners LTD, LLC," controlled by GRAHAM and CC-1, and not affiliated with Title Company A. The account opening paperwork for Bank Account 5788 represented that Diomedes Partners was engaged in "private lending" and had \$25,000,000 in gross annual sales in 2017. These representations were false. Bank Account 5788, as well as several other accounts in the same name, identified no incoming deposits or payments consistent with legitimate commerce, and no account activity consistent with GRAHAM's representation that Diomedes ever had annual sales approaching \$25,000,000.

24. On or about May 29, 2018, acting pursuant to the wire instructions in the second e-mail, Victim-9 authorized a wire transfer in the amount of \$651,009 to Bank Account 5788.

25. On or about June 1, 2018, three days after Victim-9's wire transfer posted to Bank Account 5788, GRAHAM caused approximately \$130,000 to be transferred from Bank Account 5788 to another account, held in the name of The Midden Group, Ltd., that he and CC-1 controlled. The same day, GRAHAM and/or CC-1 transferred or caused to be transferred \$10,000 of those funds from The Midden Group, Ltd. account to CC-1's account, which then was used for GRAHAM and CC-1's personal living expenses, including at an online retailer, a hardware

store, a grocery store, department stores, a pet food store, and to a cellular telephone provider. Additional funds also were transferred from CC-1's account to accounts held in the name of GRAHAM's children, which CC-1 controlled.

26. On or about June 4, 2018, Victim-9's bank made a request to recall the wire transfer to Bank Account 5788 after Victim-9 realized that he/she had been defrauded. In connection with the recall request, GRAHAM falsely told his bank that he received the wired funds in connection with an oil deal, for which he was acting as "paymaster." GRAHAM also falsely represented to bank representatives that he needed to wire the funds to Hong Kong in connection with the transaction. These representations to the bank were false, and inconsistent with GRAHAM's near-immediate transfer of more than \$130,000 in funds to the account held in the name of The Midden Group, the subsequent transfers to personal accounts held by GRAHAM and CC-1, and the personal expenditures from those accounts. Having determined that the wire transfer to Bank Account 5788 was fraudulent, the bank ultimately recouped almost \$648,000 from various accounts under GRAHAM's and CC-1's control.

In violation of Title 18, United States Code, Section 1349.

**COUNTS TWENTY THROUGH TWENTY-EIGHT**

(Money Laundering)

1. The allegations in Paragraphs 1 to 6 of Counts One through Eight; Paragraphs 1 to 15 of Counts Ten through Fifteen; and Paragraphs 1 to 26 of Count Nineteen of this Indictment are re-alleged here.

2. On or about the dates set forth below, in the District of New Jersey and elsewhere, the defendant,

FORD F. GRAHAM,

did knowingly conduct and attempt to conduct the following financial transactions affecting interstate commerce, which involved the proceeds of specified unlawful activity, that is, wire and securities fraud, knowing that the transactions were designed in whole and in part to conceal and disguise, the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity and that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, as set forth more fully below, each such transaction constituting a separate count of this Indictment:

<b><u>Count</u></b>	<b><u>Date</u></b>	<b><u>Description</u></b>
20	January 14, 2013	GRAHAM caused the transfer of approximately \$150,000 by interstate wire from Bank Account 9078 to Bank Account 0858.
21	February 15, 2013	GRAHAM caused the transfer of approximately \$19,032 by interstate wire from Bank Account 9078 to Bank Account 0858.
22	February 20, 2013	GRAHAM caused the transfer of approximately \$3,700 by interstate wire from Bank Account 9078 to Bank Account 0858.



23	July 11, 2013	GRAHAM caused the transfer of approximately \$6,500 by interstate wire from Bank Account 9078 to Bank Account 0858.
24	August 14, 2013	GRAHAM caused the transfer of approximately \$5,000 by interstate wire from Bank Account 9078 to Bank Account 0858.
25	August 15, 2013	GRAHAM caused the transfer of approximately \$5,000 by interstate wire from Bank Account 9078 to Bank Account 0858.
26	January 10, 2018	GRAHAM caused the transfer of approximately \$7,694.15 from Bank Account 5788 to an account held in the name of "Young Paso Fino Ranch" at Regions Bank.
27	January 23, 2018	GRAHAM caused the transfer of approximately \$5,795 from Bank Account 2792 to an account held in the name of "Woodlands House Investment Holding" at Wells Fargo Bank.
28	June 1, 2018	GRAHAM caused the transfer of approximately \$130,201.80 by interstate wire from Bank Account 5788 to another account, held in the name of The Midden Group, Ltd., that he and CC-1 controlled.

All in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

**COUNT TWENTY-NINE**

(Engaging in Monetary Transactions in Property Derived from Specified  
Unlawful Activity)

1. The allegations set forth in Paragraphs 1 through 15 of Counts Ten through Fifteen of this Indictment are realleged and incorporated by reference as if fully set forth herein.

2. On or about January 8, 2018, in the District of New Jersey and elsewhere, the defendant,

FORD F. GRAHAM,

did knowingly engage and attempt to engage in a monetary transaction in criminally derived property that was of a value greater than \$10,000, that is, he caused to be electronically transferred approximately \$11,491.22 in fraudulently obtained funds from a bank account that he controlled to a third party bank account, such property having been derived from specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Section 1957.

## **FORFEITURE ALLEGATION AS TO COUNTS ONE THROUGH NINETEEN**

1. As a result of committing the offenses charged in Counts One through Nineteen of this Indictment, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, constituting or derived from proceeds traceable to the offenses alleged in Counts One through Nineteen of this Indictment.

## **FORFEITURE ALLEGATION AS TO COUNTS TWENTY THROUGH TWENTY-NINE**

2. As a result of committing the offenses charged in Counts Twenty through Twenty-Nine of this Indictment, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), all property, real or personal, involved in such offenses, and all property traceable to such property.

## **SUBSTITUTE ASSET PROVISION** **(Applicable to All Forfeiture Allegations)**

3. If any of the property described above, as a result of any act or omission of the defendant:

- 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, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(a)(1) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of such defendant up to the value of the forfeitable property described above.

A TRUE BILL

  

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FOREPERSON

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PHILIP R. SELLINGER  
United States Attorney