

FILED IN OPEN COURT
U.S.D.C. Atlanta
JUL - 5 2017
James N. Hatten, Clerk
By: Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA

v.

BILLY WAYNE MCCLINTOCK

Criminal Indictment

No. **1 17 - CR - 237**

JUL 5 17 PM 3:44 1878 NCA

THE GRAND JURY CHARGES THAT:

COUNT ONE
Conspiracy
(18 U.S.C. § 1349)

1. Beginning in or about 2007, the exact date being unknown to the Grand Jury, and continuing thereafter through in or about October 2012, in the Northern District of Georgia and elsewhere, Defendant BILLY WAYNE MCCLINTOCK ("Defendant") did knowingly and willfully conspire, combine, confederate, and agree and have a tacit understanding with D.A. to commit certain offenses against the United States, to wit, to devise and intend to devise and participate in a scheme and artifice to defraud, and for obtaining money by means of materially false and fraudulent pretenses, representations, and promises, and by the omission of material facts, and in so doing, causing the U.S. Postal Service and private and commercial interstate carriers to be used in furtherance of said scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1341.

MANNER AND MEANS OF THE CONSPIRACY

2. Defendant and D.A. obtained and caused to be obtained millions of dollars from numerous people nationwide for investment in and loans for investment in the "Trust." Defendant and D.A. told potential investors, and caused potential investors to be told, that the "Trust" operated overseas and generated lucrative returns from its operations. Defendant purportedly was the "National Director" for the "Trust," and D.A. purportedly was a "Regional Director."

3. Defendant and D.A. promised and caused to be promised to investors a 38% annual return on what was described as a "loan" to the "Trust" for a period of one year and one day. Defendant and D.A. and also offered and paid referral fees to investors who identified new people to invest in the "Trust."

4. Using bank accounts in the name of "MSC Ga Holdings," D.A. collected and provided investor funds to Defendant.

5. Defendant pooled funds from investors in United States bank accounts that he controlled or owned using the name "MSC Holdings" and other, similar names.

6. When investors requested a payout of earnings or principal, or earned a referral fee, Defendant transferred to D.A. money from pooled funds obtained from investors to fund the payments to the investors of purported earnings, principal, or referral fees.

7. Defendant and D.A. transferred to themselves, and used, funds from the pooled investor money for their own benefit as well.

8. Neither Defendant nor D.A. invested funds in, or received funds from, any legitimate or actual investment or economic activity, whether in the United States or overseas, sufficient to fund their payments to investors or even a small fraction of the 38% annual returns that Defendant and D.A. promised and told investors that their loans earned.

9. Defendant and D.A. required investors to execute a document entitled "Receipt of Funds and General Performance Agreement," which investors were instructed to sign and send three copies via U.S. Mail to D.A., who countersigned the documents, and mailed an executed copy to the investor, with Defendant and D.A. retaining the other signed copies of such document.

OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY

10. In furtherance of the conspiracy, Defendant and D.A. committed overt acts in the Northern District of Georgia and elsewhere including but not limited to the following:

a. On or about March 9, 2010, Defendant opened a bank account in the name of "MSC Holdings USA, LLC" at Wachovia Bank, account number XXXXXXXXXX0567, that, along with other U.S. bank accounts, he used to pool investor funds and to fund payments to investors from such funds.

b. On or about September 9, 2010, Defendant deposited \$249,186 from funds obtained from investors into D.A.'s bank account to pay interest to investors, which amount included \$11,791 to be paid to G.S.

c. On or about August 24, 2011, Defendant deposited \$456,228 from funds obtained from investors into D.A.'s bank account to pay interest to investors, which amount included \$26,308 to be paid to J.B.

d. On or about September 2, 2011, D.A. deposited \$100,000 obtained from L.&K.O. into Defendant's bank account and emailed Defendant to confirm that transaction.

e. On or about October 26, 2011, D.A. transferred \$50,000 obtained from M.P. into Defendant's bank account and emailed Defendant the next day to confirm that transaction.

f. On or about February 14, 2012, Defendant deposited \$354,575 from funds obtained from investors into D.A.'s bank account to pay interest to investors and referral fees, which amount included \$2,500 for D.A. based on the investment or renewal of investment by R.M.

g. On or about July 23, 2012, Defendant signed a "Receipt of Funds and General Performance Agreement" for an investment in the amount of \$16,000 by D.K., and deposited a check for \$16,000 from D.K. into a bank account that he owned or controlled at BB&T in the name of "Billy McClintock dba MSC Holdings."

h. On or about July 31, 2012, Defendant wrote a \$2,500 check to M.T. to pay a referral fee for the renewal of a prior investment by D.K.

i. On or about July 31, 2012, D.A. deposited \$35,000 obtained from M.&K.S. into Defendant's bank account and emailed Defendant to confirm that transaction.

j. D.A. sent Defendant an executed document entitled "Receipt of Funds and General Performance Agreement" dated July 31, 2012, for a loan for investment in the Trust by M.&K.S., which document M.&K.S. had signed and sent to D.A. via U.S. mail.

k. On or about September 6, 2012, Defendant deposited \$251,090 from funds obtained from investors into D.A.'s bank account to pay interest to investors and referral fees, which amount included \$45,090 to be paid to L.&K.O.

l. D.A. sent Defendant executed documents entitled "Receipt of Funds and General Performance Agreement" dated September 2, 2012, for the renewal of loans for investment in the Trust by L.&K.O., which document L.&K.O. had signed and sent to D.A. via U.S. mail.

m. D.A. sent Defendant executed documents entitled "Receipt of Funds and General Performance Agreement" dated September 7, 2012, for the renewal of loans for investment in the Trust by J.B., which documents J.B. had signed and sent to D.A. via U.S. mail.

n. On or about October 5, 2012, Defendant deposited \$656,770 from funds obtained from investors into D.A.'s bank account to pay investors interest and referral fees.

o. D.A. sent Defendant executed documents entitled "Receipt of Funds and General Performance Agreement" dated October 12, 2012, reflecting the renewal of loans for investment in the Trust for G.S., R.M., and M.P., which documents the investors had signed and sent to D.A. via U.S. mail.

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

COUNTS TWO THROUGH SEVEN

**Mail Fraud
(18 U.S.C. § 1341)**

11. Beginning in or about 2007, the exact date being unknown to the Grand Jury, and continuing thereafter through in or about October 2012, in the Northern District of Georgia and elsewhere, Defendant BILLY WAYNE McCLINTOCK ("Defendant") did knowingly devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by material omissions, well knowing and having reason to know that said pretenses, representations, and promises were and would be false, and that said omissions were and would be material, all to induce individuals to invest in, make loans for investment in, and to renew their investments and loans for investment in, the "Trust."

12. It was part of the fraudulent scheme that

a. Defendant obtained and caused to be obtained millions of dollars from numerous people nationwide for investment in and loans for investment in the "Trust." Defendant told potential investors, and caused potential investors to be told, that the "Trust" operated overseas and generated lucrative returns from its operations.

b. Defendant promised and caused to be promised to investors a 38% annual return on what was described as a "loan" to the "Trust" for a period of one year and one day. Defendant also offered and caused to be offered, and

paid and caused to be paid, referral fees to investors who identified new people to invest in the "Trust."

c. Defendant pooled funds from investors in United States bank accounts that he controlled or owned using the name "MSC Holdings" and other, similar names. When investors requested a payout of earnings or principal, or earned a referral fee, Defendant transferred and caused to be transferred money from pooled funds obtained from investors to fund, and for the purpose of funding, payments to the investors of purported earnings, principal, or referral fees.

d. Defendant used funds from the pooled investor money for his own benefit as well.

e. Defendant did not invest funds in, or receive funds from, any legitimate or actual investment or economic activity, whether in the United States or overseas, sufficient to fund payments to investors, or even a small fraction of the 38% annual returns that Defendant promised and caused to be promised, and told and cause to be told to, investors that their loans earned and would earn.

EXECUTION OF THE SCHEME

13. On or about the dates listed below in Column B, in the Northern District of Georgia and elsewhere, the Defendant, BILLY WAYNE McCLINTOCK, with intent to defraud, did knowingly devise and execute the aforesaid scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, as well as by omissions of material facts, knowing and having reason to know that said pretenses, representations, and promises were and would be false, and that said omissions were and would be material, did cause to be sent, via United States mail and via commercial interstate carriers, on or about the dates set forth in Column B, the matters listed below in Column C, in furtherance of the scheme, as more fully described below:

Column A Count	Column B Dates (on or about)	Column C Mailing in furtherance of the scheme
2	7/31/2012	Mailing from investor M.&K.S. to D.A. regarding "Receipt of Funds and General Performance Agreement" and investment of \$35,000
3	9/6/2012	Mailing to investor L.&K.O. from D.A. regarding check for interest payment and "Receipt of Funds and General Performance Agreement"
4	9/6/2012	Mailing to investor J.B. from D.A. regarding check for interest payment and "Receipt of Funds and General Performance Agreement"

5	10/1/2012 to 10/10/2012	Mailing to investor M.P. from D.A. regarding check for interest payment and "Receipt of Funds and General Performance Agreement"
6	10/1/2012 to 10/10/2012	Mailing to investor R.M. from D.A. regarding check for interest payment and "Receipt of Funds and General Performance Agreement"
7	10/1/2012 to 10/10/2012	Mailing to investor G.S. from D.A. regarding checks for interest payment and "Receipt of Funds and General Performance Agreement"

All in violation of Title 18, United States Code Section 1341.

FORFEITURE PROVISION

14. Upon conviction of offenses charged in Counts One through Seven of this Indictment, the defendant, BILLY WAYNE McCLINTOCK, shall forfeit to the United States of America, 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, which constitutes or is derived from proceeds traceable to the offense including, but not limited to, a money judgment representing the amount of proceeds obtained as a result of the commission of the offenses.

6. If any of the proceeds 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;

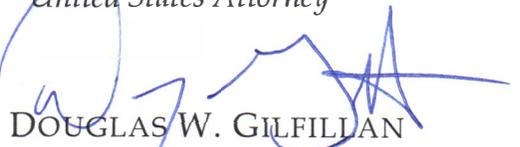
The United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

A TRUE BILL

FOREPERSON

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