



# Department of Justice

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Eastern District of Texas

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## **Dallas Men Indicted in \$485 Million Investment Fraud Scheme in East Texas**

PLANO, Texas – Two Dallas men have been indicted in connection with a \$485 million investment fraud scheme in the Eastern District of Texas, announced U.S. Attorney John M. Bales today.

Brendan Coughlin, 46, and Henry Harrison, 47, both of Dallas, have been charged with one count of conspiracy to commit mail fraud and 10 counts of mail fraud. The indictment was returned by a federal grand jury on July 11, 2012.

According to the indictment, Coughlin and Harrison, on behalf of Provident Royalties, LLC, conspired with others to defraud investors in an oil and gas scheme that involved over \$485 million and 7,700 investors throughout the United States. Specifically, beginning in approximately September of 2006, Coughlin, Harrison, and other individuals, made materially false representations and failed to disclose material facts to their investors in order to induce the investors into providing payments to Provident. Among these false representations were statements that funds invested would be used only for the oil and gas project for which those funds were raised; among the omissions of material fact were the facts that another of Provident founders, Joseph Blimline, had received millions of dollars of unsecured loans; that Blimline had been previously charged with securities fraud violations by the state of Michigan; and that funds from investors in later oil and gas projects were being used to pay individuals who invested in earlier oil and gas projects.

If convicted, Coughlin and Harrison face up to 20 years in federal prison.

This law enforcement action is part of President Barack Obama's Financial Fraud Enforcement Task Force.

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

This case is being investigated by the FBI and prosecuted by Assistant U.S. Attorney Shamoil T. Shipchandler.

**A grand jury indictment is not evidence of guilt. A defendant is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.**

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