

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
v.)	Case No. 12-40108-JAR
)	
ROBERT M. TELTHORST,)	Count 1: 18 U.S.C. § 1343
)	Count 2: 18 U.S.C. § 1956
Defendant.)	
_____)	

INFORMATION

The United States Attorney charges:

At all material times:

1. The defendant, **ROBERT M. TELTHORST**, was an attorney, licensed to practice law in the State of Kansas. The defendant specialized in estate planning, including the creation and administration of trusts.
2. Beginning in or about November 2005, and continuing through in or about August 2011, the defendant, **ROBERT M. TELTHORST**, devised and executed a scheme to defraud his trust clients and others. The scheme to defraud was, in essence, a Ponzi scheme, in which he took clients' money both to benefit himself and to cover-up the fact that he was taking money from various trust accounts. During the course of the scheme to defraud, the defendant, **ROBERT**

M. TELTHORST, took over \$757,000, creating an ultimate loss of over \$463,000 to several victims.

3. In executing his scheme to defraud, the defendant, **ROBERT M. TELTHORST**, used interstate wires through the deposit, transfer, and withdrawal of funds from federally insured financial institutions. Financial institutions transact business over the internet, *i.e.*, over interstate wires, through the Federal Reserve.

4. The defendant often transferred funds between the trust accounts under his control to correct negative balances. These transfers were sometimes as little as \$10.00.

5. The defendant often transferred funds between the trust accounts under his control to replenish funds for scheduled annuity/insurance premium payments and scheduled payments to beneficiaries.

6. In executing his scheme to defraud, the defendant, **ROBERT M. TELTHORST**, used corporate entities he created, including Consolidated Lease & Finance, LLC, Trust Management Solutions, LLC, and Imagineaction, LLC, to launder money.

7. Acting in his capacity as an attorney, the defendant, **ROBERT M. TELTHORST**, received monies from clients for the purpose of funding trusts.

During the course of the scheme, instead of investing the monies for the benefit of the clients and the intended beneficiaries of the trusts, the defendant took the monies for his own use and to replenish other trusts he had depleted, as the following examples illustrate.

Evan D Trust

8. On or about November 23, 2005, the defendant took \$125,000, intended for the Evan D trust, and deposited the \$125,000 into a new bank account at Bank of America titled “Consolidated Lease & Finance, LLC,” a corporate account the defendant used for laundering money. Between November 2005 and November 2007, the defendant used over \$108,000 of Evan D’s money for his own personal benefit and to replenish trust accounts he had depleted.

Don and Turid B Trusts

9. On or about December 21, 2007, Don B had the defendant use \$52,000 to create a Charitable Life Trust account at Heritage Bank, which was to be used to fund an investment with Penn Mutual Insurance Company. Thereafter, Don B wrote checks to the account to make the annual premium payment to Penn Mutual. During the existence of this trust account, the defendant took over \$13,000 for his personal benefit, and to replenish other trust accounts he had depleted.

10. On or about December 28, 2007, the defendant deposited \$300,000 into his law firm's trust account at US Bank for the benefit of Don and Turid B. Of this \$300,000, the defendant diverted \$82,183 for his own benefit, beginning with a transfer of \$100,000 from his law firm's trust account to an account at US Bank, titled "Imagineaction," one of his companies.

11. The remainder of the monies were used for another Penn Mutual trust investment vehicle. During the course of the scheme, the Penn Mutual investment yielded periodic payments which should have gone to the benefit of Don and Turid B. Instead, the defendant took these periodic payments, aggregating approximately \$29,758.50, and used them for his own benefit and to replenish monies he had diverted from other trusts.

Otto K Trust

12. On or about September 10, 2008, following Otto K's death, the defendant was appointed to administer a \$463,344.72 trust for Otto K's two daughters. Per Otto K's wishes one daughter (Sheri T) received a lump sum, while the second daughter's (Marlene O's) money was to be invested, with monthly payments made to her based on a pre-determined calculation.

13. Prior to providing the lump sum payment to Sheri T and starting to administer the trust payments to Marlene O, the defendant took approximately \$22,000 for his own benefit.

14. On or about September 29, 2008, the defendant made a lump sum payment of approximately \$231,746.47 to Sheri T, and had approximately \$208,578.48 in trust for Marlene O's benefit. By November 2009, the defendant had taken almost all of Marlene O's funds for his own benefit and to replenish trust accounts he had depleted. By November 2009, the balance in the Marlene O account was only \$149.35.

Educational Trust Funds

15. On or about December 31, 2009, the defendant deposited \$30,000 into three separate educational gift trusts (\$10,000 each) for the benefit of a client's granddaughters, Mia, Olivia, and Lillian. As of April 17, 2011, the balance in Mia's account was \$333.64, the balance in Olivia's account was \$200.73, and the balance in Lillian's account was \$233.53. The defendant depleted all three trusts by diverting money to himself, his law firm, to corporate accounts under his control, and to other trusts to hide the fact that he had depleted their funds, as well.

Lenora A Trusts

16. On or about February 8, 2010, the defendant received a \$20,000 check from Lenora A, a trust client, ostensibly to create a health savings account for the benefit of her disabled daughter. Instead of investing the money for that purpose, the defendant simply deposited it into the Consolidated Lease & Finance account under his control, then transferred the monies to yet another client's account to replace the money he had taken from it.

17. On or about July 30, 2010, the defendant received a \$25,000 check from Lenora A, ostensibly for the creation of a charitable remainder trust. Although the defendant created an account at Denison State Bank under the name "Lenora A Trust," the account balance as of September 3, 2010, was \$230, because the defendant had taken the remainder of the \$25,000 for the benefit of himself and his law practice.

18. On discovering that the \$45,000 was not used as intended, Lenora A's attorney requested that the defendant return the money, which he did by taking money from another client's trust, then laundering these proceeds through other accounts to make it appear that the newly diverted monies were actually coming from the accounts where Lenora A's \$45,000 should have been.

Arnold and Bertha J Trust

19. On or about May 12, 2010, \$80,000 of Arnold and Bertha J's money was deposited to Heritage Bank, ostensibly for a charitable trust for the KU School of Business. As of April 17, 2011, the balance in the account was \$1,722.22, the remainder having been used by the defendant for his own benefit and to replenish other trusts he had depleted.

Nancy J Trust

20. On or about December 8, 2010, over \$401,775 was deposited to Capital City Bank, ostensibly to create a trust account for Nancy J. The defendant took \$5,200 from this trust to make a mortgage payment on a commercial building he owned.

Steve H Trust

21. On or about March 6, 2008, an account was opened at Heritage Bank where funds could be deposited for premium payments to Penn Mutual for an investment. During the course of the scheme, additional deposits were made to the account, and the defendant took approximately \$16,690 for his own benefit and to replenish money he depleted in other trust accounts.

James & Judith C Trust

22. On or about December 28, 2010, the defendant requested \$100,000 from trust clients, James and Judith C, ostensibly to invest for their benefit. From February 1, 2011, to March 30, 2011, the defendant took approximately \$75,500 for his own personal benefit and to repay Lenora A.

COUNT 1 – WIRE FRAUD

23. The United States Attorney incorporates by reference Paragraphs 1-22 above, as though fully restated and realleged herein.

24. From in or about 2005, and continuing through on or about August 2011, including on or about the dates below, in the district of Kansas, the defendant,

ROBERT M. TELTHORST,

having devised and intending to devise a scheme or artifice to defraud, caused to be transmitted by means of wire communication in interstate commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice to defraud, in that the defendant took funds from his trust clients and others by depositing, transferring, and withdrawing monies from his trust clients' and others' accounts at federally insured financial institutions, which

deposits, transfers, and withdrawals were accomplished through the use of interstate wires, including, but not limited to, the following transactions:

On or About Date	Affected Trust	Transaction	Amount
03/03/08	Don & Turid B	Wire from Imagineaction US Bank account to JPM Chase NYC for the benefit of Loeber Motors, Inc.	13,715.00
07/17/09	Don & Turid B	Internet Transfer from Trust account at Heritage Bank to Steve H Trust at Heritage Bank	2,850.00
10/16/08	Otto K	Check #1104 from Trust account at Heritage Bank deposited to Consolidated Lease account at Bank of America	20,000.00
04/14/09	Otto K	Internet Transfer from Trust account at Heritage Bank to Steve H Trust at Heritage Bank	2,900.00
11/13/09	Steve H	Internet Transfer from Trust account at Heritage Bank to Don & Turid B Trust account at Heritage Bank	3,500.00
01/25/10	Lillian M	Cashier's Check from Trust account at Heritage Bank deposited to Consolidated Lease account at Bank of America	3,800.00
04/01/10	Steve H	Internet Transfer from Trust account at Heritage Bank to Otto K Trust account at Heritage Bank	2,300.00
05/26/10	Arnold & Bertha J	Cashier's Check from Trust account at Heritage Bank deposited to Consolidated Lease account at Bank of America	9,000.00
07/01/10	Arnold & Bertha J	Internet Transfer from Trust account at Heritage Bank to Otto K account at Heritage Bank	2,300.00

On or About Date	Affected Trust	Transaction	Amount
07/30/10	Lenora A	Check #1264 from Trust account at CoreFirst Bank and Trust (formerly Commerce Bank and Trust) deposited to Lenora A Trust at Denison State Bank	25,000.00
12/24/10	Nancy J	Unnumbered check from Trust account at Capital City Bank deposited to Summit Professional Park account at US Bank	5,200.00
02/01/11	James & Judith C	Cashier's Check from Trust account at Heritage Bank deposited to Trust Management Solutions account at Capital City Bank	100,000.00

25. The foregoing is in violation of Title 18, United States Code, Section 1343.

COUNT 2 – MONEY LAUNDERING

26. The United States Attorney incorporates by reference Paragraphs 1-25 above, as though fully restated and realleged herein.

27. From in or about 2005, and continuing through on or about August 2011, including on or about the dates below, in the district of Kansas, the defendant,

ROBERT M. TELTHORST,

knowing that the property involved in financial transactions represented the proceeds of some form of unlawful activity, namely, wire fraud as described in

Count 1, conducted and attempted to conduct financial transactions which in fact involved the proceeds of specified unlawful activity, namely, wire fraud as described in Count 1, knowing that the financial transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the specified unlawful activity, including, but not limited to, the following transactions:

On or About Date	Financial Transaction	Amount
02/06/08	Check drawn on Imagineaction account at US Bank paid to Denison State Bank for Telthorst Loan	58,200.00
02/27/08	Check drawn on Imagineaction account at US Bank paid to Telthorst & Associates	5,000.00
03/17/08	Check drawn on Imagineaction account at US Bank paid to Comanche Air	1,018.00
05/27/08	Check drawn on Imagineaction account at US Bank paid to Don & Turid B Trust account	17,800.00
10/23/08	Check drawn on Consolidated Lease and Finance account at Bank of America paid to Telthorst & Associates	16,500.00
12/11/08	Check drawn on Consolidated Lease and Finance account at Bank of America paid to Telthorst & Associates	12,000.00
12/22/08	Check drawn on Consolidated Lease and Finance account at Bank of America paid to Telthorst & Associates	5,500.00
01/27/09	Check drawn on Consolidated Lease account at Bank of America deposited to Telthorst & Associates account at US Bank	45,900.00
06/01/10	Check drawn on Consolidated Lease and Finance account at Bank of America paid to Robert Telthorst	2,000.00

On or About Date	Financial Transaction	Amount
02/04/11	Check drawn on Trust Management Solutions account at Capital City Bank paid to Consolidated Lease	2,600.00
02/14/11	Check drawn on Trust Management Solutions account at Capital City Bank paid to Comanche Air	1,400.00
02/28/11	Check drawn on Trust Management Solutions account at Capital City Bank paid to Summit Professional Park	7,300.00
03/18/11	Check drawn on Trust Management Solutions account at Capital City Bank paid to Consolidated Lease	47,800.00
03/21/11	Check drawn on Consolidated Lease account at Bank of America payable to Lenora A Trust	25,000.00
03/23/11	Check drawn on Consolidated Lease account at Bank of America payable to Lenora A's attorney	20,000.00

28. The foregoing is in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

FORFEITURE ALLEGATION

29. The United States Attorney incorporates by reference Paragraphs 1-28 above, as though fully restated and realleged herein, for the purpose of alleging forfeiture pursuant to 18 U.S.C. §§ 981(a)(1)(A), 981(a)(1)(C), 982 (a)(1) and 982(a)(2), and 28 U.S.C. § 2461.

30. Upon conviction of the offenses in Counts 1 and 2 of this Information, defendant **ROBERT M. TELTHORST** shall forfeit to the United States of America, his interest in any property constituting or derived from the

proceeds of such violations. The property to be forfeited includes, but is not limited to the following:

FORFEITURE MONEY JUDGMENT

31. A sum of money equal to approximately \$460,542.86 in United States Currency, representing the total amount of proceeds obtained as a result of the offenses set out in Counts 1 and 2 of this Information.

32. In the event any of the foregoing property:

- 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, as a result of any act or omission of the defendant, the Court shall order the forfeiture of any other property of the defendant up to the value of property described above.

33. All pursuant to 21 U.S.C. § 853(p), 18 U.S.C. §§ 981(a)(1)(A), 981(a)(1)(C), 982(a)(1), 982(a)(2), and 28 U.S.C. § 2461.

Dated this 15th day of October, 2012.

Respectfully submitted,

BARRY R. GRISSOM
United States Attorney

s/ Tanya J. Treadway

Tanya J. Treadway #13255
Assistant United States Attorney