


DEBRA U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

February 2009 Grand Jury

UNITED STATES OF AMERICA,	)	CR No. 09- <b>CR09-00348</b>
	)	
Plaintiff,	)	<u>I N D I C T M E N T</u>
	)	
v.	)	[26 U.S.C. § 7201: Evading
	)	and Defeating the Payment of
ARTHUR ALLEN FERDIG,	)	Tax]
	)	
Defendant.	)	
	)	
	)	

The Grand Jury charges:

COUNT ONE

[26 U.S.C. § 7201]

A. BACKGROUND

1. During the time relevant to this Indictment, Tradex was a purported foreign exchange investment company based in the Carribean island nation of Dominica. Tradex was originally incorporated in 1995 in Nassau, Bahamas. Tradex purported to offer its clients investments in the foreign currency market.

2. During the time relevant to this Indictment, defendant

1 ARTHUR ALLEN FERDIG ("defendant") lived in Jamaica and the  
2 Bahamas. Defendant founded, owned, and controlled Tradex.  
3 Defendant has not filed U.S. income tax returns for over fifteen  
4 years.

5 3. The below-described offense having been committed out  
6 of the jurisdiction of any particular state or district, it is  
7 further alleged that venue lies within the Central District of  
8 California, the district of last known residence of defendant.

9 B. THE TAX EVASION SCHEME

10 4. During the calendar year 2002, in the Central District  
11 of California and elsewhere, defendant had and received  
12 approximately \$6,411,000 in taxable income from Tradex.  
13 Defendant had and received this income in a series of wire  
14 transfers from Tradex during calendar year 2002 into bank  
15 accounts defendant controlled. Defendant owed the United States  
16 income tax of approximately \$2,449,259 upon this approximately  
17 \$6,411,000 in taxable income.

18 5. Beginning in January 2002, and continuing until at  
19 least July 2006, defendant knowingly and willfully attempted to  
20 evade and defeat the payment of this income tax for the calendar  
21 year 2002 by concealing and attempting to conceal from all proper  
22 officers of the United States his true and correct taxable income  
23 through the following means, among others:

24 a. Defendant wire transferred and caused others to  
25 wire transfer his income from Tradex into the bank accounts of  
26 overseas shell companies that defendant controlled, including  
27



1 dates set forth below the following separate acts of evasion,  
2 among others:

3           Act No. 1: On January 18, 2002, defendant wired and  
4 caused to be wired approximately \$9,500 from Commonwealth's bank  
5 account (XXXX0024) into the bank account of C.B. (XXXX7254).

6           Act No. 2: On February 5, 2002, defendant wired and  
7 caused to be wired approximately \$25,000 from Commonwealth's bank  
8 account (XXXX0024) into the bank account of C.B. (XXXX7254).

9           Act No. 3: On March 11, 2002, defendant wired and  
10 caused to be wired approximately \$6,500 from Commonwealth's bank  
11 account (XXXX0024) into the bank account of C.B. (XXXX7254).

12           Act No. 4: On April 16, 2002, defendant wired and  
13 caused to be wired approximately \$5,000 from Commonwealth's bank  
14 account (XXXX0024) into the bank account of C.B. (XXXX7254).

15           Act No. 5: On May 17, 2002, defendant issued and caused  
16 to be issued three checks (nos. 26074, 26075, and 26076) totaling  
17 approximately \$165,592.50 from Commonwealth's bank account  
18 (XXXX0024) payable to C.B.

19           Act No. 6: On April 25, 2002, defendant wired and  
20 caused to be wired approximately \$2,350,000 from Tradex's bank  
21 account (XXXX0026) into Growthline's bank account (XXXX0077).

22           Act No. 7: On April 25, 2002, defendant wired and  
23 caused to be wired approximately \$2,500,000 from Growthline's  
24 bank account (XXXX0077) into the bank account of a securities  
25 company (XXXXXXXX4804).

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1 bank account (XXXX0024) into the account of a technology company  
2 (XXXX6090).

3 Act No. 16: On July 26, 2002, defendant wired and  
4 caused to be wired approximately \$2,500,000 from Tradex's bank  
5 account (XXXX0026) into Growthline's bank account (XXXX0077).

6 Act No. 17: On July 29, 2002, defendant wired and  
7 caused to be wired approximately \$2,500,000 from Growthline's  
8 bank account (XXXX0077) to an account relating to an overseas  
9 mining venture (XXXX4120).

10 Act No. 18: On August 6, 2002, defendant wired and  
11 caused to be wired approximately \$100,000 from Tradex's bank  
12 account (XXXX0026) into Commonwealth's bank account (XXXX0024).

13 Act No. 19: On August 7, 2002, defendant wired and  
14 caused to be wired approximately \$91,000 from Commonwealth's bank  
15 account (XXXX0024) into the account of a Nevada mining venture  
16 (XXXXXX0788).

17 Act No. 20: On August 20, 2002, defendant wired and  
18 caused to be wired approximately \$50,000 from Tradex's bank  
19 account (XXXX0026) into Commonwealth's bank account (XXXX0024).

20 Act No. 21: On August 29, 2002, defendant wired and  
21 caused to be wired approximately \$75,000 from Tradex's bank  
22 account (XXXX0026) into Commonwealth's bank account (XXXX0024).

23 Act No. 22: On August 30, 2002, defendant wired and  
24 caused to be wired approximately \$103,000 from Commonwealth's  
25 bank account (XXXX0024) into the account of a Nevada mining  
26 venture (XXXXXX0788).

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1           Act No. 23: On November 22, 2002, defendant wired and  
2 caused to be wired approximately \$200,000 from Tradex's bank  
3 account (XXXX0026) into Commonwealth's bank account (XXXX0024).

4           Act No. 24: On November 25, 2002, defendant wired and  
5 caused to be wired approximately \$200,000 from Commonwealth's  
6 bank account (XXXX0024) into the account of a technology company  
7 (XXXX6090).

8           Act No. 25: On December 9, 2002, defendant wired and  
9 caused to be wired approximately \$516,000 from Tradex's bank  
10 account (XXXX0026) into Growthline's bank account (XXXX0077).

11           Act No. 26: On December 10, 2002, defendant wired and  
12 caused to be wired approximately \$525,000 from Growthline's bank  
13 account (XXXX0077) into defendant's bank account at Royal Bank of  
14 Trinidad and Tobago Jamaica Limited ("RBTT") (XXXXXXXXXX3172).

15           Act No. 27: On January 10, 2003, defendant wired and  
16 caused to be wired approximately \$480,000 from defendant's bank  
17 account at RBTT (XXXXXXXXXX3172) into Guardian's bank account  
18 (XXXX0058).

19           Act No. 28: On January 13, 2003, defendant wired and  
20 caused to be wired approximately \$110,000 from Guardian's bank  
21 account (XXXX0058) into Commonwealth's bank account (XXXX0024).

22           Act No. 29: On January 13, 2003, defendant wired and  
23 caused to be wired approximately \$100,000 from Commonwealth's  
24 bank account (XXXX0024) into the account of a technology company  
25 (XXXX6090).

26           Act No. 30: On February 20, 2003, defendant wired and  
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1 caused to be wired approximately \$100,000 from defendant's  
2 account at RBTT (XXXXXXXXXX6147) into the account of a technology  
3 company (XXXX6090).

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COUNT TWO

[26 U.S.C. § 7201]

A. INTRODUCTION

7. The Grand Jury hereby repeats and realleges paragraphs 1 through 3 of this indictment.

B. THE TAX EVASION SCHEME

8. During the calendar year 2003, in the Central District of California and elsewhere, defendant had and received approximately \$24,000 in taxable income from Tradex. Defendant had and received this income in a series of wire transfers from Tradex during calendar year 2003 into bank accounts defendant controlled. Defendant owed the United States income tax of approximately \$2,084 upon this approximately \$24,000 in taxable income.

9. Beginning in January 2003, and continuing until approximately July 2006, in the Central District of California and elsewhere, defendant knowingly and willfully attempted to evade and defeat the payment of this income tax for the calendar year 2003 by concealing and attempting to conceal from all proper officers of the United States his true and correct taxable income through the following means, among others:

a. Defendant wire transferred and caused others to wire transfer his income from Tradex into the bank accounts of Commonwealth Investment Services ("Commonwealth"), an overseas shell company that defendant controlled. Defendant used this

1 overseas shell company for the purpose of concealing and  
2 disguising his receipt and use of income from Tradex.

3           b. Defendant, using his overseas shell company  
4 Commonwealth, made and caused to be made investments of his  
5 Tradex income into business ventures, including an approximately  
6 \$24,000 investment with a Nevada mining venture.

7           c. Defendant, to carry out his investment scheme,  
8 made and caused others to make wire transfers of defendant's  
9 income from defendant's shell entity Commonwealth to the Nevada  
10 mining venture.

11 C. ACTS IN EXECUTION OF THE TAX EVASION SCHEME

12           10. In furtherance of the tax evasion scheme, and to  
13 accomplish its purpose, defendant, together with others known and  
14 unknown, committed and caused others to commit on or about the  
15 dates set forth below the following separate acts of evasion,  
16 among others:

17           Act No. 1: On January 16, 2003, defendant wired and caused  
18 to be wired approximately \$24,035 from Tradex's bank account  
19 (XXXX0026) into Commonwealth's bank account (XXXX0024).

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