

FILED 13 DEC '16 16:36 USDC-ORP

**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION**

UNITED STATES OF AMERICA

3:16-CR 00487-BR

v.

INDICTMENT

ISAAC BENJAMIN VOSS,

**18 U.S.C. §1343 (Wire Fraud)
18 U.S.C. § 1957 (Money Laundering)**

Defendant.

**FORFEITURE ALLEGATIONS
18 U.S.C. § 981 and 28 U.S.C. § 2461**

UNDER SEAL

THE GRAND JURY CHARGES:

I. Introduction and Overview

1. Beginning not later than 2011 and continuing until at least May 2015, defendant **ISAAC BENJAMIN VOSS** (“**VOSS**”), in the District of Oregon and elsewhere, defrauded investors out of approximately \$3 million.
2. Defendant **VOSS**, directly and indirectly through other persons and entities, known and unknown to the Grand Jury, who were under his employ, supervision and control, or acting in combination or concert with him, by means of a material scheme and artifice to defraud and to obtain money and property through materially false and fraudulent pretenses,

representations, and promises and material omissions solicited investments from individuals in Oregon, Washington, California, and outside of the United States, for XFuels and its affiliated businesses (“XFuels” or “the XFuels Enterprise”), all of which VOSS controlled, allegedly for the purpose of constructing and operating clean energy projects known as XRefinery.

3. During the time period in question, defendant VOSS, directly and indirectly through individuals and entities known and unknown to the Grand Jury, made material misrepresentations to individual investors, the United States government and lending institutions, regarding a clean energy business enterprise known as XFuels. VOSS led others to believe that XFuels was a well-established, clean energy business comprised of reputable professionals with years of experience that had developed innovative technology which could convert virtually any carbon-based material into energy and fuel that was both “clean” and cost efficient. VOSS further represented that this technology was both commercially established and operational.

4. VOSS was able to attract investors to XFuels with the allure of profits from a sound, commercially successful, environmentally responsible, global business and the potential for foreign investors to legally immigrate to the United States. In fact, XFuels was nothing more than a group of shell entities created and controlled by VOSS that was dependent on technology which had yet to be independently substantiated that allowed VOSS to defraud investors and benefit financially.

5. VOSS’s scheme and artifice to defraud investors was based on at least nine materially false promises and representations:

- a. The technology used in the XRefinery was already commercially operational.

- b. There was an independent third party review of the technology which produced a feasibility study that virtually guaranteed commercial success.
- c. XFuels investors would be given a “first mortgage lien position” on the real estate development where the XRefinery project would be built.
- d. XFuels was a business which qualified foreign investors to apply for a visa to legally immigrate to the United States.
- e. Other institutional and private lenders, including **VOSS** himself, were providing the majority of financing for the XFuels project.
- f. The XFuels Enterprise was comprised of independent business entities and experienced executives who managed, oversaw, and directed business decisions for XFuels.
- g. XFuels Enterprise owned the real estate where the initial project would be built and had invested significant capital in preparing the site for the XRefinery to be built.
- h. XFuels had presold contracts for energy and fuel produced by the XRefinery project for many years in the future.
- i. Investor funds would be used only to pay for the direct costs of the XRefinery project, including payments for the land and to manufacture equipment.

6. As a result of the success of the scheme and artifice to defraud, domestic and foreign investors invested approximately \$3 million in the XFuels Enterprise. Rather than use the money as he promised investors, **VOSS** spent as much as 40-50% of it for himself and became

the single largest “expense” to the business. No energy project was ever built, nor was any substantial progress made to do so.

II. The Defendant and The XFuels Enterprise

7. **VOSS**, a resident of the state of Washington, managed, directed and controlled all related corporate entities, and limited liability corporations, including but not limited to, XFuels, LLC, XFuels North America, LLC, Longview Energy Partners LLC, Global Industries LLC, Clean Tech Venture Capital LLC, General Energy Advisors LLC, USA Center for Foreign Investment, LLC, USA Center for Foreign Investment Lending, LLC and Global Citizen Advisors, LLC. All of the above entities are referenced as “XFuels,” or the XFuels Enterprise, and are described below. Despite his control and oversight of the XFuels Enterprise, **VOSS** represented to others that his relationship with the XFuels Enterprise was primarily advisory in nature and came about by a mutual interest in clean energy and his ability to market the technology.

8. In approximately 2007, **VOSS** approached M.M., a scientist/entrepreneur and the owner of a Canadian company called W2 Energy (“W2”). At the time, M.M was attempting to develop for commercial use, “Non Thermal Plasma Gasification” technology that would generate energy and produce a liquid fuel from carbon based material (the “Technology”). **VOSS** and M.M. entered into a non-exclusive agreement that permitted **VOSS** to solicit investment funds for further development of the Technology and possible buyers of a project based on the Technology. To date, neither W2 or the XFuels Enterprise has commercially produced or operated a system based on the Technology.

9. In order to give the illusion of a legitimate, secure and developed business opportunity, **VOSS** created an elaborate network of companies which gave the appearance of a

large enterprise comprised of independent and separate entities with each entity playing a distinct and individual function to effectuate the investment opportunity. **VOSS** used these entities in furtherance of his material scheme and artifice to defraud.

10. **VOSS** recruited others, including family members, to act as principals for corporate entities he controlled. The purpose of this practice was to deceive investors, the United States government and lending institutions and to obscure his role in and control of the XFuels Enterprise. The individuals that were registered and represented as principals in the entities controlled by **VOSS** were unaware and uninvolved with how the business entity was being used. **VOSS** used the following corporate entities to facilitate his scheme and artifice to defraud:

- a. XFuels, LLC is a Delaware limited liability corporation with its principal place of business in the District of Oregon.
- b. XFuels Northwest Management, LLC is a Delaware limited liability corporation with its principal place of business in the District of Oregon and was presented to investors as the “Managing Member” company of the XFuels Enterprise.
- c. Longview Energy Partners LLC (“LEP”) is a Washington limited liability corporation with its principal place of business in Portland, Oregon. LEP was presented to investors as the company responsible to manage, oversee and build the XRefinery project.
- d. Global Industries LLC, (“GI”) is an Oregon limited liability corporation with its principal place of business in Bend, Oregon. GI was presented to investors and to the United States, as a company that would lend large amounts of

money purportedly for the purpose of financing the majority of the total cost to build the XRefinery project. VOSS represented at one point that GI was prepared to lend up to \$165 million and at another point, after the XRefinery project was scaled back, \$17 million.

e. Clean Tech Venture Capital, LLC, (“CVC”) is a Wyoming limited liability corporation with its principal place of business in Vancouver, Washington. CVC was presented to investors as a finance advising entity for clean energy projects.

f. General Energy Advisors, LLC (“GEA”) is a Wyoming limited liability corporation with its principal place of business in Vancouver, Washington. GEA was presented to investors and the United States government as a “Project Advisor” and the company which was purchasing the real property where the XRefinery was being constructed.

g. USA Center for Foreign Investment Lending, LLC (“USA CFI Lending”) is a Delaware limited liability corporation with its principal place of business in Salem, Oregon. USA CFI Lending was presented to investors as a company which was allegedly lending LEP between \$25 million and \$100 million.

h. USA Center for Foreign Investment, LLC (“USA CFI”) is a Delaware limited liability corporation with its principal place of business in Salem, Oregon. USA CFI was presented to investors as the “planned regional center for administering the EB-5 program” and one of the entities that acted as the “Escrow Agent” for the XFuels investment program, particularly for foreign investors.

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III. Manner and Means of VOSS's Scheme and Artifice to Defraud

11. Beginning in 2011 and continuing through at least May 2015, **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, offered an opportunity to invest in a clean energy technology that alleged to derive electricity and premium petroleum-equivalent fuel such as gasoline, diesel, and jet fuel from any carbon bearing material including urban waste, tires, farm waste, forest waste, sewage, and coal, purportedly using the Technology.

12. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, solicited investors in Oregon, Washington, California, and outside of the United States. Foreign investors were solicited abroad by **VOSS** during seminar events. Generally, the seminars were designed so that American companies could seek foreign investment for business opportunities in the United States and in exchange, foreign investors could apply to the United States government for an American Employment-Based Fifth Category visa ("EB-5 Visa").

13. The EB-5 Visa program permits foreign nationals to obtain initial temporary resident status for two years, and, if successful, permanent resident status if the foreign national invests at least \$500,000 in a qualified investment project in the United States. To successfully obtain an EB-5 Visa, both the individual and the business investment must meet specific requirements and conditions. Some of those are:

- a. The investor must present credible information to verify that the source of his or her funds invested in the United States are from a legitimate, legal venture;

- b. The business must present credible information that the project, as described in detail in the EB-5 Visa application, would create at least ten (10) full-time jobs in the United States per each foreign investor in the project; and
- c. The business must present credible information that the project is feasible and has sufficient capital to complete the project and operate it.

14. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, represented to foreign investors at seminars and to the United States government, that XFuels and the XRefinery project was an EB-5 Visa qualified investment opportunity and met the elements and definitions required by the EB-5 Visa program.

15. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, employed marketing materials, including flyers, brochures, pamphlets, and a website accessible via the internet when soliciting foreign and domestic investors to induce them to invest in the XFuels Enterprise. **VOSS** also used investment-related documents including Private Placement Memoranda, Escrow Agreements, Operating Agreements and Business Plans.

16. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, touted to investors, financial institutions and the United States government, a “Feasibility Study,” which was purportedly an independent, third-party analysis and authentication of the XRefinery and the Technology. The represented purpose of the Feasibility Study was to provide a scientific validation of the XRefinery

technology and to assess the likelihood of commercial viability. **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, represented that XFuels commissioned the Feasibility Study, at a cost of over \$1,000,000, that it took more than six months to complete and was prepared by one of the most respected national engineering firms in the United States. **VOSS** represented that based on the extensive analysis performed for the Feasibility Study, the XRefinery project had a 96% chance of commercialization success, giving XFuels one of the highest ratings possible for any United States energy project.

17. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, told investors, the United States government and others that in 2011, the XFuels Enterprise had installed a commercial XRefinery system in Canada that had “produced clean fuel, clean chemicals, clean power from garbage, biomass and plastic.” It was further part of the scheme that **VOSS** represented that M.M. was an owner and partner in the XFuels Enterprise, touting his credentials and commercial success to investors and the United States government.

18. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, represented to foreign investors that their investment risk was low because other individual and institutional investors were financing more than 90% of the XRefinery. **VOSS** also represented to foreign investors their investment would be secured by the real estate project owned by the XFuels Enterprise, and that they would be given a “first mortgage lien position” on the XFuels development.

19. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, represented that the real property in Longview, Washington where the XRefinery project was to be built was owned by the XFuels

Enterprise and that the XFuels Enterprise had spent millions of dollars to begin the necessary development of the real property for the XRefinery to be built.

20. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, represented that the XFuels Enterprise was led by an innovative group of industrialists, scientists, financiers and environmentalists and had an "Advisory Council" which existed "to provide external perspective and review as well as advocacy and support" for the XFuels Enterprise.

21. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, represented to investors that the XFuels Enterprise had secured a contract for the sale of all electricity and liquid fuel produced by the XRefinery, "for a term of 20 years."

22. It was part of the scheme that **VOSS**, directly and indirectly through individuals and entities known and unknown to the Grand Jury, induced some foreign investors to travel to Oregon and Washington to tour the location of XFuels and the XRefinery project. The primary purpose of the "tour" was to further the appearance of legitimacy and stature of the XFuels Enterprise and the misrepresentations told to investors about the status and feasibility of the XRefinery project. The "tour" typically involved a visit to the following locations:

- a. The offices of XFuels and LEP, located in downtown Portland, in the District of Oregon.
- b. **VOSS's** residence, which was represented as a home he owned, and was a mid-sized estate on a large parcel of land located in the countryside on the outskirts of Vancouver, Washington.

- c. The real property and the future site of the XRefinery project in Longview, Washington.
- d. A dinner or presentation which included officials from the City of Longview or associates who were listed as principals of businesses associated with the XFuels Enterprise.

IV. Misrepresentations to Investors, the United States Government and Lenders

23. Defendant **VOSS**, either directly or through other persons or entities under his employ, supervision and control, or acting in concert with them, engaged in a material scheme and artifice to defraud to obtain money and property through materially false and fraudulent pretenses, representations, omissions and promises concerning the XFuels Enterprise and the XRefinery. The materially false and fraudulent pretenses, omissions, representations and promises were:

- a. The technology used in the XRefinery was commercially operational and had an existing commercial history. In fact, to date, neither W2, XFuels, or any other company has ever commercially produced or operated a system based on the Technology or any other technology owned by XFuels, or commercially built or operated an XRefinery to produce clean fuel, chemicals, or power.
- b. There was an independent, third party review of the technology that cost X-Fuels more than \$1,000,000 and produced the Feasibility Study which indicated the viability and commercial success of the XRefinery. In fact, there was no independent, third party, scientific validation of the Technology or its chances of commercial viability—instead, the Feasibility Study was “certified” by a friend of **VOSS** who was not qualified to perform the review, gave the

information provided by **VOSS** a cursory review and failed to use reliable and commercially accepted practices or methods to validate the technology. The alleged Feasibility Study was, in part, a collection of work papers written and gathered by M.M., the developer of the XRefinery technology and compiled by **VOSS** and others he directed.

c. Investments made by foreign investors would be secured by the real estate development owned by the XFuels Enterprise, and investors would be given a “first mortgage lien position” on the XFuels development. To further induce foreign investors, **VOSS** and others at his direction, told foreign investors that the institutional and private lenders, which were allegedly financing the bulk of the XFuels project, “had agreed to subordinate their capital in second and third position on the project.” Instead, foreign investors did not receive a “first position mortgage lien” because there was no real property owned by the XFuels Enterprise.

d. The XFuels Enterprise and the XRefinery project was an investment opportunity that qualified foreign investors to obtain a visa to live in the United States via the EB-5 Visa program. In fact, the XFuels Enterprise and the XRefinery project did not meet the qualifications for the EB-5 Visa program and investors who applied for the EB-5 Visa program were denied as a result.

e. Other institutional and private lenders, including **VOSS** himself, were providing the majority (“91.5%”) of financing for the XRefinery project. In fact, the only capital that was ever raised and secured to support the XRefinery project and the XFuels Enterprise was from the domestic and foreign investors. There

was no institutional or private financing for the XFuels Enterprise and **VOSS** had no ability to make any personal capital contributions to the XFuels Enterprise or the XRefinery project.

f. The XFuels Enterprise was comprised of a large network of independent business entities and experienced executives, contractors and others who managed, oversaw, and directed business decisions for XFuels. In fact, **VOSS** controlled and made all decisions regarding all of the entities which comprised the XFuels Enterprise and misrepresented the role of other independent contractors and individuals involved in the XRefinery project.

g. The XFuels Enterprise owned the real property where the initial XRefinery project would be built and the XFuels Enterprise had spent several million dollars to improve the real property such that it was ready or near completion for the XRefinery to be built on it. In truth and fact, the XFuels Enterprise did not own any real property, other than an option to purchase a parcel of real property in Longview, Washington. The true owner of the real property in Longview, Washington was the entity who had improved the real property for potential development and had done so prior to **VOSS** purchasing the option to buy the real property. **VOSS** never paid the full amount needed to purchase the real property and was in default on the option to purchase the real property during most of the time of his material scheme and artifice to defraud as alleged in this Indictment.

h. XFuels had presold all energy and fuel produced by the XRefinery for many years in the future. In fact, there was no enforceable contract entered into

with an independent company to purchase the electricity or fuel that would be produced by the XRefinery. The entity that had entered into a contract with XFuels for the purchase of any energy it produced was owned, operated and controlled by **VOSS** and had no ability to perform under the contract.

i. Investor funds would be used for specific purposes to further the XRefinery project. In some cases, **VOSS** told foreign investors that their funds would be held in escrow and would not be used at all until the United States government approved his or her EB-5 Visa application. In fact, **VOSS** did not use investor funds for the specific purposes as represented to foreign and domestic investors and he always used investment funds immediately, regardless of representations to the contrary, and often for his own personal benefit.

COUNT 1
(Wire Fraud, 18 U.S.C. §1343)

24. Paragraphs 1-23 are re-alleged and incorporated herein as set forth above. On or about the dates listed below, in the District of Oregon and elsewhere, defendant **ISAAC BENJAMIN VOSS**, having knowingly devised and intended to devise the aforementioned material scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and through omissions of material fact, for the purpose of executing and attempting to execute the scheme and artifice, did knowingly cause to be transmitted in interstate and foreign commerce by means of wire communications, writings, signals, and sounds, that is a wire transfer of money to the recipient and at the location shown below, each interstate communication or communication in foreign commerce being a separate count in the Indictment:

Count	Date	Origination	Destination	Description of Wire
1.	12/14/2011	Mexico	Salem, Oregon	Wire Transfer of \$559,980 from H.A. to USA CFI Lending.

All in violation of 18 U.S.C. §1343.

COUNTS 2-3
(Money Laundering, 18 U.S.C. §1957)

1. Paragraphs 1-24 are re-alleged and incorporated herein as set forth above.
2. On or about the dates set forth below, in the District of Oregon, and elsewhere, Defendant **ISAAC BENJAMIN VOSS**, aided and abetted by others known and unknown, did knowingly engage and attempt to engage in monetary transactions, in or affecting interstate commerce, with criminally derived property of value greater than \$10,000 by depositing, withdrawing, transferring or exchanging funds, by, through, or to a financial institution, such property having been derived from a specified unlawful activity, that is wire fraud, as set forth in Counts 1 each such monetary transaction being a separate count of this Indictment:

Count	Date	Amount	Description of Transaction
2.	12/19/2011	\$61,000	Bank transfer from USA CFI Lending account No. x2355 at JP Morgan Chase Bank to USA CFI Lending account No. x2348 at JP Morgan Chase Bank.
3.	12/19/2011	\$450,000	Wire transfer from USA CFI Lending account No. x2355 at JP Morgan Chase Bank to LEP account No. x7337 at Wells Fargo Bank.

All in violation of 18 U.S.C. §1957.

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FORFEITURE ALLEGATIONS

(ALL COUNTS)

WIRE FRAUD CRIMINAL FORFEITURE
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)

FORFEITURE ALLEGATION

Upon conviction of the offense alleged in Count 1 of this Indictment, defendant **VOSS** shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violation(s), including but not limited to the following:

Money Judgment: A sum of money equal to approximately \$3,000,000 in United States Currency, representing the amount of proceeds obtained as a result of the offense, wire fraud, in the form of a money judgment.

If any of the above-described forfeitable property, 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;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C.

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§ 982(b), to seek forfeiture of any other property of said defendant(s) up to the value of the forfeitable property.

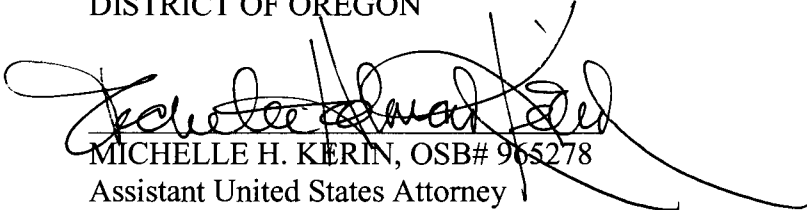
DATED this 13 day of December, 2016.

A TRUE BILL.

OFFICATING FOREFPERSON

Presented by:

BILLY J. WILLIAMS, OSB# 901366
UNITED STATES ATTORNEY
DISTRICT OF OREGON


MICHELLE H. KERIN, OSB# 965278
Assistant United States Attorney