

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

BOARD OF SECURITIES AND
FINANCIAL SERVICES, and

JOHN DOE, *a/k/a* Brian Vance,

Defendants.

Case No. A-20-CV-433

**COMPLAINT FOR TEMPORARY RESTRAINING ORDER,
PRELIMINARY INJUNCTION, AND PERMANENT INJUNCTION**

For its Complaint against Defendants Board of Securities and Financial Services (the “Board”) and John Doe (“Doe”), the United States alleges as follows:

INTRODUCTION

1. The Defendants are engaged in and facilitating a predatory wire fraud scheme through the website www.bsecfins.org.

2. The Board is a fictitious securities and financial services regulator. Doe is the unknown person or persons who registered and maintains the Board’s website, controls the Board’s activities, and communicates with potential victims of the fraud scheme.

3. Defendants’ website claims that the Board is responsible for “supervising, managing, and implementing all federal securities laws” related to mergers and acquisition, and states that its “mission” is to “protect investors and maintain integrity of the securities industry.” The website invites investors to file complaints about issuers of securities and financial services

companies, and suggests that “overseas financial services regulators” seek information from the Board as part of their “licensing or registration processes.”

4. In fact, there is no federal or state regulatory entity known as the “Board of Securities and Financial Services.” The services Defendants purport to offer are merely a ruse to obtain personal information from unsuspecting victims in furtherance of an unlawful identity theft scheme.

5. The United States seeks to prevent continuing and substantial injury to victims of this fraudulent scheme by bringing this civil action under 18 U.S.C. § 1345 to enjoin Defendants’ ongoing wire fraud in violation of 18 U.S.C. § 1343.

JURISDICTION AND VENUE

6. The Court has subject matter jurisdiction over this action under 18 U.S.C. § 1345 and 28 U.S.C. §§ 1331 and 1345.

7. This Court has personal jurisdiction over Defendants. Venue is proper in this district under 28 U.S.C. § 1391(b), because a substantial part of the events or omissions giving rise to the claim occurred in the Western District of Texas.

THE PARTIES

8. Plaintiff is the United States of America.

9. Defendant Board of Securities and Financial Services is a fictitious securities and financial services regulator that operates the website www.bsecfins.org. According to that website, the Board is located at 601 Congress Avenue, Austin, Texas 78701. The Board’s website lists two email addresses at which it can be contacted: inquiries@bsecfins.org and compliance@bsecfins.org.

10. Defendant John Doe, acting alone or in concert with others, is the unknown person or persons who has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Upon information and belief, “Brian Vance” is a pseudonym used by Doe in his dealings with potential victims, and is not the real name of the individual or individuals responsible for the fraud scheme described herein.

FRAUDULENT SCHEME

11. On April 21, 2019, Doe registered on behalf of the Board the website www.bsecfins.org. Doe sought to hide his identity by registering the website through WhoisGuard, a Panamanian entity that allows domain owners to use its information in place of their own in public WHOIS databases.

12. On April 20, 2020, from a computer located in Austin, Texas, TSSB Investigator Rani Sabban, an FBI Task Force Officer, visited the website www.bsecfins.org. Investigator Sabban observed that the website makes a number of statements intended to deceive potential victims, including the following:

- a. The Board’s “major policy consists of supervising, managing and implementing all federal securities laws which are related to Mergers and Acquisitions.”
- b. The Board was “established to promote investor confidence in the securities and capital markets by providing more structure and government oversight.”
- c. The Board’s “mission . . . is to protect investors and maintain integrity of the securities industry, overseeing major participants in the industry, including stock exchanges, broker-dealers, investment advisors, mutual funds, and public utility holding companies.”

d. The Board fulfills its mission by “promoting disclosure of important information, enforcing securities laws, and protecting investors who interact with these various organizations and individuals.”

13. The claims made on Defendants’ website are false and fraudulent. Defendants know that the Board is not a securities and financial services regulator, that it does not provide oversight or supervision of any kind, that it does not protect investors or maintain the integrity of the securities industry, and that it does not enforce any securities laws.

14. The Board’s website contains a link inviting individuals to “File a Complaint” by providing their name, company, address, phone number, and email address, along with the identity of the entity that is the subject of their complaint.

15. In April 2020, an individual located in Australia contacted the Texas State Securities Board (“TSSB”) regarding www.bsecfins.org. This individual informed the TSSB that he had filed a complaint through the website regarding an investment previously made with a company in the United States. Doe then contacted the individual via email from the email address brian.vance@bsecfins.org.

16. In his email, Doe claimed to be a United States regulator engaged in verifying information regarding the company that was the subject of the individual’s complaint. Doe stated that in order to “receive . . . compensation” and be assigned a “dedicated Account Manager,” the individual would need to register with the Board and with an escrow company. Doe attached a “Registration Form” and “Account Registration Form” to his email.

17. The Registration Form asks for, among other information, the potential victim’s date of birth, marital status, and a copy of his or her valid ID and a recent utility bill. The

Account Registration Form requests, among other information, the potential victim's banking information, including his or her account number.

18. The statements made by Doe in his follow-up email communications with potential victims, including the individual from Australia referenced above, are false and fraudulent. The Defendants know that they do not conduct any investigation or verification of the information in a complaint submitted through their website, that the personal information they seek to obtain is not used in connection with any such investigation, and that neither they nor the fictitious escrow company referenced in their emails will deposit funds into the bank accounts of the individual who submitted the complaint.

19. On April 20, 2020, Investigator Sabban called a telephone number provided in the email that Doe sent to the individual located in Australia referenced above. Doe identified himself as "Brian Vance," represented that he was affiliated with the Board, and claimed to be located in Austin, Texas. When Investigator Sabban revealed his affiliation with the TSSB, Doe terminated the call.

20. The claims made on Defendants' website and in their email and telephone communications with potential victims are intended solely to further Defendants' unlawful identity theft scheme.

21. Victims suffer identity theft and financial losses from the fraud scheme engaged in and facilitated by Defendants.

22. Absent injunctive relief by this Court, Defendants' conduct will continue to cause injury to victims.

COUNT ONE
18 U.S.C. § 1345

23. The United States re-alleges and incorporates each of the preceding paragraphs as though fully set forth herein.

24. By reason of the conduct described herein, Defendants have violated, are violating, and are about to violate 18 U.S.C. § 1343 by engaging in and facilitating a scheme and artifice to defraud and obtain money or property by means of false or fraudulent representations with the intent to defraud, and, in so doing, use interstate or foreign wire communications.

25. Upon a showing that Defendants are committing or about to commit a violation of 18 U.S.C. § 1343, the United States is entitled, under 18 U.S.C. § 1345, to seek a temporary restraining order, a preliminary injunction, and a permanent injunction restraining all future fraudulent conduct. The Court may also grant such other relief it deems just and proper to prevent a continuing and substantial injury to victims of the fraud scheme.

26. As a result of the foregoing, the Court should enjoin Defendants' conduct under 18 U.S.C. § 1345.

PRAYER FOR RELIEF

WHEREFORE, the United States requests judgment in its favor and against the Defendants, including the following relief:

A. That the Court issue an order, pursuant to 18 U.S.C. § 1345, pending a hearing and determination of the United States' application for a preliminary injunction, that Defendants, their agents, officers, and employees, and all other persons or entities in active concert or participation with them, are temporarily restrained from committing wire fraud, as defined by 18 U.S.C. § 1343; from holding themselves out as a federal, state, or local regulator; and from maintaining and doing business through the use of the domain www.bsecfins.org.

B. That the Court issue a preliminary injunction, pursuant to 18 U.S.C. § 1345, on the same basis and to the same effect;

C. That the Court issue a permanent injunction, pursuant to 18 U.S.C. § 1345, on the same basis and to the same effect;

D. All such further relief as may be just and proper.

Dated: April 23, 2020

Respectfully submitted,

JOHN F. BASH
United States Attorney

/s/ Thomas A. Parnham, Jr.
THOMAS A. PARNHAM, JR.
New York Bar No. 4775706
NEERAJ K. GUPTA
New York Bar No. 4770293
Assistant United States Attorneys
903 San Jacinto Blvd, Suite 334
Austin, Texas 78701
Tel: (512) 916-5858
Fax: (512) 916-5854
Email: thomas.parnham@usdoj.gov
Email: neeraj.gupta@usdoj.gov

Counsel for the United States