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**North Dakota
Court System**

Filing Accepted

Envelope Number: 3608004
Case Number: 35-2018-CV-00088
Case Style: Public Service Commission vs.
Hunter Hanson d/b/a NoDak Grain, et al.

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Filing Details	
Court	Pierce County - Northeast District
Case Number	35-2018-CV-00088
Case Style	Public Service Commission vs. Hunter Hanson d/b/a NoDak Grain, et al.
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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NORTH DAKOTA

UNITED STATES OF AMERICA

v.

HUNTER BRIAN HANSON

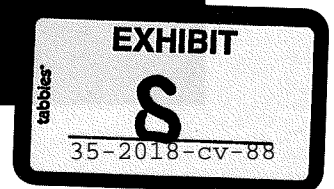
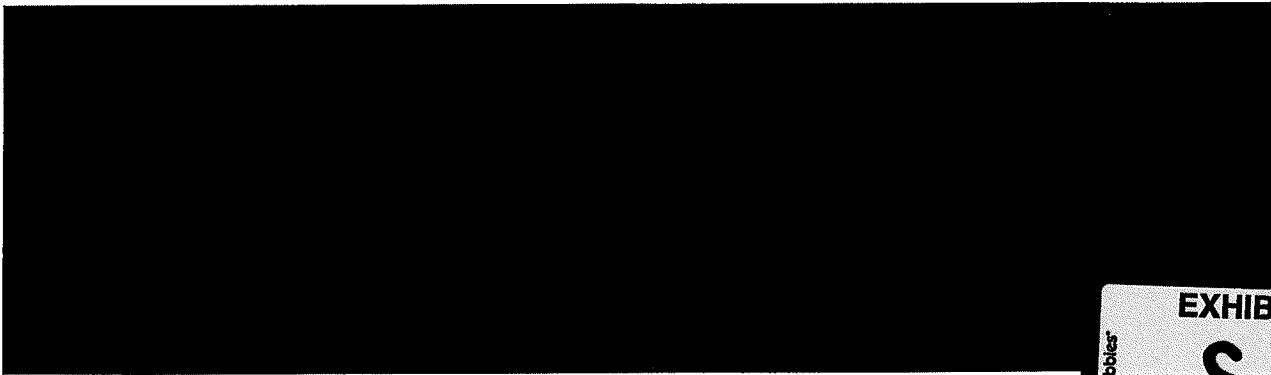
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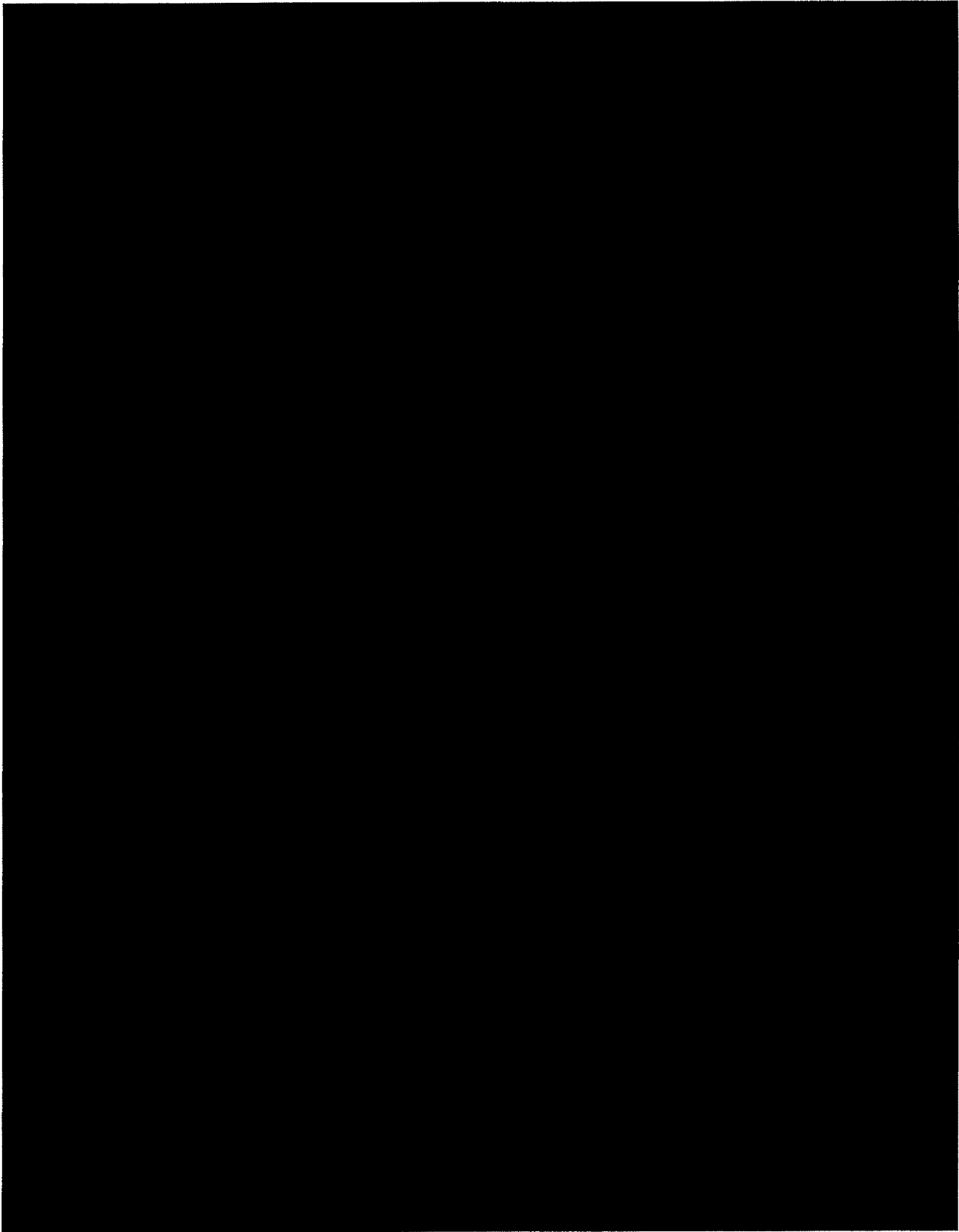
Case No. 1:19-cr-89

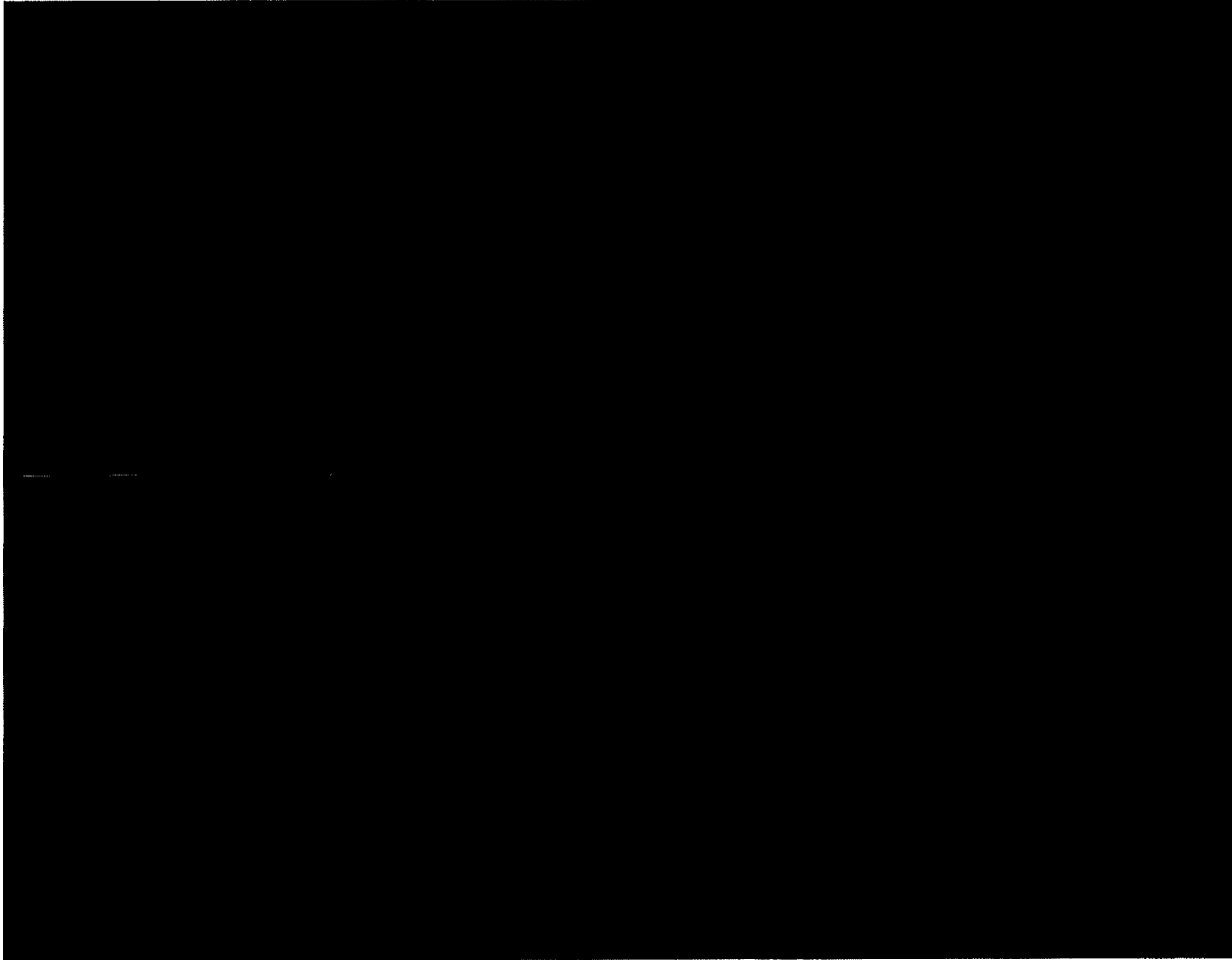
Violations: 18 U.S.C. §§ 1343,
1956(a)(1)(B)(i), 982(a)(1), 982(b)(1), and
2, and 28 U.S.C. §§ 853(p) and 2461(c)

Background

1 HUNTER BRIAN HANSON is the owner of Midwest Grain Trading, located in Devils Lake, North Dakota, which operated as a North Dakota roving grain buyer. HUNTER BRIAN HANSON is also the owner of NoDak Grain, located in Rugby, North Dakota, which operated licensed grain warehouses at Tunbridge and Rohrville, North Dakota. Between on or about January 2018 and on or about December 2018, prior to the period when the North Dakota Public Service Commission (PSC) applied to become trustee of these entities, in the District of North Dakota and elsewhere, HUNTER BRIAN HANSON operated and executed a scheme to defraud approximately sixty (60) farmers, elevators, or brokers in North Dakota, Minnesota, and Canada. As a result, these approximately sixty (60) farmers, elevators, or brokers suffered a total financial loss of approximately \$11,405,134.72. Listed below are the names of the farmers, elevators, or brokers through whom HUNTER BRIAN HANSON defrauded:







2. In November 2018, the PSC received multiple complaints from farmers and elevators stating that they had sold agricultural commodities to HUNTER BRIAN HANSON, d/b/a Midwest Grain Trading, were promised payment, but that HUNTER BRIAN HANSON never paid them for these commodities. Thereafter, the PSC moved the South Central Judicial Court located in Bismarck, North Dakota, to secure trustee appointment of HUNTER BRIAN HANSON's businesses and the court approved the PSC's trustee request.

3. HUNTER BRIAN HANSON operated and executed this scheme to defraud by contracting with multiple farmers and grain elevators to obtain grain or other agricultural commodities, obtained these commodities, and either failed to pay the farmers and elevators for these commodities or sent these farmers and elevators non-sufficient funds checks. For example, on October 26, 2018, in Mountrail County, North Dakota, defendant Hunter Hanson, d/b/a Midwest Grain Trading, issued a \$94,480.41 check to United Quality Cooperative. United Quality Cooperative deposited this check into their bank account and it was returned unpaid due to Nonsufficient Funds. The total amount owed to United Quality Cooperative for grain picked up by Midwest Grain Trading is \$347,939.75. During the months of October and November 2018, after having previously obtained agricultural commodities from farmers and elevators, HUNTER BRIAN HANSON, sent numerous non-sufficient funds checks to farmers and elevators with whom he had contracted with to obtain these commodities.

4. Additionally, as part of the scheme to defraud, HUNTER BRIAN HANSON, through his companies, maintained multiple bank accounts, engaged in check kiting to cover his deposits and withdrawals, laundered money between his bank accounts and other businesses, and often did not have sufficient funds in his bank accounts when he remitted payments to farmers and elevators for money owed on the agricultural commodities purchasing contracts. The following is an example of the fraudulent banking activity conducted by HUNTER BRIAN HANSON: In 2018, HUNTER BRIAN HANSON had eleven identified bank accounts associated with his businesses. Four of

the bank accounts included bank accounts for Midwest Grain Trading, Midwest Hauling and Transport, NoDak Grain and Hanson Motors. On November 5, 2018, HUNTER BRIAN HANSON conducted an online banking transfer of \$137,000 dollars from his Midwest Grain Trading account to his Midwest Hauling and Transport account.

HUNTER BRIAN HANSON then wrote a check for \$137,000 dollars from his Midwest Hauling and Transport account and deposited the check in his Hanson Motors account.

HUNTER BRIAN HANSON listed October 5, 2018 as the date on the \$137,000 check; however, the date stamp on the back of the check stated November 5, 2018. The \$137,000 dollar check was returned on November 19, 2018 for Nonsufficient Funds. The balance of the Hanson Motors bank account, prior to depositing the \$137,000 dollar check, was \$10,848.26. After depositing the \$137,000 dollar check, on November 5, 2018, HUNTER BRIAN HANSON sent a wire transfer for \$39,725.00. On November 2, 2018, HUNTER BRIAN HANSON used the \$137,000 dollar deposit to cover a check written on the Hanson Motors account for \$98,525.00 dollars. The date on the front of the check was written as October 2, 2018; however, the check was date stamped November 2, 2018 on the reverse of the check. Bank records indicate HUNTER BRIAN HANSON was in Las Vegas, Nevada on November 2, 2018 and was in North Dakota on October 2, 2018. HUNTER BRIAN HANSON used the \$137,000 dollar deposit to cover the Hanson Motors account from November 5, 2018 through November 13, 2018. On November 13, 2018, the balance on the Hanson Motors account was reduced to \$4,109.78 when HUNTER BRIAN HANSON deposited another check from a NoDak Grain bank account in the amount of \$140,000 dollars. The \$140,000 dollar check was

written on a closed NoDak Grain account (closed on November 9, 2018) and deposited in the Hanson Motors account on November 10, 2018. On November 9, 2018, the NoDak Grain account was closed by the bank “DUE TO FREQUENT LARGE OD BALANCES.” The bank also closed the Midwest Grain Trading, Midwest Hauling &Transport and Hanson Motors accounts on November 13, 2018, “DUE TO FREQUENT LARGE OD BALANCES.” At the time the \$140,000 dollar check was deposited, HUNTER BRIAN HANSON had two bank accounts for Hanson Motors at two different banks. The Hanson Motors account that was closed on November 13, 2018 was a different Hanson Motors account than the account where the \$140,000 dollar check was deposited.

5. Moreover, as part of the scheme to defraud, HUNTER BRIAN HANSON diverted funds from his grain business accounts to other personal and business accounts. For example, on November 13, 2018, HUNTER BRIAN HANSON received a closing withdrawal from one of his Midwest Grain Trading bank accounts in the amount of \$168,311.66. This Midwest Grain Trading bank account had received multiple deposits from local grain elevators stemming from the purchase of grain by the elevators. The next day, November 14, 2018, HUNTER BRIAN HANSON had \$168,311.66 deposited into a Hanson Motors bank account. Hanson Motors is a car dealership in Belcourt, North Dakota, in which HUNTER BRIAN HANSON has a financial interest. This deposit of funds into Hanson Motors came at a time when numerous farmers, brokers and elevator operators were seeking payment from HUNTER BRIAN HANSON.

6. Further, as part of the scheme to defraud, HUNTER BRIAN HANSON purchased agricultural commodities from farmers and elevators above their per bushel market value and then sold these same commodities below their per bushel market value. For example, from transactions between McClusky Coop Elevator and Osnabrock Farmers Coop Elevator Company, between August and September 2018, HUNTER BRIAN HANSON lost more than \$131,125.72 by purchasing agricultural commodities above their per bushel market value and selling these commodities below their per bushel market value.

7. Finally, as part of the scheme to defraud, HUNTER BRIAN HANSON, used wire communications, in the form of email communications, to lull farmers, elevators, or brokers into a false sense of security, to postpone inquiries, or to make his transactions between the farmers, elevators, or brokers less suspect. For example, on October 25, 2018, an employee with Shafer Commodities, Inc., located in Morden, Manitoba, Canada, sent an email to HUNTER BRIAN HANSON stating that it had not received a wire transfer for agricultural commodities payment. Thereafter, HUNTER BRIAN HANSON sent an email to Shafer Commodities, Inc. stating that his bank informed him that he had the wrong account number and that he would send the wire transfer as soon as possible. However, this statement by HUNTER BRIAN HANSON was false and HUNTER BRIAN HANSON knew it to be false when he sent this email to Shafer Commodities, Inc. On October 25, 2018, HUNTER BRIAN HANSON, d/b/a Midwest Grain Trading, owed Shafer Commodities, Inc. \$77,300.17 for purchased and delivered

agricultural commodities. On October 25, 2018, bank records for HUNTER BRIAN HANSON, d/b/a Midwest Grain Trading, showed a balance of \$94,243.47. Additionally, on October 26, 2018, bank records showed that HUNTER BRIAN HANSON, d/b/a Midwest Grain Trading, wrote checks totaling \$587,637.22 dollars. On November 1, 2018, HUNTER BRIAN HANSON, d/b/a Midwest Grain Trading, had a bank account balance of negative (-) \$460,766.43. HUNTER BRIAN HANSON did not send a wire transfer or check to Shafer Commodities, Inc. for this agricultural commodities purchase. In total, HUNTER BRIAN HANSON, d/b/a Midwest Grain Trading did not pay Shafer Commodities, Inc. \$167,418.66 for delivered agricultural commodities.

COUNT ONE

Wire Fraud

The United States Attorney Charges:

1. The Charge. Between on or about January 2018 through on or about December 2018, in the District of North Dakota and elsewhere, HUNTER BRIAN HANSON, individually and by aiding and abetting, with intent to defraud, did voluntarily and intentionally devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing the pretenses, representations, and promises were false and fraudulent when made, and did transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds;

2. The Scheme. The United States realleges and incorporates by reference the allegations of the Background Section of this Information;

3. Manner and Means. The United States realleges and incorporates by reference the allegations of the Background Section of this Information. HUNTER BRIAN HANSON, used wire communications, in the form of email communications, to lull farmers and elevators into a false sense of security, to postpone inquiries, or to make his transactions between the farmers and elevators less suspect. Specifically, on October 25, 2018, an employee with Shafer Commodities, Inc., located in Morden, Manitoba, Canada, sent an email to HUNTER BRIAN HANSON stating that it had not received a wire transfer for agricultural commodities payment. Thereafter, HUNTER BRIAN

HANSON sent an email to Shafer Commodities, Inc. stating that his bank informed him that he had the wrong account number and that he would send the wire transfer as soon as possible. However, this statement by HUNTER BRIAN HANSON was false and HUNTER BRIAN HANSON knew it to be false when he sent this email to Shafer Commodities, Inc. Additionally, HUNTER BRIAN HANSON did not send a wire transfer or check to Shafer Commodities, Inc. for this agricultural commodities purchase;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWO

Money Laundering

The United States Attorney Further Charges:

1. The United States realleges and incorporates by reference the allegations of the Background Section;

2. The Charge. From on or about January 2018 to on or about December 2018, in the District of North Dakota, and elsewhere,

HUNTER BRIAN HANSON,

did, individually and by aiding and abetting, knowingly and willfully conduct and attempt to conduct financial transactions affecting interstate commerce, which involved the proceeds of specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity, and that, while conducting and attempting to conduct such financial transactions, HUNTER BRIAN HANSON knew the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

FORFEITURE ALLEGATION

The United States Attorney further finds probable cause that:

1. The United States realleges and incorporates by reference the allegations of the Background Section of this Information and the allegations contained in Count Two of this Information for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(1).

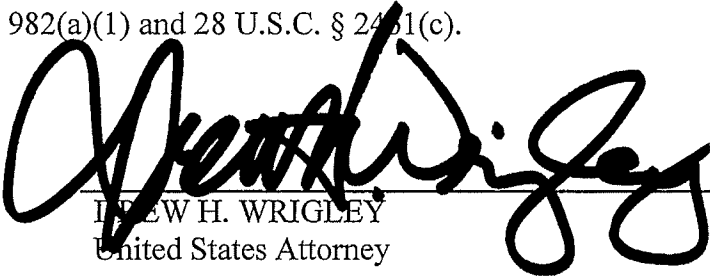
2. Upon conviction of the offense in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) set forth in Count Two of this Information, HUNTER BRIAN HANSON, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(1), any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violation(s). The United States would request a money judgment representing the intended proceeds of the conspiracy and scheme to defraud.

3. If any of the property described above, 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,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c);

All pursuant to 18 U.S.C. § 982(a)(1) and 28 U.S.C. § 2461(c).



DREW H. WRIGLEY
United States Attorney

JJO/kt