

**State of Minnesota
County of Hennepin**

**District Court
Fourth Judicial District**

CCT	LIST CHARGE STATUTE ONLY	MOC	GOC	CTY ATTY FILE NO.	CONTROLLING AGENCY	CONTROL NO.
1	§ 609.903	X1300	X	11-4666	0271100	11045394
2	§ 609.222	A2243	X			
3	§ 609.713	A9353	X	COURT CASE NO.	DATE FILED	
4	§ 609.25	K3333	X			
5	§ 609.222	A2233	X			
6	§ 152.023	DF250	X	<input type="checkbox"/> Amended	<input type="checkbox"/> Tab Charge Previously Filed	

☒ ✓if more than 6 counts (see attached) ☐ ✓if Domestic Assault as defined by MS 518B01, sub2a,b

<input type="checkbox"/> SERIOUS FELONY	<input type="checkbox"/> SUMMONS
<input checked="" type="checkbox"/> FELONY	<input checked="" type="checkbox"/> WARRANT(S)- NEUBERGER In Custody
<input type="checkbox"/> GROSS MISDM DWI	<input type="checkbox"/> ORDER OF DETENTION
<input type="checkbox"/> GROSS MISDM	<input type="checkbox"/> EXTRADITION

State of Minnesota,

PLAINTIFF,

VS.

NAME: first, middle, last

JOSEPH DUANE GUSTAFSON, JR.
3302 Washington Avenue North
Minneapolis, MN 55412
(COUNTS 1, 3, 4-14)

Date of Birth
11/12/74

MNCIS #: 27-CR-11-

LE#: 11-12466
SILS ID: 239654
TRACK ID: 2474059

TROY MICHAEL NEUBERGER
c/o Hennepin County Jail – In Custody
2506 36TH Avenue North
Minneapolis, MN 55412
(COUNTS 1-5)

Date of Birth
12/31/71

MNCIS #: 27-CR-11-

LE#: 11-12465
SILS ID: 169890
TRACK ID: 2474058

DEFENDANT(S)

COMPLAINT

The Complainant, being duly sworn, makes complaint to the above-named Court and states that there is probable cause to believe that the Defendant committed the following offense(s). The complainant states that the following facts establish PROBABLE CAUSE:

Introduction

Complainant, Sgt. Kelly O’Rourke of the Minneapolis Police Department, has participated with other state and federal law enforcement agents in a multi-year investigation into the activities of a group of associates acting under the leadership of Defendant **JOSEPH DUANE GUSTAFSON JR** (“GUSTAFSON”) and his father, Joseph Robert Gustafson (Gustafson, Sr.), with substantial assistance from Defendant **TROY MICHAEL NEUBERGER** (“NEUBERGER”), who frequently operate under the label the “Beat-Down Posse” or with apparent authority as bail bondsmen working for Gustafson’s Bail Bonds, Inc.

The investigation focused on suspected crimes such as aggravated assault, terroristic threats, kidnapping, drug and weapons trafficking, and mortgage fraud. Special Agents from the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigations Division, as well as investigators from the State of Minnesota’s Insurance Fraud Division also took part in the investigation. Your Complainant has interviewed numerous witnesses, victims

and co-conspirators and has familiarized himself with the interviews conducted by other law enforcement agents working on the case. Your Complainant has also familiarized himself with documents related to the financial crimes alleged herein including mortgage loan files, title company records, banking and insurance records and other documentary evidence obtained through Grand Jury Subpoena, search warrant, or voluntarily provided by the parties involved.

As a result of the above-described efforts, Your Complainant believes the following establishes probable cause that during a multi-year period encompassing 2005 through 2009 and beyond, GUSTAFSON and NEUBERGER engaged in racketeering through their personal involvement in a pattern of criminal activity to further the interests of the Beat Down Posse and its members. Several other individuals who committed crimes related to their association with the group have been charged through separate complaints.

Structure and Activities of the BDP Enterprise

Individuals who belong to the Gustafson-led group often refer to themselves as the “Beat-Down Posse” (hereinafter BDP), a nickname referring to their practice of conducting “beat downs” (assaults) to steal money and drugs from victims or to punish BDP members or their associates for perceived offenses against the group.

On some occasions, group members facilitated their crimes by using the apparent authority of Gustafson’s Bail Bonds, Inc. (hereinafter “GBBI”), a bail bonds company owned by Gustafson, Sr. and operated by both Gustafson Sr. and GUSTAFSON. For example, witnesses told law enforcement that on numerous occasions members of the BDP embarked on what were referred to within the group as “Hector missions,” “missions,” or “raids.” During these missions, BDP members would approach residences they believed to be occupied by drug dealers and gain entrance under the pretext that they were bail enforcement agents searching for someone who had allegedly absconded on a GBBI issued bail bond. Once inside, however, BDP members would assault and rob the occupants. BDP members often claimed they were searching for “Hector” when engaging in these missions, referring to Hector Fonseca – an individual who failed to appear for court in September, 2007 after GBBI had posted a \$12,000 bond on his behalf.

In addition to crimes such as assault, robbery, kidnapping, and weapons and narcotics trafficking set forth more fully below, this investigation has revealed that GUSTAFSON, with assistance of other BDP members and/or their associates, engaged in a series of fraudulent real estate transactions that generated nearly \$300,000 in illicit payouts to GUSTAFSON and his father. GUSTAFSON and his father owned numerous residential properties in Hennepin County during the times relevant to this Complaint - including many of the properties that GUSTAFSON used to commit mortgage fraud. These Gustafson-owned homes served other important functions for the BDP enterprise such as providing BDP members with places to live, congregate, plan for and/or commit crimes as set forth in more detail below.

In interviews with law enforcement, numerous witnesses, including current and former BDP members, provided specific information about the activities and structure of the BDP enterprise. Several of these witnesses are not identified by name in this Complaint because of concerns for their personal safety should their cooperation be made public at this early stage of the proceedings, and they are referred to herein as Witness 1-Witness 8. Information provided by these witnesses includes but is not limited to the following:

BDP Members

Witness 1 stated that he associated with the BDP in 2008 and that the group was started by GUSTAFSON. Witness 1 stated that other members of the group included NEUBERGER, Gustafson Sr., Brent Kehler (“Kehler”), Robert Allen Engles (“Engles”), Mike Swafford (“Swafford”), and Mike Densinger (“Densinger”). Witness 2, Witness 3 and Witness 4 admitted to your Complainant that they associated with the BDP during various time periods relevant to this case, and that GUSTAFSON and Gustafson Sr. were the group’s leaders. Witness 1 and Witness 2 stated that

NEUBERGER functioned as GUSTAFSON'S "bodyguard" or "right hand man." Other BDP members identified by one or more of the above witnesses include Thomas Carlson ("Carlson"), Nicholas Miller ("Miller"), Charles Pratt ("Pratt"), Jessie Hoff ("Hoff") and several others.

Witness 4 told your Complainant that GUSTAFSON invited him to become a member of the BDP and that he feared being beaten or killed if he refused.

Witness 5 has known GUSTAFSON and Gustafson, Sr. since his childhood. He stated that the BDP is "a bunch of guys that run around and scare and extort people." On numerous occasions GUSTAFSON tried to recruit Witness 5 to join the BDP. GUSTAFSON told Witness 5 he could stay in one of GUSTAFSON'S houses, he would get a cut of the BDP's proceeds, and he would have unlimited access to women if he joined the group. However in exchange Witness 5 understood he would have to protect GUSTAFSON and commit crimes for the benefit of the BDP gang and the Gustafsons (referring collectively to GUSTAFSON and his father, Gustafson, Sr.).

Witness 2 and Witness 5 both told your Complainant that the BDP had regular meetings to organize the group's activities. According to Witness 2, who attended the meetings, they were referred to as "church" and they occurred on Thursday nights at a home at 3751 Logan Avenue North, Minneapolis, that was owned by Gustafson, Sr. or, alternately, at 6182 Zealand Avenue North, New Hope, in a home that Miller had purchased from Gustafson, Sr. Witness 5 stated that he was present on one occasion when BDP members held a meeting at the GBBi offices, which are located at 3302 Washington Avenue North, Minneapolis, a property that GUSTAFSON has owned since 2003. All three properties are located in Hennepin County.

"Beat Downs" (assaults)

Numerous BDP members admitted that during their association with the group they committed assaults when instructed to do so by GUSTAFSON.

Witness 4 admitted that he participated in at least three "beat downs" with other members of the group. He stated that most of the time "beat downs," including the ones in which he participated, were administered because someone owed money to the Gustafsons. Witness 4 recalled an assault where GUSTAFSON, NEUBERGER, Densinger, Hoff and himself drove from Minneapolis to a home in the vicinity of Hugo or White Bear Lake. Once there, the group assaulted a man and stole a white trailer which contained much of the victim's personal property.

Witness 2 and Witness 3 each stated that they assaulted and robbed individuals as instructed by GUSTAFSON and that proceeds from these crimes would be turned over to GUSTAFSON. Witness 2 described one occasion where GUSTAFSON instructed him to go to the parking lot of a Minneapolis bar to wait for a drug dealer who had been summoned there under the guise that Witness 2 would buy drugs from him, however Witness 2 was instructed to assault and rob the dealer when he arrived. Witness 2 recalled that the drug dealer readily gave his money and drugs to Witness 2 because of Witness 2's BDP association. Witness 2 then delivered the proceeds (methamphetamine and cash) to GUSTAFSON.

Witness 3 admitted to Your Complainant that he has assisted NEUBERGER and GUSTAFSON in assaults and robberies.

Witness 1 stated that during the fall of 2008 he was beaten and stabbed by NEUBERGER and Densinger in the presence of GUSTAFSON and Gustafson Sr. Witness 1 recalled that during the incident, GUSTAFSON told him that he was being punished because he had been "out of touch" with the group for several months.

Use of Bail Bond Authority as a Pretext for Robbery

Witness 1 stated that during the time he associated with the BDP (mid to late 2008) he went on “a half-dozen Hector missions.” He recalled that “Hector” was an individual who had allegedly absconded on a bond that the GBBI had posted, and the BDP used this as an excuse to “kick the doors in of Mexican drug dealers and steal their drugs and money.” Witness 1 described two missions, one of which occurred at a house near Lake Street in South Minneapolis. Witness 1 also estimated that the raids he participated in yielded a combined 2-3 pounds of methamphetamine, “a couple” pounds of cocaine, and unknown amounts of jewelry and cash. Witness 1 stated that he participated in “Hector missions” with GUSTAFSON, NEUBERGER, Kehler, Swafford and Densinger. He further stated that NEUBERGER would collect all the proceeds from the missions and turn them over to GUSTAFSON.

Witnesses 2, 3 and 4 have each admitted that they participated in several raids similar to the above-described “Hector missions.” Witness 2 stated that although each BDP member had specific jobs within the group based on his/her particular skills, these missions were mandatory for all BDP members. According to Witness 2, targets of these missions were chosen by either GUSTAFSON or Gustafson Sr. because they were believed to be drug dealers who would have money and drugs on hand, and they would be unlikely to report the crimes to law enforcement. He stated that GUSTAFSON often decided to conduct these missions at the end of the month, or what he called “mortgage time” or “bill time.” Gustafson, Sr. would prepare BDP members for these raids by providing mace, transportation, and other equipment. Witness 2 also stated that during these events GUSTAFSON wore a bullet proof vest that said “Agent” on the back of it.

Witness 2 described one “Hector mission” in the late summer/early fall of 2008 where the BDP assaulted and robbed several people at an apartment building near 35th Street and Grand Avenue in South Minneapolis. NEUBERGER, GUSTAFSON, Carlson, Hoff, and other BDP members participated. Prior to conducting that mission, Witness 2 stated that the members had met at Gustafson, Sr.’s home at 3751 Logan Avenue North where Gustafson, Sr. and Miller helped them assemble the supplies to conduct the raid.

Witness 5 stated that, although he was not a BDP member, he accompanied GUSTAFSON, NEUBERGER, Kehler, Carlson, and other BDP members on a “mission” in March 2008. He stated that the group acted as bail agents or police officers and “arrested” a man named “Matt” and his roommate at an apartment building near the intersection of 32nd and Grand Avenue in South Minneapolis. According to this witness, BDP members assaulted the men, harassing them to disclose the location of “Hector” and any illegal narcotics. The group also forced “Matt” to order drugs from a supplier so that they could rob the supplier when he arrived.

Narcotics

As set forth above, witnesses have told your Complainant that the BDP uses assaults and “raids” to obtain narcotics and money from drug dealers. However, BDP members engaged in other drug related crimes including the sale of narcotics and the recruitment of drug dealers to sell narcotics for the benefit of the BDP.

Witness 4 stated that one of the activities of the Gustafsons – referring to both GUSTAFSON and his father – was to identify drug dealers they believed they could control and direct members of the gang to confront the drug dealers to bring them “on the team,” meaning that the drug dealer’s business would essentially belong to the group from that point on. Witness 2 admitted that he helped recruit Swafford into the BDP because Swafford sold drugs and because Swafford owned a roll-back tow truck that GUSTAFSON wanted to obtain. Witness 5 stated that GUSTAFSON would intimidate drug dealers and force them to pay a “tax” of at least 10 percent on all drug sales the dealer would make.

Witness 1 admitted that he sold methamphetamine and gave the money to Swafford, who collected it for GUSTAFSON. Witness 1 told your Complainant that Swafford would supply up to a pound of methamphetamine per week to himself, Engles and Kehler to distribute, and that GUSTAFSON would take most of the proceeds from Swafford. Witness 1 identified three BDP members who had responsibility to identify drug dealers that the group

could target for robberies and raids more fully described herein. Witness 2 admitted that one of his jobs was to find out who had drugs, money or weapons that the BDP could target for a robbery.

Your Complainant, with assistance of a confidential, reliable informant (hereinafter referred to as Witness 8), witnessed GUSTAFSON selling narcotics on multiple occasions with the help of other BDP associates/members including Gregory Allan Chamberlain. Details of these offenses are set forth in the “Specific Crimes” section below.

Firearms

During this investigation witnesses have stated that GUSTAFSON and other BDP members are known to carry and sell firearms. For example, Witness 5 told your Complainant he observed GUSTAFSON, NEUBERGER, and other BDP members with firearms on multiple occasions and that he would easily be able to purchase a gun from GUSTAFSON. Witness 1 stated that GUSTAFSON and NEUBERGER carried firearms during some of the “Hector raids.” With assistance from Witness 8, your Complainant observed GUSTAFSON possess and sell firearms on two separate occasions in 2009 with help from other BDP members and associates; the details of these crimes are set forth below in the “Specific Crimes” section.

Mortgage/Real Estate Fraud

During this investigation, law enforcement agents collected documents and conducted interviews which, together, establish that GUSTAFSON recruited four BDP associates – Marie Alexander, Joshua Ramos, Jacqueline Brandes, and Nicholas Miller – to act as “straw buyers” to purchase a total of seven homes between May, 2005 and March, 2007. Each of the four straw buyers stated that GUSTAFSON: (1) solicited him/her to purchase the home(s); (2) arranged for him/her to obtain mortgage financing through Troy Amundson, an extended family member of GUSTAFSON who worked as a mortgage broker; and (3) provided all funds necessary for the straw buyer’s down payment and closing costs. In each case, GUSTAFSON’S financial contribution was concealed from the lender, making it appear as though the down payment funds were provided by the buyer. In each case, the straw buyer’s income and other information was falsified on the loan application submitted to the lender. Also in each case, either GUSTAFSON or his father pocketed tens of thousands of dollars in illicit proceeds. GUSTAFSON and Gustafson, Sr. received a combined \$287,304.32 in net proceeds from these seven transactions. In six of the seven transactions, the straw buyer defaulted on his or her mortgage loan: two of those homes were destroyed by fire within a few months of the sale and four of the homes were foreclosed upon. Details of Defendant GUSTAFSON’S financial crimes are set forth below in the “Specific Crimes” section.

Specific Crimes

Assault, Terroristic Threats and Kidnapping

I. Assault in the Second Degree (Count 2)

In the summer of 2008, officers received information the BDP violently assaulted an individual at a residence located at 3751 Logan Avenue North in Minneapolis, Hennepin County, a home owned by Gustafson, Sr. Officers learned the identity of the assault victim, hereafter Victim 1. Victim 1 reported he used to sell methamphetamine. Victim 1 reported on April 13, 2008 he received a telephone call from Amber Lynn Fritche. Fritche requested that Victim 1 come to the residence at 3751 Logan and bring ½ ounce of methamphetamine. Victim 1 reported he arrived at the residence with the requested amount of methamphetamine and \$800.00 cash. Victim 1 reported Fritche came outside and led Victim 1 into the residence. Victim 1 reported he entered the residence and was immediately struck in the head. Victim 1 reported three males were present who yelled at him and claimed to be the police. Victim 1 reported an individual identified as NEUBERGER held a gun to him and participated in the beating. Victim 1 later identified NEUBERGER from a photographic lineup. Victim 1 reported his assailants continued to beat him with a bat-like object and demanded Victim 1 surrender his money and drugs and tell them where additional drugs and money could be located. Victim 1 reported his assailants searched his clothing and removed the methamphetamine and \$800 from his pockets and then proceeded to strip the clothes from his body. Victim 1 was placed into a bathtub and continually beaten in the head and body while his assailants demanded to know where he lived. Victim 1 provided this

information. Victim 1 reported he was kept inside the residence for several hours before escaping. Victim 1 eventually returned to his residence and observed it had been burglarized.

Victim 1 sustained multiple lacerations to his head and trauma to his body from the beating. Victim 1 went to the hospital where he was treated for multiple lacerations to his head, a skull fracture, a fractured tibia plateau and multiple bruises to his extremities. The lacerations to his skull required seventeen sutures.

Victim 1 reported he bled in several rooms inside the residence. Officers obtained a warrant to search the residence for biological evidence. Officers noted the residence had been cleaned but recovered blood like substances from many areas of the residence, including the bathroom. The samples were sent to the Minnesota Bureau of Criminal Apprehension's crime lab for analysis. Subsequent DNA analysis confirmed the victim's blood was found on the underside of the bathroom door.

Officers spoke with Engles who reported that in April, 2008, he participated in an assault committed on behalf of the BDP. Engles reported the victim of the assault was the above-described Victim 1 and that the assault occurred at the residence located at 3751 Logan. Engles reported he was at the residence with NEUBERGER, Fritche, and Matthew Mariani. NEUBERGER asked the group if they knew anybody who could be "drained" (robbed of any drugs and/or money) and Mariani suggested Victim 1. Engles reported the group agreed to have Fritche call Victim 1, order methamphetamine, and lure Victim 1 into the house to be beaten and robbed. Engles reported Victim 1 arrived and was led into the club and that Victim 1 began bleeding copiously. Engles admitted he participated in the assault by holding down Victim 1. Engles reported they placed Victim 1 into the bathtub because he was bleeding so profusely. Engles reported that two other BDP members arrived and identified them as Swafford and Kehler. Thereafter, NEUBERGER and Swafford divided up the methamphetamine taken from Victim 1 during the beating.

Engles reported that later that evening, GUSTAFSON arrived at his residence with a bandanna over his face and gloves covering his hands. GUSTAFSON threatened Engles with bodily harm to himself or his family if he ever talked about the assault committed by NEUBERGER earlier that day.

Officers also spoke with Fritche. Fritche confirmed that she was with NEUBERGER, Engles, and Mariani on the day Victim 1 was assaulted inside the residence at 3751 Logan. Fritche confirmed the group used her to lure Victim 1 to the residence so they could beat and rob Victim 1. Fritche confirmed that when Victim 1 entered the residence NEUBERGER and Engles proceeded to beat Victim 1 with objects by smashing him on the head and on other parts of his body. Fritche confirmed the victim was searched for money and drugs and that his clothes were removed. Fritche also confirmed Victim 1 was bleeding so profusely from his wounds that the group placed him inside a bathtub to control the pool of blood.

(A complaint previously filed against NEUBERGER for the conduct described in this section is being incorporated into this consolidated case. *See* MNCIS No. 27-CR-10-46395. Engles and Fritche have been separately charged. *See* MNCIS numbers 27-CR-10-46378 and 27-CR-46501.)

II. Terroristic Threats (Count 3)

In May 2008, a known adult male, Victim 2 herein, was living with his girlfriend and her female friend at 3430 31st Ave. S., Minneapolis, Hennepin County. At the time, Victim 2 was suffering from chronic back pain for which he had been prescribed oxycodone, valium and Percocet. Victim 2's girlfriend and the friend had been engaged in low-level methamphetamine dealing which Victim 2 was worried about; Victim 2 wanted the friend to move out. When the three were consuming meth and some of the prescription drugs in the residence basement, three men unknown to Victim 2 showed up. In the course of the investigation, Victim 2 told an FBI agent that he believed the friend had summoned the men. Victim 2 later identified them as GUSTAFSON, Engles, and Michael William Deziel, another known BDP associate.

The women left the basement, leaving Victim 2 with GUSTAFSON, Engles and Deziel. Following a period when the men glared at Victim 2, Engles suddenly ran directly at Victim and kicked him in the chest, causing a serious injury to Victim 2's sternum. As Victim 2 lay on the floor, Engles stood above him in a stance as if he was going to punch Victim 2. GUSTAFSON approached and acted as if he was stopping Engles from beating Victim 2. GUSTAFSON then said to Victim 2: "Don't you realize I have the power to kill you or spare your life." GUSTAFSON said his "crew" wanted to kill Victim 2 but he (GUSTAFSON) was restraining them. GUSTAFSON then suggested that he would "save" Victim 2 if Victim 2 would agree to give up his prescription drugs and do the same for every monthly refill in the future.

Victim 2 agreed, gave up his drugs (from a prescription filled in April, 2009) and in the following three months, he was accompanied to the pharmacy by GUSTAFSON, Engles, and NEUBERGER. Victim 2 told investigators that he was very afraid of these men and that they usually carried guns, which emphasized the repeated death threats to ensure his continued cooperation.

(Complaints previously filed against GUSTAFSON and NEUBERGER for the conduct described in this section are being incorporated into this consolidated case. See MNCIS numbers 27-CR-10-46400 and 27-CR-10-46405. Engles and Deziel have been separately charged. See MNCIS numbers 27-CR-10-46387 and 27-CR-10-46390.)

III. Kidnapping and Assault in the Second Degree (Counts 4-5)

In January 2010, investigators interviewed a known adult male, Victim 3 herein, regarding a series of events in the fall of 2008. At that time, Victim 3 was dating a woman who is hereinafter referred to as Witness 6. Investigators have also conducted separate interviews with Witness 6 and a known adult male, referred to herein as Witness 7, who was friends with Witness 6, about the events.

Witness 6 explained that in 2008, she encountered a man later identified as GUSTAFSON at her uncle's house on several occasions. During these encounters, GUSTAFSON often mentioned that he was looking for a Mexican drug dealer named "Hector" and GUSTAFSON apparently believed or purported to believe that Witness 6 knew the whereabouts of Hector.

According to the witnesses interviewed, sometime in the late summer/early fall of 2008, Witness 6 and Witness 7 were lured to the home of a female acquaintance at 2322 Grand Street Northeast, Minneapolis, Hennepin County. When they arrived, GUSTAFSON, NEUBERGER and one or two other BDP members were there. NEUBERGER stripped Witness 7 and beat him while GUSTAFSON watched. During this incident, GUSTAFSON and his companions were searching Witness 6's "Contacts" list in her cell phone. In that list, GUSTAFSON saw the name of Victim 3, who is an Hispanic male, and, believing that Victim 3 was a Mexican drug source, GUSTAFSON and his associates made Witness 6 call him and lure him into coming to the house to sell her drugs. NEUBERGER hit Witness 7 in the head repeatedly until Witness 6 agreed to place the call to Victim 3.

Witness 7 stated that Victim 3 arrived approximately 15-20 minutes after Witness 6 made the phone call, and that Victim 3 brought an unidentified white male friend with him. When Victim 3 and his friend entered the house, the group of men which included GUSTAFSON and NEUBERGER held them at knifepoint, stripped them naked, robbed and began to beat them. GUSTAFSON told Victim 3 that he would release him if he helped locate Hector. Victim 3 stated that he and his friend were taken into the basement of the residence and the beating continued. Victim 3 stated that he was beaten with knives, pipes, hands and feet. Suddenly GUSTAFSON told Victim 3 that he would be released on the promise that he would help locate Hector. Victim 3 reported that he "played along" and thought that his ruse worked. Complainant, however, believes that GUSTAFSON'S assurance that GUSTAFSON had "saved" Victim 3's life was instead part of GUSTAFSON and the BDP's pattern of victim intimidation to gain control and/or access to real or perceived drug trafficking. Witness 7 estimated that GUSTAFSON and his crew were in the house assaulting and threatening him and Witness 6, and then Victim 3 and his friend, for approximately three and one half to four hours.

In a later interview, Victim 3 said GUSTAFSON'S group "feeds off fear" and that they deal in guns, drugs and extortion.

Narcotics

I. Sale of cocaine on March 4, 2009 (Count 6)

On March 4, 2009 officers monitored a phone call between Witness 8 and GUSTAFSON. GUSTAFSON instructed Witness 8 to meet him at NEUBERGER'S apartment located at 3315 Nicollet Ave S, Apt. 1, in Minneapolis. Witness 8 was searched for narcotics and none were found. He/she was provided with pre-recorded buy money and followed to the buy address. Witness 8 was wired for audio and officers were able to listen as Witness 8 spoke with several males inside the apartment, including GUSTAFSON. Your Complainant has become familiar with GUSTAFSON'S voice during the course of this investigation, and was able to identify GUSTAFSON'S voice on the audio recording.

Officers monitored the conversation and then followed Witness 8 to the pre-determined meet location where Witness 8 provided them 2.29 grams of a substance that tested positive for cocaine, and that Witness 8 stated was provided by GUSTAFSON.

Witness 8 noted that GUSTAFSON, NEUBERGER, and two other individuals were present during the transaction.

II. Sale of cocaine on April 3, 2009 (Count 7)

On April 3, 2009, officers monitored two phone calls between Witness 8 and GUSTAFSON. During the first monitored call, GUSTAFSON told Witness 8 that "his white girlfriend was in town." Witness 8 explained that "white girlfriend" meant GUSTAFSON had cocaine to sell. In a subsequent monitored phone call between Witness 8 and GUSTAFSON, GUSTAFSON told Witness 8 to meet him at 3618 Washburn Avenue North, Minneapolis. Complainant confirmed that this was the home of BDP associate Gregory Allan Chamberlain ("Chamberlain"). Witness 8 was searched for narcotics and none were found. He/she was provided with pre-recorded buy money and transported to the buy address. Witness 8 was wired for audio and officers were able to listen as Witness 8 met a male and discussed price and weight. Officers were able to monitor and listen to the seller, identified by Witness 8 as Chamberlain, tell Witness 8 that the amount of cocaine he was to sell to Witness 8 was based on instructions from GUSTAFSON.

Officers followed Witness 8 after he left the building to the pre-determined meet spot where they recovered 2.68 grams of a substance that was tested and determined to be cocaine.

III. Two cocaine sales on April 9, 2009 (Count 8)

On April 9, 2009, officers monitored a phone call between Witness 8 and GUSTAFSON. During the call, Witness 8 was instructed to meet GUSTAFSON at GUSTAFSON'S home to transact a drug and gun sale/purchase. Witness 8 was equipped with a wire, searched for contraband with negative results, and dropped off near GUSTAFSON'S home, 3414 James Avenue North, Minneapolis, Hennepin County. Officers watched Witness 8 enter the residence at 3414 James. A short time later Witness 8 was observed exiting the residence and was followed to the meet location. Witness 8 provided officers with 2.65 grams of what field tested positive for cocaine and reported it came directly from GUSTAFSON. Witness 8 informed officers that the gun was not available at the time but would be later in the day after GUSTAFSON retrieved it from a stash house.

At approximately 12:30 p.m. on the same day, Witness 8 placed another recorded call to GUSTAFSON to inquire about the gun. GUSTAFSON reported that he would come meet Witness 8 at Witness 8's residence. Officers observed GUSTAFSON arrive at Witness 8's home and enter it with another known adult male, Derrick James Holmes. GUSTAFSON reported that he was unable to get the gun because he could not gain access to his stash house but he did have more cocaine to sell Witness 8. Witness 8 agreed and travelled with GUSTAFSON and Holmes to Chamberlain's home at 3618 Washburn Avenue North, Minneapolis. GUSTAFSON and

Witness 8 entered the residence and met with Chamberlain present. GUSTAFSON and Witness 8 exited the residence a short time later and GUSTAFSON and Holmes dropped Witness 8 back off at his residence and left. Witness 8 immediately went to the pre determined meet location and provided officers with 11.10 grams of a substance that tested positive for cocaine.

Firearms

I. Possession and sale February 17, 2009 (Count 9)

On February 17, 2009, officers were contacted by Witness 8 who had been providing information about the BDP. Witness 8 stated that he had spoken with GUSTAFSON, and that GUSTAFSON was willing to sell a .40 caliber handgun to Witness 8 for \$600.

Witness 8 was searched for guns, drugs, and money and found to have none. Witness 8 placed a call to GUSTAFSON while law enforcement listened, and advised GUSTAFSON that he was ready to purchase the handgun. Witness 8 was provided pre-recorded buy money and followed to the location of the exchange. Officers observed GUSTAFSON arrive at the drop location, and after staying for three minutes, they observed GUSTAFSON to leave the location. Officers then recovered a Taurus .40 caliber PT 140 PRO Millennium handgun from Witness 8 that he had purchased from GUSTAFSON.

Officers followed GUSTAFSON as he left the drop location. GUSTAFSON drove directly to Chamberlain's home at 3618 Washburn Avenue North, Minneapolis.

GUSTAFSON was convicted of multiple counts of Assault in the Second Degree on February 19, 1998 in Hennepin County. He is, thus, a person who is prohibited from possession of a firearm under Minn. Stat. §624.713 Subd. 1(2).

(A complaint previously filed against GUSTAFSON for the conduct described in this section is being incorporated into this consolidated case. *See* MNCIS no. 27-CR-10-46348).

II. Possession and sale April 27, 2009 (Count 10)

On April 22, 2009, officers were contacted by Witness 8 who had been providing information about the BDP. Witness 8 stated that he had spoken with GUSTAFSON, and GUSTAFSON was willing to sell a .40 caliber Sig Sauer-brand handgun to Witness 8. Later that day, while officers were monitoring the call, Witness 8 called GUSTAFSON to ask about the status of the gun and whether or not it was stolen. GUSTAFSON indicated that it was and then ended the conversation.

On April 24, 2009, GUSTAFSON and Chamberlain met with Witness 8 at Witness 8's residence and showed him a .40 caliber Sig Sauer-brand handgun, the case, as well as several boxes of ammunition. Witness 8 stated he could not buy it that day but may be interested in the future. GUSTAFSON asked Witness 8 if he could leave the gun at Witness 8's residence because he was worried about having it at his residence because he is a convicted felon, but Witness 8 would not allow him to do that and GUSTAFSON left the residence.

On April 27, 2009, Witness 8 placed a call to GUSTAFSON that was monitored by law enforcement. Witness 8 asked to see the gun again and GUSTAFSON agreed, and told Witness 8 to come to his residence. Witness 8 was searched for guns, drugs, and money and found to have none. Witness 8 was provided pre-recorded buy money and followed to the location of the exchange. Surveillance observed GUSTAFSON arrive at his residence, 3414 James Avenue North, Minneapolis, Hennepin County. Officers observed Witness 8 arrive at GUSTAFSON'S home and go inside. Witness 8 and GUSTAFSON agreed to a \$1000 price for the gun but GUSTAFSON stated that they would need to go to another location to get the gun. GUSTAFSON and Witness 8 left 3414 James in Witness 8's vehicle and drove to the home of BDP member Jessie Hoff, 3638 Sheridan Avenue North, Minneapolis, Hennepin County,

where they entered the residence. Witness 8 and GUSTAFSON exited a short time later and officers observed Witness 8 drop GUSTAFSON back off at his residence. Witness 8 then drove directly to the pre-determined drop location where officers recovered a .40 caliber Sig Sauer-brand handgun that was stolen out of Washington County.

GUSTAFSON was convicted of multiple counts of Assault in the Second Degree on February 19, 1998 in Hennepin County. He is, thus, a person who is prohibited from possession of a firearm under Minn. Stat. §624.713 Subd. 1(2).

(A complaint previously filed against GUSTAFSON for the conduct described in this section is being incorporated into this consolidated case. *See* MNCIS No. 27-CR-10-46350).

Theft by swindle/mortgage fraud

Straw Buyer 1 - Marie Alexander

During this investigation Marie Alexander (“Alexander”) spoke with IRS Special Agent James Shoup and other officers on at least two occasions. During these interviews Alexander admitted that she associated regularly with GUSTAFSON and that she worked as a bail bond agent at GBBI for a period of time. Documents reviewed by your Complainant, including witness interviews and GBBI records, indicate she worked at GBBI and associated with GUSTAFSON from at least 2004 through 2006. Alexander admitted she purchased two homes through GUSTAFSON in 2005. She told law enforcement that GUSTAFSON set the prices, arranged for the sales and provided the funds for her down payments. Alexander also stated that GUSTAFSON’s cousin Troy Amundson, a mortgage broker, arranged for Alexander’s mortgage loans to buy the houses, and that GUSTAFSON promised to handle everything after the closing including finding renters and making mortgage payments.

- I. 2615 Newton Avenue North, Minneapolis, Hennepin County
May 18, 2005
Seller: GUSTAFSON

According to Hennepin County property records and closing documents obtained from Old Republic Title Company (“Old Republic”), Alexander purchased 2615 Newton Avenue North, Minneapolis, on May 18, 2005 from GUSTAFSON. The stated purchase price was \$169,000. The HUD Settlement Statement submitted to the lender indicates that Alexander financed the purchase with a cash down payment in the amount of \$17,532 provided by her, and a mortgage loan from America’s Wholesale Lender (“AWL”) in the amount of \$152,100. After payoff of his previous mortgage and closing costs, GUSTAFSON received \$123,060.07 in cash proceeds from the sale.

According to the loan application, which was signed by both Alexander and Troy Amundson and submitted to the lender, Alexander worked at Top Notch Flooring, her income was \$3,650 per month, and none of the down payment funds would be borrowed.

Alexander admitted to law enforcement agents that she did not work at Top Notch Flooring and her income at the time of the application was less than stated on the application. She stated that she did not provide the false information that was used on the application, and that the owner of Top Notch flooring lived next door to Gustafson, Sr. Alexander also admitted that GUSTAFSON provided her with the \$17,532 in down payment funds.

Your Complainant has reviewed bank account records showing that a total of \$17,532 was withdrawn from the GBBI savings and checking accounts on the day of closing. Alexander presented a Wells Fargo cashier’s check in the amount of \$17,532 at the closing. Although the face of the check indicated it was “from” Marie Alexander, Wells Fargo’s records show that the check was purchased by “Gustafson Bail Bonds.”

The fact that the Alexander’s down payment funds were being provided by GUSTAFSON, the seller, was not disclosed to the lender anywhere in the closing file. Documents reviewed in connection with this investigation indicate that AWL would not have provided Alexander with \$152,100 in mortgage loan funds if her income and

employment had been truthfully disclosed and if AWL had known that Alexander's down payment was being provided by the seller.

The house at 2615 Newton Avenue North was destroyed by fire on September 21, 2005 – just four months after Alexander purchased it.

II. 4579 Washburn Avenue North, Minneapolis, Hennepin County
July 6, 2005
Sellers: Ronald and Laurie Esau/GUSTAFSON

According to Hennepin County property records and closing documents obtained from Old Republic, Alexander purchased 4579 Washburn Avenue North, Minneapolis, from Ronald and Laurie Esau on July 6, 2005. The stated purchase price was \$218,000. The HUD Settlement Statement submitted to the lender indicates that Alexander financed the purchase with a \$22,908.70 cash down payment provided by her, and a mortgage loan from Argent Mortgage Company, LLC ("Argent") in the amount of \$196,200.

GUSTAFSON received \$68,692 in proceeds from the sale while the Esaus (the sellers) received just \$6,746.34. Although Hennepin County property records show that GUSTAFSON did not have any recorded interest in the property, records from the closing indicate that he had acquired the right to purchase the property on an unrecorded contract for deed (and, presumably, to then sell the property). A "Contract for Deed Payoff Statement," which was included in the closing documents retained by Old Republic, indicates that the Vendee was GUSTAFSON and that the total amount then due to the Vendor (the Esaus) to satisfy the contract was \$6,746.34. Thus, it appears GUSTAFSON, as the Vendee, received all excess sale proceeds beyond the amount owed to the Esaus to satisfy the contract for deed.

The loan application submitted to Argent, which was signed by Alexander and Amundson, stated that Alexander worked for "Minnesota Metro," that she earned \$5,000 per month, and that none of the down payment funds would be borrowed.

Alexander admitted that she did not work for "Minnesota Metro" and she did not earn \$5,000 per month. Alexander stated that she did not provide the false information that was used on the application, and that she did not know what "Minnesota Metro" was, although she did sign the application. Alexander again admitted that GUSTAFSON provided her with the down payment funds.

Your Complainant has reviewed records from the transaction which show that two checks were provided to the closing agent for Alexander's down payment: a cashier's check in the amount of \$22,000 which indicated on its face that it was "from" Marie Alexander, and a personal check from Alexander's Wells Fargo checking account in the amount of \$908.70. Your Complainant confirmed that GUSTAFSON withdrew \$22,000 in cash from GBBI's savings account on the closing date. Notably, the title company never cashed the \$908.93 check from Alexander's account, and the title company had split GUSTAFSON's closing proceeds into two checks, one for \$908.70 and the other for the remaining amount.

The fact that Alexander's down payment funds were being provided by GUSTAFSON was not disclosed to the lender anywhere in the closing file. Documents reviewed in connection with this investigation indicate that Argent would not have provided Alexander with \$196,200 in mortgage loan funds if her income and employment information had not been falsified, and if Argent had known that Alexander's down payment funds were being provided by GUSTAFSON – a contract for deed vendee who received \$68,692 in proceeds from the transaction.

Alexander stated that she sold this property after she realized GUSTAFSON was not going to help her manage the property or make payments. Hennepin County property records confirm that the property was sold to Ramon Pavon on July 25, 2006.

Straw Buyer 2 - Joshua Ramos

Joshua Ramos (“Ramos”) was interviewed by IRS Special Agent James Shoup and other law enforcement agents during this investigation. Ramos was a BDP associate who admits to having frequent contact with GUSTAFSON, Gustafson, Sr. and Alexander. He also stated that he worked for GUSTAFSON including acting as his “driver” for a period of time. Ramos purchased two homes through GUSTAFSON in 2005. He stated that GUSTAFSON set the prices, arranged for the sales and provided funds for Ramos’ down payments. Ramos also stated that GUSTAFSON’s cousin Troy Amundson arranged for the mortgage loans for Ramos to buy the houses, and that GUSTAFSON stated that he would take care of the mortgage payments.

III. 901 Lowry Ave NE, Minneapolis, Hennepin County
September 2, 2005
Sellers: Duane Anderson and Rebecca VerWey

According to Hennepin County property records and mortgage loan closing documents reviewed by your Complainant, Ramos purchased 901 Lowry Ave NE, Minneapolis, from Duane Anderson and Rebecca VerWey on September 2, 2005. The stated purchase price was \$185,000. The HUD Settlement Statement submitted to the lender indicates that Ramos financed the purchase with a cash down payment in the amount of \$19,218.60 provided by him, and a mortgage loan from New Century Mortgage Corporation (“New Century”) in the amount of \$166,500. Even though GUSTAFSON was not a party to the transaction and had no recorded interest in the property, the HUD Settlement Statement and bank account records from the title company show that \$57,915.63 in seller proceeds was disbursed to him. Notably, after satisfying their existing mortgage, paying their own closing costs, contributing \$5,000 toward the buyer’s closing costs, and making the payment to GUSTAFSON, there were no remaining proceeds from the sale and the sellers received nothing.

According to the loan application, which was submitted to the lender and signed by both Ramos and Amundson, Ramos worked for Basic Tree Service and earned \$3,300 per month, and none of the down payment funds would be borrowed.

Ramos stated that while he did work for Basic Tree Service around that time, he did not earn \$3,300 per month; he estimated that he earned \$2,000 per month at the most and stated that he did not put the false income on the application, though he did sign the application. He also admitted that GUSTAFSON provided him with the down payment funds.

Your Complainant has reviewed bank account records showing that on August 31, 2005 – just two days before the closing – \$19,000 was transferred from the GBBi savings account to Ramos’ personal checking account at Wells Fargo bank. Ramos paid the down payment with a Wells Fargo cashier’s check he brought to the closing.

The fact that the Ramos’ down payment funds were being provided by GUSTAFSON was not disclosed to the lender anywhere in the closing file. Documents reviewed in connection with this investigation indicate that New Century would not have provided Ramos with \$166,500 in mortgage loan funds if his income had been truthfully disclosed and if New Century had known that Ramos’ down payment funds were being provided by a party who received \$57,915.63 as a result of the transaction.

Hennepin County property records indicate that Ramos defaulted on the loan and the property was sold at a mortgage foreclosure sale on or about June 23, 2006, less than a year after Ramos purchased it.

IV. 3500 Queen Avenue North, Minneapolis, Hennepin County
November 21, 2005
Seller: GUSTAFSON
(Count 11)

According to Hennepin County property records and mortgage loan closing documents obtained from Old Republic National Title Insurance Company (“Old Republic”), Ramos purchased a home at 3500 Queen Avenue North, Minneapolis, from GUSTAFSON on November 17, 2005. The stated purchase price was \$197,000. The HUD

Settlement Statement provided to the lender indicates that Ramos financed the purchase with a \$30,102.30 cash down payment provided by him, and a mortgage loan in the amount of \$167,450 from Argent. The HUD also shows that, after reductions for satisfaction of his prior mortgage and closing costs, GUSTAFSON received \$72,412.82 in cash proceeds from the sale.

According to the loan application, which was completed by Amundson and signed by Ramos, Ramos' income was \$4,500 per month as an employee at "Basic Tree Service." The application, which was submitted to the lender, also stated that Ramos had cash assets in the amount of \$30,102.31 to be used toward the purchase of the home, and that none of the down payment funds would be borrowed from a third party. According to documents in the closing agent's file, Ramos provided down payment funds with a Wells Fargo cashier's check in the amount of \$29,500 which indicated on its face that it was "from" Josh Ramos, and a money order in the amount of \$320 that was purchased from M&I Bank which indicated on its face that Ramos was the "remitter."

As set forth above, Ramos stated that he did work at Basic Tree Service, although he earned less than half of the \$4,500 per month that was stated on the application. Ramos stated that he was truthful about his income when he spoke to Amundson and GUSTAFSON, and that he did not put the false information on the application, though he did sign the application. Ramos also admitted that GUSTAFSON provided the down payment funds.

Your Complainant has reviewed records that were subpoenaed from Wells Fargo in connection with this investigation. Those records indicate that on November 14, 2005 (three days before the closing) GUSTAFSON withdrew \$29,500 in cash from the GBBi savings account. The following handwritten note appears on the back of the withdrawal slip: "Joshua R. Ramos to ATA Title." The Wells Fargo cashier's check that Ramos brought to closing was purchased that same day – November 14 – and indicated on its face that the "remitter" was Ramos. Your Complainant has also reviewed records that were subpoenaed from M&I Bank in connection with this investigation. According to those records, the \$320 money order Ramos used to pay the remaining portion of the down payment was purchased by "Joseph D. Gustafson," defendant GUSTAFSON herein.

The fact that the Ramos' down payment funds were being provided by the seller was not disclosed to the lender anywhere in the closing file. Argent would not have provided Ramos with \$167,450 in mortgage loan financing if it had known that GUSTAFSON – the seller of the property – was supplying the down payment, Ramos did not have funds sufficient to pay the down payment himself, and Ramos' income was less than half of the amount stated in the loan application.

Neither Ramos nor GUSTAFSON ever made a single payment on the November 17, 2005 loan. On March 12, 2006, just four months after the sale, the home was burned in a fire that the Minneapolis Fire Department determined was caused by arson.

(A complaint previously filed against GUSTAFSON for the conduct described in this section is being incorporated into this consolidated case. *See* MNCIS No. 27-CR-10-53870. Ramos has been separately charged for his role in the fraud. *See* MNCIS No. 27-CR-10-53871).

Straw Buyer 3 - Jacqueline Brandes

Jacqueline Brandes ("Brandes") told federal agents that she had a seven year relationship with Roberto Arrellano, who was a cousin of GUSTAFSON. During their relationship, Brandes and Arellano lived in one or more homes that were owned by GUSTAFSON and they did not pay rent; rather, they were assigned jobs by GUSTAFSON such as babysitting his kids or picking up dog feces from his yard. She also stated that Arrellano would occasionally help to find someone who had allegedly "skipped" on a GBBi bail bond or who allegedly owed the Gustafsons money.

Brandes stated that she purchased a home from GUSTAFSON because he told her that it was his grandmother's home and he wanted to save it from going into foreclosure. Brandes stated that GUSTAFSON arranged for the sale, provided funds for the down payment, and that his cousin Troy Amundson arranged for the mortgage loan Brandes

used to finance the purchase. She also stated that GUSTAFSON told her he would find renters for the property and that the property would eventually be sold, at which time he would give the money to Brandes.

V. 2607 Morgan Avenue North, Minneapolis, Hennepin County
 March 7, 2006
 Seller: GUSTAFSON
 (Count 12)

According to Hennepin County property records and mortgage loan documents reviewed during this investigation, Brandes purchased 2607 Morgan Avenue North, Minneapolis, from GUSTAFSON on March 7, 2006. The purchase price was \$183,000. The HUD Settlement Statement provided to the lender indicates that Brandes financed the purchase with a \$19,301.50 cash down payment provided by her, a mortgage loan from Argent in the amount of \$155,550, and "seller financing" in the amount of \$9,150. GUSTAFSON received \$64,593 in cash proceeds as a result of the sale.

According to the loan application, which was signed both by Brandes and Amundson and submitted to the lender, Brandes worked at "Dreamscapes" earning \$4,400 per month and none of the down payment funds were borrowed.

Brandes stated that she never worked at Dreamscapes and she did not earn \$4,400 per month. Brandes stated that Dreamscapes was owned by Arrellano's father. She also stated that the down payment funds were not provided by her; they were provided by GUSTAFSON'S grandfather who drove with Brandes and GUSTAFSON to the closing. Brandes never lived in the home and believes that a friend of GUSTAFSON'S named Sheila Mesker lived in the home and paid rent to GUSTAFSON. None of the rent money was ever forwarded to Brandes.

A review of closing documents indicates that Brandes provided a Bremer Bank cashier's check in the amount of \$19,500 to pay the down payment. The face of the check indicated that Brandes was the "remitter." According to records obtained from Bremer Bank during this investigation, however, the check had been purchased with funds withdrawn from a Bremer Bank money market savings account held by James A. Gustafson on March 6, 2006 (one day before the closing). (Through this investigation your Complainant has learned that James Albert Gustafson is GUSTAFSON'S paternal grandfather). On the day of the closing, GUSTAFSON'S sale proceeds check in the amount of \$64,593.61 was deposited into James A. Gustafson's Bremer Bank account (the same account from which the \$19,500 had been withdrawn), though \$25,093.61 cash was withheld from the deposit. That same day, \$25,093.61 was deposited into GUSTAFSON'S Bremer Bank account.

The fact that the Brandes' down payment funds were being provided by the seller was not disclosed to the lender anywhere in the closing file. Argent would not have provided Brandes with \$183,000 in mortgage loan financing if it had known that the seller was supplying the down payment, Brandes did not have funds sufficient to pay the down payment herself, and that Brandes' income and employment information was falsely stated on the application.

Hennepin County property records indicate that Brandes defaulted on the loan and the property was sold at a mortgage foreclosure sale on June 20, 2007.

Straw Buyer 4 - Nicholas J. Miller

Nicholas Miller ("Miller") purchased two homes from the Gustafsons in 2007; one from GUSTAFSON and one from Gustafson, Sr. Miller told law enforcement agents that he has known the Gustafsons for approximately 15 years because he was best friends with John Gustafson, GUSTAFSON'S brother and another son of Gustafson, Sr. (through this investigation your Complainant has learned that John Gustafson died in April, 2003). Miller stated that he worked as a bail bond agent at GBBI on and off for several years. Your Complainant has reviewed GBBI records obtained during this investigation and confirmed that Miller worked with GBBI from 2002 until at least 2008. As noted above, at least one witness identified Miller as a BDP member who occasionally hosted BDP gang meetings at a home at 6182 Zealand Avenue North, New Hope, that he had purchased from Gustafson, Sr. in the mortgage fraud scheme.

Miller stated that GUSTAFSON asked him to put two homes in his name because GUSTAFSON wanted to avoid judgments and was worried about creditors. Miller stated that he purchased the properties because he was trying to help a friend, and that GUSTAFSON said he would be responsible for the properties after Miller put them in his name. Miller stated that GUSTAFSON's cousin Troy Amundson arranged for Miller's mortgage loans, and GUSTAFSON provided the down payment funds Miller needed to purchase the homes.

VI. 6182 Zealand Ave N., New Hope, Hennepin County
February 28, 2007
Seller: Gustafson, Sr.
(Count 13)

According to Hennepin County property records and loan closing documents reviewed by your Complainant, Miller purchased 6182 Zealand Avenue North, New Hope, from Gustafson, Sr. on February 28, 2007. Documents obtained from ATA Title, where the closing took place, indicate that the purchase price was \$217,000 and that Miller financed the purchase with a \$42,720 cash down payment provided by him, and a mortgage loan from World Savings Bank, FSB in the amount of \$173,600. Gustafson, Sr. received \$38,087.33 in cash proceeds from the sale, and another \$5,946 of seller proceeds was escrowed to satisfy a state tax lien against the property.

According to the loan application that was submitted to the lender and signed by both Miller and Amundson, Miller was self-employed by Nick Miller Bail Bonds earning \$11,600 per month. The application also stated that none of the down payment funds would be borrowed.

Miller admitted that the income on the application was false and stated he never made that much money from selling bail bonds. He stated that he did not tell anyone he made that much money but he did sign the documents that were presented to him at the closing, including the application. Miller also admitted that GUSTAFSON provided him with the funds he used to make the down payment. Your Complainant has reviewed bank records establishing that a check from GBBi in the amount of \$50,000, made payable to Miller and signed by "Joe Gustafson," was deposited in Miller's Wells Fargo bank account on February 27. On February 28, Miller withdrew the \$50,000 from his account and provided a cashier's check in that amount at closing. Because the amount of the check exceeded Miller's closing costs, ATA issued a refund check to Miller in the amount of \$7,280. Miller endorsed that check over to "Joseph Gustafson" and it was deposited into the GBBi account on April 5, 2007.

The fact that the Miller's down payment funds were being provided by a third party was not disclosed to the lender anywhere in the closing file. Documents reviewed during this investigation indicate that if World Savings Bank had known that Miller's income was overstated on the loan application, or that the seller's son was paying Miller's down payment, it would not have financed Miller's purchase of the home.

Miller admitted that he defaulted on the loan and the property went into foreclosure. Hennepin County property records indicate that the home was sold at a mortgage foreclosure sale on November 20, 2009.

VII. 3214 Vincent Avenue North, Minneapolis, Hennepin County
March 19, 2007
Seller: GUSTAFSON
(Count 14)

According to Hennepin County property records and loan closing documents reviewed by your Complainant, Miller purchased 3214 Vincent Avenue North, Minneapolis, in Hennepin County from GUSTAFSON on March 19, 2007. Documents obtained from ATA Title, where the closing took place, indicate that the purchase price was \$154,000 and that Miller financed the purchase with a cash down payment in the amount of \$8,133.77 provided by him, a \$15,400 seller carry-back mortgage, and a mortgage loan from Chase Bank U.S.A., N.A. ("Chase") in the amount of \$130,900. GUSTAFSON received \$16,513.04 in cash proceeds from the sale.

According to the loan application that was submitted to the lender and signed by both Miller and Amundson, Miller was self-employed by Nick Miller Bail Bonds earning \$16,500 per month. The application also stated that none of the down payment funds would be borrowed. According to the purchase agreement, which was also submitted to the lender in support of the loan application, Miller would be obligated to pay \$107.68 per month to GUSTAFSON for a period of five years toward satisfaction of the seller-carry back mortgage, at which time the entire balance of the loan would be due.

As previously mentioned, Miller admitted that the income on the loan application was falsely inflated. He stated that he did not tell anyone he made that much money but he did sign the documents that were presented to him at the closing, including the application. Miller also admitted that GUSTAFSON provided him with the funds he used to make the down payment. Further, your Complainant discovered that the seller carry-back mortgage provided by GUSTAFSON to Miller was never recorded.

The fact that Miller's down payment funds were being provided by the seller was not disclosed to the lender anywhere in the closing file. Documents reviewed during this investigation indicate that if Chase had known that Miller's income was overstated on the loan application, that the seller was paying Miller's down payment, and/or that the seller carry-back mortgage was a sham, it would not have financed Miller's purchase of the home.

Miller admitted that he defaulted on the loan to Chase and that the property went into foreclosure. Hennepin County property records indicate that the home was sold at a mortgage foreclosure sale on September 18, 2009.

GUSTAFSON is not currently in custody on the charges listed below. NEUBERGER is currently in custody on the Assault in the Second Degree which was previously filed as MNCIS No. 27-CR-10-46395 and is being consolidated with this matter at Count 2, below.

OFFENSES

COUNT 1: RACKETEERING (FELONY)
MINN. STAT. § 609.903, SUBD. 1(1); § 609.05
PENALTY: 0-20 YEARS AND/OR \$1,000,000

That on or about 2005 through 2009, in Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON and TROY MICHAEL NEUBERGER**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with each other and/or others, were employed by or associated with an enterprise, to wit, the Beat-Down Posse ("BDP") and its associates, and intentionally conducted or participated in the affairs of the enterprise by participating in a pattern of criminal activity, namely, terroristic threats, aggravated assault, kidnapping, narcotics sales, unlawful possession of firearms, and/or theft by swindle.

COUNT 2: ASSAULT IN THE SECOND DEGREE (FELONY)
MINN. STAT. § 609.222, SUBD. 2; § 609.101, SUBD. 2; § 609.11; § 609.05
PENALTY: 1 YEAR AND 1 DAY-10 YEARS AND/OR \$6,000-\$20,000

That on or about April 13, 2008, in Hennepin County, Minnesota, **TROY MICHAEL NEUBERGER**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with another while using a dangerous weapon, assaulted Victim 1 and inflicted substantial bodily harm.

COUNT 3: TERRORISTIC THREATS (FELONY)
MINN. STAT. § 609.713, SUBD. 1; § 609.05
PENALTY: 0-5 YEARS AND/OR \$10,000

That on or about May, 2008, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON and TROY MICHAEL NEUBERGER**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with each other or others did threaten to commit a crime of violence with the purpose of terrorizing another, and/or in reckless disregard of the risk of causing terror in another, Victim 2.

OFFENSES CONTINUED ON NEXT PAGE

COUNT 4: KIDNAPPING (FELONY)

MINN. STAT. § 609.25, SUBD. 1(3) SUBD. 2(1); § 609.05

PENALTY: 0-20 YEARS AND/OR \$35,000

That on or between August 1 and September 30, 2008, in Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON, TROY MICHAEL NEUBERGER** and others known and unknown confined Victim 3 and/or removed him from one place to another without his consent, in order to commit great bodily harm or to terrorize him/her or another.

COUNT 5: ASSAULT IN THE SECOND DEGREE (FELONY)

MINN. STAT. § 609.222, SUBD. 2; § 609.101, SUBD. 2; § 609.11; § 609.05

PENALTY: 1 YEAR AND 1 DAY-10 YEARS AND/OR \$6,000-\$20,000

That on or between August 1 and September 30, 2008, in Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON and TROY MICHAEL NEUBERGER**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with each other or others while using a dangerous weapon, assaulted Victim 3 and inflicted substantial bodily harm.

COUNT 6: CONTROLLED SUBSTANCE CRIME THIRD DEGREE-SALE (FELONY)

MINN. STAT. § 152.023, SUBD. 1(1), SUBD. 3(a); § 609.101, SUBD. 3; § 152.01, SUBD. 16a; § 609.05

PENALTY: 0-20 YEARS AND/OR \$75,000-\$250,000

That on or about March 4, 2009, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with another, unlawfully sold, gave away, bartered, delivered, exchanged, distributed, disposed of to another, offered to sell, agreed to sell, manufactured or possessed with intent to sell one or more mixtures containing a narcotic drug, to-wit: cocaine.

COUNT 7: CONTROLLED SUBSTANCE CRIME THIRD DEGREE-SALE (FELONY)

MINN. STAT. § 152.023, SUBD. 1(1), SUBD. 3(a); § 609.101, SUBD. 3; § 152.01, SUBD. 16a; § 609.05

PENALTY: 0-20 YEARS AND/OR \$75,000-\$250,000

That on or about April 3, 2009, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with another, unlawfully sold, gave away, bartered, delivered, exchanged, distributed, disposed of to another, offered to sell, agreed to sell, manufactured or possessed with intent to sell one or more mixtures containing a narcotic drug, to-wit: cocaine.

COUNT 8: CONTROLLED SUBSTANCE CRIME FIRST DEGREE-SALE (FELONY)

MINN. STAT. § 152.021, SUBDS. 1(1), 3(a); § 609.101, SUBD. 3; § 152.01, SUBD. 16a; § 609.05

PENALTY: 0-30 YEARS AND/OR \$300,000-\$1,000,000

That on or about April 9, 2009, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with another, unlawfully sold, gave away, bartered, delivered, exchanged, distributed, disposed of to another, offered to sell, agreed to sell, manufactured or possessed with intent to sell one or more mixtures of a total weight of 10 grams or more containing cocaine, heroin or methamphetamine.

OFFENSES CONTINUED ON NEXT PAGE

COUNT 9: PROHIBITED PERSON IN POSSESSION OF A FIREARM (FELONY)

MINN. STAT. § 624.713, SUBD. 1(2), 2(b); § 609.11

PENALTY: 5-15 YEARS AND/OR \$30,000

That on or about February 17, 2009, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON** possessed a firearm and **Defendant** has been convicted or adjudicated delinquent in this state or elsewhere of a crime of violence, multiple counts of Assault 2 on February 19, 1998, for which the sentence or court supervision expired on or after August 1, 1993.

COUNT 10: PROHIBITED PERSON IN POSSESSION OF A FIREARM (FELONY)

MINN. STAT. § 624.713, SUBD. 1(2), 2(b); § 609.11

PENALTY: 5-15 YEARS AND/OR \$30,000

That on or about April 27, 2009, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON** possessed a firearm and **Defendant** has been convicted or adjudicated delinquent in this state or elsewhere of a crime of violence, multiple counts of Assault 2 on February 19, 1998, for which the sentence or court supervision expired on or after August 1, 1993.

COUNT 11: THEFT BY SWINDLE OVER \$35,000 (FELONY)

MINN. STAT. § 609.52, SUBD. 2(4), SUBD. 3(1); § 609.05

PENALTY: 0-20 YEARS AND/OR \$100,000

That on or about November 21, 2005, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON**, acting alone or intentionally aiding or conspiring with others, obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000), from Argent Mortgage Company, LLC, by swindle using artifice, trick, device or other means.

COUNT 12: THEFT BY SWINDLE OVER \$35,000 (FELONY)

MINN. STAT. § 609.52, SUBD. 2(4), SUBD. 3(1); § 609.05

PENALTY: 0-20 YEARS AND/OR \$100,000

That on or about March 7, 2006, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON**, acting alone or intentionally aiding or conspiring with others, obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000), from Argent Mortgage Company, LLC, by swindle using artifice, trick, device or other means.

COUNT 13: THEFT BY SWINDLE OVER \$35,000 (FELONY)

MINN. STAT. § 609.52, SUBD. 2(4), SUBD. 3(1); § 609.05

PENALTY: 0-20 YEARS AND/OR \$100,000

That on or about February 28, 2007, in New Hope, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with others, obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000), from World Savings Bank, FSB by swindle using artifice, trick, device or other means.

OFFENSES CONTINUED ON NEXT PAGE

COMPLAINT SUPPLEMENT

CCT	SECTION/Subdivision	M.O.C.	GOC
7	§ 152.023	DF250	X
8	§ 152.021	DD250	X
9	§ 624.713	W1643	N
10	§ 624.713	W1643	N
11	§ 609.52	U1061	X
12	§ 609.52	U1061	X
13	§ 609.52	U1061	X
14	§ 609.52	U1061	X

COUNT 14: THEFT BY SWINDLE OVER \$35,000 (FELONY)
 MINN. STAT. § 609.52, SUBD. 2(4), SUBD. 3(1); § 609.05
 PENALTY: 0-20 YEARS AND/OR \$100,000

That on or about March 19, 2007, in Minneapolis, Hennepin County, Minnesota, **JOSEPH DUANE GUSTAFSON**, acting alone or intentionally aiding, advising, hiring, counseling or conspiring with others, obtained property or services of a value in excess of Thirty-five Thousand Dollars (\$35,000), from Chase Bank U.S.A., N.A., by swindle using artifice, trick, device or other means.

NOTICE: You must appear for every court hearing on this charge. A failure to appear for court on this charge is a criminal offense and may be punished as provided in Minn. Stat. § 609.49.

THEREFORE, Complainant requests that said Defendant, subject to bail or conditions of release be:

- (1) arrested or that other lawful steps be taken to obtain defendant's appearance in court; or*
- (2) detained, if already in custody, pending further proceedings;*

and that said Defendant otherwise be dealt with according to law.

COMPLAINANT'S NAME:

Kelly O'Rourke

COMPLAINANT'S SIGNATURE:

Being duly authorized to prosecute the offense(s) charged, I hereby approve this Complaint.

DATE:

February 22, 2011

tc/red

PROSECUTING ATTORNEY'S SIGNATURE:

PROSECUTING ATTORNEY:

NAME/TITLE:

WILLIAM T. RICHARDSON (#91431)
Assistant County Attorney

ADDRESS/TELEPHONE:

C2100 Government Center, Minneapolis, MN 55487
Telephone: 612-348-8836

Court Case # _____

This COMPLAINT was subscribed and sworn to before the undersigned this _____ day of _____, 20____.

NAME:

SIGNATURE:

TITLE:

FINDING OF PROBABLE CAUSE

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant(s) arrest or other lawful steps be taken to obtain Defendant(s) appearance in Court, or his detention, if already in custody, pending further proceedings. The Defendant(s) is/are thereof charged with the above-stated offense.

SUMMONS

☐ THEREFORE YOU, THE ABOVE-NAMED DEFENDANT(S), ARE HEREBY SUMMONED to appear on the _____ day of _____, 20____ at _____ AM/PM before the above-named court at _____ to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

**WARRANT**☐ **EXECUTE IN MINNESOTA ONLY**

To the sheriff of the above-named county; or other person authorized to execute this WARRANT; I hereby order, in the name of the State of Minnesota, that the above-named Defendant(s) be apprehended and arrested without delay and brought promptly before the above-named Court (if in session, and if not, before a Judge or Judicial Officer of such Court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon thereafter as such Judge or Judicial Officer is available) to be dealt with according to law.

ORDER OF DETENTION

☐ Since the above-named Defendant(s) is already in custody; I hereby order, subject to bail or conditions of release, that the above-named Defendant(s) continue to be detained pending further proceedings.

Bail: **Defendant GUSTAFSON:** \$1,000,000.00 + CR

Conditions of Release: **Defendant GUSTAFSON:** No contact with victims, No contact with witnesses, No contact with co-defendant NEUBERGER

This COMPLAINT- **WARRANT** duly subscribed and sworn to, is issued by the undersigned Judicial Officer this _____ day of _____, 20____.

NAME:

SIGNATURE

TITLE: **JUDGE OF DISTRICT COURT**

Sworn testimony has been given before the Judicial Officer by the following witnesses:

STATE OF MINNESOTA

COUNTY OF HENNEPIN

STATE OF MINNESOTA

Plaintiff

vs.

JOSEPH DUANE GUSTAFSON, JR.

Defendant.

*Clerk's Signature or File Stamp:***RETURN OF SERVICE**

I hereby Certify and Return that I have served a copy of this COMPLAINT – SUMMONS, WARRANT, ORDER OF DETENTION upon Defendant(s) herein-named.

Signature of Authorized Service Agent:

Court Case # _____

This COMPLAINT was subscribed and sworn to before the undersigned this _____ day of _____, 20____.

NAME:

SIGNATURE:

TITLE:

FINDING OF PROBABLE CAUSE

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant(s) arrest or other lawful steps be taken to obtain Defendant(s) appearance in Court, or his detention, if already in custody, pending further proceedings. The Defendant(s) is/are thereof charged with the above-stated offense.

SUMMONS

☐ THEREFORE YOU, THE ABOVE-NAMED DEFENDANT(S), ARE HEREBY SUMMONED to appear on the _____ day of _____, 20____ at _____ AM/PM before the above-named court at _____ to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

**WARRANT**☐ **EXECUTE IN MINNESOTA ONLY**

To the sheriff of the above-named county; or other person authorized to execute this WARRANT; I hereby order, in the name of the State of Minnesota, that the above-named Defendant(s) be apprehended and arrested without delay and brought promptly before the above-named Court (if in session, and if not, before a Judge or Judicial Officer of such Court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon thereafter as such Judge or Judicial Officer is available) to be dealt with according to law.

ORDER OF DETENTION

☐ Since the above-named Defendant(s) is already in custody; I hereby order, subject to bail or conditions of release, that the above-named Defendant(s) continue to be detained pending further proceedings.

Bail: **Defendant NEUBERGER: \$500,000.00 + CR**

Conditions of Release: **Defendant NEUBERGER:** No contact with victims, No contact with witnesses, No contact with co-defendant GUSTAFSON

This COMPLAINT- **WARRANT** duly subscribed and sworn to, is issued by the undersigned Judicial Officer this _____ day of _____, 20____.

NAME:

SIGNATURE

TITLE: **JUDGE OF DISTRICT COURT**

Sworn testimony has been given before the Judicial Officer by the following witnesses:

STATE OF MINNESOTA

COUNTY OF HENNEPIN

STATE OF MINNESOTA

Plaintiff

vs.

TROY MICHAEL NEUBERGER,

Defendant.

*Clerk's Signature or File Stamp:***RETURN OF SERVICE**

I hereby Certify and Return that I have served a copy of this COMPLAINT – SUMMONS, WARRANT, ORDER OF DETENTION upon Defendant(s) herein-named.

Signature of Authorized Service Agent:

