

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,	)	No. _____
)	
Plaintiff,	)	Count One: Conspiracy
	)	18 U.S.C. § 371
v.	)	NMT: 5 Years Imprisonment
	)	NMT: 3 Years Supervised Release
JASON E. BRANCH, SR.,	)	NMT: \$250,000 Fine
a/k/a Josh, Jason, or Joston Edwards,	)	Class D Felony
a/k/a Joston Elliott,)	
[DOB: xx/xx/1964],	)	Counts Two through Three: Mail Fraud
	)	18 U.S.C. §§ 1341 and 2
and	)	NMT: 20 Years Imprisonment
	)	NMT: 3 Years Supervised Release
KAREN M. WEATHERS,	)	NMT: \$250,000 Fine or Twice the Amount
[DOB: x/x/1969],	)	of Gain or Loss
	)	Class C Felony
Defendants.)	
	)	Counts Four through Nine: Wire Fraud
	)	18 U.S.C. §§ 1343 and 2
	)	NMT: 20 Years Imprisonment
	)	NMT: 3 Years Supervised Release
	)	NMT: \$250,000 Fine or Twice the Amount
	)	of Gain or Loss
	)	Class C Felony
)	
	)	Count Ten: Conspiracy to Commit
	)	Money Laundering
	)	18 U.S.C. § 1956(h)
	)	NMT: 20 Years Imprisonment
	)	NMT: 3 Years Supervised Release
	)	NMT: \$500,000 Fine or Twice the Amount
	)	of the Property Involved
	)	Class C Felony
)	
	)	Counts Eleven through Fifteen: Money
	)	Laundering
	)	18 U.S.C. §§ 1956(a)(1)(A)(1) and 2
	)	NMT: 20 Years Imprisonment
	)	NMT: 3 Years Supervised Release

) NMT: \$500,000 Fine or Twice the Amount
) of the Property Involved
) Class C Felony
)
) \$100 Special Assessment Per Count
) Order of Restitution

INDICTMENT

THE GRAND JURY CHARGES THAT:

At all times relevant to the charges in this Indictment:

1. On December 11, 2003, Defendant JASON E. BRANCH, SR. (“BRANCH”), submitted to the Secretary of State of the State of Missouri a “Registration of Fictitious Name” form for J.E. Capital Group, with an address listed of 12307 Oak Street, Kansas City, Missouri. BRANCH indicated that he owned 100% of J.E. Capital Group. On February 26, 2004, Defendant KAREN M. WEATHERS (“WEATHERS”) submitted to the Secretary of State of the State of Missouri a second “Registration of Fictitious Name” form for J.E. Capital Group, with an address listed of 7551 Baltimore, Kansas City, Missouri. WEATHERS did not indicate any ownership interest in J.E. Capital Group. J.E. Capital Group has never been formally incorporated.

2. Between 2003 and 2005, BRANCH transacted business across the United States from various office locations in Kansas City, Missouri, in the Western District of Missouri, using the name J.E. Capital Group, among other business names. BRANCH sold various investment products and loans through meetings and seminars held in Kansas City and in other locations across the country. BRANCH also utilized both national print advertising and

internet web sites as sales vehicles. BRANCH additionally utilized mortgage sales brokers across the country to assist with the sale of loan products.

3. WEATHERS had signatory authority over accounts utilized by BRANCH and WEATHERS each doing business as J.E. Capital Group, including accounts at Hillcrest Bank and Bank of America. WEATHERS used these accounts to make payments to BRANCH and to herself, and to pay employee payroll and other business expenses for J.E. Capital Group. WEATHERS represented J.E. Capital Group in conversations with customers and fielded customer complaints.

COUNT ONE

A. INTRODUCTION

4. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 3 of this Indictment.

B. THE CONSPIRACY

5. During the period from on or about January 1, 2003, and continuing until on or about March 30, 2005, in Jackson County in the Western District of Missouri and elsewhere, the defendants, JASON E. BRANCH, SR., and KAREN M. WEATHERS, knowingly and willfully conspired and agreed together and with each other to commit and to conceal offenses against the United States, that is: to commit the crimes of mail fraud in violation of Title 18, United States Code, Section 1341, and of wire fraud in violation of Title 18, United States Code, Section 1343.

C. MANNER AND MEANS OF THE CONSPIRACY

6. It was part of the conspiracy and in furtherance of it, that in order to induce persons to invest money as advance fees for loans, or as funds to be invested by BRANCH, or as funds to purchase various investment products offered by BRANCH, the defendants would make and cause to be made false and fraudulent statements as set forth in “Part C” of Counts Two through Four of this Indictment which are incorporated herein by this reference as though fully set forth at this point.

D. OVERT ACTS

7. It was part of the conspiracy and in furtherance of it that the defendants committed and caused to be committed the following overt acts:

VICTIM SOLICITATION AND SELECTION OF INVESTMENTS

8. During the period of the conspiracy, BRANCH and WEATHERS solicited investors through a number of means, including, but not limited to: word of mouth; meetings and seminars in Kansas City, Missouri, Florida, Georgia, and other locations featuring a sales presentation by BRANCH and other persons working at his direction; internet web sites; in-person meetings by BRANCH with individual investors; telephonic contact; and use of independent mortgage or financial brokers to assist in the sale of loan products. Once contacted, BRANCH would steer potential investors to one or more loan or investment products offered by BRANCH depending upon the investor’s willingness and ability to pay. Large investors were generally offered the opportunity to obtain sizeable loans upon the

payment of advance fees in amounts beginning at \$20,000 and increasing up to \$200,000.

Large investors were also offered investment opportunities with high rates of return.

9. Smaller investors were offered other programs. These included, but were not limited to: Poverty Breakers International, a multi-level marketing type program in which the investor was asked to recruit additional investors, and a program in which investors paid \$100 to \$200 to BRANCH to fund an account with INT Gold, an internet entity, with the promise that the investment would substantially increase in value in a short period of time.

10. In every case, the investment opportunities offered did not actually exist.

BRANCH and WEATHERS converted funds provided by investors to their own use.

GREATER ST. PAUL CHURCH OF GOD IN CHRIST

11. Greater St. Paul Church of God in Christ is located in Las Vegas, Nevada. This church was seeking a \$3,750,000 loan for new construction, and it was referred by a real estate broker, Regina Clark, to BRANCH and J.E. Capital Group. BRANCH represented that he would provide the loan and requested a payment of advance loan fees in the amount of \$150,000. Greater St. Paul Church of God in Christ paid these fees by certified check number 00135942 from Bank of America, dated June 4, 2004, which was mailed to BRANCH on June 4, 2004, by U.S. Postal Service Express Mail. No loan was ever forthcoming. BRANCH and WEATHERS each communicated false reasons for the inability to provide the loan. BRANCH and WEATHERS converted the advance fees to their own use, and did not refund them to Greater St. Paul Church of God in Christ.

GREG J. CONTOS AND FRANK D. DEFILIPPIS

12. Greg J. Contos and Frank D. DeFilippis are residents of Addison, Illinois. They were referred to BRANCH and J.E. Capital Group by Arthur Shelton. BRANCH offered to provide a substantial line of credit to Contos and DeFilippis. BRANCH, using the name “Joston Edwards,” required the payment of an advance fee of \$200,000. Contos and DeFilippis mailed separately two checks for \$100,000 each. The first check, from Contos, is dated November 26, 2004, and is drawn on TCP National Bank of Illinois. The second check, from DeFilippis, is dated November 12, 2004, and is drawn on Oxford Bank. WEATHERS caused the checks for the advance fees to be cashed. WEATHERS spoke to Contos as a representative of J.E. Capital Group. By e-mail dated January 29, 2005, “Josh Edwards” advised DeFilippis that funding for the loan would be available by February 11, 2005. No loan was ever forthcoming. BRANCH and WEATHERS converted the advance fees to their own use, and did not refund them to Contos and DeFilippis.

MARJORIE AND LUSHRIE JARDAN

13. Marjorie and Lushrie Jordan are residents of Overland Park, Kansas. The Jardans attended seminars given by BRANCH and others at BRANCH’S direction in Kansas City, Missouri. On March 12, 2004, the Jardans provided to BRANCH check number 9651 drawn on the Kansas City Proctor and Gamble Employees Credit Union in the amount of \$20,000 as payment for an advance fee for a \$500,000 line of credit. While the line of credit was pending, BRANCH offered the Jardans an opportunity to invest and receive 2.5% interest compounded daily. On May 5, 2004, the Jardans provided to BRANCH check number 9990

drawn on the Kansas City Proctor and Gamble Employees Credit Union in the amount of \$200,000 to fund the investment opportunity offered by BRANCH. On January 6, 2005, and January 7, 2005, BRANCH attempted to contact the Jardans by telephone and on those dates he left voicemail messages relating to the Jardans' attempts to obtain a refund of the moneys paid to BRANCH and J.E. Capital Group. No loan or line of credit has ever been provided to the Jardans, and no return on the investment opportunity has ever been provided to the Jardans. BRANCH and WEATHERS converted the advance fees and the money paid to fund the investment opportunity to their own use, and did not refund the money to Marjorie and Lushrie Jordan.

GAYLE PRESCOD AND THOMAS PATRICK-ODEEN

14. Gayle Prescod and Thomas Patrick-Odeen, are residents of Jersey City, New Jersey, who own a restaurant business in New York, New York. A broker referred them to BRANCH and J.E. Capital Group. BRANCH, using the name "Josh Edwards," offered Prescod and Patrick-Odeen a line of credit of \$500,000, with a required advance fee payment of \$25,000. On December 30, 2004, Prescod caused North Fork Bank to make an outgoing wire transfer, reference number xxxxxxxx, in the amount of \$25,000, to the Hillcrest Bank account in Kansas City, Missouri, of J.E. Capital Group, as payment for the advance fees. No loan or line of credit has ever been provided to Prescod and Odeen. BRANCH and WEATHERS converted the advance fees and did not refund the money to Prescod and Odeen.

WILLIAM CONLEY

15. William Conley is a resident of Tarantum, Pennsylvania. Conley was seeking financing for land development, and he was referred to J.E. Capital Group by broker Louis Pierro. BRANCH, using the name "Jason Edwards," agreed to provide Conley with a \$400,000 loan, which required an advance fee payment of \$20,000. On November 26, 2004, Conley mailed a cashier's check drawn on PNCBank for \$20,000 to J.E. Capital Group in Missouri. No loan or line of credit was ever provided to Conley. BRANCH and WEATHERS converted the advance fees to their own use, and did not refund the advance fee payment to Conley.

MAILINGS AND WIRE COMMUNICATIONS

16. As additional overt acts, the Grand Jury incorporates by this reference all of the allegations set forth in Counts Two through Nine of the Indictment as though fully set forth at this point.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO through THREE

A. INTRODUCTION

17. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 16 of the Introduction of this Indictment and all allegations set forth in Count One of this Indictment.

B. PURPOSE OF THE SCHEME AND ARTIFICE

18. From on or about January 1, 2003, and continuing to on or about March 30, 2005, JASON E. BRANCH and KAREN M. WEATHERS, defendants herein, together with each other, devised and intended to devise a scheme and artifice to defraud investors and purchasers of loan products.

C. THE SCHEME AND ARTIFICE

19. It was part of the scheme and artifice to defraud and to obtain money and property by false and fraudulent pretenses, representations and promises, and in furtherance of it that the defendants knowingly and intentionally engaged in and caused the following activities:

20. BRANCH and WEATHERS would represent that large unsecured loans or lines of credit would be made available after the payment of fees in advance of the loan, generally described as being for insurance or other purposes. In fact, BRANCH, WEATHERS, and J.E. Capital Group had no source of funding for the promised loans or lines of credit and never intended to provide such loans or lines of credit. Instead, BRANCH and WEATHERS converted money paid for advance fees to their own personal use, and did not provide a loan or line of credit or provide a refund of the advance fees paid.

21. BRANCH and WEATHERS represented to persons who had paid advance fees for loans or lines of credit that the loans or lines of credit had been delayed for numerous

reasons, including the large volume of business done by J.E. Capital Group and difficulties with obtaining offshore financing, when in fact these reasons were false and fraudulent.

22. BRANCH and WEATHERS represented that money invested with BRANCH would provide a high rate of return, when in fact BRANCH and WEATHERS intended to convert to the money to their own personal use and provide no return on the investment.

23. BRANCH and WEATHERS represented that money provided by investors for INT Gold internet accounts would provide a high rate of return, when in fact BRANCH and WEATHERS placed this money in INT Gold accounts controlled by them and converted the money to their own use.

THE MAILINGS

24. On or about the dates listed below, in Jackson County in the Western District of Missouri and elsewhere, the defendants, for the purpose of executing and attempting to execute the scheme and artifice to defraud, placed, and caused to be placed in a post office and in an authorized depository for mail matter, to be sent and delivered by the United States Postal Service, and deposited and caused to be deposited matter to be sent or delivered by a commercial interstate carrier, documents and correspondence, each mailing being a separate count of this Indictment:

COUNT	DATE	ITEM(S)/CARRIER	FROM/TO
Two	January 19, 2005	Letter, J.E. Capital Group to Mary Ann Costan	Missouri to Natrona Heights, Pennsylvania

Three	June 4, 2004	Bank of America Cashier's Check No. 001359428, from Greater St. Paul church to J.E. Capital Group, in the amount of \$150,000, sent by U.S. Postal Service Express Mail	Las Vegas, Nevada, to Kansas City, Missouri
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All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS FOUR through NINE

A. INTRODUCTION

25. The Grand Jury hereby repeats and realleges each and every allegation contained in paragraphs 1 through 24 of the Introduction of this Indictment.

B. PURPOSE OF THE SCHEME AND ARTIFICE

26. From on or about January 1, 2003, and continuing to on or about March 30, 2005, the defendants, JASON E. BRANCH and KAREN M. WEATHERS, together with each other, devised and intended to devise a scheme and artifice to defraud investors and purchasers of loan products.

C. THE SCHEME AND ARTIFICE

27. It was part of the scheme and artifice to defraud and to obtain money and property by false and fraudulent pretenses, representations, and promises and in furtherance of it that the defendants knowingly and intentionally engaged in and caused the following activities:

28. BRANCH and WEATHERS would represent that large unsecured loans or lines of credit would be made available after the payment of fees in advance of the loan, generally described as being for insurance or other purposes. In fact, BRANCH, WEATHERS, and J.E. Capital Group had no source of funding for the promised loans or lines of credit and never intended to provide such loans or lines of credit. Instead, BRANCH and WEATHERS converted money, paid for advance fees to their own personal use, and did not provide a loan or line of credit or provide a refund of the advance fees paid.

29. BRANCH and WEATHERS represented to persons who had paid advance fees for loans or lines of credit that the loans or lines of credit had been delayed for numerous reasons, including the large volume of business done by J.E. Capital Group and difficulties with obtaining offshore financing, when in fact these reasons were false and fraudulent.

30. BRANCH and WEATHERS represented that money invested with BRANCH would provide a high rate of return, when in fact BRANCH and WEATHERS intended to convert to the money to their own personal use and provide no return on the investment.

31. BRANCH and WEATHERS represented that money provided by investors for INT Gold internet accounts would provide a high rate of return, when in fact BRANCH and WEATHERS placed this money in INT Gold accounts controlled by them and converted the money to their own use.

THE WIRE COMMUNICATIONS

32. On or about the dates listed below, in Jackson County in the Western District of Missouri and elsewhere, the defendants, for the purpose of executing and attempting to

execute the scheme and artifice to defraud, transmitted, or caused to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, writings, signs, signals, pictures, or sounds for the purpose of executing the scheme or artifice, each wire communication being a separate count of this Indictment:

COUNT	DATE	WIRE COMMUNICATION	FROM/TO
Four	December 3, 2004	Wire Transfer initiated by Douglas Diana to J.E. Capital Group	New York to Kansas City, Missouri
Five	December 30, 2005	Wire Transfer initiated by Gayle Prescod, Reference Number NF054233, in the amount of \$25,000, from North Fork Bank to Hillcrest Bank	New York to Kansas City, Missouri
Six	September 20, 2004	Corporate letter of credit guarantee transmitted by facsimile transmission, J.E. Capital Group to Donald Atteberry	Kansas City, Missouri to Berryton, Kansas
Seven	July 2004, the exact date being unknown to the Grand Jury	Telephone call, Jason Branch to Harriet Jones	Place unknown to Kansas City, Missouri
Eight	October 28, 2004	Letter transmitted by facsimile transmission, "Josh Edwards" to Frank D. Defilippis	Kansas City, Missouri, to Addison, Illinois
Nine	November 17, 2004	Letter transmitted by facsimile transmission, "Josh Edwards" to Bryant Williams	Kansas City, Missouri, to Algonquin, Illinois

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TEN

CONSPIRACY TO COMMIT MONEY LAUNDERING

33. By this reference the allegations contained in paragraphs 1 through 32 are re-alleged and incorporated into this Count.

34. Defendants BRANCH and WEATHERS obtained proceeds from the scheme to defraud, as described in paragraphs 1 through 32 of this Indictment, which were deposited into Hillcrest Bank, account number xxxxxxxx. BRANCH and WEATHERS then conducted financial transactions with these proceeds for the purpose of promoting the mail fraud and wire fraud scheme, to include expenditures from the Hillcrest Bank account on office supplies, rent on office space, office furniture, computer hardware and software, rental of facilities for presentations and seminars by BRANCH and others, credit reports, website, radio, and other advertising, and salary and payroll expenses.

35. Between on or about January 1, 2003, and March 30, 2005, at Kansas City and in the Western District of Missouri, and elsewhere, BRANCH and WEATHERS did knowingly and willfully combine, conspire, confederate, and agree to conduct and attempt to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds of a specified unlawful activity, that is, a mail fraud and wire fraud scheme in violation of Title 18, United States Code, Sections 1341 and 1343, including such specified unlawful activity occurring in the Western District of Missouri, BRANCH and WEATHERS knowing that the transactions were designed in whole or in part to promote the carrying on of the specified unlawful activities of mail fraud and wire fraud, and that, while conducting and attempting to conduct such financial transactions, Defendants BRANCH and WEATHERS

further knew the property involved represented the proceeds of some form of unlawful activity;

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS ELEVEN through FIFTEEN

36. On or about the dates listed below at Kansas City, in Jackson County in the Western District of Missouri and elsewhere, the defendants, JASON E. BRANCH and KAREN M. WEATHERS, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, with the intent to promote the carrying on of mail fraud and wire fraud, did knowingly and willfully conduct and cause to be conducted the financial transactions listed below, each transaction affecting interstate commerce, in that BRANCH and WEATHERS, issued and caused to be issued the checks listed below drawn on a bank account in the name of Karen Weathers d/b/a J.E. Capital Group, account number xxxxxxxx:

COUNT	DATE	CHECK NO.	PAYEE	AMOUNT
Eleven	June 21, 2004	3151	Adam's Mark	\$ 542.93
Twelve	June 8, 2004	3120	Arrowhead Management	\$15,326.66
Thirteen	September 7, 2004	3181	Mock Building Company	\$ 2,264
Fourteen	May 19, 2004	3100	Phyllis Pugh	\$1,000
Fifteen	June 2, 2004	3319	Marjorie Jordan	\$ 800

All in violation of Title 18, United States Code, Sections 1956(a)(1) and 2.

ALLEGATION OF FORFEITURE

37. By this reference the allegations contained in paragraphs 1 through 36 are re-alleged and incorporated for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

38. As a result of the offenses alleged in Count One, the defendants JASON E. BRANCH and KAREN M. EDWARDS shall forfeit to the United States all property, real and personal, constituting, or derived from proceeds traceable to these offenses, including but not limited to the following property:

a. Approximately \$1,500,000 in United States currency and all interest and proceeds traceable thereto, representing the net proceeds obtained by BRANCH and WEATHERS in that sum in aggregate, constitutes or is derived from, proceeds traceable to the offense alleged in Count One;

b. 2005 Chrysler, VIN #xxxxxxxxxxxxxxxxxxx, purchased with proceeds traceable to the offense alleged in Count One; and

c. 2000 Landrover, VIN #xxxxxxxxxxxxxxxxxxx, purchased with proceeds traceable to the offense alleged in Count One.

39. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred, or sold to, or deposited with, a third person;

- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States pursuant to 21 U.S.C. § 853(p) to seek forfeiture of any other property of BRANCH and WEATHERS up to the value of the above forfeitable property (that is, approximately \$1,500,000).

A TRUE BILL.

/s/ Foreperson
FOREPERSON OF THE GRAND JURY

/s/ James Curt Bohling
James Curt Bohling #54574
Assistant United States Attorney

Date 7/20/06
Kansas City, Missouri