

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION**

UNITED STATES OF AMERICA	*		CRIM. NO.: 5:15-cr-00240-01-02
	*		
	*		18 U.S.C. §§ 1960, 1956(a)(3)(B)-(C)
	*		18 U.S.C. §§ 1343, 2
	*		31 U.S.C. §§ 5313, 5322
VERSUS	*		21 U.S.C. § 846
	*		18 U.S.C. § 982
	*		
	*		
MICHAEL A. LORD	(1)	*	JUDGE S. MAURICE HICKS, JR.
RANDALL B. LORD	(2)	*	MAGISTRATE JUDGE HORNSBY

**MOTION OF THE UNITED STATES OF AMERICA FOR ISSUANCE OF
PRELIMINARY ORDER OF FORFEITURE**

COMES NOW the United States of America, by and through the United States Attorney and undersigned counsel, to submit is Motion for Issuance of Preliminary Order of Forfeiture in the above-styled criminal case. In support thereof, the United States provides the following for the Court's review and consideration:

1.

On November 18, 2015, a federal grand jury sitting in the Western District of Louisiana returned a fifteen count indictment ("Indictment") against the Defendants, **MICHAEL A. LORD** and **RANDALL B. LORD**. Counts 1 and 2 charged the Defendants with conspiracy to operate an unlicensed money service business and operation of an unlicensed money service business respectively in violation of Title 18, United States Code, Sections 371 and 1960. Doc. No. 1. The

Indictment also sought forfeiture, pursuant to Title 18, United States Code, Section 982(a)(1) and Title 21, United States Code, Section 853(p), of any property, real or personal, involved in the offense or traceable to such property. Id.

2.

On April 19, 2016, the Defendants pled guilty to Count 1 of the Indictment which charged a violation of Title 18, United States Code, Section 1960. Doc. No. 31. In conjunction with their convictions, the Defendants agreed to abandon their interest in the assets that were involved in the offense or traceable to the commission of the offense. Doc. Nos. 34 and 35. Accordingly, the United States now moves pursuant to Rule 32.2(b) of the Federal Rules of Criminal Procedure for the entry of a Preliminary Order of Forfeiture.

3.

Rule 32.2(b)(1), (b)(2), and (b)(3), Federal Rules of Criminal Procedure, provide that:

(a) As soon as practicable after entering a guilty verdict or accepting a plea of guilty or *nolo contendere* on any count in an indictment or information with regard to which criminal forfeiture is sought, the court shall determine what property is subject to forfeiture under the applicable statute. If forfeiture of specific property is sought, the court shall determine whether the government has established the requisite nexus between the property and the offense. If the government seeks a personal money judgment against the defendant, the court shall determine the amount of money that the defendant will be ordered to pay. The court's determination may be based on evidence already in the record, including any written plea agreement or, if the forfeiture is contested, on evidence or

information presented by the parties at a hearing after the verdict or finding of guilt.

(b) If the court finds that property is subject to forfeiture, it shall promptly enter a preliminary order of forfeiture setting forth the amount of any money judgment or directing the forfeiture of specific property without regard to any third party's interest in all or part of it. Determining whether a third party has such an interest shall be deferred until any third party files a claim in an ancillary proceeding under Rule 32.2(c).

(c) The entry of a preliminary order of forfeiture authorizes the Attorney General (or a designee) to seize the specific property subject to forfeiture; to conduct any discovery the court considers proper in identifying, locating, or disposing of the property; and to commence proceedings that comply with any statutes governing third-party rights. At sentencing - or at any time before sentencing if the defendant consents - the order of forfeiture becomes final as to the defendant and shall be made part of the sentence and included in the judgment. The court may include in the order of forfeiture conditions reasonably necessary to preserve the property's value pending any appeal.

4.

To obtain an order of forfeiture pursuant to Rule 32.2(b), the Government must establish the required nexus between the property and the offense of conviction by a preponderance of the evidence. See United States v. Cherry, 330 F.3d 658, 669-70 (4th Cir. 2003); United States v. Tanner, 61 F.3d 231, 234-35 (4th Cir. 1995).

5.

Based upon the evidence set forth in the Plea Agreements filed in this case and the testimony provided by law enforcement during the entry of the Plea

Agreements, the United States has established the required nexus between the property and the offense to which the Defendants have pled guilty.

Specifically, the Defendants, **MICHAEL A. LORD** and **RANDALL B. LORD**, engaged in an illegal money transmission business since 2013 in violation of state and federal law. They solicited, accepted and made deposits of quantities of currency and other monetary instruments, including money paks and money orders, into their personal and business bank accounts. During that time, the total value of the deposits made and accepted was more than \$3,500,000. Doc. No. 1., p. 5. The currency and monetary value accepted by the Defendants, **MICHAEL A. LORD** and **RANDALL B. LORD**, was transferred from their various bank accounts to a virtual currency exchange service which converted the currencies into bitcoin. Testimony and various financial records demonstrated that the Defendants and their companies did not obtain licenses to engage in the business of money transmission by the State of Louisiana. Also, between 2013 and November 10, 2014, the Defendants and their companies did not register as a money transmitting business with the United States Treasury Department while accepting approximately \$2,595,145 via deposits into their various bank accounts. Further, from November 10, 2014 to the present, the Defendants and their companies, Crypto Processing Solutions, Quantum Health and Data Security, LLC, did not register as a money transmitting business with FinCEN.

Accordingly, property involved in the offense is subject to forfeiture to the United States pursuant to 18 U.S.C. § 982(a). See United States v. Cleveland, 1997

WL 537707 at *11 (E.D. La. 1997)(the Government is entitled to a money judgment equal to the amount of money that defendant laundered in money laundering case); United States v. Huber, 404 F.3d 1047, 1056 (8th Cir. 2005)(forfeiture under section 982(a)(1) in a money laundering case allows the Government to obtain a money judgment representing the value of all property ‘involved in’ in the offense, including the money or other property being laundered (the corpus) and any property used to facilitate the laundering offense); United States v. Elfgeeh, 515 F.3d 100, 138-39 (2d Cir. 2008)(requiring the defendant to pay a forfeiture money judgment in an amount equal to the sum of money transmitted by an unlicensed business in violation of section 1960 does not violate the excessive fines clause; defendants fall within the category of persons at whom the statute was aimed).

6.

In accordance with the provisions of 18 U.S.C. § 982(a) and Rule 32.2(b)(3) of the Federal Rules of Criminal Procedure, the United States requests that it be permitted to seize property subject to forfeiture whether held by the Defendants or a third party, and to undertake whatever discovery is necessary to identify, locate, or dispose of property subject to forfeiture, or substitute assets for such property.

WHEREFORE, the United States respectfully requests that this Court enter a Preliminary Order of Forfeiture in the form of a money judgment in the amount of \$2,595,145 and order the United States Marshals Service to seize and maintain custody of forfeited property and dispose of it in accordance with the law.

Respectfully submitted this 22nd day of May, 2016.

STEPHANIE A. FINLEY
UNITED STATES ATTORNEY

/s/ Cytheria D. Jernigan
CYTHERIA D. JERNIGAN
MA Bar #657960
Assistant United States Attorney
300 Fannin Street, Suite 3201
Shreveport, Louisiana 71101-3068
(318) 676-3600 – office
(318) 676-3663 - facsimile

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION**

UNITED STATES OF AMERICA	*		CRIM. NO.: 5:15-cr-00240-01-02
	*		
	*		18 U.S.C. §§ 1960, 1956(a)(3)(B)-(C)
	*		18 U.S.C. §§ 1343, 2
	*		31 U.S.C. §§ 5313, 5322
VERSUS	*		21 U.S.C. § 846
	*		18 U.S.C. § 982
	*		
	*		
MICHAEL A. LORD	(1)	*	JUDGE S. MAURICE HICKS, JR.
RANDALL B. LORD	(2)	*	MAGISTRATE JUDGE HORNSBY

CERTIFICATE OF SERVICE

I, Assistant United States Attorney Cytheria D. Jernigan, hereby certify that on May 22, 2016, a copy of the foregoing was electronically filed with the Clerk of Court using the CM/ECF system. Notice of this filing will be sent to all counsel of record by operation of the Court's electronic filing system.

STEPHANIE A. FINLEY
UNITED STATES ATTORNEY

/s/ Cytheria Jernigan
CYTHERIA D. JERNIGAN
Assistant United States Attorney

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION**

UNITED STATES OF AMERICA	*	*	CRIM. NO.: 5:15-cr-00240-01-02
	*	*	
	*	*	18 U.S.C. §§ 1960, 1956(a)(3)(B)-(C)
	*	*	18 U.S.C. §§ 1343, 2
	*	*	31 U.S.C. §§ 5313, 5322
VERSUS	*	*	21 U.S.C. § 846
	*	*	18 U.S.C. § 982
	*	*	
	*	*	
MICHAEL A. LORD	(1)	*	JUDGE S. MAURICE HICKS, JR.
RANDALL B. LORD	(2)	*	MAGISTRATE JUDGE HORNSBY

PRELIMINARY ORDER OF FORFEITURE

Having considered the motion filed by the United States and the evidence set forth in the Plea Agreements in this case, and whereas, Rule 32.2(c)(1) provides that “no ancillary proceeding is required to the extent that the forfeiture consists of a money judgment,” the court makes the following findings:

The United States is entitled to a money judgment in the amount of at least \$_____ in United States currency, said amount representing the cash involved in the conspiracy to operate an unlicensed money service business offense charged in Count 1 of the Indictment;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. Based on the motion filed by the United States and the evidence presented at trial, all rights, title and interest of the Defendants, **MICHAEL A. LORD** and **RANDALL B. LORD**, in the following is hereby forfeited to the United States for disposition in accordance with the law, subject to the provisions of Title 21, United States Code, Section 853(n)(1): a money judgment forfeiture in the

amount of \$_____ is entered against the Defendant pursuant to Title 18, United States Code, Section 981(a)(1) in conjunction with Title 28, United States Code, Section 2461(c);

2. Upon entry of this Order, the United States Marshal's Service is authorized to seize said assets on behalf of the United States, in accordance with Rule 32.2(b)(3) of the Federal Rules of Criminal Procedure;

3. IT IS FURTHER ORDERED that the United States District Court shall retain jurisdiction in the case for the purpose of enforcing this Order; and

4. IT IS FURTHER ORDERED that pursuant to Rule 32.2(b)(3), this Order of Forfeiture shall become final as to the Defendant at the time of sentencing, and shall be made part of the sentence and included in the judgment;

5. IT IS FURTHER ORDERED that the United States may, at any time, move pursuant to Rule 32.2(e) to amend this Order of Forfeiture to substitute property having a value not to exceed \$_____ to satisfy the money judgment in whole or in part; and

6. Pursuant to Title 21, United States Code, Section 853(n)(1) and the Attorney General's authority to determine the manner of publication of an Order of Forfeiture in a criminal case, the United States shall publish notice of this order on an official government internet site (www.forfeiture.gov) for at least 30 consecutive days, notice of this Order and notice of the Marshal's intent to dispose of the property in such manner as the Attorney General may direct and notice that any person, other than the Defendants, **MICHAEL A. LORD** and **RANDALL B. LORD**,

having or claiming a legal interest in the property must file a petition with the Court within thirty (30) days of the final publication of notice or of receipt of actual notice, whichever is earlier. This notice shall state that the petition shall be for a hearing to adjudicate the validity of the petitioner's alleged interest in the property, shall be signed by the petitioner under penalty of perjury, and shall set forth the nature and extent of the petitioner's right, title or interest in the forfeited property and any additional facts supporting the petitioner's claim and the relief sought. The United States may also, to the extent practicable, provide direct written notice to any person known to have alleged an interest in the property that is the subject of the Preliminary Order of Forfeiture, as a substitute for published notice as to those persons so notified.

All such claims and answers must be filed with the Office of the Clerk, United States District Court, Western District of Louisiana, 300 Fannin Street, Suite 3201, Shreveport, Louisiana 71101, with a copy thereof sent to Assistant United States Attorney Cytheria D. Jernigan, 300 Fannin Street, Suite 3201, Shreveport, Louisiana 71101.

7. That upon adjudication of all third party interests, this Court will enter a Final Order of Forfeiture in which all interests will be addressed.

8. IT IS FURTHER ORDERED that the Clerk of the Court shall forward four certified copies of this Order to the United States Attorney's Office, Attention: Assistant U.S. Attorney Cytheria D. Jernigan.

Shreveport, Louisiana, this ____ day of _____, 2016.

S. MAURICE HICKS, JR.
United States District Judge