

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
UNITED STATES OF AMERICA  
:

- v. -  
:

ROBERT JEFFREY JOHNSON,  
a/k/a "Jeff Johnson,"  
ROSS BALDWIN, and  
KATHLEEN HOOK,  
:

Defendants.  
-----X

SEALED INDICTMENT

21 Cr.  
:

**21 CRIM 428**  
:  
:

COUNT ONE

(Conspiracy to Commit Wire Fraud - Silver Lease Program)

The Grand Jury charges:

Overview

1. As set forth more fully below, from in or about 2014 through in or about January 2021, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants, and others known and unknown, conspired to defraud investors in connection with a precious metals leasing program known as the "Silver Lease Program."

2. An investor could participate in the Silver Lease Program by either (i) paying funds to the operators of the Silver Lease Program in order to purchase silver that the investor then leased to the operators of the Silver Lease Program in return for a fixed monthly dividend payment or (ii) providing silver the investor already owned in order to lease

that silver to the operators of the Silver Lease Program in return for a fixed monthly dividend payment.

3. While ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants, and others known and unknown, represented to investors that the investors owned a particular quantity of silver that was being stored for the investor at a specific secure, locked storage facility in Florida (the "Florida Storage Facility"), in truth and in fact this purported silver was not being stored at the Florida Storage Facility. In reality, at all times relevant to this Indictment, the entity that was supposed to be storing the investors' silver, Precious Commodities Inc. ("PCI"), which was functionally controlled by JOHNSON, did not even have any storage units at the Florida Storage Facility.

4. Investors in the Silver Lease Program provided millions of dollars for the purpose of purchasing silver through the Silver Lease Program. Unbeknownst to these investors, a substantial portion of these funds were misappropriated by ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and KATHLEEN HOOK, the defendants, among others, to pay for, among other things, the personal expenses of JOHNSON, JOHNSON's wife, and HOOK, as well as to fund other, unrelated business ventures that JOHNSON, JOHNSON's wife, and other associates of JOHNSON were engaged in.

5. Beginning in or about the Spring of 2019, PCI ceased making monthly dividend payments to the vast majority of Silver Lease Program investors. Despite the fact that many investors made repeated demands for the return of their money and/or return of their silver, none of these investors received a return of their funds or the return of their silver.

6. In total, at least approximately 60 investors were defrauded of at least approximately \$8 million as a result of the fraudulent scheme perpetrated by ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants, and others known and unknown.

#### Relevant Individuals and Entities

7. At all times relevant to this Indictment, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," the defendant, was a resident of Florida. JOHNSON orchestrated the Silver Lease Program scheme to defraud described herein, including by installing associates and family members as officers of PCI and the entity NCB Wholesale Co. ("NCB Wholesale"), and by providing direction to these family members and associates, as well as other participants, regarding the operation of the Silver Lease Program.

8. At all times relevant to this Indictment, ROSS BALDWIN, the defendant, was a resident of Florida. BALDWIN

owned and operated the entity National Coin Broker, Inc. ("NCB"). Through NCB, BALDWIN directly solicited potential investors in the Silver Lease Program.

9. At all times relevant to this Indictment, KATHLEEN HOOK was a resident of Florida. HOOK is the mother-in-law of ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," the defendant. HOOK acted as the sole officer of NCB Wholesale at all times relevant to this Indictment. NCB Wholesale's purported role in connection with the Silver Lease Program was to secure silver on behalf of Silver Lease Program investors who were purchasing silver through the program. HOOK participated in the Silver Lease Program scheme by, among other things, handling various day-to-day tasks relating to the operation of the program. HOOK was also a signer on the bank accounts of NCB Wholesale and directly participated in the misappropriation of investors' funds to, among other things, fund unrelated business ventures and pay for her own personal expenses, as well as the personal expenses of JOHNSON and JOHNSON's wife, among others.

10. PCI acted as a purported "silver depository" in connection with the Silver Lease Program. PCI entered into agreements with investors under which investors agreed to lease the silver that they owned to PCI in return for a monthly dividend payment from PCI. Investors in the Silver Lease

Program were informed that their silver would be stored by PCI at the Florida Storage Facility in a secured, locked unit, and that their silver would be stored on a segregated basis and not mixed with the silver belonging to other investors. Family members and business associates of ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," the defendant, served as officers of PCI between in or about 2014 and in or about 2019. Between in or about July 2014 and in or about December 2015, JOHNSON's wife served as an officer of PCI. Between in or about December 2015 and in or about April 2017, an associate and business partner in other business ventures with JOHNSON ("Associate-1") served as an officer of PCI. Between in or April 2017 and at least in or about April 2019, another associate and business partner in other business ventures with JOHNSON ("Associate-2") served as an officer of PCI.

Solicitation of Investors in the Silver Lease Program

11. ROSS BALDWIN, the defendant, and others working at his direction solicited potential investors for the Silver Lease Program. BALDWIN established and maintained websites where he directed potential investors that described the Silver Lease Program. BALDWIN also communicated with investors by email in connection with soliciting them to invest in the Silver Lease Program. BALDWIN also solicited investors by telephone and on

an in-person basis, including at trade shows that BALDWIN attended. In soliciting potential investors, BALDWIN made numerous material misrepresentations to induce investors to participate in the Silver Lease Program.

12. In soliciting potential investors, ROSS BALDWIN, the defendant, falsely led potential investors to believe that he controlled the operations of the Silver Lease Program, including securing silver for Silver Lease Program investors, as well as coordinating the storage of their silver at the Florida Storage Facility. BALDWIN also falsely told certain investors that he exercised control over PCI. In truth and in fact, BALDWIN did not control the operations of PCI, did not directly participate in securing the silver the investor believed they were purchasing through the Silver Lease Program, and did not have access to or control of PCI's purported storage units at the Florida Storage Facility.

13. ROSS BALDWIN, the defendant, frequently directed potential investors to a website for the Silver Lease Program (the "Silver Lease Program Website") that he had established and maintained. BALDWIN controlled the content on the Silver Lease Program Website. Through the Silver Lease Program Website, potential investors were informed they would receive a "guaranteed cash dividend" in return for leasing silver that the

investor owned back to the operators of the Silver Lease Program. On the Silver Lease Program Website, BALDWIN also represented that the operators of the Silver Lease Program were a "bullion bank" that received "large orders on a daily basis and in order to lock in these orders we must have physical Silver on hand" and that "[b]ecause you pledge your Silver to the Silver Lease program, we always have physical silver on hand and we're able to fulfill our orders." In truth and in fact, neither NCB, nor NCB Wholesale, nor PCI was a bullion bank.

14. The Silver Lease Program Website established and maintained by ROSS BALDWIN, the defendant, further informed potential investors that "[w]e borrow the Silver from you to fulfill the order" and then "[w]e put the Silver back in your account once we receive our Silver order from the US Mint within a few days." In truth and in fact, neither NCB, NCB Wholesale, nor PCI participated in the United States Mint's program that allowed certain entities to purchase directly from the United States Mint, and thus any purported silver that would need to be purchased to replenish the investor's silver would be obtained through other precious metals dealers.

15. ROSS BALDWIN, the defendant, also provided a hard copy brochure (the "Silver Lease Program Brochure") to numerous potential investors. This brochure informed potential

investors, among other things, that the Silver Lease Program had "been used by banks to earn money from their precious metals for a long time" and that BALDWIN was "now . . . bringing it to you." In truth and in fact, no banks had participated in the Silver Lease Program. The Silver Lease Program Brochure also contained a testimonial from a purported Silver Lease Program investor in which this purported investor described their positive experience investing in the Silver Lease Program. In truth and in fact, this testimonial was from a fictitious individual who had never participated in the Silver Lease Program. BALDWIN also informed potential investors in the Silver Lease Program Brochure that "[a]ll silver pledged to the lease program will be stored in a segregated account in a high security storage vault FREE." In truth and in fact, PCI was not storing silver for investors in a high security vault, as is described more fully below.

16. ROSS BALDWIN, the defendant, also directed certain potential investors to a website for PCI (the "PCI Website"), which KATHLEEN HOOK, the defendant, had established and maintained. The PCI Website informed potential investors in the Silver Lease Program, among other things, that PCI utilized "[c]utting [e]dge [v]ault [s]ecurity" that included the use of "cutting-edge security technology that allows no human access to



your precious metals" and that "all accounts are segregated so your metals are never mixed with the metals of any other accounts" and "your metals are not stored with anyone else's metals." The PCI Website further stated that in order to put precious metals into an account, PCI's "logistics manager [would] take possession of your metals from the shipping company and enter the vault access area" where they would "then [be] put into the vault which is returned to storage via robotic technology" and that "[n]o one else ever has access to your metals." In truth and in fact, none of these representations were true. PCI did not even have a storage unit in any vault at the Florida Storage Facility and was not otherwise storing any Silver Lease Program investors' purported silver in the manner described on the PCI Website.

#### The Silver Lease Program Agreement

17. Those individuals that decided to invest in the Silver Lease Program entered into an agreement with PCI (the "Silver Lease Program Agreement"). This agreement was typically provided to the investor by ROSS BALDWIN, the defendant, or others working at his direction. Once an investor signed the agreement, they typically sent it back to BALDWIN or others working at his direction, and the agreements were typically then forwarded to ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," the

defendant. KATHLEEN HOOK, the defendant, also frequently received copies of the signed Silver Lease Program Agreements. JOHNSON would typically be responsible for obtaining a counter signature on the Silver Lease Program Agreements on behalf of PCI.

18. The Silver Lease Program Agreement typically stated, among other things, the following:

a. The investor, who was the lessor under the agreement, was leasing a specific quantity and specific type of silver to PCI, who was the lessee under the agreement.

b. The investor's silver would be stored by PCI at the Florida Storage Facility in a specific unit and a corresponding unit identification and serial number where the investor's silver would be stored was provided in the agreement.

c. PCI was "responsible for all risk of loss, damage or disappearance from any cause whatsoever of, or with respect to, any Leased Silver from the time of delivery to [PCI] until the Leased Silver is returned."

d. The investor's silver that was being leased was fungible in nature and PCI was only obligated to return to the investor like weights and grades of silver.

e. PCI would provide the investor with "insurance coverage for the Leased Silver which shall remain in effect during the Lease Term."

f. If PCI failed to return the investor's silver promptly upon the end of the lease, or failed to make prompt payment or to otherwise perform any obligation under the agreement and failed to cure such default after receiving written notice from the investor, then the investor would have the right to "immediately and at any time thereafter to liquidate (or close out) any and all outstanding Leases and to liquidate any and all Deposited Collateral and other property held to satisfy [PCI's] obligation to [the investor], if any."

19. Beginning in or about 2015, investors in the Silver Lease Program also executed an addendum to the Silver Lease Program Agreement in which NCB, the entity controlled by ROSS BALDWIN, the defendant, agreed to forego a five percent commission "on all silver purchased during [the investor's] participation in the Silver Lease Program." In the addendum, NCB offered "[a]s an incentive and as added consideration for Lessor . . . to delay its Commission until the price of silver" reached a particular spot price, typically either \$25.00 per ounce or \$28.00 per ounce. The spot price never exceeded either of these rates during the period between in or about 2014 and in

or about August 2020. In truth and in fact, while BALDWIN represented to investors that he was foregoing any commission as "added consideration" to the investor until the spot price of silver reached a particular price per ounce, in reality BALDWIN was receiving various forms of commissions in connection with his participation in the Silver Lease Program scheme that were not disclosed to these investors.

PCI Did Not Maintain Storage Units at  
the Florida Storage Facility

20. While ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants, and others known and unknown, caused investors in the Silver Lease Program to be informed that the investors' silver was being stored by PCI in a specific secure storage unit of the Florida Storage Facility, in truth and in fact, no such silver was being stored by PCI at the Florida Storage Facility.

21. In reality, at all times relevant to this Indictment, PCI did not rent any storage units or safe deposit boxes at the Florida Storage Facility. Moreover, at all times relevant to this Indictment there were no storage units or safe deposit boxes being rented at the Florida Storage Facility by ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, or KATHLEEN HOOK, the defendants.

22. In addition, none of the officers of NCB, NCB Wholesale, or PCI at any time relevant to this Indictment rented storage units or safe deposit boxes at the Florida Storage Facility, with the exception that the wife of ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," the defendant, who was an officer of PCI between in or about July 2014 through in or about December 2015, rented approximately two storage units and one safe deposit box at varying times between in or about 2013 and in or about 2017. In addition, JOHNSON's brother was a joint renter on certain of the storage units and a safe deposit box with JOHNSON's wife, and also rented two storage units in his own name between in or about 2017 and in or about October 2018.

23. Even as to the few storage units and safe deposit boxes that were being rented by the wife and brother of ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," the defendant, these units were small, could have only held a small fraction of the full quantity of silver that PCI was purportedly storing for Silver Lease Program investors, and were not secure as described to investors.

#### Misappropriation of Investor Funds

24. Many of the investors in the Silver Lease Program provided funds for the purpose of securing a particular quantity of silver that the investor would then lease to PCI. In truth

and in fact, however, a substantial portion of these investors' funds were not used for the purchase of silver and instead were misappropriated by ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and KATHLEEN HOOK, the defendants, and others known and unknown, to fund unrelated business ventures and pay for the personal expenses of, among others, JOHNSON, HOOK, and JOHNSON's wife.

25. Among the business ventures that were funded using Silver Lease Program investors' money were a high-end sandal company being operated by ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," the defendant, and his wife, as well as a mobile phone application that JOHNSON and his wife, among others, were investing in. Certain of the wire transfers diverting Silver Lease Program investors' funds passed through Manhattan.

26. In total, millions of dollars of investor funds were diverted for purposes entirely unrelated to the purchase of silver for Silver Lease Program investors.

#### Misrepresentations to Obtain Insurance Policies

27. In order to induce investors to invest in the Silver Lease Program, the operators of the Silver Lease Program touted the fact that the investors' silver would be fully insured. Investors were ultimately provided with a certificate of insurance evidencing that PCI held an insurance policy with respect to the investor's silver.

28. To procure insurance policies for the Silver Lease Program investors' purported silver, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and ROSS BALDWIN, the defendants, and others known and unknown, caused material misrepresentations to be made to insurance brokers.

29. In or about July 2014, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and ROSS BALDWIN, the defendants, caused a dealer's insurance application to be submitted to an insurance broker with offices in Manhattan, New York ("Insurance Broker-1") on behalf of PCI in connection with obtaining insurance for the purported silver being held by Silver Lease Program investors. The dealer's insurance application falsely represented, among other things, that:

a. BALDWIN was an owner and principal of PCI. In truth and in fact, BALDWIN was neither an owner nor a principal of PCI.

b. PCI was storing the silver it sought to insure at the Florida Storage Facility in a high security storage area. A brochure detailing the various high-tech security features of the Florida Storage Facility was provided to Insurance Broker-1. In truth and in fact, PCI was not storing the purported silver it sought to insure at the Florida Storage Facility and did not even have any storage units at this facility.

30. In the process of submitting the initial July 2014 application to Insurance Broker-1, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and ROSS BALDWIN, the defendants, further caused false representations to be made to Insurance Broker-1 by electronic mail. For example, in an email message sent in or about July 2014 by an individual working at BALDWIN's direction, which copied both BALDWIN and JOHNSON, Insurance Broker-1 was falsely informed that "[o]nce we take possession of the metals, they will be held [at the Florida Storage Facility]" and that "[o]nly Ross Baldwin will interact with the metals should they need to be shipped out on the rare occasion." In truth and in fact, and as both JOHNSON and BALDWIN knew, BALDWIN did not have any storage units at the Florida Storage Facility and did not have access to any storage units at that facility. Moreover, as described herein, PCI had no storage units at the Florida Storage Facility, contrary to the representations made to Insurance Broker-1.

31. ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and ROSS BALDWIN, the defendants, further caused additional misrepresentations to be made to Insurance Broker-1 in various renewal applications on behalf of PCI between in or about 2015 and in or about 2018.



32. In or about October 2018, contemporaneous with PCI's insurance policies through Insurance Broker-1 lapsing, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and ROSS BALDWIN, the defendants, caused misrepresentations to be made to another insurance broker with offices in Manhattan, New York ("Insurance Broker-2") in connection with obtaining insurance for the purported silver being held by Silver Lease Program investors. Among other things, Insurance Broker-2 was falsely informed that PCI would store the purported silver at the Florida Storage Facility in a secured vault area of that facility.

33. As a result of the above-described false representations, insurance companies provided insurance policies to PCI for the purported silver it was storing for Silver Lease Program investors.

34. By at the latest in or about October 2019, Insurance Broker-2 informed PCI that it would not be renewing PCI's insurance policies for the purported silver. Despite the fact that PCI represented in the Silver Lease Program Agreement that PCI would provide the investor with "insurance coverage for the Leased Silver which shall remain in effect during the Lease Term," PCI did not obtain insurance coverage for the Silver Lease Program investors' silver thereafter.

The Silver Lease Program Ceases Dividend Payments to Investors  
and Does Not Return Investors' Funds or Silver

35. Beginning in or about the Spring of 2019, PCI largely ceased making dividend payments to Silver Lease Program investors. Many of the Silver Lease Program investors eventually demanded the return of their silver and/or the funds they had invested in the Silver Lease Program. Investors primarily contacted ROSS BALDWIN, the defendant, in an effort to obtain the return of their silver and/or their funds. BALDWIN frequently forwarded his correspondence with disgruntled investors to ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," the defendant.

36. Despite repeated attempts by numerous Silver Lease Program investors in to obtain the return of their silver and/or money, these investors never received the return of either.

BALDWIN's False Statements to the CFTC

37. In or about October 2018, staff from the Commodity Futures Trading Commission ("CFTC"), Division of Enforcement, conducted a sworn deposition of ROSS BALDWIN, the defendant, in Manhattan, New York. While under oath, BALDWIN knowingly made numerous material false statements to the CFTC staff. In particular:

a. BALDWIN stated that he had recommended that PCI should seek insurance through Insurance Broker-1 but that BALDWIN had otherwise not been involved in PCI's obtaining insurance through Insurance Broker-1. In truth and in fact, BALDWIN had acted as the main point of contact with Insurance Broker-1 in connection with PCI obtaining and renewing insurance policies for the purported silver and had caused false representations to be made to Insurance Broker-1, including the representation that BALDWIN was an owner and principal of PCI, when, in truth and in fact, he was not.

b. When asked by the CFTC whether he had ever visited the Florida Storage Facility, BALDWIN claimed that he had once visited the facility with Associate-1 in or around the time of the inception of the Silver Lease Program, and that Associate-1 had shown BALDWIN a storage vault containing large quantities of silver. In truth and in fact, Associate-1 never had any storage units at the Florida Storage Facility at any time relevant to this Indictment, nor did PCI, nor did Associate-1 otherwise have access to any storage units at the Florida Storage Facility.

#### **Statutory Allegations**

38. From at least in or about 2014, up to and including in or about January 2021, in the Southern District of New York and

elsewhere, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit wire fraud in violation of Title 18, United States Code, Section 1343.

39. It was a part and an object of the conspiracy that ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, JOHNSON, BALDWIN, HOOK, and others known and unknown, using interstate phone calls, emails, and wire transfers, among other means, conspired to defraud investors in the Silver Lease Program by, among other things, making material misrepresentations in order to induce these investors to invest in the Silver Lease Program, secretly misappropriating

investors' money and silver, including through wire transfers that passed through the Southern District of New York, and depriving the investors of their right to control the use of their assets.

(Title 18, United States Code, Section 1349.)

**COUNT TWO**  
**(Conspiracy to Commit Wire Fraud - Insurance Companies)**

The Grand Jury further charges:

40. The allegations contained in paragraphs 1 through 37 are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

41. From at least in or about 2014, up to and including in or about 2019, in the Southern District of New York and elsewhere, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and ROSS BALDWIN, the defendants, and others known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit wire fraud in violation of Title 18, United States Code, Section 1343.

42. It was a part and an object of the conspiracy that ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and ROSS BALDWIN, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by

means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, JOHNSON, BALDWIN, and others known and unknown, using interstate phone calls and emails, among other means, conspired to defraud insurance companies by, among other things, making false representations to insurance brokers, including insurance brokers based in Manhattan, and insurance companies in order to obtain policies to insure silver under false and fraudulent pretenses, and thereby causing the insurance companies to agree to issue insurance policies based on false information, which deprived the insurance companies of their right to control the use of their assets.

(Title 18, United States Code, Section 1349).

**COUNT THREE**  
**(Wire Fraud - Silver Lease Program Investors)**

The Grand Jury further charges:

43. The allegations contained in paragraphs 1 through 37 are hereby repeated, re-alleged, and incorporated by reference as if fully set forth herein.

44. From at least in or about 2014, up to and including in or about January 2021, in the Southern District of New York and elsewhere, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, transmitted and caused to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, JOHNSON, BALDWIN, HOOK, and others known and unknown, using interstate phone calls, emails, and wire transfers, among other means, defrauded investors in the Silver Lease Program by, among other things, making material misrepresentations in order to induce these investors to invest in the Silver Lease Program, secretly misappropriating investors' money and silver, including through wire transfers that passed through the Southern District of New York, and depriving the investors of their right to control the use of their assets.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT FOUR  
(Wire Fraud - Insurance Companies)

The Grand Jury further charges:

45. The allegations contained in paragraphs 1 through 37 are hereby repeated, re-alleged, and incorporated by reference as if fully set forth herein.

46. From at least in or about 2014, up to and including in or about 2019, in the Southern District of New York and elsewhere, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," and ROSS BALDWIN, the defendants, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, transmitted and caused to be transmitted by means of wire and radio communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, JOHNSON, BALDWIN, and others, using interstate phone calls and emails, among other means, defrauded insurance companies by, among other things, making false representations to insurance brokers, including insurance brokers based in Manhattan, and insurance companies in order to obtain policies to insure silver under false and fraudulent pretenses, and thereby causing the insurance



companies to agree to issue insurance policies based on false information, which deprived the insurance companies of their right to control the use of their assets.

(Title 18, United States Code, Sections 1343 and 2.)

**COUNT FIVE**  
**(False Statements)**

The Grand Jury further charges:

47. The allegations contained in paragraphs 1 through 37 are hereby repeated, re-alleged, and incorporated by reference as if fully set forth herein.

48. On or about October 30, 2018, in the Southern District of New York, ROSS BALDWIN, the defendant, in a matter within the jurisdiction of the executive branch of the Government of the United States, willfully and knowingly falsified, concealed, and covered up by trick, scheme, and device material facts, and made materially false, fictitious, and fraudulent statements and representations, to wit, during a deposition when he was under oath, BALDWIN falsely told staff from the CFTC, Division of Enforcement, in sum and substance, that (i) BALDWIN had only recommended that PCI should seek insurance through Insurance Broker-1 but that BALDWIN had not otherwise been involved in PCI's obtaining insurance through Insurance Broker-1, when, in truth and in fact, BALDWIN had been integrally involved in PCI

obtaining insurance for the purported silver through Insurance Broker-1 and had caused false representations to be made to Insurance Broker-1, including the false representation that BALDWIN was an owner and principal of PCI; and (ii) BALDWIN had once visited the Florida Storage Facility with Associate-1 in or around the time of the inception of the Silver Lease Program, and that Associate-1 had shown BALDWIN a storage vault containing large quantities of silver when, in truth and in fact, Associate-1 never had any storage units at the Florida Storage Facility at any time relevant to this Indictment, nor did PCI.

#### FORFEITURE ALLEGATIONS

49. As a result of committing one or more of the offenses alleged in Counts One through Four of this Indictment, ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants, 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, any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to, a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Asset Provision

50. If any of the above-described forfeitable property, as a result of any act or omission of ROBERT JEFFREY JOHNSON, a/k/a "Jeff Johnson," ROSS BALDWIN, and KATHLEEN HOOK, the defendants:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third person;

(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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c) to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 981 and 982;  
Title 21, United States Code, Section 853;  
Title 28, United States Code, Section 2461.)



*Audrey Strauss JE*

AUDREY STRAUSS  
United States Attorney

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

v.

ROBERT JEFFREY JOHNSON,  
a/k/a "Jeff Johnson,"  
ROSS BALDWIN, and  
KATHLEEN HOOK,

Defendants.

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SEALED INDICTMENT

21 Cr. \_\_\_\_

(18 U.S.C. §§ 1001, 1343, 1349, and 2.)

AUDREY STRAUSS

United States Attorney.

A TRUE BILL

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[REDACTED]

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