

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 VALENTINE ONWUBIKO OBASI, )  
 a/k/a JOHN VALENTINE, )  
 a/k/a L. WARD, )  
 )  
 Defendant. )

INDICTMENT CR 03-334 MDD06L  
(18 U.S.C. § 1341)  
(18 U.S.C. § 1343)  
(18 U.S.C. § 1956(a)(1))  
(18 U.S.C. § 2)  
(18 U.S.C. § 982(a)(1))  
(18 U.S.C. § 981(a)(1)(C))  
(28 U.S.C. § 2461(c))

THE UNITED STATES GRAND JURY CHARGES:

INTRODUCTION

At all time relevant to this Indictment:

1. Defendant VALENTINE ONWUBIKO OBASI resided in California and solicited investments from and conducted financial transactions with numerous persons and entities in the State and District of Minnesota and elsewhere.

2. Oval Financial and Investment Group, Ltd. (Oval Financial) was purportedly a Delaware company doing business in California and which was operated by defendant OBASI. Oval Financial solicited money and property from investors for investments represented as safe and secure.

3. Investors, who were residents of the State of Minnesota and other states, invested money with the defendant and Oval Financial in response to the defendant's solicitations, promises, and representations and the solicitations, promises, and

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representations of other persons working at the defendant's direction or for his benefit.

COUNTS 1-8

18 U.S.C. § 1341  
(Mail Fraud)

1. The grand jury re-alleges all the allegations contained in paragraphs 1 through 3 of the Introduction as if set forth in full herein.

2. Beginning in or about December 2000 and continuing until in or about January, 2003, within the State and District of Minnesota and elsewhere, the Defendant,

VALENTINE ONWUBIKO OBASI,  
a/k/a JOHN VALENTINE,  
a/k/a L. WARD,

and others known and unknown to the Grand Jury, did devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

THE PURPOSE OF THE SCHEME AND ARTIFICE

3. The purpose of the scheme and artifice was for the defendant to fraudulently obtain money from investors by falsely representing and causing others to falsely represent to investors that the defendant would place their investments in secure and insured investments which would produce greater than market rate returns, but instead would divert those investments to the defendant's own use and benefit.

SCHEME AND ARTIFICE

It was part of the scheme and artifice that:

4. The defendant would place an advertisement for Oval Financial in a magazine soliciting money from potential investors for investments in, among other things, "international mutual funds," by falsely and fraudulently representing that:

(a) The principal and interest in the investments were guaranteed;

(b) The investments would return a "minimum 10% guaranteed interest;" and

(c) The investment company was "insured to \$11,000,000."

5. The defendant would enter into an agreement with another person to become an agent, and would offer to pay and would pay commissions to the agent in exchange for the agent soliciting other persons to invest in defendant OBASI's fraudulent investment programs.

6. When potential investors contacted him for more information on the investments, the defendant, for the purpose of obtaining money from the investors, would make additional false and fraudulent representations to induce investors to invest money, by stating, among other things, that:

(a) the defendant would place investors' funds in guaranteed investment accounts for the benefit of investors;

(b) each investment account was insured to \$11,000,000 by the "SIPC" with certificates of deposit insured by the "FDIC" up to \$100,000.00;

(c) Oval Financial was a veteran 17-year old financial and investment services company; and

(d) Oval Financial's investments had "consistently out performed the S & P 500, Banks, NASDAQ, and DOW Jones Indices by a ratio of at least 3 to 1 for 10 years."

7. The defendant would seek to earn the trust of potential investors and agents and induce them to provide money for the investments by making false and misleading statements and representations concerning his and Oval Financial's background, location, and professional experience.

8. The defendant would make the investment programs appear legitimate, safe and secure by, among other ways, giving investors false and fraudulent correspondence confirming investments in the investments accounts.

9. The defendant would instruct the investors to make checks payable to Oval Financial and send the checks to an address in California.

10. The defendant would not place investors' money into investment accounts as promised, but would instead divert investors' funds (a) for his own personal use and benefit; (b) to make lulling payments to investors to create the appearance that

the trading programs were actually producing profits; and (c) to make commission payments to the agent and thereby encourage the agent to find more investors.

11. When the State of California Department of Corporations issued defendant OBASI a Desist and Refrain Order directing him to stop engaging in the fraudulent sale and marketing of securities, defendant OBASI would continue to sale and market his investments using another name.

12. The defendant would lull investors into believing that their investment funds would be and had been invested into the promised investments, prevent the discovery of the true use of investors' funds, and forestall legal action by investors by, among other ways:

(a) falsely reassuring investors that their funds had been safely invested, were earning the promised returns and that they would be paid "soon";

(b) falsely representing to investors that Oval Financial and other financial institutions were bankrupt, and could not return the investors money;

(c) ignoring and not responding to questions and correspondence from investors concerning the status of their investments; and

(d) directing and encouraging the agent to withhold information if questioned by state and federal law enforcement agencies.

13. The defendant would fail to and refuse to return money to investors causing them economic harm and loses of, in some cases, all or substantially all of the money the investors placed with defendant.

14. On or about the dates listed for each count below, the Defendant,

VALENTINE ONWUBIKO ORASI,  
a/k/a JOHN VALENTINE,  
a/k/a L. WARD,

and persons unknown to the Grand Jury, aiding and abetting one another, would knowingly cause to be delivered by mail and private and commercial interstate carriers, according to the direction thereon, a matter and thing further described below, for the purpose of executing the above-described scheme and artifice as follows:

COUNT	DATE	MAILING	ADDRESSEE
1	1/25/2001	\$10,000 check representing the investment for investor L.B.; and \$100,000 check representing the investment for investor B.G.	Oval Financial Insurance, 8070 La Jolla Shores Drive, La Jolla, CA 92037
2	1/25/2001	Investor Information Packet	Jeffrey Rodd 35919 U.S. Hwy 71 Redwood Falls, MN

COUNT	DATE	MAILING	ADDRESSEE
3	2/12/2001	Agent account statement for Jeffrey C. Rodd	Jeffrey Rodd 35919 U.S. Hwy 71 Redwood Falls, MN
4	3/19/2001	\$80,000 check representing the investment for investor M.R.	Oval Financial & Investment Group, 9070 La Jolla Shores Dr. #508, La Jolla, CA 92037
5	4/4/2001	\$250,000 check representing the investment for investor K.S.	Oval Financial & Investment Group, 8070 La Jolla Shores Dr. #508, La Jolla, CA 92037
6	4/5/2001	Check for agent commission payable to Jeffrey C. Rodd	Jeffrey Rodd 35919 U.S. Hwy 71 Redwood Falls, MN
7	5/7/2001	Check for agent commission payable to Jeffrey C. Rodd	Jeffrey Rodd 35919 U.S. Hwy 71 Redwood Falls, MN
8	3/19/2002	Excelsior Bank & Trust Memorandum	Lewis Bernardy 202 North Whittet Redwood Falls, MN

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS 9 - 26

(18 U.S.C. §§ 1343 and 2)

Wire Fraud

1. The United States realleges all the allegations contained in paragraphs 1 through 3 of the Introduction as if set forth in full herein.

2. The United States realleges all the allegations contained in paragraphs 3 through 13 of Counts One through Eight as describing the purpose and the scheme and artifice to defraud and

to obtain money and property by means of material false and fraudulent pretenses, representations, and promises.

3. Beginning on or about July 19, 2001, in the State and District of Minnesota and elsewhere, the Defendant,

VALENTINE ONWUBIKO OBASI,  
a/k/a JOHN VALENTINE,  
a/k/a L. WARD,

and others known and unknown to the Grand Jury, aiding and abetting one another, transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, and sounds, for the purpose of executing the above-described scheme and artifice as follows:

COUNT	DATE	ORIGIN	DESTINATION	DESCRIPTION
9	1/2/2001	Redwood Falls, MN	Oval Financial, CA	Phone call between Jeffrey Rodd and defendant OBASI
10	1/24/2001	Redwood Falls, MN	Oval Financial, CA	Phone call between investor B.G and defendant OBASI
11	4/3/2001	Redwood Falls, MN	Oval Financial, CA	Phone call between investor K.S. and defendant OBASI
12	6/29/2001	Barbados	Minnesota Valley Bank, Minnesota	Wire transfer of \$1,729.00 to investor M.R.

COUNT	DATE	ORIGIN	DESTINATION	DESCRIPTION
13	7/3/2001	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,429.90 to investor K.S.
14	8/3/01	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,429.90 to investor K.S.
15	9/7/2001	Barbados	Minnesota Valley Bank, Minnesota	Wire tranfer of \$2,329.90 to investor M.R.
16	9/10/01	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,429.90 to investor K.S.
17	10/2/01	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,429.90 to investor K.S.
18	10/31/01	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,429.90 to investor K.S.
19	12/7/01	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,429.90 to investor K.S.
20	12/27/2001	Barbados	Minnesota Valley Bank, Minnesota	Wire transfer of \$1,079.90 to investor M.R.

COUNT	DATE	ORIGIN	DESTINATION	DESCRIPTION
21	1/14/02	Barbados	Home State Bank, Minnesota	Wire transfer of \$7,429.90 to investor K.S.
22	2/12/2002	California	Hometown Bank, Minnesota	Wire transfer of \$8,240.00 to investor B.G.
23	3/1/2002	Barbados	Minnesota Valley Bank, Minnesota	Wire transfer of \$1,929.90 to investor M.R.
24	4/2/2002	California	State Bank of Lucan, Minnesota	Wire transfer of \$1,200.00 to investor L.B.
25	4/3/02	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,629.90 to investor K.S.
26	5/3/02	California	Home State Bank, Minnesota	Wire transfer of \$2,700.00 to investor K.S.
27	6/4/02	California	Home State Bank, Minnesota	Wire transfer of \$2,700.00 to investor K.S.
28	6/29/2002	Barbados	Minnesota Valley Bank, Minnesota	Wire transfer of \$1,729.90 to investor M.R.

COUNT	DATE	ORIGIN	DESTINATION	DESCRIPTION
29	7/9/02	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,629.90 to investor K.S.
30	7/31/02	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,629.90 to investor K.S.
31	8/27/2002	Barbados	Hometown Bank, Minnesota	Wire transfer of \$1,929.00 to investor M.R.
32	8/27/02	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,629.90 to investor K.S.
33	10/01/02	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,629.90 to investor K.S.
34	11/01/02	Barbados	Home State Bank, Minnesota	Wire transfer of \$2,629.90 to investor K.S.

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

Counts 35 - 38

Laundering of monetary instruments  
(18 U.S.C. § 1956(a)(1))

1. The Grand Jury re-alleges and incorporates paragraphs 1 and 2 of the Introduction as if set forth in full herein.

2. On or about the dates set forth below, in the State and District of Minnesota and elsewhere, Defendant,

**VALENTINE ONWUBIKO OBASI,  
a/k/a JOHN VALENTINE,  
a/k/a L. WARD,**

and others known and unknown to the Grand Jury, aiding and abetting one another, did knowingly and willfully conduct and attempt to conduct a financial transaction affecting interstate and foreign commerce, which involved the proceeds of specified unlawful activity, that is mail and wire fraud, with the intent to promote the carrying on of specified unlawful activity, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is funds and monetary instruments, represented the proceeds of some form of unlawful activity, which transaction is described below:

COUNT	DATE	TRANSACTION
35	2/12/2001	Commission check payable to Jeffrey Rodd for \$3,850
36	4/5/2001	Commission check payable to Jeffrey Rodd for \$4,800
37	5/7/2001	Commission check payable to Jeffrey Rodd for \$15,000
38	6/7/2001	Interest check for \$2,500 payable to Investor K.S.

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

FORFEITURE ALLEGATIONS

I. Counts One through Thirty-Four of this Indictment are hereby realleged and incorporated as if fully set forth herein by reference, for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

As the result of the offenses alleged in Counts One through Thirty-Four of this Indictment, the defendant,

VALENTINE ONWUBIKO OBASI,  
a/k/a JOHN VALENTINE,  
a/k/a L. WARD,

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 his right, title and interest in any property constituting, or derived from, proceeds traceable to the violations of Title 18, United States Code, Section 1341 and 1343.

II. Counts Thirty-Five through Thirty-Eight of this Indictment are hereby realleged and incorporated as if fully set forth herein by reference, for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(1).

As a result of the offenses alleged in Counts Thirty-Five through Thirty-Eight of the Indictment, the defendant,

VALENTINE ONWUBIKO OBASI,  
a/k/a JOHN VALENTINE,  
a/k/a L. WARD,

shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(1), all his right, title and interest in all property, real and personal, involved in said money laundering violations and in all property traceable to such property, including the sum of money involved in each of Counts Thirty-Five through Thirty-Eight.

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

- (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 Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) and Title 18, United States Code, 982(b)(1), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

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All in violation of Title 18, United States Code, Section 981(a)(1)(C), 1341, 1343, 1956(a)(1), and Title 28, United States Code, Section 2461(c).

A TRUE BILL

*Robt. W. ...*  
UNITED STATES ATTORNEY

*Name n ...*  
FOREPERSON