

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION

NOV 06 2024

UNITED STATES OF AMERICA

§
§
§
§
§

v.

MATTHEW JESS THRASH

BY
DEPUTY _____

No: 9:24CR 15

Judge Crowe-Hawthorn

INDICTMENT

THE UNITED STATES GRAND JURY CHARGES:

General Allegations

At all times relevant to this Indictment:

1. Defendant **Matthew Jess Thrash** was a resident of Lufkin, Texas and Angelina County, Texas, both in the Eastern District of Texas.

Financial Institutions

2. Angelina Savings Bank was a “financial institution” as defined by Title 18, United States Code, Section 20.
3. BancorpSouth was a “financial institution,” as defined by Title 18, United States Code, Section 20. BancorpSouth is now known as Cadence Bank.
4. Bank of America was a “financial institution” as defined by Title 18, United States Code, Section 20.
5. Commercial Bank of Texas was a “financial institution” as defined by Title 18, United States Code, Section 20.

6. First Community Bank was a “financial institution” as defined by Title 18, United States Code, Section 20.
7. Southside Bank was a “financial institution” as defined by Title 18, United States Code, Section 20.

Overview of Fraudulent Schemes

8. Beginning on or about January 1, 2012 and continuing to on or about November 6, 2024, the exact dates being unknown to the Grand Jury, **Matthew Jess Thrash** (“**Thrash**”), the defendant, knowingly devised and intended to devise schemes and artifices to defraud others, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.
9. It was part of the schemes that, for purposes of executing the schemes described in this indictment, **Thrash** caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described in this indictment for each count alleging a violation of 18 U.S.C. § 1343, wire fraud.
10. **Thrash** used and employed various fraudulent schemes to obtain money from others. A critical component of **Thrash’s** schemes was presenting himself as a successful businessman with lucrative investment opportunities.

Sports-Related Schemes

Sports Management Scheme

11. On numerous occasions, **Thrash** presented himself as a sports management agent representing professional athletes and semi-professional athletes. At times, he

falsely claimed to be a sports agent for the Major League Baseball Association and claimed to represent, or be working to represent, athletes.

12. **Thrash** was not a certified or registered player agent with the Major League Baseball Association.

13. **Thrash** established, and purported to establish, business entities under the premise that the entities would operate as sports management agencies and that **Thrash** would work to recruit professional and semi-professional athletes to be managed by the entities, including the following:

- a. On or about September 10, 2010, **Thrash** established Thrash Sports Management (“TSM”) as a Limited Liability Company through the Texas Secretary of State. TSM showed a registered address of 2105 Paul Avenue in Lufkin, Texas, in the Eastern District of Texas. **Thrash** was listed as a manager, principal, and registered agent for TSM.
- b. On or about July 12, 2013, **Thrash** established Thrash and Henderson Sports Management LLC as a Limited Liability Company through the Texas Secretary of State. **Thrash** and Henderson Sports Management showed a registered address in Beaumont, Texas, in the Eastern District of Texas. **Thrash** was listed as a manager and registered agent. **Thrash** incorporated this business entity without the knowledge and approval of J.H., whose name was used to establish the Limited Liability Company.
- c. On or about December 7, 2018, **Thrash** established Harvey & Thrash Sports LLC as a Limited Liability Company through the Texas Secretary of State.

Thrash and N.H. were listed as managers and **Thrash** was also listed as the registered agent, providing an address in Lufkin, Texas.

Pete Rose Memorabilia Store Scheme

14. **Thrash** claimed to be purchasing, and to have an ownership interest in, a sports memorabilia store in Las Vegas, Nevada. **Thrash** claimed that the store was located at the Mandalay Bay Casino and that the store (sometimes referred to as the “Charlie Hustle” store) sold Pete Rose memorabilia.
15. **Thrash** solicited and received funds from individuals who believed they were investing in the store. He falsely claimed on numerous occasions to represent Pete Rose and that Pete Rose was involved in **Thrash’s** businesses and investment opportunities.
16. **Thrash** did not have any interest in such a sports memorabilia store and never had business dealings with, or represent, Pete Rose.

Las Vegas Cannabis Store Scheme

17. **Thrash** claimed an ownership interest in existing or planned cannabis dispensaries in Las Vegas, Nevada. Names for the dispensaries included Pisos, Pisos 2, Toke (or “Toke Lounge”), and Cannabis 7. Numerous individuals gave money to **Thrash** believing they were purchasing stock or interest in a dispensary. **Thrash** provided documents in furtherance of the scheme, including stock purchase agreements, floorplans, photographs, and a video recording of **Thrash** touring the purported location of a new dispensary.

18. Although Pisos Dispensary was a legitimate dispensary located in Las Vegas, Nevada, **Thrash** never had an ownership interest or any business relationship with the owners and managers of the dispensary. He did not have authority to open any new Pisos locations.
19. TK Investments, LLC, was a Limited Liability Company registered in the State of Texas. **Thrash** was listed as a principle for the business in Texas Secretary of State records. **Thrash** provided multiple individuals with stock purchase agreements for shares in a cannabis dispensary that showed **Thrash** was acting on behalf of TK Investments, LLC with a business address of 4401 Champions Drive in Lufkin, Texas, in the Eastern District of Texas.

COUNTS ONE - FIVE

Violation: 18 U.S.C. § 1343
(Wire Fraud)

20. The General Allegations section of this Indictment is realleged and incorporated by reference as though fully set forth herein.

Purpose of the Scheme and Artifice

21. From on or about January 1, 2016, and continuing through on or about April 4, 2024, the exact dates being unknown to the Grand Jury, in the Eastern District of Texas and elsewhere, the defendant, **Matthew Jess Thrash** ("**Thrash**"), knowingly devised and intended to devise a scheme and artifice to defraud others, and to obtain money and property by means of false and fraudulent material pretenses, representations, and promises.

22. During the course of the scheme and artifice, **Thrash** transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writing, signals, pictures, and sounds for the purpose of executing the scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent material pretenses, representations, and promises, and acted with specific intent to defraud.
23. The purpose of the scheme and artifice was to unjustly enrich himself by obtaining money from individuals who believed they were investing in a Las Vegas, Nevada cannabis dispensary as described above, but then putting the invested funds to his own use.

Manner and Means of the Scheme and Artifice

24. It was part of the scheme and artifice that **Thrash** claimed to have an ownership interest in an existing cannabis dispensary located in Las Vegas, Nevada and claimed to be opening a new cannabis dispensary in Las Vegas, Nevada. **Thrash** then sought to obtain money from numerous individuals as an investment in the dispensary. Those individuals believed they were purchasing interest in a cannabis dispensary and would receive a return on their investment. In truth, **Thrash** did not have an ownership interest in an existing cannabis dispensary and did not work to open any new dispensary. Instead, the invested funds were spent by **Thrash**.
25. In furtherance of the scheme to defraud, **Thrash** initiated or caused the following wire communications on the following dates:

COUNT	ON OR ABOUT DATE	WIRE COMMUNICATION
ONE	January 24, 2020	M.W. initiated a wire transfer from his First Community Bank account to Thrash's Angelina Savings Bank account located in Lufkin, Texas in the amount of \$100,000.00 noting that the wire transfer was "funds for investment property".
TWO	February 3, 2020	M.W. initiated a wire transfer from his First Community Bank account to Thrash's Angelina Savings Bank account located in Lufkin, Texas in the amount of \$16,000.00 noting that the wire transfer was for an "investment".
THREE	November 3, 2020	K.W.W. initiated a wire transfer from his Commercial Bank of Texas account in Lufkin, Texas to Thrash's Bank of America account in the amount of \$5,000.00
FOUR	November 4, 2020	K.W.W. initiated a wire transfer from his Commercial Bank of Texas account in Lufkin, Texas to Thrash's Bank of America account in the amount of \$15,000.00
FIVE	February 5, 2021	Thrash deposited \$100,000 into his Southside Bank account in Lufkin, Texas. The funds were received from G.M. through a check written on G.M.'s BancorpSouth account.

COUNTS SIX - EIGHT

Violation: 18 U.S.C. § 1343
(Wire Fraud)

26. The General Allegations section of this Indictment is realleged and incorporated by reference as though fully set forth herein.

Purpose of the Scheme and Artifice

27. From in or about 2016, and continuing through on or about June 21, 2021, the exact dates being unknown to the Grand Jury, in the Eastern District of Texas and elsewhere, the defendant, **Matthew Jesse Thrash** ("Thrash"), knowingly devised and intended to devise a scheme and artifice to defraud J.W. and to obtain money and property by means of false and fraudulent material pretenses, representations, and promises.
28. In 2016, J.W. invested \$100,000.00 in Thrash Sports Management. **Thrash** told J.W. that he would receive \$50,000.00 as a return on the investment by the following July and would also receive half of the profits **Thrash** received from representing players. From in or about 2016 to 2018, J.W. invested additional funds with **Thrash**, including funds for the sports memorabilia store in Las Vegas, Nevada described above. **Thrash** claimed that he would be receiving half of the profit from the store because J.W. was an investor.
29. In 2017, N.H. invested \$20,000.00 with **Thrash** in a business **Thrash** described as a professional sports player representative business with the purpose of recruiting and representing football and baseball players. The agreement was for **Thrash** to

recruit baseball players and for N.H. to recruit football players to play in an arena football league. **Thrash** formed the limited liability company referenced above that included his name and N.H.'s name in furtherance of the scheme. Between 2017 and 2018, N.H. provided money to **Thrash** for other purposes, including the Las Vegas, Nevada cannabis dispensary scheme described above.

Manner and Means of the Scheme and Artifice

30. It was part of the scheme and artifice that **Thrash** repaid money to J.W., N.H., and others that was previously fraudulently invested or loaned. **Thrash** repaid J.W., N.H., and others in order to conceal his fraudulent activity from victims and to avoid being reported to law enforcement.
31. Money repaid to J.W. and N.H. on the dates listed below were obtained by **Thrash** through fraudulent activity.
32. In furtherance of the schemes to defraud, **Thrash** initiated or caused the following wire communications on the following dates:

COUNT	ON OR ABOUT	WIRE COMMUNICATION
SIX	January 9, 2020	Thrash initiated a wire transfer of \$5,000.00 to N.H. from Thrash's Angelina Savings Bank account.
SEVEN	April 1, 2021	Thrash initiated a wire transfer of \$5,000.00 to J.W.'s Angelina Savings Bank account in Lufkin, Texas.
EIGHT	June 21, 2021	Thrash initiated a wire transfer of \$5,000.00 to J.W.'s Angelina Savings Bank account in Lufkin, Texas.

COUNTS NINE - ELEVEN

Violation: 18 U.S.C. § 1957
(Engaging in a Monetary Transaction
with Criminally Derived Property)

33. The General Allegations section of this Indictment is realleged and incorporated by reference as though fully set forth herein.
34. On or about the date set forth below, in the Eastern District of Texas, and elsewhere, the defendant, **Matthew Jess Thrash** ("**Thrash**"), did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is the transfer of funds, such property having been derived from a specified unlawful activity, that is, wire fraud, a violation of 18 U.S.C. § 1343.

COUNT	ON OR ABOUT DATE	TRANSACTION
NINE	August 10, 2020	Thrash initiated a wire transfer of \$12,000.00 from his Bank of America account to his Angelina Savings Bank account in Lufkin, Texas.
TEN	August 18, 2020	Thrash initiated a wire transfer of \$10,100.00 from his Bank of America account to his Angelina Savings Bank account in Lufkin, Texas.
ELEVEN	February 5, 2021	Thrash made a cash withdrawal of \$80,000.00 from his Southside Bank account in Lufkin, Texas.

COUNT TWELVE

Violation: 18 U.S.C. § 1343
(Wire Fraud)

The Small Business Administration

35. The United States Small Business Administration (“SBA”) was an executive-branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.
36. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans had government-backed guarantees.

The Economic Injury Disaster Loan Program

37. The Economic Injury Disaster Loan (“EIDL”) Program was an SBA program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The Coronavirus Aid, Relief, and Economic Security (CARES) Act authorized the SBA to provide EIDLs up to \$2,000,000 to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances of up to \$10,000 to small businesses within three days of applying for an EIDL. The amount of the advance was determined by the number of employees the applicant certified having. The advances did not have to be repaid.

38. In order to obtain an EIDL and advance, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as: (1) the number of employees, (2) gross revenues for the 12-month period preceding the disaster, and (3) cost of goods sold in the 12-month period preceding the disaster. The 12-month period for EIDLs for COVID-19 relief was from January 31, 2019, to January 31, 2020. The applicant was also required to certify that all the information in the application was true and correct to the best of the applicant's knowledge.
39. EIDL applications were submitted directly to the SBA and processed by the agency with support from a government contractor, Rapid Finance. The amount of the loan, if the application were approved, was determined based on the information provided by the applicant about employment, revenue, and cost of goods, as described above. Any funds issued under an EIDL advance were issued directly by the SBA. EIDL funds could be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.
40. The submission of EIDL loan applications, as well as the funding of the loans, caused transmissions affecting interstate commerce.

Purpose of the Scheme and Artifice

41. It was the purpose of the scheme and artifice for the defendant, **Matthew Jess Thrash** (“**Thrash**”), to unlawfully and unjustly enrich himself by obtaining money from the SBA and a financial institution by means of false and fraudulent material pretenses, representations, and promises.

Manner and Means of the Scheme and Artifice

42. The manner and means by which **Thrash** sought to accomplish the scheme and artifice included, among others, the following:
- a. On or about August 5, 2020, **Thrash** submitted an EIDL application that contained false and fraudulent material pretenses, representations, and promises.
 - b. The application showed **Thrash's** primary business address to be 4401 Champions Drive, Lufkin, Texas 75901. Lufkin, Texas is located in the Eastern District of Texas.
 - c. **Thrash** submitted the application using the Internet.
 - d. **Thrash** used the EIDL funds for unauthorized purposes, including personal expenses.
 - e. **Thrash** caused transmissions that affected interstate commerce by submitting the EIDL application online and receiving the loan proceeds by wire.
 - f. On or about August 7, 2020, **Thrash** received \$49,400.00 sent by wire transfer to his Bank of America account.

COUNT THIRTEEN

Violation: 18 U.S.C. § 1343
(Wire Fraud)

The Small Business Administration

43. The United States Small Business Administration (“SBA”) was an executive-branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.
44. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans had government-backed guarantees.

The Paycheck Protection Program

45. The Paycheck Protection Program (“PPP”) was an SBA program that provided forgivable loans to qualifying small businesses, non-profit organizations, veteran organizations, and tribal businesses. The loans were to be used for specific purposes, including payroll and would be forgiven if the business or entity incurred eligible costs within eight weeks of origination of the loan.
46. In order to obtain a PPP loan, a qualifying business or entity was required to submit an application through a participating financial institution. The financial institution would then submit the loan to the SBA for authorization. If a loan was authorized, the financial institution would issue the loan to the business or entity.

47. For a loan to be forgiven, the business or entity (borrower) would submit an application to the financial institution establishing that the funds were used on eligible costs. The financial institution would then submit the application to the SBA. If the SBA authorized loan forgiveness, the SBA would reimburse the financial institution and the financial institution would process the borrower's loan forgiveness.
48. The submission of PPP loan applications, as well as the funding of the loans and the forgiveness of the loans, caused transmissions affecting interstate commerce.

Purpose of the Scheme and Artifice

49. It was the purpose of the scheme and artifice for the defendant, **Matthew Jess Thrash** ("Thrash"), to unlawfully and unjustly enrich himself by obtaining money from the SBA and a financial institution by means of false and fraudulent material pretenses, representations, and promises.

Manner and Means of the Scheme and Artifice

50. The manner and means by which the defendant sought to accomplish the purpose of the scheme and artifice included, among others, the following:
 - a. On or about April 6, 2021, **Thrash** submitted a PPP application that contained false and fraudulent material pretenses, representations, and promises. The application was submitted to Prestamos CDFI, LLC based in Phoenix, Arizona.
 - b. In the application, **Thrash** claimed that he was a sole proprietor of a business and worked as a bartender. **Thrash** claimed that his business address was

4401 Champions Lufkin, Texas. Lufkin, Texas is in the Eastern District of Texas.

- c. **Thrash** submitted falsified and fabricated supporting documentation with the loan application, including a falsified IRS Schedule C tax form purporting that the defendant was a bartender.
- d. **Thrash** submitted the application using the Internet.
- e. **Thrash** used the PPP funds for unauthorized purposes, including personal expenses.
- f. **Thrash** caused transmissions that affected interstate commerce by submitting the PPP application online and receiving the loan proceeds by wire.
- g. On or about June 14, 2021, **Thrash** received \$20,832.00 sent by wire transfer to his Bank of America account.

NOTICE OF INTENT TO SEEK CRIMINAL FORFEITURE

18 U.S.C. §§ 982(a)(2), and 28 U.S.C. § 2461

As a result of committing the offenses as alleged in this Indictment, defendant shall forfeit to the United States pursuant to 18 U.S.C. §§ 982(a)(2), and 28 U.S.C. § 2461 any and all property, real or personal, involved in or traceable to property involved in the offense, including proceeds obtained directly or indirectly from the offense, and the following:

Cash Proceeds

A sum of money equal to all interest and proceeds traceable thereto, representing the amount of proceeds obtained by defendant as a result of the offenses alleged in this Indictment, for which the defendant is personally liable.

Substitute Assets

If any property subject to forfeiture, as a result of any act or omission by 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 subdivided without difficulty,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of defendant up to the value of the above forfeitable property, including but not limited to all property, both real and personal, owned by defendant.

By virtue of the commission of the felony offenses charged in this Indictment, any and all interest defendant has in the above-described property is vested in the United States and hereby forfeited to the United States pursuant to 18 U.S.C. §§ 924(d)(1), 981(a)(1)(C), 982(a)(1), and 28 U.S.C. § 2461.

A TRUE BILL

11/6/2024
Date: _____



GRAND JURY FOREPERSON

DAMIEN M. DIGGS
UNITED STATES ATTORNEY



LAUREN GASTON
Assistant United States Attorney

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
LUFKIN DIVISION

UNITED STATES OF AMERICA

v.

MATTHEW JESS THRASH

§
§
§
§
§

No: 9:24CR15

Judge Crone-Hawthorn

NOTICE OF PENALTY

COUNTS ONE – EIGHT, TWELVE, THIRTEEN

VIOLATION: 18 U.S.C. § 1343

PENALTY: Imprisonment of not more than twenty (20) years; the greater of a fine not to exceed \$250,000, a fine not to exceed two times the gross gain to the Defendant, or a fine not to exceed two times the loss to the victim, or both such imprisonment and fine; and a term of supervised release of not more than three (3) years.

SPECIAL ASSESSMENT: \$100.00 each count

COUNTS NINE - ELEVEN

VIOLATION: 18 U.S.C. § 1957

PENALTY: Imprisonment of not more than ten (10) years; the greater of a fine not to exceed \$250,000 or not more than twice the amount of the criminally derived property involved in the transaction, or both such imprisonment and fine; and a term of supervised release of not more than three (3) years.

SPECIAL ASSESSMENT: \$100.00 each count