

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	CRIMINAL NO. 1:08cr437
)	
v.)	Honorable James C. Cacheris
)	
PRESTON PINKETT,)	
)	
Defendant.)	

STATEMENT OF FACTS

The United States and the defendant, PRESTON PINKETT (“PINKETT”), agree that were this matter to proceed to trial, the United States would prove the following facts beyond a reasonable doubt.

I. BACKGROUND

At all times relevant to this case:

1. International Fiduciary Corp, SA (“IFC”) was a Virginia corporation headquartered in Arlington, Virginia.
2. United Bank was located at 907 North Quincy Street in Arlington, Virginia.
3. PINKETT was the President and CEO of IFC since its inception in 2003.
4. PINKETT resided in Arlington, Virginia.

II. DEFENDANT PINKETT’S CRIMINAL CONDUCT

5. From in or about January 2004 through in or about December 2006, within the Eastern District of Virginia and elsewhere, PINKETT and his coconspirators knowingly agreed to

execute a scheme and artifice to defraud investors in the United States and Canada, by means of false and fraudulent pretenses and representations.

MANNER AND MEANS OF THE CONSPIRACY AND THE SCHEME TO DEFRAUD

6. Specifically, beginning in or about January 2004, PINKETT and his coconspirators targeted potential investors in the United States and Canada by mailing solicitation letters on IFC letterhead that encouraged them to invest in IFC's fraudulent "Asset Growth Program."
7. The solicitation letters falsely described exclusive trading opportunities in "1st tier medium bank notes," some of which were signed by PINKETT and his coconspirators. In fact, no such trading opportunities existed during the course of the conspiracy.
8. With PINKETT's knowledge and understanding, his coconspirators provided investors with account numbers for United Bank accounts that PINKETT controlled, and caused those investors to wire funds into those United Bank accounts.
9. With PINKETT's knowledge and understanding, his coconspirators convinced investors that their investment would be held in a "separate" account in the investors' name at United Bank, when in fact the overwhelming majority of the investors' funds were pooled into accounts in which PINKETT was the sole signatory.
10. The primary account used by PINKETT and his coconspirators to pool investors' funds, and one in which PINKETT was the sole signatory, was a United Bank account ending in 3909 ("3909 Account").
11. To sustain their scheme to defraud, PINKETT and his coconspirators used funds from incoming investors to issue "profit" payments to investors who preceded them.

12. Specifically, PINKETT and his coconspirators wired payments of 4%-6% per month from the 3909 Account to various investors. The only source of deposits to the 3909 Account were incoming investor funds received by PINKETT and his coconspirators.
13. As a result of their criminal conduct, PINKETT and his coconspirators defrauded approximately 180 investors.

OVERT ACT

14. On or about November 19, 2006, PINKETT and his coconspirators caused an email to be sent to Kerry S. that included United Bank account authorization forms and wiring instructions. Kerry S. printed out the forms and completed them by hand before mailing them from her home in Lynden, Washington, to PINKETT's attention at IFC headquarters in Arlington, Virginia.

III. TOTAL LOSS

15. As a result of their criminal conduct, PINKETT and his coconspirators, including IFC, received approximately \$40,200,000 in fraudulent payments. The total loss amount in this instance, under the United States Sentencing Guidelines, is over \$20,000,000 but less than \$50,000,000.
16. PINKETT personally received approximately \$5,414,200 in fraudulent proceeds. PINKETT used some of those fraudulent proceeds to sustain IFC's alleged investment opportunities.
17. PINKETT admits that he knowingly agreed with others to execute a scheme and artifice to defraud investors in the United States and Canada, by means of false and fraudulent pretenses and representations.


Dana Boente
Acting United States Attorney

By:



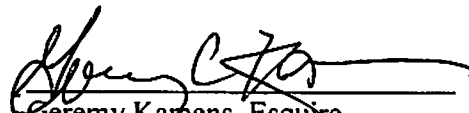
G. Derek Anderson
Assistant United States Attorney

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.



Preston Pinkett
Defendant

I am Preston Pinkett's attorney. I have carefully reviewed the above Statement of Facts with my client. To my knowledge, my client's decision to stipulate to these facts is an informed and voluntary one.



Jeremy Kamens, Esquire
Assistant Federal Public Defender