

3. Since at least November 2010, Risinger, through RHM Exploration, promoted and sold interests in several "investment" opportunities and obtained approximately \$4.5 million in investor funds. These "investments" included the purported participation of the investors in the revenues from the oil and gas wells through joint ventures known as RHM-Sinton Joint Venture (Gerdes Lease) and RHM-Sinton Roots Project (Roots Lease). Additionally, Risinger offered participation in revenues from oil and gas wells through the purchase of ownership interests known as Net Mineral Acres (Pritchett Lease) in property purportedly owned by Risinger.

4. Risinger used and/or maintained accounts at one or more financial institutions, including, but not limited to JP Morgan Chase Bank, Regions Bank, First National Bank of Texas, and Plains Capital Bank.

THE SCHEME

5. Beginning at least as early as November 2010 and continuing until in or about June 2014, Risinger, 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.

6. It was part of the scheme and artifice that Risinger would solicit money or direct others to solicit money from persons to participate in one or more investment vehicles and programs promoted by Risinger. These included revenues purportedly generated by oil and gas wells located on the Gerdes Lease, Roots Lease, and Pritchett Lease. Risinger made false and fraudulent promises, representations, material omissions and pretenses in connection with each of these investment programs in order to obtain money for his own personal use and benefit. Risinger engaged in a single overarching scheme to defraud by obtaining, using, and

commingling monies acquired by false and fraudulent pretenses among all of the investment vehicles.

7. It was part of the scheme and artifice that Risinger fraudulently acquired cash and assets for the following purposes:

- a. to apply to the personal use and benefit of Risinger and his family;
- b. to maintain an ongoing or expanding Ponzi scheme in which the "returns" paid to earlier investors actually constituted funds provided by later investors; and
- c. to make payments and/or fund distributions to some investors so as to lull investors into the mistaken belief that their investment remained sound.

8. It was part of the scheme and artifice that Risinger would acquire cash and assets from individual investors from across the United States by means of false and fraudulent promises, representations, material omissions and pretenses.

9. It was part of the scheme and artifice that Risinger transmitted and caused to be transmitted by others, including investors and those working on behalf of Risinger, by wire communications in interstate commerce, writings, signals, signs, pictures and sounds to and from the Western District of Texas to locations outside of the State of Texas. These wire communications included, but were not limited to, the following:

- a. telephone calls;
- b. email communications via the internet;
- c. electronic communications involving the clearing of checks and other financial transactions through the Federal Reserve banking system;
- d. transfer by wire and electronic means of funds between financial institutions and investment companies located outside the State of Texas and financial institutions and investment companies in the Western District of Texas.

10. It was part of the scheme and artifice that Risinger represented the funds obtained from individual investors would be applied to organizational costs, leasehold acquisitions, and other expenses related to the production of oil and gas when, in truth and fact, the investors' funds were applied toward other fraudulent investment activities; including but not limited to the payment of dividends, returns, and redemptions to prior investors; and Risinger's own personal use and benefit.

11. It was part of the scheme and artifice that accurate and material cash flow and accounting information was not provided to investors.

12. It was part of the scheme and artifice that investors were lulled into the false belief that their investments had been applied in the manner that Risinger represented, when, in truth and fact, investor funds were distributed as "returns" to prior investors, used to fund other endeavors, or applied by Risinger for his own and his family's personal use and benefit.

13. It was part of the scheme and artifice that through the use of different investments, the creation of various entities, and the use of various bank accounts, Risinger created the illusion of separate and distinct investments, when, in truth and in fact, Risinger commingled the funds of different investments.

RHM-Sinton Joint Venture (Gerdes Lease)

14. From in or about December 2010 until in or about August 2012, Risinger persuaded investors to purchase units in RHM-Sinton Joint Venture, to be formed as a Texas Joint Venture. For their purchase, investors expected to participate in a pro rata share of revenue generated by the oil and gas wells located on the Gerdes Lease.

15. Risinger represented to investors that the total amount of money raised would be \$600,000, or 10 units sold at \$60,000 per unit. RHM Exploration, or the Joint Venture Manager,

was to purchase one unit at \$60,000 and the remaining nine units, or \$540,000, were to be purchased with investor funds. Once received, investor funds were to be placed in an interest bearing account at JP Morgan Chase Bank in an account styled "RHM-Sinton Joint Venture." Once three units were sold, the Joint Venture was to be formed and drilling operations were to commence. If all 10 units were not sold by August 26, 2011, the offering was to terminate and the investment proceeds returned. The Joint Venture Manager had the option to extend the termination date by 60 days to October 26, 2011. Additionally, no sales commissions were to be paid from investor proceeds.

16. It was part of the scheme and artifice that Risinger entered into an agreement with each investor, called a "Preformation Subscription Agreement." The Preformation Subscription Agreement specified, in part, the number of units or partial units that were purchased by the investor.

17. It was part of the scheme and artifice that Risinger made false and fraudulent promises and representations to investors concerning the investment in the Gerdes Lease, including, but not limited to, the following:

- a. that RHM Exploration, LLP would purchase one unit for \$60,000;
- b. that only \$600,000 would be raised;
- c. that all investor funds would be placed in an interest bearing account maintained at JP Morgan Chase and styled "RHM-Sinton Joint Venture;"
- d. that a Texas Joint Venture would be formed;
- e. that participation would close August 26, 2011; or no later than October 26, 2011, if extended by the Joint Venture Manager;
- f. that investor funds would be applied according to the Source and Use of Proceeds section in the Confidential Private Placement Memorandum; and
- g. that no sales commissions would be paid from investor proceeds.

18. It was part of the scheme and artifice that Risinger omitted and failed to disclose material information to investors in the Gerdes Lease, including but not limited to the following:

- a. that RHM Exploration never purchased one unit or contributed \$60,000;
- b. that in excess of 20 units, or \$1.2 million, was raised thus diluting the percentage interest earlier investors believed they owned;
- c. that an account at JP Morgan Chase Bank styled RHM-Sinton Joint Venture was never established;
- d. that a Texas Joint Venture was never formed;
- e. that units continued to be sold through August 10, 2012;
- f. that investor funds had been, and would be, funneled and diverted to other undisclosed ventures, including, but not limited to, making Ponzi-type payments to investors and used for purposes unrelated to the specific venture in which the investor had been solicited and invested;
- g. that sales commissions were paid from investor proceeds; and
- h. that Risinger failed to utilize investor proceeds for the expenses associated with the Gerdes Lease. Consequently, as of May 1, 2013, Petroleum Producing Services (PPS) filed a lien against the mineral rights associated with the Gerdes Lease yet Risinger failed to notify the investors of the lien against their production rights and continued to direct redemptions from production.

RHM-Sinton Roots Project (Roots Lease)

19. From in or about November 2011 until in or about July 2012, Risinger persuaded investors to purchase units in RHM-Sinton Roots Project, to be formed as a Texas Partnership. For their purchase, investors expected to participate in a pro rata share of revenue generated by the oil and gas wells located on the Roots Lease.

20. Risinger represented to investors that the total raise would be \$700,000, or seven units at \$100,000 per unit. Once received, investor funds were to be placed in a non-interest bearing RHM Exploration, LLP segregated account. Once three units were sold, the Partnership

was to be formed and drilling operations were to commence. Additionally, no commissions were to be paid from investor proceeds.

21. It was part of the scheme and artifice that Risinger entered into an agreement with each investor, called a "Preformation Subscription Agreement." The Preformation Subscription Agreement specified, in part, the number of units or partial units purchased by the investor.

22. It was part of the scheme and artifice that Risinger made false and fraudulent promises and representations to investors concerning the investment in the Roots Lease, including, but not limited to, the following:

- a. that investor proceeds would be placed in a non-interest bearing RHM Exploration, LLP segregated account;
- b. that a Texas Partnership would be formed once three units were sold;
- c. that no sales commissions would be paid from investors proceeds;
- d. that investor funds would be solely applied towards the expenses associated with the Roots Lease; and
- e. that redemptions to investors would be derived from revenues generated by the oil and gas wells located on the Roots Lease.

23. It was part of the scheme and artifice that Risinger omitted and failed to disclose material information to investors in the Roots Lease, including but not limited to the following:

- a. that investor funds were commingled with the proceeds from those investors in the RHM-Sinton Joint Venture;
- b. that a Texas Partnership was never formed;
- c. that sales commissions were paid from investor proceeds;
- d. that investor funds had been, and would be, funneled and diverted to other undisclosed ventures, including, but not limited to, making Ponzi-type payments to investors and used for purposes unrelated to the specific venture in which the investor had been solicited and invested;
- e. that Risinger misapplied investor funds from the Roots Lease; and

- f. that investor redemptions were not the result of revenues generated by the oil and gas wells on the Roots Lease.

Net Mineral Acres (Pritchett Lease)

24. From in or about January 2012 until in or about July 2013, Risinger persuaded investors to purchase net mineral acres (NMA) in the W.A. Risinger Net Mineral Acres (Pritchett Lease), to be formed as a Texas Partnership. Risinger represented to investors they would have a royalty interest in 6,974 undivided acres also known as the Pritchett Lease located in Dimmit and Maverick Counties, Texas. Investors were led to believe they would participate and receive distributions generated from oil and gas wells located anywhere on the Pritchett Lease.

25. Risinger presented two separate offerings for the cumulative sale of 30 NMA. The first offering being 20 NMA at \$50,000 per acre, or \$1,000,000, and was to close when the 20 NMA were sold or April 2, 2012, whichever was first. The second offering being an additional 10 NMA at \$80,000 per acre, or \$800,000, to close when the 10 NMA were sold or September 14, 2012, whichever was first.

26. It was part of the scheme and artifice that Risinger made false and fraudulent promises and representations to investors concerning the investment in the Pritchett Lease, including, but not limited to, the following:

- a. that a Texas Partnership would be formed;
- b. the NMA were undivided;
- c. the NMA being offered represented a small portion of what Risinger owned.
- d. investors would receive royalties from the revenues generated by oil and gas wells located anywhere on the 6,974 acres, or Pritchett Lease;
- e. that six or seven wells had been drilled;

- f. Risinger was offering the NMA to raise funds for drilling commitments on RHM Exploration, LLP's properties; and
- g. additional wells would be drilled thus increasing the royalties investors would expect to receive.

27. It was part of the scheme and artifice that Risinger omitted and failed to disclose material information to investors in the Pritchett Lease, including but not limited to the following:

- a. that a Texas Partnership was never formed;
- b. the 6,974 acres, or Pritchett Lease, was divided by surface estate, mineral estate and royalty estate;
- c. Risinger was the beneficiary of royalties based on 74.10 NMA from one tract on the property;
- d. that investors would only receive royalties from the revenues generated by the oil and gas wells located on one tract and not the entire 6,974 acres.
- e. that only five wells were drilled and all were located on a single tract;
- f. Risinger was selling NMA to support previously failed projects, and to repay previously defrauded investors;
- g. Risinger raised in excess of \$2.6 million, or 57 NMA, after the closing dates of April 2, 2012, and September 14, 2012.
- h. Risinger continued to sell NMA after Newfield Exploration, the oil and gas well operator, relinquished their lease.
- i. Risinger had no ability to negotiate future leases with drilling companies; and
- j. Risinger failed to timely file Mineral Deeds or failed to file any Mineral Deeds.

COUNTS ONE THROUGH THREE**Wire Fraud****[18 U.S.C. § 1343 and 18 U.S.C. § 2]**

28. Paragraphs 1 through 27 above are re-alleged and incorporated as though fully set forth here.

29. From at least as early as November 2010 and continuing until in or about June 2014, in the Western District of Texas and elsewhere, **WILLIAM ALLEN RISINGER**, 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	July 14, 2011	A debit transaction pertaining to a check in the amount of \$15,000 drawn on a Janus Money Market Fund account (payable through Wells Fargo Bank Grand Junction, N.A., Grand Junction, CO) and deposited to a JP Morgan Chase Bank account in the Western District of Texas.
2	February 24, 2012	A debit transaction pertaining to a check in the amount of \$100,000 drawn on a Merrill Lynch LMA account (payable through Bank of America, Richmond, VA) and deposited to a JP Morgan Chase Bank account in the Western District of Texas.
3	February 7, 2013	A debit transaction pertaining to a check in the amount of \$120,000 drawn on a Command Asset Program, Wachovia Bank account (payable through Wachovia Bank, Winston-Salem, NC) and deposited to a Regions Bank account in the Western District of Texas.

All in violation of 18 U.S.C. § 1343 and 18 U.S.C. § 2.

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

30. Paragraphs 1 through 27 above are re-alleged and incorporated as though fully set forth here.

31. On or about the dates set forth below, in the Western District of Texas and elsewhere, **WILLIAM ALLEN RISINGER**, 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
4	February 11, 2013	A check in the amount of \$65,000 drawn on an account at Regions Bank and made payable to WFM West Facility Management, a person known to the Grand Jury.

All in violation of 18 U.S.C. § 1957.

NOTICE OF GOVERNMENT'S DEMAND FOR FORFEITURE

I.

Wire Fraud Violations and Forfeiture Statutes

[18 U.S.C. § 1343 subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C)]

As a result of the foregoing criminal violations set forth in Counts One, Two, and Three, the United States gives notice to Defendant WILLIAM ALLEN RISINGER of its intent to seek the forfeiture of the below-described property upon conviction and pursuant to FED. R. CRIM. P. 32.2 and 18 U.S.C. § 981(a)(1)(C), which is made applicable to criminal forfeiture by 28 U.S.C. § 2461(c). Section 981 provides:

18 U.S.C. § 981. Civil Forfeiture

(a)(1) The following property is subject to forfeiture to the United States:

* * *

(C) Any property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting "specified unlawful activity" (as defined in section 1956(c)(7) of this title), or a conspiracy to commit such offense.

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

II.

Money Laundering Violations and Forfeiture Statutes

[18 U.S.C. § 1957 and subject to forfeiture pursuant to 18 U.S.C. § 982(a)(1)]

As a result of the foregoing criminal violation as set forth in Count Four, the United States gives notice to Defendant WILLIAM ALLEN RISINGER of its intent to seek the forfeiture of the below-described property upon conviction and pursuant to FED. R. CRIM. P. 32.2 and 18 U.S.C. § 982(a)(1), which states the following:

18 U.S.C. § 982. Criminal Forfeiture

(a)(1) The court, in imposing sentence on a person convicted of an offense in violation of section 1956, 1957, or 1960 of this title, shall order that the person forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property.

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

**III.
Real Property**

Real Property Located and Situated at **12 Hillway Drive, Round Rock, Williamson County, Texas** including any and all buildings, appurtenances and improvements thereon and any and all surface rights, title, and interests, if any, and more fully described as:

Oak Bluff Estates Phase 2, Block C, Lot 43, Round Rock, Williamson County, Texas.

**IV.
Personal Properties**

Any and all funds on deposit up to **\$4,200,000.00** contained in the bank accounts listed below:

1. JP Morgan Chase Bank, Acct# 864120134
RHM Exploration LLP, William A Risinger & William L Authur
2. JP Morgan Chase Bank, Acct# 2982663300
RHM Exploration LLP, William A Risinger & William L Authur
3. JP Morgan Chase Bank, Acct# 880607827565
WFM West Facility Management, LLC
4. Regions Bank, Acct# 0156057938
RHM Exploration LLP, William Risinger
5. Regions Bank, Acct# 0154544238
RHM Exploration LLP, William A. Risinger & William L. Arthur
6. Regions Bank, Acct# 0111200472
RHM Exploration LLP, William A. Risinger & William L. Arthur
7. First National Bank, Acct# 141048328
William A. Risinger & William L. Arthur POD, Personal Account
8. TD Ameritrade, Acct# 757-945592
William A. Risinger
9. TD Ameritrade, Acct# 862-069223
William Landry Arthur

10. Cessna, 182H, Aircraft No. 2054X, and the records related thereto, including, but not limited to, airframe and power plant appliance records, current aircraft inspection status records, historical aircraft maintenance records and all aircraft log books.

**V.
Money Judgment**

A sum of money equal to **\$4,200,000.00** 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 set forth in Count Four, for which Defendant WILLIAM ALLEN RISINGER is liable.

**VI.
Substitute Assets**

If any of the properties described above, as a result of any act or omission of Defendant WILLIAM ALLEN RISINGER:

- 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;

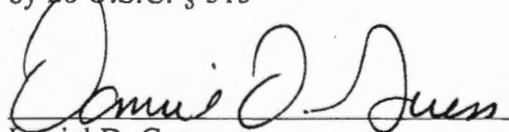
it is the intent of the United States of America to seek the forfeiture of any other property owned by Defendant WILLIAM ALLEN RISINGER up to the value of said Money Judgment as substitute assets, pursuant to FED. R. CRIM. P. 32.2 and 21 U.S.C. § 853(p).

A TRUE BILL:

RICHARD L. DURBIN, JR.
Attorney for the United States,
Acting Under Authority Conferred
by 28 U.S.C. § 515

**SIGNATURE REDACTED PURSUANT
TO E-GOVERNMENT ACT OF 2002**

By:



Daniel D. Guess
Assistant United States Attorney