

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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:
UNITED STATES OF AMERICA
:
-v-
:
RICHARD MOSELEY, SR.,
:
Defendant.
:
----- x

INDICTMENT

S2 16 Cr. 79 (ER)

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED SEP 28 2017

COUNT ONE
**(Conspiracy To Collect Unlawful Debts:
Moseley Payday Lending Organization)**

The Grand Jury charges:

BACKGROUND

1. At all times relevant to this Indictment, RICHARD MOSELEY, SR., the defendant, owned and operated a group of payday lending businesses (the "Moseley Payday Lenders") that issued and serviced small, short-term, unsecured loans, known as "payday loans," through the Internet to customers across the United States. At all relevant times, MOSELEY controlled the Moseley Payday Lenders' day-to-day operations, finances, lending decisions, distribution of profits, hiring and termination of employees, solicitation of customers, and banking and other third-party relationships.

2. At all times relevant to this Indictment, the Moseley Payday Lenders held themselves out as separate businesses known

as SSM Group, LLC ("SSM"), CMG Group, LLC ("CMG"), DJR Group, LLC ("DJR"), BCD Group, LLC ("BCD"), and Hydra Financial Limited Funds I through IV. While each of the Moseley Payday Lenders issued a distinct portfolio of loans, the Moseley Payday Lenders shared the employees, computer systems, and other operating costs and infrastructure of a single loan servicing business located in Kansas City, Missouri, known variously as PCMO Services, LLC, PCKS Services, CLS Services, Inc., FSR Services, Inc., River Elk Services, LLC, OSL Marketing, Inc., a/k/a "OSL Group, Inc.," Rocky Oak Services, LLC, RM Partners, LLC, and PDC Ventures, LLC (collectively, the "Moseley Servicer"). At all relevant times, the Moseley Servicer was directly or beneficially owned and operated by RICHARD MOSELEY, SR., the defendant.

3. From the Moseley Servicer's offices in Kansas City, Missouri, under the daily oversight and control of RICHARD MOSELEY SR., the defendant, employees of the Moseley Servicer made all substantive decisions concerning the extension of credit to borrowers, and the extension, collection, servicing, and enforcement of the loan obligations; directed the issuance, and engaged in the servicing of, all loans; managed relationships with third parties (including banks and payment processors, among others); handled "customer service"; and

performed other substantive financial and operational functions. Under MOSELEY's direction and control, employees of the Moseley Servicer in Kansas City, Missouri, operated the Moseley Payday Lenders.

OVERVIEW OF MOSELEY'S UNLAWFUL SCHEME

4. From at least in or about 2004, up to and including in or about September 2014, through the Moseley Payday Lenders, RICHARD MOSELEY, SR., the defendant, systematically exploited financially disadvantaged people throughout the United States, many of whom were struggling to pay basic living expenses, including food and housing. MOSELEY, through the Moseley Payday Lenders, extended loans to these individuals at usurious interest rates of more than 700 percent using deceptive and misleading communications and contracts and in violation of the usury laws of numerous states that were designed to protect residents from such loan sharking and abusive conduct.

5. Throughout their existence, as RICHARD MOSELEY, SR., the defendant, well knew, the Moseley Payday Lenders were the subject of complaints from at least hundreds of customers across the country, and numerous state regulators and consumer protection groups, about the Moseley Payday Lenders' deceptive, misleading, and usurious practices.

6. Beginning in approximately 2006, in an attempt to

avoid civil and criminal liability for his conduct, and to enable the Moseley Payday Lenders to extend usurious loans contrary to state laws, RICHARD MOSELEY, SR., the defendant, nominally incorporated the Moseley Payday Lenders overseas, first in Nevis, and later in New Zealand, and claimed that the Moseley Payday Lenders could not be sued or subject to state enforcement action because they were beyond the jurisdiction of every state in the United States, including Missouri, the state in which the Moseley Payday Lenders' operations were located. In truth and in fact, as MOSELEY well knew, the entirety of his lending business, including all bank accounts from which loans were originated, all employees, the Moseley Service's offices, and MOSELEY himself, was located in Kansas City, Missouri, and all communications with consumers originated from that location.

7. As a further part of the scheme, RICHARD MOSELEY, SR., the defendant, willfully and falsely told his attorneys that the Moseley Payday Lenders maintained physical offices and employees in Nevis and New Zealand and that the decision whether to extend loans to particular consumers was made by employees of the Moseley Payday Lenders in Nevis and New Zealand. As MOSELEY well knew, at no time did the Moseley Payday Lenders have any employees involved in the lending business in Nevis or New Zealand, and at all times the decision whether to authorize the

issuance of loans was made by individuals at the offices of the Moseley Servicer in Kansas City, Missouri. To defeat state complaints and inquiries, MOSELEY knowingly directed his attorneys to submit correspondence to state attorneys-general, which stated--falsely, unbeknownst to the attorneys--that the Moseley Payday Lenders originated loans "exclusively" from their offices overseas and had no physical presence anywhere in the United States.

8. As a further part of the scheme, RICHARD MOSELEY, SR., the defendant, through the Moseley Payday Lenders, knowingly extended numerous payday "loans" to victims across the country who did not want the loans or authorize the issuance of the loans, and instead had merely submitted their personal and bank account information in order to inquire about the possibility of obtaining a payday loan. MOSELEY then automatically withdrew the Moseley Payday Lenders' exorbitant and usurious "finance charges" or fees directly from the financially struggling victims' bank accounts on a bi-weekly basis. Although numerous victims, over a period of years, lodged complaints, which were brought to MOSELEY's attention, stating that they had never approved or even been aware of the issuance of the loans, the Moseley Payday Lenders, at MOSELEY's direction, continued to issue loans to consumers without confirming that the consumers

in fact wanted the loans that they received or had reviewed and approved the loan terms.

9. From approximately November 2006 through approximately August 2014, the Moseley Payday Lenders generated more than one hundred million dollars in revenues, of which RICHARD MOSELEY, SR., the defendant, and his son kept millions of dollars. MOSELEY spent the proceeds he obtained on, among other things, vacation homes in Colorado and Playa Del Carmen, Mexico, multiple luxury automobiles, and country club membership dues.

Applicable State Usury Laws, and States in
Which the Moseley Payday Lenders Operated

10. Approximately fifteen states, including New York State, and the District of Columbia prohibit payday loans or have usury limits that effectively prohibit all payday loans within their jurisdictions (collectively, the "Prohibited Payday Loan States"). For example, in relevant part, New York's civil usury law prohibits charging more than 16% interest on a loan annually, and New York's criminal usury law makes it a crime to knowingly charge more than 25% interest on a loan annually. Arizona, Arkansas, Connecticut, the District of Columbia, Georgia, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, North Carolina, Ohio, Pennsylvania, Vermont, and West Virginia similarly have laws which set interest limits that effectively prohibit payday lending. While the lawful maximum

interest rate varies across the Prohibited Payday Loan States, the highest permissible annual interest rate in any of these states is 36%. At times relevant to this Indictment, the Moseley Payday Lenders did business in violation of laws of Prohibited Payday Loan States, and charged annual interest rates many times higher than the maximum rates allowed in these states.

11. At times relevant to this Indictment, the Moseley Payday Lenders also violated the usury laws of other states that permit payday lenders, typically if licensed in the state, to extend high-interest payday loans ("Regulated Payday States"). Regulated Payday States include, among others, California, Florida, Illinois, Iowa, Kentucky, Maine, Michigan, Minnesota, Nebraska, Oklahoma, Oregon, South Carolina, Tennessee, Texas, and Washington. Under laws of Regulated Payday States, the highest lawful amount that may be charged ranges from approximately \$10-\$20 per \$100 borrowed, which corresponds with an annual interest rate of up to approximately 500% on a two-week loan. The Moseley Payday Lenders violated these laws by failing to obtain a license to operate within Regulated Payday States and by extending loans at interest in excess of the amounts allowed in Regulated Payday States.

12. At relevant times, the Moseley Payday Lenders extended

loans to consumers across the country in violation of laws of Prohibited Payday Loan States and Regulated Payday States, including in New York.

The Truth in Lending Act ("TILA")

13. TILA is a federal statute intended to ensure that credit terms are disclosed to consumers in a clear and meaningful way, both to protect customers against inaccurate and unfair credit practices, and to enable them to compare credit terms readily and knowledgeably. Among other things, TILA and its implementing regulations require lenders, including payday lenders like the Moseley Payday Lenders, to accurately, clearly, and conspicuously disclose, before any credit is extended, the finance charge, the annual percentage rate, and the total of payments that reflect the legal obligation between the parties to the loan.

The Issuance of Unauthorized Loans to Consumers

14. At all times relevant to this Indictment, to procure customers, the Moseley Payday Lenders relied primarily on the services of third-party "lead generators" (the "Lead Generators"). To procure customers, the Lead Generators advertised and encouraged people to visit certain websites to obtain short-term financing. Visitors to such websites provided through the websites, among other information, their employer,

income, bank account number, and email address in order to be pre-qualified to receive short-term financing. The Lead Generators then forwarded visitors' personal and financial information to a third-party company, which provided that information to the Moseley Payday Lenders. The Lead Generators did not provide or disclose loan terms of the Moseley Payday Lenders to consumers.

15. The Moseley Payday Lenders did not confirm that consumers actually wanted loans extended by the Moseley Payday Lenders. Instead, beginning in or about 2006, once the Moseley Payday Lenders received the personal information of potential borrowers, the Moseley Payday Lenders simply left a voicemail at consumers' places of employment and took steps to confirm the consumers had a valid bank account and were employed so that RICHARD MOSELEY, SR., the defendant, could be assured that the consumers were likely to have enough money for the Moseley Payday Lenders to collect both the principal and interest amount on the loans. By approximately 2006, MOSELEY abandoned any requirement that the Moseley Payday Lenders actually speak with consumers to determine if they were aware of the terms of the loan and agreed to receive loans from the Moseley Payday Lenders on those terms.

16. Once the Moseley Payday Lenders determined that

prospective borrowers had the means to repay a payday loan with interest, the Moseley Payday Lenders sent a purported "Loan Note and Disclosure" to the consumers' email addresses, and deposited the loan proceeds directly into the consumers' bank accounts. The Moseley Payday Lenders sent an email to the unwitting victims stating that they should notify the Moseley Payday Lenders immediately if they did not want the loan.

17. For years, beginning at least in or about 2007, hundreds of consumers complained to RICHARD MOSELEY, SR., the defendant, state attorneys-general, and regulators that they had received loan proceeds and that fees had been withdrawn from their bank accounts without their knowledge and consent. As MOSELEY well knew, the Moseley Payday Lenders had extended these loans without confirming that the consumers in fact wanted them or agreed to their terms. MOSELEY, however, did not change his practice of extending loans to consumers who did not want or approve them.

The Deceptive and Misleading TILA Disclosures

18. The Moseley Payday Lenders' Loan Note and Disclosure prominently featured, in a large, bold box, a "Disclosure of Credit Terms" (the "TILA Box") that purported to state in clear and simple terms, as required by TILA, the cost of the loan to the borrower. For example, for a particular loan of \$300, the

TILA Box provided that the "FINANCE CHARGE"--meaning the "dollar amount the credit will cost you"--would be \$90, and that the "Total of Payments"--meaning the "amount you will have paid after you have made the scheduled payment"--would be \$390. Thus, for this particular loan, the TILA Box stated that a \$300 loan to the customer would cost \$390 to repay. In smaller and less conspicuous text below the TILA Box, the Loan Note and Disclosure provided that the disclosed payment terms apply only when the consumer "decline[s] the option of refinancing." It further provided: "This does not mean your loan will automatically pay down . . . To decline the option of refinancing you must sign the Account Summary page and fax it back to the office at least three business days before your loan is due."

19. In truth and in fact, and as RICHARD MOSELEY, SR., the defendant, well knew, the Moseley Payday Lenders' TILA boxes were materially deceptive and misleading. While the TILA Box suggested the borrower would pay \$90 in so-called "finance charges" for \$300 borrowed, MOSELEY structured the repayment schedule of the loans such that, on the borrower's payday, the Moseley Payday Lenders automatically withdrew the entire interest payment due on the loan but left the principal balance untouched so that, on the borrower's next payday, they could

again automatically withdraw an amount equaling the entire interest payment due (and already paid) on the loan. Under MOSELEY's control and oversight, the Moseley Payday Lenders proceeded to withdraw such "finance charges" automatically payday after payday, applying none of the money toward repayment of principal. In fact, under the terms of the Loan Note and Disclosure, the Moseley Payday Lenders withdrew finance charges unless and until consumers took affirmative action to stop the automatic renewal of the loan. Accordingly, as MOSELEY well knew, the Moseley Payday Lenders' TILA box materially understated the amount the loan would cost and the total of payments that would be taken from the borrower's bank account.

20. As RICHARD MOSELEY, SR., the defendant, well knew, from the inception of his operation of the Moseley Payday Lenders, numerous customers who had repaid the loan amounts set forth in the Moseley Payday Lenders' TILA Box expressed shock and confusion at the amounts the Moseley Payday Lenders were continuing to withdraw from their bank accounts, and complained that they had been misled as to the cost of the loans. For years, numerous consumers complained directly to the Moseley Payday Lenders, to their banks, to consumer protection groups, and to regulators across the country that the Moseley Payday Lenders' loans were materially deceptive, misleading, and

usurious. However, at no time did MOSELEY correct the Moseley Payday Lenders' TILA Box disclosures to accurately set forth the cost of the loans. Instead, when customers threatened to sue or complained to state regulators, the Moseley Payday Lenders, at MOSELEY's direction, often simply stopped withdrawing additional money from the customers' bank accounts and cancelled the customers' so-called remaining principal balances, a practice that MOSELEY deemed a "courtesy."

21. As RICHARD MOSELEY, SR., the defendant, well knew, the Moseley Payday Lenders' loans had a devastating impact on their financially struggling customers throughout the United States. Low-income customers who had taken out the Moseley Payday Lenders' loans to pay the expenses of daily living, including food, housing, diapers, and utility services for their families, told the Moseley Payday Lenders that the withdrawals from their bank accounts were impairing their ability to pay those bills. Many consumers were forced to close their bank accounts in order to prevent the Moseley Payday Lenders from continuing to withdraw finance charges.

The Sham "Offshore" Operation

22. In addition to receiving complaints from consumers, the Moseley Payday Lenders received complaints, subpoenas, and cease-and-desist orders from third parties, including numerous

state regulators, for, among other things, deceiving customers and violating state usury caps and other consumer protection laws. State authorities also issued subpoenas and correspondence containing similar allegations and directed the Moseley Payday Lenders to cease and desist making such usurious loans to their residents. Some states, moreover, accused the Moseley Payday Lenders of issuing loans to consumers who neither wanted nor approved them.

23. Rather than take steps to comply with state laws or otherwise address the Moseley Payday Lenders' alleged abuse of their customers, RICHARD MOSELEY, SR., the defendant, pretended that the Moseley Payday Lenders' lending operation was located offshore in Nevis and New Zealand. To create the sham appearance that the Moseley Payday Lenders operated outside the United States, MOSELEY incorporated the Moseley Payday Lenders initially in Nevis, and later in New Zealand, paid taxes and fees to the governments of those countries, made reference in loan agreements to the laws of those countries, and sent correspondence on the Moseley Payday Lenders' behalf with letterhead bearing addresses in those countries. MOSELEY claimed that the Moseley Payday Lenders were beyond the jurisdiction of any action that could be brought in the United States by any state or American citizen against the Moseley

Payday Lenders or MOSELEY himself.

24. To create the false appearance that Moseley Payday Lenders operated offshore rather than in Missouri, the employees of RICHARD MOSELEY, SR., the defendant, were instructed to send correspondence on letterhead bearing a Nevis or New Zealand address and to deposit mail in post offices outside Missouri. Further, at MOSELEY's direction, an employee of the Moseley Servicer, whom MOSELEY nominally appointed to be director of certain of the Moseley Payday Lenders, sat at a computer at the Moseley Servicer's offices in Kansas City, Missouri, and sent emails to and from separate email accounts for the Moseley Servicer and the Moseley Payday Lenders to create the sham appearance that the Moseley Payday Lenders were "approving" from Nevis or New Zealand the extension of credit on hundreds of thousands of dollars of loans.

25. While RICHARD MOSELEY, SR., the defendant, took steps to create the sham appearance that the Moseley Payday Lenders were located offshore, in truth and in fact, the entirety of MOSELEY's payday lending operation was located at his offices in Kansas City, Missouri. As MOSELEY well knew, the Moseley Payday Lenders had no employees, operations, or bank accounts from which money was lent in either Nevis or New Zealand. The Moseley Payday Lenders' purported "offshore" operation consisted

of little more than a service that forwarded mail from addresses in Nevis or New Zealand to the Moseley Servicer's Kansas City, Missouri office.

26. As a further part of the scheme, RICHARD MOSELEY, SR., the defendant, deceived and lied to his own lawyers about the purported "offshore" operations of the Moseley Payday Lenders. MOSELEY deliberately concealed from his lawyers that all loans were originated from, and all material aspects of the Moseley Payday Lenders' operation were located in, Kansas City, Missouri. In fact, MOSELEY knowingly and falsely told his lawyers that the Moseley Payday Lenders had physical offices, operations, and employees in Nevis and New Zealand and that the decision whether to authorize issuance of a loan was made by employees in those countries.

27. RICHARD MOSELEY, SR., the defendant, thereafter directed his lawyers to submit to state attorneys-general correspondence that, unbeknownst to the lawyers, was materially false and misleading with respect to the Moseley Payday Lenders' purported "offshore" operation. Such correspondence falsely stated that the Moseley Payday Lenders originated loans "exclusively" from abroad and had no physical presence or operations anywhere in the United States.

28. In reliance on the materially false and misleading

correspondence sent by or on behalf of RICHARD MOSELEY, SR., the defendant, many state attorneys-general and regulators closed their investigations apparently on the basis that the Moseley Payday Lenders had no presence or operations in the United States.

Statutory Allegations

The Enterprise

29. At all times relevant to this Indictment, RICHARD MOSELEY, SR., the defendant, and others known and unknown, were members and associates of an internet payday lending enterprise (the "MOSELEY Payday Lending Organization"), a criminal organization whose members and associates engaged in crimes including the collection of unlawful debts.

30. The MOSELEY Payday Lending Organization, including its leadership, membership, and associates, constituted an "enterprise," as that term is defined in Title 18, United States Code, Section 1961(4)--that is, a group of individuals and corporations associated in fact. This enterprise was engaged in, and its activities affected, interstate and foreign commerce. The MOSELEY Payday Lending Organization was an organized criminal group with leadership based in Kansas City, Missouri, and that operated throughout the United States, including in the Southern District of New York. The MOSELEY

Payday Lending Organization constituted an ongoing organization whose members functioned as a continuing unit for a common purpose of achieving the objectives of the enterprise.

31. The MOSELEY Payday Lending Organization was led and controlled by RICHARD MOSELEY, SR., the defendant.

32. The purpose of the enterprise was to enrich the leader, members, and associates of the enterprise through the collection of unlawful payday loan debts.

33. The means and methods by which RICHARD MOSELEY, SR., the defendant, and his co-conspirators, and other members and associates, conducted and participated in the conduct of the affairs of the MOSELEY Payday Lending Organization were the operation of payday loan companies in the business of lending money at rates usurious under State law, where the usurious rates were at least twice the enforceable rate.

The Unlawful Debt Conspiracy

34. From at least in or about 2004, up to and including in or about September 2014, in the Southern District of New York and elsewhere, RICHARD MOSELEY, SR., the defendant, and others known and unknown, being persons employed by and/or associated with the enterprise described in paragraphs 29 through 33 above, namely, the MOSELEY Payday Lending Organization, which enterprise was engaged in, and the activities of which affected,

interstate and foreign commerce, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to violate Title 18, United States Code, Section 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of that enterprise's affairs through the collection of unlawful debt, as set forth below.

35. It was a part and object of the conspiracy that the defendant agreed that a conspirator would commit at least one collection of unlawful debt in the conduct of the affairs of the enterprise. The collection of unlawful debt, as that term is defined in Title 18, United States Code, Section 1961(6), through which the defendant and his co-conspirators agreed to conduct and participate directly and indirectly in the conduct of the affairs of the enterprise, consisted of the collection of unlawful usurious debts, that is, debts which are unenforceable under the laws of the State of New York and other States in whole and in part as to principal and interest and which were incurred in connection with the business of lending money and a thing of value at rates usurious under the laws of the State of New York and other states, where the usurious rates were at least twice the enforceable rates.

(Title 18, United States Code, Section 1962(d).)

COUNT TWO
(Collection of Unlawful Debts)

The Grand Jury further charges:

36. The allegations contained in paragraphs 1 through 33 above are hereby repeated, realleged, and incorporated by reference as though fully set forth herein.

37. From at least in or about 2004, up to and including in or about September 2014, in the Southern District of New York and elsewhere, RICHARD MOSELEY, SR., the defendant, being a person employed by and/or associated with the enterprise described in paragraphs 29 through 33 above, namely, the MOSELEY Payday Lending Organization, which enterprise was engaged in, and the activities of which affected interstate and foreign commerce, willfully and knowingly conducted and participated, directly and indirectly, in the conduct of such enterprise's affairs through the collection of unlawful debt, as described in paragraph 35.

38. The collection of unlawful debt, as that term is defined in Title 18, United States Code, Section 1961(6), that is, a debt (A) which is unenforceable under the laws of the State of New York and other States in whole and in part as to principal and interest because of the laws relating to usury, and (B) which was incurred in connection with the business of lending money and a thing of value at rates usurious under the

laws of the State of New York and other States, where the usurious rates were at least twice the enforceable rates, through which RICHARD MOSELEY, SR., the defendant, conducted and participated in the affairs of the enterprise, which was engaged in and the activities of which affected interstate commerce, consisted of collecting and attempting to collect an unlawful debt as follows:

a. In or about 2010, MOSELEY, and others known and unknown, participated in the collection and attempted collection of unlawful usurious loans from a customer in Lincoln, Nebraska ("Customer-1").

b. In or about 2012, MOSELEY, and others known and unknown, participated in the collection and attempted collection of unlawful usurious loans from a customer in Yukon, Oklahoma ("Customer-2").

c. From in or about 2012, up to and including in or about 2013, MOSELEY, and others known and unknown, participated in the collection and attempted collection of unlawful usurious loans from a customer in Rush, New York ("Customer-3").

d. In or about 2013, MOSELEY, and others known and unknown, participated in the collection and attempted collection of unlawful usurious loans from a customer in New York, New York ("Customer-4").

e. In or about 2013, MOSELEY, and others known and unknown, participated in the collection and attempted collection of unlawful usurious loans from a customer in Dallas, Texas ("Customer-5").

(Title 18, United States Code, Sections 1962(c) and 2.)

COUNT THREE
(Conspiracy to Commit Wire Fraud)

The Grand Jury further charges:

39. The allegations contained in paragraphs 1 through 28 above are hereby repeated, realleged, and incorporated by reference as though fully set forth herein.

40. From at least in or about 2007, up to and including in or about September 2014, in the Southern District of New York and elsewhere, RICHARD MOSELEY, SR., the defendant, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343, to wit, MOSELEY engaged in a scheme to defraud victims across the United States, including in the Southern District of New York, by issuing loans to victims who had not authorized them and thereafter withdrawing payments from the victims' bank accounts without their authorization.

41. It was a part and object of the conspiracy that RICHARD MOSELEY, SR., the defendant, and others known and

unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

(Title 18, United States Code, Section 1349.)

COUNT FOUR
(Wire Fraud)

The Grand Jury further charges:

42. The allegations contained in paragraphs 1 through 28 above are hereby repeated, realleged, and incorporated by reference as though fully set forth herein.

43. From at least in or about 2007, up to and including in or about September 2014, in the Southern District of New York and elsewhere, RICHARD MOSELEY, SR., the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and

foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, MOSELEY engaged in a scheme to defraud victims across the United States, including in the Southern District of New York, by issuing loans to victims who had not authorized them and thereafter withdrawing payments from the victims' bank accounts without their authorization.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT FIVE
(Aggravated Identity Theft)

The Grand Jury further charges:

44. The allegations contained in paragraphs 1 through 28 above are hereby repeated, realleged, and incorporated by reference as though fully set forth herein.

45. From at least in or about 2007, up to and including in or about September 2014, in the Southern District of New York and elsewhere, RICHARD MOSELEY, SR., the defendant, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit, MOSELEY aided and abetted the transfer, possession, and use of names and bank account numbers of other individuals in connection with the offenses charged in Count Three and Count Four of this Indictment.

(Title 18, United States Code, Sections 1028A(a)(1),
1028A(b), and 2.)

COUNT SIX
(False TILA Disclosures)

The Grand Jury further charges:

46. The allegations contained in paragraphs 1 through 28 above are hereby repeated, realleged, and incorporated by reference as though fully set forth herein.

47. From at least in or about 2004, through in or about September 2014, in the Southern District of New York and elsewhere, RICHARD MOSELEY, SR., the defendant, willfully and knowingly gave false and inaccurate information and failed to provide information which he was required to disclose under the Truth in Lending Act, 15 U.S.C. §§ 1601 et seq. and regulations issued thereunder ("TILA"), to wit, the defendant, through the Moseley Payday Lenders, gave false and inaccurate information in TILA disclosures that materially understated the true cost of the loans that the Moseley Payday Lenders extended and the total of payments that would be taken from the borrowers' bank accounts.

(Title 15, United States Code, Section 1611 and
Title 18, United States Code, Section 2.)

FORFEITURE ALLEGATIONS AS TO COUNTS ONE AND TWO

48. As a result of committing the offenses alleged in Counts One and Two of this Indictment, RICHARD MOSELEY, SR., the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 1963, a sum of United States currency equal to at least \$161,000,000.00 in that such a sum represents (i) any interest acquired or maintained as a result of the offenses alleged in Counts One and Two; (ii) any interest in, security of, claim against, or property or contractual right of any kind affording a source of influence over of any enterprise which the defendant has established, operated, controlled, conducted, or participated in the conduct of, as part of the offenses charged in Counts One and Two; or (iii) any property constituting or derived from any proceeds obtained directly or indirectly from the unlawful debt collection alleged in Counts One and Two.

FORFEITURE ALLEGATIONS AS TO COUNTS THREE AND FOUR

49. As the result of committing the wire fraud offenses alleged in Counts Three and Four of this Indictment, RICHARD MOSELEY, SR., the defendant, shall forfeit 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), all property, real and personal, that constitutes or is derived from proceeds

traceable to the commission of such offenses.

Substitute Asset Provision

50. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(i) cannot be located upon the exercise of due diligence;

(ii) has been transferred or sold to, or deposited with, a third person;

(iii) has been placed beyond the jurisdiction of the Court;

(iv) has been substantially diminished in value; or

(v) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 1963(m), and Title 21, United States Code, Section 853, to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Sections 981(a)(1)(C) and 1963; Title 21, United States Code, Section 853; and Title 28, United States Code, Section 2461(c).)

Bibi Inaba-Berandez
FOREPERSON
September 28, 2017

Joon H. Kim
JOON H. KIM
Acting United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v -

RICHARD MOSELEY, SR.,

Defendant.

INDICTMENT

S2 16 Cr. 79 (ER)

(18 U.S.C. §§ 1343, 1349, 1962, 1963, 1028A, and 2.)
(15 U.S.C. § 1611)

JOON H. KIM
Acting United States Attorney

A TRUE BILL

Bibi Inslan - Beronides
Foreperson
September 28, 2017

9/28/17 FILED INDICTMENT

CAT, USMT