



NEWS RELEASE

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FOR IMMEDIATE RELEASE

KENTUCKY MAN PLEADS GUILTY TO DEFRAUDING 99 INVESTORS OUT OF MORE THAN \$3 MILLION

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Kentucky man pleaded guilty in federal court today to participating in an investment scheme that defrauded 99 investors out of more than \$3 million.

Frank G. Dickey, Jr., 61, of Lexington, Ken., waived his right to a grand jury and pleaded guilty before U.S. District Chief Judge Dean Whipple this afternoon to a federal information that charges him with participating in a conspiracy to defraud victims of an investment scheme.

By pleading guilty, **Dickey** admitted that he conspired with others to fraudulently induce individuals to invest in non-existent currency and bank instrument trading programs, by promising exorbitant returns over short periods of time. As a result of this scheme to defraud, 99 victims in Higginsville, Osage Beach, and Richmond, Mo., Mound City, Kan., and elsewhere invested approximately \$3,037,250 between early 1995 and late 1999.

Dickey, a member of PARDS Group U.S.A. and an attorney, controlled a bank account in the name of PARDS Group U.S.A. Trust, which received and disbursed funds sent by investors.

Dickey and other co-conspirators, Graves explained, told their victims that the investment programs were a rare opportunity to earn high profits over short periods of time through trading currency and bank instruments in the international community. The co-conspirators made fraudulent statements, provided misleading promotional materials and false documentation, and concealed material facts in order to induce individuals to invest. They told victim-investors that they were subject to secrecy requirements. They claimed that they had previously been involved with trading programs and had been successful.

According to Graves, the co-conspirators used a portion of the funds received from victim-investors to repay other individuals who had invested funds, in order to lull them into believing that they were receiving a return on their investment. Co-Conspirators retained portions of the funds for their personal use.

The co-conspirators told victims that their investments would earn up to 50 percent or greater in 45 days, Graves said, and that the investments were guaranteed by security notes and by emeralds, rubies and/or other gemstones, and by Lloyd's of London. They also told victim-investors that the investments were safe, having little or no risk, and that the trading programs provided almost instant liquidity, excellent capital safety, and were highly protected and regulated by the International Chamber of Commerce rules governing international finance. They claimed the trading programs were connected to the World Bank, the Federal Reserve Bank, and the International Monetary Fund.

Graves explained that the co-conspirators gave victim-investors fictitious reasons why the payment of investment returns and/or principal funds had been delayed, the purpose of which was to discourage victim-investors from taking steps to recoup their lost funds.

As a result of today's guilty plea, Dickey could be subject to a sentence of up to five years in federal prison without parole, plus a fine up to \$250,000 and an order of restitution.

The case is being prosecuted by Assistant U.S. Attorney Linda Parker Marshall. The case was investigated by the U.S. Postal Inspection Service, the Internal Revenue Service and the Kansas Office of the Securities Commissioner.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

www.usdoj.gov/usao/mow