



Department of Justice



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FIVE EMPLOYEES OF A&O ENTITIES SENTENCED TO PRISON FOR \$100 MILLION FRAUD SCHEME

WASHINGTON – Five employees for A&O Resource Management Ltd. and various related entities – including two executives – were sentenced today for their roles in a \$100 million fraud scheme with more than 800 victims across the United States and Canada.

The sentences were announced by U.S. Attorney for the Eastern District of Virginia Neil H. MacBride and Assistant Attorney General Lanny A. Breuer of the Criminal Division.

The five individuals were sentenced by U.S. District Judge Robert E. Payne. Russell E. Mackert, 52, general counsel for A&O, was sentenced to 188 months in prison; Brent Oncale, 36, former owner and founder of A&O, was sentenced to 120 months in prison; David White, 41, the former president of A&O, was sentenced to 60 months in prison; Eric M. Kurz, 47, a wholesaler of A&O investment products, was sentenced to 60 months in prison; and Tomme Bromseth, 69, an A&O sales agent in the Richmond area, was sentenced to 36 months in prison.

“The impact of this massive fraud on many of A&O’s investor victims has been disastrous,” said U.S. Attorney MacBride. “Hundreds of elderly investors invested their life savings with A&O and saw it all vanish in an instant. These investors were not looking for quick cash, just a safe alternative to invest their retirement funds. The safety, security, and no-risk nature of the investment was critical to the sales pitch, and it was all a big fat lie.”

“Brent Oncale and his co-conspirators operated a sham investment company that turned fraud and deceit into a business model,” said Assistant Attorney General Breuer. “They stole millions from hundreds of unsuspecting investors, pocketing huge sums for themselves. Today’s sentences reflect the severity of these cowardly and costly crimes.”

All five men pleaded guilty in the fall of 2010 and early 2011 for their roles in the fraud scheme at A&O, which falsely marketed life settlement products to investors, many of whom were elderly. The conspirators at A&O defrauded investors by making misrepresentations about A&O’s prior success, its size and office locations, its number of employees, the risks of its investment offerings, and its safekeeping and use of investor funds.

When state regulators began to scrutinize A&O’s investment products, conspirators manufactured a sham sales transaction to “sell” A&O to an offshore shell corporate entity named

Blue Dymond and later to another offshore shell corporate entity named Physician's Trust. However, A&O and Physician's Trust was still secretly controlled by A&O principals and their conspirators.

On June 6, 2011, the hedge fund manager of A&O, Adley H. Abdulwahab, 35, of Houston, was convicted by a jury in Richmond, Va., of one count of conspiracy to commit mail fraud, five counts of mail fraud, one count of conspiracy to commit money laundering, five counts of money laundering and three counts of securities fraud. A founder of A&O, Christian Allmendinger, 39, was convicted by a jury on March 23, 2011, of one count of conspiracy to commit mail fraud, two counts of mail fraud, one count of conspiracy to commit money laundering, two counts of money laundering and one count of securities fraud. Abdulwahab is scheduled to be sentenced on Sept. 28, 2011, and Allmendinger is scheduled to be sentenced on Aug. 14, 2011. They face up to 20 years in prison on each count except the securities fraud counts, on which they face up to five years in prison.

This investigation was conducted by the U.S. Postal Inspection Service, Internal Revenue Service, and FBI, with significant assistance from the Texas State Securities Board and the Virginia Corporation Commission. These cases are being prosecuted by Assistant U.S. Attorneys Michael S. Dry and Jessica Aber Brumberg from the Eastern District of Virginia and Trial Attorney Albert B. Stieglitz Jr., of the Criminal Division's Fraud Section.

The investigation has been coordinated by the Virginia Financial and Securities Fraud Task Force, an unprecedented partnership between criminal investigators and civil regulators to investigate and prosecute complex financial fraud cases in the nation and in Virginia. The task force is an investigative arm of the President's Financial Fraud Enforcement Task Force, an interagency national task force.

President Obama established the Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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