

FILED

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

2018 JAN 18 PM 1:24

CLERK OF DISTRICT COURT
WESTERN DISTRICT OF TEXAS

UNITED STATES OF AMERICA,

Plaintiff,

v.

CHARLES MCALLISTER,

Defendant.

CRIMINAL NO.

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A 18 CR 0016 LY

[Vio: 18 U.S.C. §2 – Aiding & Abetting;
18 U.S.C. § 1343 – Wire Fraud;
18 U.S.C. § 1957 – Engaging in Monetary
Transaction in Criminally Derived Property]

SEALED

THE GRAND JURY CHARGES:

INTRODUCTION

1. The following entities were formed at the direction of, used by, and/or maintained by the defendant, Charles McAllister:

a. Bullion Direct, Inc. (BDI) was a company founded by McAllister that was in the business of buying, selling, and storing precious metals for customers located throughout the United States. BDI was a web-based service that maintained a precious metal processing and storage facility that was headquartered in Austin, Texas, in the Western District of Texas. BDI began operations in August 1999 and continued operations until July 2015. The exchange managed by BDI was named Nucleo. As described on the BDI website, Nucleo was a “hub-centric” order matching system for precious metals.

b. NBD Holdings, LLC, Nucleo Staffing, LLC, NUMIS Direct, LLC, the BDI Trust, and Nucleo Development Company, LLC, were subsidiaries of BDI during the course of the scheme.

g. BDI maintained electronic account information that allowed customers to check their precious metal account balances. BDI also allowed customers to maintain cash balances with BDI to facilitate future purchases of precious metals. The electronic account statements established by BDI purportedly showed each customer his balance for both cash and precious metal accounts, but BDI commingled customer funds and bullion with company funds and bullion during the course of the scheme.

h. As part of the scheme to defraud, BDI utilized the pool of precious metal maintained in the vault for its own purposes. Rather than make immediate purchases of precious metals as represented to the customer and promised on the website, BDI used the money received from its customers to fund its business operations, invest in other companies, and pay personal expenses of McAllister during the course of the scheme.

i. During the course of the scheme, BDI communicated electronically with customers throughout the United States regarding orders to buy and sell precious metals. Wire payments from customers to buy and sell precious metals were issued to BDI throughout the course of the scheme.

THE SCHEME

2. Beginning at least as early as January 2009 and continuing until in or about July 2015, McAllister, aided and abetted by others, devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

3. It was part of the scheme and artifice that McAllister, through BDI, would solicit individuals to purchase and/or sell precious metals. McAllister, through BDI, made false and

investment activities, and McAllister's own personal use and benefit.

7. It was part of the scheme and artifice that customers were lulled into the false belief that precious metals had been purchased and were stored in BDI's vault, when, in truth and fact, customer funds were used to pay for corporate expenses, investments in other entities, or applied by McAllister for his own and his family's personal use and benefit.

COUNT ONE

Wire Fraud

[18 U.S.C. § 1343 and 18 U.S.C. § 2]

8. Paragraphs 1 through 7 above are re-alleged and incorporated as though fully set forth here.

9. From at least as early as January 2009 and continuing until in or about July 2015, in the Western District of Texas and elsewhere, Charles McAllister, aided and abetted by others known and unknown to the Grand Jury, having devised and intended to devise a scheme and artifice to defraud, as set forth above, to obtain money and property by means of false, misleading, and fraudulent pretenses, representations, and promises, and omissions of material facts, did knowingly cause to be transmitted by wire, radio, or television communication in interstate and foreign commerce, a wire transfer of funds, constituting and containing a writing, sign, signal, picture, and sound, for the purpose of executing and attempting to execute said scheme and artifice, on or about the date set forth below:

Count	Date (on or about)	Description of Wire Transmission
1	April 13, 2015	A wire transaction in the amount of \$97,364 drawn on a Credit Suisse Securities account in New York, New York was deposited to BDI's Wells Fargo Bank Account xxx3787 in Austin, Texas, for the purchase of 80 Canadian Maple Platinum Coins.
2	June 17, 2015	A wire transaction in the amount of \$11,998 drawn on a Community America Credit Union Account in Kansas City, Missouri, and deposited to BDI's Wells Fargo Bank Account xxx3787 in Austin, Texas, for the purchase of silver coins.

COUNT THREE
Engaging in Monetary Transaction in Criminally Derived Property
[18 U.S.C. § 1957]

10. Paragraphs 1 through 7 above are re-alleged and incorporated as though fully set forth here.

11. On or about the dates set forth below, in the Western District of Texas and elsewhere, Charles McAllister, did knowingly engage and attempt to engage in a monetary transaction in criminally derived property of a value greater than \$10,000, which property was derived from specified unlawful activity, namely, Wire Fraud, contrary to 18 U.S.C. § 1343:

Count	Date	Description of Monetary Transaction
3	July 2, 2015	A transfer in the amount of \$12,000 drawn on BDI's Wells Fargo Bank Account xxx3787 in Austin, Texas, to Nucleo Staffing, LLC, at Wells Fargo Bank Account xxx9352.

In violation of 18 U.S.C. § 1957.

This Notice of Demand for Forfeiture includes, but is not limited to, the property described in the paragraphs below.

**III.
Money Judgment**

A sum of money equal to **\$16,186,212.56** representing the amount of proceeds obtained directly or indirectly as a result of the violations set forth in Counts One through Three and representing the amount of property involved in the violations for which Defendant CHARLES MCALLISTER is liable.

**IV.
Substitute Assets**

If any of the properties described above, as a result of any act or omission of Defendant Charles McAllister:

- 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 of America to seek the forfeiture of any other property owned by Defendant Charles McAllister up to the value of said Money Judgment as substitute assets, pursuant to FED. R. CRIM. P. 32.2 and 21 U.S.C. § 853(p).

A TRUE BILL:

ORIGINAL SIGNATURE

REDACTED PURSUANT TO

FOIA EXEMPTION OF THE EXECUTIVE ORDER OF THE ATTORNEY GENERAL
GOVERNMENT ACT OF 2002

JOHN F. BASH,
UNITED STATES ATTORNEY

BY:


DANIEL D. GUESS
Assistant United States Attorney

UNITED STATES DISTRICT COURT

for the
Western District of Texas

United States of America
v.

CHARLES MCALLISTER
Defendant

Case No. 1-18-CR-16(1)-LY

ARREST WARRANT

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay
(name of person to be arrested) CHARLES MCALLISTER
who is accused of an offense or violation based on the following document filed with the court:

- Indictment
- Superseding Indictment
- Information
- Superseding Information
- Complaint
- Probation Violation Petition
- Supervised Release Violation Petition
- Violation Notice
- Order of the Court

This offense is briefly described as follows:

Count 1-2: 18 U.S.C. § 1343 & 18 § U.S. C. 2- Wire Fraud
Count 3: 18 U.S.C. § 1957 - Engaging in Monetary Transaction in Criminally Derived Property

Date: 01/18/2018

Issuing officer's signature

City and state: Austin, TX

Veronica Sobrevilla, Magistrate Courtroom Deputy

Printed name and title

Return

This warrant was received on (date) _____, and the person was arrested on (date) _____
at (city and state) _____

Date: _____

Arresting officer's signature

Printed name and title

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