



Department of Justice

United States Attorney's Office
Western District of Texas

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CONTACT: PAO DARYL FIELDS
(210) 384-7440

FEDERAL JURY CONVICTS OWNER OF BULLION DIRECT, INC. IN AUSTIN FOR INVESTMENT AND WIRE FRAUD SCHEME

In Austin today, a federal jury convicted 49-year-old Charles McAllister, CEO and owner of Bullion Direct, Inc. (BDI), of money laundering and scheming to defraud customers out of millions of dollars, announced U.S. Attorney John F. Bash; FBI Special Agent in Charge Christopher Combs, San Antonio Division; IRS Criminal Investigation Special Agent in Charge Richard D. Goss, Houston Field Office; and, Texas State Securities Board Commissioner Travis J. Iles.

The jury convicted McAllister of two counts of wire fraud and one count of engaging in a monetary transaction with criminally derived property.

According to evidence presented during the five-day trial, from at least January 2009 through July 2015, McAllister perpetrated a scheme that falsely represented that funds obtained from individual customers would be used to purchase precious metals on behalf of the customer and either shipped directly to the customer or stored in BDI's vault. Instead of buying the precious metals with the customer's funds and storing customer metals, McAllister spent customer property on BDI corporate expenses, on other investment activities, and for his own personal use and benefit.

McAllister, who is currently on bond, faces up to 20 years in federal prison for each wire fraud count and up to ten years in federal prison for the money laundering charge. The Court is also considering entering a \$16,186,212.56 monetary judgment against McAllister that represents the amount of proceeds obtained directly or indirectly from the defendant's alleged scheme. Sentencing is scheduled for 9:00am on December 19, 2019, before U.S. District Judge Lee Yeakel.

Agents with the FBI, IRS Criminal Investigation and the Texas State Securities Board conducted this investigation. Assistant U.S. Attorneys Dan Guess and Keith Henneke are prosecuting this case on behalf of the government.

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