

**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
AT ROCK ISLAND**

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	Criminal No. <u>20-cr-40007</u>
)	
v.)	VIO: Title 18, United States Code,
)	Sections 981, 1349; Title 21, United States
)	Code, Section 2461
MARK DAVID RAY,)	
)	
Defendant.)	

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

At all times relevant to this Information:

1. Defendant Mark David Ray was a citizen of the United States and resident of Denver, Colorado.
2. CC-1 was a citizen of the United States and resident of Galesburg, Illinois, in the Central District of Illinois.
3. CC-2 was a citizen of the United States and resident of Buford, Georgia.
4. Bank A was a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation, and which was based in Galesburg, Illinois.
5. Bank B was a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation, which was based in New York City, New York and had branches in the Central District of Illinois.
6. Beginning in approximately December 2014 and continuing through approximately March 2019, defendant, along with CC-1 and CC-2, and others known and unknown to the United States Attorney, devised and executed a scheme to defraud more than 10 victims throughout the

United States, including in the Central District of Illinois, by inducing them to send money to him under the false pretense that he would use the victims' money to purchase cattle, which, after a short period of time, he would resell at a profit. Defendant falsely promised his victims that they would receive a 10-15% profit on money they sent him.

7. Defendant relied on his education and training in animal husbandry, as well as his specialized experience in the cattle industry, to fraudulently induce his victims to send money to him.

8. Upon receipt of his victims' money, instead of using it as promised, defendant diverted the money to fund operations at multiple businesses he owned and operated. Over time, to perpetuate and conceal the fraud, defendant also used his victims' money to re-pay money that he had fraudulently obtained from other victims in a "Ponzi-style" scheme.

9. Central to defendant's scheme was a bank account located at Bank A which CC-1 had opened for use by the scheme ("Bank Account A"). CC-1 opened Bank Account A under the pretense that it would be used by CC-1 and her business, while simultaneously knowing that Bank Account A would in fact principally be used by the co-conspirators (including Defendant) in furtherance of the scheme. Defendant, in agreement with CC-1, directed victims to send money to Bank Account A for the purported cattle transactions via electronic wire transfers. Then, to re-pay victims, CC-1, in agreement with defendant and at defendant's direction, sent paper checks from Bank Account A to victims, via mail, in amounts that defendant designated. As the account holder, CC-1 signed the checks that she wrote against Bank Account A.

10. Over the course of approximately 18 months, the defendant, CC-1, and CC-2 together caused several hundred million dollars of victim money to be deposited into and debited from Bank Account A, in the form of checks signed by CC-1. Nearly all of this money was used

to re-pay money that defendant owed to other victims of his scheme to defraud, and not for the reasons that defendant stated when soliciting the funds from the victims. CC-1 knew, at the time, that these funds were being used in this way.

11. Many times over the course of the charged conspiracy, in agreement with and in order to aid defendant, CC-2 prepared false invoices for “investors,” to falsely document cattle-related transactions that CC-2 knew had not occurred. CC-2 sent false invoices to investors via email. When CC-2 prepared and sent these same invoices, he knew they were false.

12. During the relevant time period, defendant took advantage of several financial institutions, including Bank A and others, by exploiting delays in the institutions’ clearing of financial transactions (i.e. the “float”) that he caused in furtherance of the scheme. In other words, defendant was “kiting checks”—taking advantage of processing delays to make use of non-existent funds in various checking accounts—to both deceive his victims and prolong the scheme. Defendant was able to perpetuate the scheme for as long as he did, in part, because of his knowledge of “the float” and his familiarity with the cattle industry.

13. When defendant’s scheme inevitably collapsed, Bank B suffered a loss of approximately \$7,000,000, and two individual victims suffered losses of at least \$3,000,000 each. Thus, defendant’s misconduct resulted in a loss to victims and financial institutions of at least \$13,000,000.

COUNT ONE
(CONSPIRACY TO COMMIT WIRE FRAUD AND BANK FRAUD)

14. The allegations set forth in Paragraphs 1-13 of this Information are hereby realleged and incorporated by reference.

15. From in or about December 2014 to in or about March 2019, in the Central District of Illinois and elsewhere, the defendant,

MARK DAVID RAY,

conspired with CC-1 and CC-2, and others known and unknown to the United States Attorney, to commit certain offenses against the United States, that is:

a. to devise and intend to devise a scheme and artifice to defraud and for obtaining money and property from their victims by means of materially false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing the scheme to defraud, in violation of Title 18, United States Code, Section 1343; and

b. to devise and intend to devise a scheme and artifice to defraud Bank A and Bank B, financial institutions, and to obtain moneys, funds, credits, and other property owned by and under the custody and control of Bank A and Bank B, by means of one or more materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

Purpose of the Conspiracy

16. The objects of the conspiracy were for the defendant, CC-1, and CC-2, to unlawfully enrich themselves by fraudulently obtaining money from investors, and to conceal the conspiracy.

Manner and Means of the Conspiracy

17. The allegations set forth in Paragraphs 1-13 of this Information are hereby realleged and incorporated by reference.

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

NOTICE OF FORFEITURE

18. The allegations set forth in Paragraphs 1-17 of this Information are hereby realleged and incorporated by reference.

19. Upon conviction of offenses in violation of Title 18, United States Code, Section 1349, set forth in Count One of this Information, the defendant,

MARK DAVID RAY,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses, including, but not limited to (i) All property which constitutes or is derived from proceeds of the violations set forth in this Information; and (ii) All property involved in such violations or traceable to property involved in such violations.

20. If any property described in Paragraph 19 above as being forfeitable pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code 2461(c), as a result of any or omission of 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 comingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporated Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of defendant up to the value of the property described in paragraph 15 above.


All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code 2461(c).

s/John Milhiser



John C. Milhiser
UNITED STATES ATTORNEY
DA

s/Robert Zink



Robert A. Zink
CHIEF, FRAUD SECTION
MPM