

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,)

No. _____

Plaintiff,)

COUNTS ONE - ELEVEN
18 U.S.C. §§ 514 and 2

v.)

(Fictitious Obligations)

DENNY RAY HARDIN,)

As to each Count:

[DOB: 03/15/1959])

NMT 25 years imprisonment

Defendant. _____)

NMT \$250,000 fine

NMT 5 years supervised release

\$100 Mandatory Special Assessment
Class B Felony

COUNTS TWELVE - FIFTEEN

18 U.S.C. §§ 1341 and 2

(Mail Fraud)

As to each Count:

NMT 30 years imprisonment

NMT \$1,000,000 fine

NMT 5 years supervised release

\$100 Mandatory Special Assessment
Class B Felony

COUNTS SIXTEEN - TWENTY-ONE

18 U.S.C. §§ 1341 and 2

(Mail Fraud)

As to each Count:

NMT 20 years imprisonment

NMT \$250,000 fine

NMT 3 years supervised release

\$100 Mandatory Special Assessment
Class C Felony

ECF DOCUMENT

I hereby attest and certify this is a printed copy of a document which was electronically filed with the United States District Court for the Western District of Missouri.

Date Filed: 5/17/10 ANN THOMPSON, CLERK

By: [Signature], Deputy Clerk

INDICTMENT

THE GRAND JURY CHARGES THAT:

At all times relevant to this indictment:

Background

1. Defendant DENNY RAY HARDIN was a resident of Kansas City, Missouri.

2. The Bank of Orrick was a financial institution within the meaning of 18 U.S.C. §§ 20 and 1341 in that its deposits were insured by the Federal Deposit Insurance Corporation.

3. GESA Credit Union was a financial institution within the meaning of 18 U.S.C. §§ 20 and 1341 in that its deposits were insured by the National Credit Union Share Insurance Fund.

4. The Washington Savings Bank was a financial institution within the meaning of 18 U.S.C. §§ 20 and 1341 in that its deposits were insured by the Federal Deposit Insurance Corporation.

5. Marine Credit Union was a financial institution within the meaning of 18 U.S.C. §§ 20 and 1341 in that its deposits were insured by the National Credit Union Share Insurance Fund.

The Scheme and Artifice to Defraud

6. Beginning in or about September 2008, and continuing until in or about September 2009, the defendant DENNY RAY HARDIN voluntarily and intentionally devised and participated in a scheme and artifice to defraud others out of funds and monies through the materially false and fraudulent pretenses, representations, and promises that HARDIN was legally authorized by the United States Department of Treasury to produce and issue fictitious financial instruments called “Bonded Promissory Notes” that HARDIN claimed to have monetary value when those instruments were in fact worthless. During the course of his scheme to defraud, HARDIN produced and issued more than 2,000 Bonded Promissory Notes, worth in total more than \$100,000,000, on his own behalf, on behalf of his friends and family, and on behalf of third parties to whom he often charged a fee for producing and issuing the worthless financial instruments. HARDIN produced and issued his fraudulent and fictitious Bonded Promissory Notes for his own use and for the use of third parties

based on the materially false and fraudulent representations that Bonded Promissory Notes could discharge debts, including mortgage debts.

Execution of the Scheme and Artifice to Defraud

7. It was part of the scheme and artifice to defraud that in or about September 2008, defendant DENNY RAY HARDIN began producing and issuing Bonded Promissory Notes that HARDIN falsely claimed bore monetary value but were in fact fraudulent and fictitious financial instruments that HARDIN created on a computer and that bore no monetary value.

8. It was further part of the scheme and artifice to defraud that HARDIN would issue Bonded Promissory Notes on behalf of himself, his family, and his friends for both personal gain and to discharge personal debts. HARDIN issued Bonded Promissory Notes on behalf of himself, his family, and his friends to discharge student-loan debts, to purchase a car, to purchase a house, and for other personal items and debts.

9. It was further part of the scheme and artifice to defraud that HARDIN would market Bonded Promissory Notes to individual purchasers by falsely claiming that Bonded Promissory Notes could be used to discharge debts, including mortgage debts. HARDIN would charge purchasers of Bonded Promissory Notes a fee for producing and issuing Bonded Promissory Notes on their behalf to creditors. HARDIN originally charged \$100 per each Bonded Promissory Note produced and issued but later charged a minimum fee of \$100 per each Bonded Promissory Note that would increase in \$100 increments based on the amount of debt HARDIN falsely claimed to be discharged by the Bonded Promissory Note.

10. It was further part of the scheme and artifice to defraud that HARDIN falsely claimed that he issued Bonded Promissory Notes through a "Private Offset Bond," and that Bonded

Promissory Notes issued through his Private Offset Bond could be exchanged for United States currency at the Federal Reserve Bank in New York, New York. HARDIN falsely claimed his original fictitious Private Offset Bond to be worth \$100,000,000 and later falsely claimed to have obtained one or more additional \$100,000,000 Private Offset Bonds after the original had been exhausted.

11. It was further part of the scheme and artifice to defraud that HARDIN falsely claimed that his Private Offset Bond and his ability to issue Bonded Promissory Notes arose from an agreement he had with the United States Department of Treasury that was based on personal correspondence HARDIN sent to the then United States Secretary of Treasury Henry M. Paulson, Jr.

12. It was further part of the scheme and artifice to defraud that HARDIN falsely claimed that he was allowed to issue Bonded Promissory Notes because he was a “private banker” and that he was the owner of the “Private Bank of Denny Ray Hardin,” which HARDIN operated out of his residence in Kansas City, Missouri.

13. It was further part of the scheme and artifice to defraud that HARDIN would mail a Bonded Promissory Note to creditors the Bonded Promissory note was issued to by United States Postal Service registered mail and would place the registered mail number on the Bonded Promissory Note to falsely and fraudulently provide the appearance of legitimacy to the worthless documents.

14. It was further part of the scheme and artifice to defraud that HARDIN would send various documents along with a Bonded Promissory Note to creditors the Bonded Promissory note was issued to, including a letter from HARDIN stating that “[b]y the enclosed payment, this account is paid in full. I expect that the Account will reflect this within the customary 10 days allowed by

law.” HARDIN would also include the account statement or invoice for the debt to be paid with a handwritten notation that the amount due had been “paid in full” that was initialed by HARDIN.

15. It was further part of the scheme and artifice to defraud that once HARDIN was notified that a Bonded Promissory Note had been refused as payment, HARDIN would send by United States Postal Service documents threatening legal sanction for refusal of a Bonded Promissory Note. Those documents had titles such as “Letter of Protest,” “Notice of Complaint,” and “Notice of Criminal Complaints,” and were either letters or documents that appeared to be lawsuits and other legal documents that threatened that any party that failed to accept a Bonded Promissory Note was violating United States’ law and would be subject to civil or criminal liability.

16. It was further part of the scheme and artifice to defraud that beginning in or about February 2009, HARDIN operated a website, americansrepublicparty.org, for the purpose of marketing Bonded Promissory Notes to potential purchasers. HARDIN explained on that website how to obtain a Bonded Promissory Note, the prices for Bonded Promissory Notes, and falsely claimed that Bonded Promissory Notes had been accepted by various institutions.

17. It was further part of the scheme and artifice to defraud that HARDIN would post on his website video and audio files, or links to video and audio files, containing his materially false and fraudulent explanations of his Bonded Promissory Note scheme that were used to market Bonded Promissory Notes to potential purchasers.

18. It was further part of the scheme and artifice to defraud that HARDIN did cause others to execute the scheme and artifice to defraud when he was unavailable do to so by sending Bonded Promissory Notes and related documents to creditors on HARDIN’s behalf and in the same manner that HARDIN sent those documents.

COUNTS ONE through ELEVEN
(Fictitious Obligations)

19. The factual allegations in paragraphs 1 through 18 are incorporated herein by reference.

20. On or about the dates listed below, in the Western District of Missouri and elsewhere, the defendant DENNY RAY HARDIN, with the intent to defraud, drew, printed, processed, produced, published and otherwise made within the United States materially false and fictitious instruments, documents and other items appearing, representing, purporting, and contriving through scheme and artifice, to be actual securities and other financial instruments issued under the authority of the United States and an organization, to wit, documents titled "Bonded Promissory Note" that were issued on the behalf of the individuals listed below, issued to the order of individuals or entities listed below, and issued in the amounts listed below, each instrument constituting a separate count of this indictment.

Count	Date	Issued on Behalf of	Issued to the Order of	Amount
1	09/10/2008	Denny Ray Hardin	Missouri Department of Higher Education	\$6,382.29
2	09/10/2008	Melinda Sue Harrington	United States Department of Education	\$84,177.36
3	09/18/2008	Teresa Marie Senciboy	Ray County Prosecuting Attorney	\$484.58
4	09/19/2008	John Senciboy	The Bank of Orrick	\$161,776.57
5	10/16/2008	Melinda S. Smith	Chicago Title Insurance Company	\$769,260.00
6	10/22/2008	James B Abbot	Balcom Law Firm, P.C.	\$82,721.48

7	10/26/2008	Denny Ray Hardin	Blue Ridge Imports, Inc.	\$46,418.50
8	04/02/2009	Kirk Welsh	GESA Credit Union	\$17,938.00
9	05/05/2009	Reginald L. Pasteur & Katrice Pasteur	The Washington Savings Bank	\$330,791.69
10	05/19/2009	James Scott Schueler & Beth Louise Schueler	Marine Credit Union	\$110,876.66
11	08/10/2009	Dennis D. Shaver	Ray, Wood, & Bonilla	\$57,950.00

All in violation of Title 18, United States Code, Sections 514 and 2.

COUNTS TWELVE through FIFTEEN
(Mail Fraud)

21. The factual allegations in paragraphs 1 through 18 are incorporated herein by reference.

22. On or about the dates listed below in the Western District of Missouri, the defendant, DENNY RAY HARDIN, having devised the above-described scheme and artifice to defraud, for the purpose of executing and attempting to execute the scheme and artifice to defraud, and with the intent to defraud, did knowingly place in a post office the items listed below to be sent and delivered by the United States Postal Service to the financial institutions listed below at the locations listed below, and such items did affect those financial institutions, each mailing constituting a separate count of this indictment.

Count	Date	Sender	Financial Institution / Location	Item Mailed
12	09/22/2008	Denny R. Hardin	The Bank of Orrick / Orrick, Missouri	Bonded Promissory Note for \$161,776.57

13	04/02/2009	Denny R. Hardin	GESA Credit Union / Richland, Washington	Bonded Promissory Note for \$17,938.00
14	05/05/2009	Denny R. Hardin	The Washington Savings Bank / Bowie, Maryland	Bonded Promissory Note for \$330,791.69
15	05/19/2009	Denny R. Hardin	Marine Credit Union / Onalaska, Wisconsin	Bonded Promissory Note for \$110,876.66

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

COUNTS SIXTEEN through TWENTY-ONE
(Mail Fraud)

23. The factual allegations in paragraphs 1 through 18 are incorporated herein by reference.

24. On or about the dates listed below in the Western District of Missouri, the defendant, DENNY RAY HARDIN, having devised the above-described scheme and artifice to defraud, for the purpose of executing and attempting to execute the scheme and artifice to defraud, and with the intent to defraud, did knowingly place in a post office the items listed below to be sent and delivered by the United States Postal Service to the recipients listed below at the locations listed below, each mailing constituting a separate count of this indictment.

Count	Date	Sender	Recipient / Location	Item Mailed
16	09/11/2008	Denny R. Hardin	Missouri Department of Higher Education / Boston, Massachusetts	Bonded Promissory Note for \$6,382.29
17	09/11/2008	Denny R. Hardin	United States Department of Education / Atlanta, Georgia	Bonded Promissory Note for \$84,177.36
18	09/18/2008	Denny R. Hardin	Ray County Prosecuting Attorney / Richmond, Missouri	Bonded Promissory Note for \$484.48
19	10/23/2008	Denny R. Hardin	Balcom Law Firm P.C. / Houston, Texas	Bonded Promissory Note for \$82,721.48

20	10/27/2008	Denny R. Hardin	Blue Ridge Imports, Inc. / Raytown, Missouri	Bonded Promissory Note for \$46,418.50
21	08/10/2009	Denny R. Hardin	Ray, Wood, & Bonilla / Austin, Texas	Bonded Promissory Note for \$57,950.00

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

A TRUE BILL.

5/5/10
DATE

/s/ David W. Lewis, Jr.
FOREPERSON OF THE GRAND JURY

/s/ Brian P. Casey
Brian P. Casey
Assistant United States Attorney
Western District of Missouri