

FILED

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

2010 AUG 18 PM 1: 58

CLERK, US DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO, FLORIDA

UNITED STATES OF AMERICA

v.

DAVID A. SMITH

CASE NO. 6:10-cr- 232-0 AL- 35- DAB
18 U.S.C. § 1343
18 U.S.C. § 1956(a)
18 U.S.C. § 1956(h)
18 U.S.C. § 981(a)(1)(C) - Forfeiture
18 U.S.C. § 982(a)(1) - Forfeiture
28 U.S.C. § 2461(c) - Forfeiture

INFORMATION

The United States Attorney charges:

COUNTS ONE THROUGH FOUR
(Wire Fraud)

A. INTRODUCTION (Relevant Persons and Entities)

At all times material to this Information:

1. On or about February 3, 2005, defendant DAVID A. SMITH ("SMITH"), a citizen of Jamaica, incorporated Overseas Locket International Corporation ("OLINT") in Panama, with its principal place of business in Kingston, Jamaica. Defendant DAVID A. SMITH described OLINT as a private investment club, where he would pool investors' money to engage in foreign currency ("Forex") trading on their collective behalf.

2. On or about October 13, 2005, defendant DAVID A. SMITH established "OLINT Corporation" in Jamaica. Defendant DAVID A. SMITH described OLINT as a private investment club where he would use investors' money to engage in foreign currency ("Forex") trading. The principal place of business for OLINT Corporation was in Kingston, Jamaica.

3. On or about April 18, 2006, defendant DAVID A. SMITH incorporated and registered OLINT TCI Corporation, Ltd. ("OLINT TCI"), in The Turks and Caicos Islands ("TCI"). Defendant DAVID A. SMITH again described OLINT TCI as a private investment club. OLINT TCI received funds from investment club members located in the United States, Jamaica, and other Caribbean islands, but excluding the TCI.

4. On or about August 15, 2006, defendant DAVID A. SMITH created and caused to be created a company known as TCI FX TRADERS LTD., with a registered office in Providenciales, Turks and Caicos Islands. The Board of Directors for TCI FX consisted of defendant DAVID A. SMITH and another individual who was a resident of TCI.

5. On or about October 23, 2006, the Financial Services Commission, Turks and Caicos Islands, issued a Mutual Fund License to TCI FX TRADERS LTD. ("TCI FX").

6. I-Trade FX, LLC ("i-Trade") is a U.S. company, located in Lake Mary, Florida, that was licensed to deal in foreign currency trading. On March 29, 2006, i-Trade applied to the National Futures Association ("NFA") for a license as a Futures Commission Merchant ("FCM") to be able to operate as an off-market trader in the Forex market. On August 3, 2006, i-Trade became a licensed FCM. Defendant DAVID A. SMITH was the majority capital investor in i-Trade, with an investment of over \$2 million.

7. On March 5, 2006, JIJ Investments ("JIJ") was incorporated in the State of Florida. Unindicted co-conspirators are the listed Directors of the firm. On or about May 15, 2007, an unindicted co-conspirator represented to the NFA that JIJ

Investments was a real estate investment endeavor, with a potential secondary focus of spot Forex investments and trading.

8. Over 6,000 investors in OLINT, OLINT Corporation, OLINT TCI and TCI FX are located in Jamaica; The Turks and Caicos Islands; Orange County, Florida, in the Middle District of Florida; and elsewhere.

B. THE SCHEME TO DEFRAUD

9. Beginning on an unknown time, but no later than in or about February 2005, and continuing through on or about July 15, 2008, in Orange County, Florida, in the Middle District of Florida, Jamaica, The Turks and Caicos Islands, and elsewhere,

DAVID A. SMITH

the defendant herein, knowingly, willfully, and with intent to defraud, did devise, and intend to devise, a scheme and artifice to defraud investors, and for obtaining money and property from investors by means of false and fraudulent pretenses, representations, and promises that related to material facts, by soliciting and obtaining over two hundred twenty million dollars of funds under false pretenses, failing to invest investors' funds as promised, and misappropriating and converting investors' funds to defendant DAVID A. SMITH's own benefit and the benefit of others without the knowledge or authorization of the investors, the substance of which scheme and artifice is described below.

C. MANNER AND MEANS

10. The substance of the scheme and artifice, and the manner and means used to accomplish its ends, included, among other things, the following:

A. It was a part of the scheme to defraud that defendant DAVID A. SMITH would and did solicit and cause others to solicit prospective clients to open trading accounts with OLINT, OLINT Corporation, OLINT TCI, and TCI FX, based upon, among other things, his promise to use investors' funds to engage in foreign currency trading (Forex), and representations that by investing in Forex trading through him, OLINT, OLINT Corporation, OLINT TCI, and TCI FX, club members could expect a high return on their investment, with only twenty percent (20%) of their investment at any risk, even though defendant DAVID A. SMITH well knew that these representations were false.

B. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would and did fail to honor his promises to OLINT, OLINT Corporation, OLINT TCI, and TCI FX, clients by, among things, failing to invest their funds in Forex trading as he had promised.

C. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would make and cause to be made thousands of account statements and other documents sent to clients via emails and the Internet throughout the operation of this scheme that contained false and fraudulent monthly trading profits and gains on individual investors' accounts.

D. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would and did pay returns to separate investors from their own money or

money paid by subsequent investors, rather than from any actual profit earned, commonly known as a "Ponzi" scheme.

E. It was a further part of the scheme to defraud that defendant DAVID A. SMITH misappropriated clients' funds and converted them to the use of defendant DAVID A. SMITH, OLINT, OLINT Corporation, OLINT TCI, TCI FX, and others.

F. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would and did accept over two hundred million dollars of investors' money, cumulatively, from individual investors, other private investment clubs, "feeder clubs," among others, and established on their behalf thousands of accounts at OLINT, OLINT Corporation, OLINT TCI, and TCI FX.

G. It was a further part of the scheme to defraud that, from the outset of the scheme, and continuing throughout its operation, defendant DAVID A. SMITH would and did obtain investor funds via interstate and foreign wire transfers from financial institutions located inside and outside the United States and the Middle District of Florida, via international mailings, and via international commercial courier service deliveries.

H. It was a further part of the scheme to defraud that, in the course of carrying out this scheme, defendant DAVID A. SMITH would and did cause others to make false representations concerning his investment strategies to clients and prospective clients of OLINT, OLINT Corporation, OLINT TCI, and TCI FX.

I. It was a further part of the scheme to defraud that, among other things, defendant DAVID A. SMITH would and did market to clients an alleged investment strategy based on trading in foreign currencies on the open market.

J. It was a further part of the scheme to defraud that, to induce new and continued investments by clients and prospective clients, defendant DAVID A. SMITH would and did create client account statements showing purported returns in varying amounts of no less than five percent (5%) monthly, but on average, ten percent (10%) monthly.

K. It was a further part of the scheme to defraud that, contrary to his promises to clients that he would use their funds to invest in Forex trading on their behalf, and would engage in certain Forex trading strategies, defendant DAVID A. SMITH would and did use most of the investors' funds to meet the periodic and specific redemption requests of other investors.

L. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would and did transfer and cause to be transferred funds deposited by OLINT TCI and TCI FX clients to individual OLINT and OLINT Corporation investors, in order to meet the specific redemption requests of OLINT investors.

M. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would transfer and cause to be transferred millions of dollars invested by OLINT, OLINT Corporation, OLINT TCI, and TCI FX, clients to his personal bank accounts, which he used to finance a lavish and expensive life-style, and from which he and others received millions of dollars in goods, services, and other benefits.

N. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would and did create and cause to be created a broad infrastructure at OLINT and OLINT Corporation in Jamaica to generate the appearance and impression that OLINT was operating a legitimate private investment club and foreign currency trading

business in which client funds were actively traded as he had promised, and to conceal the fact that no such business was actually being conducted.

O. It was a further part of the scheme to defraud that, among other things, defendant DAVID A. SMITH would and did employ numerous employees to work in an office located in Jamaica, where they performed functions such as opening client accounts, talking with clients in person and over the telephone about foreign currency trading, and the respective client's account balance, among other things, and processing redemption requests.

P. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would and did cause false and fraudulent client account statements to be created and distributed.

Q. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would and did cause such false and fraudulent account statements to be sent to clients through electronic mail to clients' email accounts.

R. It was a further part of the scheme to defraud that defendant DAVID A. SMITH would and did create an internet website through which clients could access their own account statements.

S. It was a further part of the scheme to defraud that defendant DAVID A. SMITH, between in or about September 2006 and in or about November 2006, would and did open and cause to be opened four trading accounts at i-Trade for OLINT TCI.

T. It was a further part of the scheme to defraud that, in or about January 2007, defendant DAVID A. SMITH would and did open and cause to be opened two additional trading accounts at i-Trade for TCI FX.

D. WIRE COMMUNICATIONS IN EXECUTION OF SCHEME

11. On or about the dates set forth below in each count, in the Middle District of Florida, and elsewhere, for the purpose of executing the aforesaid scheme and artifice to defraud and attempting to do so,

DAVID A. SMITH

the defendant herein, did knowingly transmit and caused to be transmitted by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, as more fully set forth in the following table:

COUNT	DATE	DESCRIPTION OF WIRE COMMUNICATION
1	September 2006	Overseas Locket International Corp. Private Club Member Statement for C.W. and K.W., account # 11011519, showing a monthly gain of 10.22% or \$19,751, published on OLINT's internet website, www.clubmembers@overseasloket.com
2	January 2008	Overseas Locket International Corp. Private Club Member Statement for C.W. and K.W., account # 11011519, showing a monthly gain of 11.44%, or \$178,840, published on OLINT's internet website, www.clubmembers@overseasloket.com
3	October 2006	Overseas Locket International Corp. Private Club Member Statement for E.H., account # 11012211, showing a monthly gain of 11.05% or \$6,772.24, received by electronic mail
4	May 2008	Overseas Locket International Corp. Private Club Member Statement for E.H., account # 11012211, showing a monthly gain of 5.44% or \$427,270.43, published on OLINT's internet website, www.clubmembers@overseasloket.com

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

COUNT FIVE
(Conspiracy To Commit Money Laundering)

A. INTRODUCTION

12. The allegations contained in Paragraphs 1 through 10 above are hereby repeated, realleged and incorporated by reference as if fully set forth herein.

B. THE CONSPIRACY

13. Beginning on an unknown date, but no later than on or about February 3, 2005, and continuing thereafter until on or about November 11, 2008, in Seminole County, Florida, in the Middle District of Florida; Jamaica; The Turks and Caicos Islands; and elsewhere,

DAVID A. SMITH

the defendant herein, did combine, conspire, and agree with others known and unknown to the United States Attorney, to knowingly conduct and attempt to conduct a financial transaction, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, and that in fact involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, as alleged in Counts One through Four above, knowing that the transaction was designed in whole or in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of such specified unlawful activity.

C. MANNER AND MEANS

14. It was part of the conspiracy that defendant DAVID A. SMITH would and did create, operate and maintain a fraudulent investment scheme, as more fully set forth

in paragraphs 1 through 10 above, which are hereby repeated, realleged and incorporated by reference as if fully set forth herein.

15. It was a further part of the conspiracy that defendant DAVID A. SMITH would and did open multiple trading accounts at i-Trade FX LLC.

16. It was a further part of the conspiracy that defendant DAVID A. SMITH would and did execute a Subscriber Agreement with JIJ Investments Inc.

17. It was a further part of the conspiracy that defendant DAVID A. SMITH and his co-conspirators would and did open additional accounts in the name of JIJ Investments Inc. at different financial institutions.

18. It was a further part of the conspiracy that defendant DAVID A. SMITH and his co-conspirators would and did conduct and attempt to conduct financial transactions, that is, transfer funds from defendant DAVID A. SMITH's accounts at i-Trade into one or more accounts in the name of JIJ Investments at different financial institutions.

19. It was a further part of the conspiracy that defendant DAVID A. SMITH and his co-conspirators would and did conduct and attempt to conduct financial transactions, that is, transfer funds from defendant DAVID A. SMITH's bank accounts in the Turks and Caicos Islands to one or more accounts in the name of JIJ Investments at different financial institutions.

20. It was a further part of the conspiracy that defendant DAVID A. SMITH and his co-conspirators would and did conduct and attempt to conduct financial transactions, that is, transfer funds from defendant DAVID A. SMITH's bank accounts in

Jamaica to one or more accounts in the name of JIJ Investments at different financial institutions.

21. It was a further part of the conspiracy that defendant DAVID A. SMITH and his co-conspirators would and did conduct and attempt to conduct financial transactions, that is, transfer funds from one or more accounts in the name of JIJ Investments at different financial institutions to one or more of defendant DAVID A. SMITH's bank accounts in the Turks and Caicos Islands.

22. It was a further part of the conspiracy that defendant DAVID A. SMITH and his co-conspirators would and did conduct and attempt to conduct financial transactions, that is, transfer funds between and among one or more accounts in the name of JIJ Investments at the same or different financial institutions.

All in violation of Title 18, United States Code, Section 1956(h) and (a)(1)(B)(i).

COUNTS SIX THROUGH TWENTY-THREE
(Money Laundering To Conceal Specified Unlawful Activity)

23. The allegations contained in Paragraphs 1 through 22 above are hereby repeated, realleged and incorporated by reference as if fully set forth herein.

24. On or about the dates set forth below in each count, in Orange County, Florida, in the Middle District of Florida; Jamaica; The Turks and Caicos Islands; and elsewhere,

DAVID A. SMITH

the defendant herein, in an offense involving and affecting interstate and foreign commerce, unlawfully and knowingly conducted and attempted to conduct a financial transaction, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, that in fact involved the proceeds of a

specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, as alleged in Counts One through Four above, and knowing that the transaction was designed in whole or in part to conceal and disguise the nature, the location, the source, the ownership, and the control of the proceeds of such specified unlawful activity.

<u>Count</u>	<u>Date</u>	<u>Amount</u>	<u>From</u>	<u>To</u>	<u>Wire Transfer/ Distribution</u>
<u>6</u>	March 23, 2007	\$10,000,000	i-Trade – Bank of America Account # *****3888 Lake Mary, Florida	JIJ Investments, LLC (JIJ) - Wachovia Account # *****4333	#20070323-00162406
<u>7</u>	March 26, 2007	\$10,000,000	JIJ - Wachovia Account #20000319644333	i-Trade - Bank of America Account # *****3888 Lake Mary, Florida	#20070326-00021055
<u>8</u>	March 28, 2007	\$2,000,000	i-Trade – Bank of America Account # *****3888 Lake Mary, Florida	JIJ – Wachovia Bank Account # *****4333	#20070328-00119619
<u>9</u>	March 28, 2007	\$30,000,000	i-Trade - Bank of America Account # *****3888 Lake Mary, Florida	JIJ – J.P. Morgan Chase Account # ****265-5	#20070328-00104855
<u>10</u>	March 28, 2007	\$29,000,000	i-Trade - Fidelity Account # *****9976 Lake Mary, Florida	JIJ - Fidelity Account # ****9229	#A408673
<u>11</u>	May 21, 2007	\$1,091,400	TCI FX Traders (TCI FX) – First Caribbean International Bank Account # ***1316	JIJ – Wachovia Account # *****4391	#0705212080009204
<u>12</u>	June 1, 2007	\$4,000,000	JIJ - Fidelity Account # *****9229	OLINT – National Commercial Bank (NCB) Account # *****9587	# 37221573
<u>13</u>	October 16, 2007	\$500,000	JIJ – Fidelity Account # *****9229	JIJ – Wachovia Bank Account # *****4391	#20071016-00057348
<u>14</u>	October 24, 2007	\$2,500,000	JIJ – Fidelity Account # *****9229	JIJ – Wachovia Bank Account # *****4391	#20071024-00043247

<u>Count</u>	<u>Date</u>	<u>Amount</u>	<u>From</u>	<u>To</u>	<u>Wire Transfer/ Distribution</u>
<u>15</u>	October 31, 2007	\$19,999,985	OLINT – NCB Account # *****7866	JIJ - Wachovia Account # *****4391	#20071031-00077139
<u>16</u>	December 19, 2007	\$19,999,985	JIJ - Wachovia Account # *****4391	OLINT - NCB Account # *****7866	# 2007121900023143
<u>17</u>	January 17, 2008	\$21,979,823.60	JIJ - Fidelity Account # *****9229	JIJ - Wachovia Bank Account # *****4391	#2008011700048535
<u>18</u>	January 23, 2008	\$30,000,000	JIJ – J.P. Morgan Chase Account # ****265-5	JIJ - Fidelity Account # *****9229	#0082900005016265
<u>19</u>	January 24, 2008	\$30,000,000	JIJ - Fidelity Account # *****9229	TCI FX - TCI Bank Ltd Account # *****6601	# 38030550
<u>20</u>	January 31, 2008	\$21,979,823.60	JIJ - Wachovia Account # *****9251	OLINT TCI - Hallmark Bank and Trust Account # *****9601	# 2008013100056460
<u>21</u>	February 12, 2008	\$5,281,000.69	JIJ - J.P. Morgan Chase Account # ****265-5	JIJ - Fidelity Account # *****9229	Unspecified on wire transfer documentation
<u>22</u>	February 12, 2008	\$3,070,922.10	JIJ - Fidelity Account # *****9229	i-Trade – BOA Account # *****5506	# 38098077
<u>23</u>	February 26, 2008	\$10,906,067.38	JIJ - Fidelity Account # *****9229	TCI FX - TCI Bank Ltd. Account # *****6601	# 38141158

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

FORFEITURES

1. The allegations contained in Counts One through Four of this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. From his engagement in the violations alleged in Counts One through Four of this Information, punishable by imprisonment for more than one year, the defendant

DAVID A. SMITH

shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), all of his interest in any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violations.

3. The allegations contained in Counts Five through Twenty-Three of this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to the provisions of Title 18, United States Code, Section 982(a)(1).

4. The defendant, **DAVID A. SMITH**, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(1), any and all right, title, and interest he may have in any property, real or personal, involved in such offenses, or any property traceable to such property, as a result of such violations of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and (h).

5. The specific property to be forfeited includes, but is not limited to:

- a. A forfeiture money judgment in the amount of \$128,000,000.00, which constitutes proceeds obtained directly or indirectly as a result of the wire fraud charged in Counts One through Four.
- b. 1739 Glenwick Drive, Windermere, Florida, which was purchased with a \$159,881.10 down payment traceable to the wire fraud proceeds.
- c. All precious gemstones, precious metals, and jewelry recovered on or about January 14, 2010, from the residence of Tanya Masone.
- d. \$40,103.90 transferred from David A. Smith to Bette Gordon and her husband Paul Gordon, as part of a \$199,985.00 wire transfer conducted on or about July 24, 2006.

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

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- 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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

By: 
Bruce S. Ambrose
Assistant United States Attorney

By: 
Roger B. Handberg, III
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Chief, Orlando Division