

OFFICE OF ATTORNEY GENERAL  
CONSUMER PROTECTION AND ANTITRUST DIVISION  
GATEWAY PROFESSIONAL CENTER  
1050 E INTERSTATE AVENUE, STE 200  
BISMARCK, NORTH DAKOTA 58503-5574

701-328-5570 (Telephone)  
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STATE OF NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL



STATE OF NORTH DAKOTA EX REL.  
WAYNE STENEHJEM,  
ATTORNEY GENERAL,

Petitioner,

-VS-

SEAN PATRICK GORMAN, BARTLEY  
GORMAN, JR, ROBERT GORMAN,  
PATRICK MICHAEL GORMAN, JOSEPH  
JUDE GORMAN, JOHN GORMAN, ANN  
GORMAN, GORMAN GENERAL  
CONTRACTING, JOHN COSTELLO, JOHN  
LOVELL, WILLIAM RILEY, AND PETER  
TOOGOOD,

Respondents.

**CEASE AND DESIST ORDER,  
NOTICE OF CIVIL PENALTY  
AND NOTICE OF RIGHT  
TO REQUEST A HEARING**

CPAT 200010.001

**To the individuals identified below ("Respondents"):**

SEAN PATRICK GORMAN  
PO BOX 1172  
MINOT, ND 58702

BARTLEY GORMAN, JR.  
PO BOX 1172  
MINOT, ND 58702

ROBERT GORMAN  
500 54<sup>TH</sup> ST NW  
MINOT, ND 58701

PATRICK MICHAEL GORMAN  
500 54<sup>TH</sup> ST NW  
MINOT, ND 58701

JOSEPH JUDE GORMAN  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

GORMAN GENERAL CONTRACTING  
PO BOX 1172  
MINOT, ND 58702

ANN GORMAN  
500 54<sup>TH</sup> ST NW  
MINOT, ND 58701

JOHN GORMAN  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

JAMES COSTELLO  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

JOHN LOVELL  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

WILLIAM RILEY  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

PETER TWOGOOD  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

## BACKGROUND

[¶1] The Attorney General of North Dakota has a reasonable basis to believe Respondents have engaged in, or are engaging in, acts or practices declared unlawful by: North Dakota Century Code (“N.D.C.C.”) § 12.1-06.1-03 (“Illegal Control of an Enterprise – Illegally Conducting an Enterprise”); §§ 12.1-06-01 and 12.1-23-02 (“Attempted Theft of Property”); § 12.1-31-07.1 (“Exploitation of an Eligible Adult”); ch. 43-07 (commonly known as the “Contractors Law”); § 51-04-03.1 (“Failure to Possess License When Transacting Business”); ch. 51-15 (commonly known as the “Consumer Fraud Law”); and ch. 51-18 (commonly known as the “Home Solicitations Law”). It is necessary and appropriate in the public interest and for the protection of consumers to restrain Respondents’ unlawful acts or practices.

[¶2] Respondents, individually and/or by and through agents, are doing business under some or all of the names identified above, and appear to have engaged in violations of North Dakota law by:

[¶3] First, in violation of N.D.C.C. § 12.1-06.1-03, through a pattern of racketeering activity or its proceeds, acquiring or maintaining, by investment or otherwise, control of any enterprise; or are employed by or associated with any enterprise and conducting or participating in the conduct of that enterprise’s affairs through a pattern of racketeering activity.

[¶4] Second, in violation of N.D.C.C. §§ 12.1-06-01 and 12.1-23-02, acting with the kind of culpability required to commit Theft of Property and engaging in conduct that was a substantial step towards the commission of intentionally depriving another of property by deception or by threat.

[¶5] Third, in violation of N.D.C.C. § 12.1-31-07.1, knowingly, by deception, intimidation, or undue influence, obtaining or using, or attempting to obtain or use, an eligible adult's funds, assets, or property with the intent to temporarily or permanently deprive the eligible adult of the use, benefit, or possession of the property, for the benefit of someone other than the eligible adult.

[¶6] Fourth, in violation of N.D.C.C. § 43-07-02, engaging in the business of or acting in the capacity of a contractor within North Dakota when the cost, value, or price per job exceeds the sum of four thousand dollars without first having a license.

[¶7] Fifth, in violation of N.D.C.C. § 43-07-02(5), receiving payment for a construction project by intentionally using deception as defined in section 12.1-23-10.

[¶8] Sixth, in violation of N.D.C.C. § 51-04-03.1, engaging in, doing, or transaction business in North Dakota in the capacity of a transient merchant without first applying for a receiving a license; having said license in their possession at all times when engaging in or transaction business; and displaying said license when requested to do so by any court, law enforcement official, peace officer, or consumer.

[¶9] Seventh, in violation of N.D.C.C. § 51-15-02, contracting to perform work as a contractor, within the meaning of N.D.C.C. § 43-07-01(1), and then failing to perform the contracted work.

[¶10] Eighth, in violation of N.D.C.C. §§ 51-18-02 and 51-18-04, engaging in personal solicitation sales, within the meaning of N.D.C.C. § 51-18-01(3), without providing the notice of right to cancel required by N.D.C.C. § 51-18-02 that substantially complies with N.D.C.C. § 51-18-04; and

[¶11] Ninth, in violation of N.D.C.C. § 51-15-02, engaging in deceptive acts or practices, or unconscionable acts or practices, in violation of N.D.C.C. § 51-15-02 or other laws.

[¶12] Respondents' last known addresses are:

[¶13] Respondents' engaged in the conduct described herein including while operating the business Gorman General Contracting.

[¶14] Respondents are or were in the business of soliciting and selling merchandise in North Dakota. Respondents, or Respondents' agents on Respondents' behalf, solicited North Dakota customers, including personal solicitation sales on a temporary or transient basis.

[¶15] On October 8, 2019, the State filed a criminal action against Respondent Sean Patrick Gorman in Case No. 28-2019-CR-00380.

[¶16] According to allegations made against Respondent Sean Patrick Gorman in Case No. 28-2019-CR-00380, Respondent, while engaged in the sale or advertisement of merchandise, used deception and intimidation to obtain funds from an eligible adult. Ex. 1 at p. 1. Such conduct also constitutes a violation of N.D.C.C. § 51-15-02 which prohibits "the act, use, or employment by any person of any deceptive act or practice, fraud, false pretense, false promise, or misrepresentation, with the intent that others rely thereon in connection with the sale or advertisement of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby."

[¶17] According to allegations made against Respondent Sean Patrick Gorman in Case No. 28-2019-CR-00380, Respondent Sean Patrick Gorman is or was engaged in the business or acted in the capacity of a contractor, within the meaning of N.D.C.C. §

43-07-01(1), within North Dakota when the cost, value, or price per job exceeded the sum of four thousand dollars without first having a license. Id. at p. 2. Under N.D.C.C. § 43-07-14(3), any person engaging in the business or acting in the capacity of a contractor in violation of N.D.C.C. § 43-07-02 subjects the unlicensed person to all provisions, procedures, remedies, and penalties provided for in chapter 51-15.

[¶18] According to allegations made against Respondent Sean Patrick Gorman in Case No. 28-2019-CR-00380, Respondent Sean Patrick Gorman is or was engaged in construction fraud by using deception to obtain payment from consumers by intentionally using deception as defined by N.D.C.C. § 12.1-23-10. Id. at p. 2. Such conduct also constitutes a violation of N.D.C.C. § 51-15-02.

[¶19] According to allegations made against Respondent Sean Patrick Gorman in Case No. 28-2019-CR-00380, Respondent Sean Patrick Gorman is or was engaged in, doing, or transacting business in the capacity of a transient merchant, within the meaning of N.D.C.C. § 51-04-01(2), without first seeking and obtaining a license that shall be produced upon demand. Id. at p. 2. Under N.D.C.C. § 51-04-10, any person engaging in the business of, or acting in the capacity of, a transient merchant in violation of N.D.C.C. ch. 51-04 is subject to all provisions, procedures, remedies, and penalties provided for in chapter 51-15.

[¶20] On January 17, 2020, the State filed a criminal action against Respondents Sean Patrick Gorman and Bartley Gorman, Jr. in Case Nos. 28-2020-CR-00024 and 28-2020-CR-00025. The State's Information is supported by a Probable Cause Affidavit attested to by Matt Hiatt ("Hiatt"), Special Agent with the North Dakota Bureau of Criminal

Identification, and Aaron Matties (“Matties”), Detective with the McLean County Sheriff’s Department. Ex. 2.

[¶21] The Probable Cause Affidavit alleges that Respondents are or were, in concert with other individuals, involved in criminal enterprises in multiple states, including construction fraud scams focused on elderly victims in or near oil producing counties in North Dakota. Id. at ¶ 7.

[¶22] Specifically, the Probable Cause Affidavit alleges that, on July 5, 2018 in Billings County, North Dakota, Robert Gorman and two unidentified individuals approached victim “C.M.,” a seventy-five year old woman living alone. Robert Gorman and his accomplices represented that there were loose shingles on her roof. Id. at ¶ 10. Robert Gorman proposed to repair the shingles for \$3,200.00. Id. After applying some spray foam to C.M.’s roof, Robert Gorman demanded a payment of \$24,000.00. Id. Feeling pressured by Robert Gorman, C.M. paid him \$21,000.00, though she later canceled the check after learning that she had been scammed. Id. In Case No. 04-2018-CR-00028, Robert Gorman pleaded guilty to Criminal Mischief for damage caused to C.M.’s roof. Id. In connection with this case, the North Dakota Department of Emergency Services State and Local Intelligence Center distributed an alert that individuals with the names Robert Gorman, Peter Toogood, and possibly James Costello may be running a foam insulation scam in oil-producing counties in western North Dakota. Id.

[¶23] It appears to the Attorney General that Robert Gorman’s conduct violated N.D.C.C. chs. 43-07, 51-04, 51-15, and 51-18. Violations of N.D.C.C. chs. 43-07, 51-04, and 51-18 constitute violations of N.D.C.C. ch. 51-15.

[¶24] Affiants Hiatt and Matties describe another insulation scam that took place in another oil-producing county in western North Dakota involving an elderly man whose sister has power of attorney over his affairs due to his age and mental condition. Id. at ¶ 10. According to their Probable Cause Affidavit, the man hired Gorman General Contracting to insulate his garage with spray foam. Id. Between May 21, 2019 and July 22, 2019, the man issued five checks to “M. Gorman,” “Patrick Gorman,” and “Joseph Jude Gorman,” for a total of \$185,000.00. Id. At the time that Affiants Hiatt and Matties learned of this incident, the sheriff’s department in the county where the man resides was already investigating. Id.

[¶25] It appears to the Attorney General that this conduct may have been perpetrated in violation of N.D.C.C. chs. 43-07, 51-04, 51-15, and 51-18. Violations of N.D.C.C. chs. 43-07, 51-04, and 51-18 constitute violations of N.D.C.C. ch. 51-15.

[¶26] Affiants Hiatt and Matties describe the facts surrounding the allegations of Case No. 28-2019-CR-00380. Id. at ¶ 11. They explain that Sean Patrick Gorman and another unidentified individual came to victim “R.S.’s” home unannounced and began performing work on his home without permission. Id. R.S., of McLean County, reported that this had occurred twice, once in 2018 and once in 2019. Id. For the work performed on R.S.’s home, R.S. paid Sean Patrick Gorman \$11,000.00, \$14,000.00, and \$17,000.00 after feeling intimidated by Sean Patrick Gorman’s “pushy” demeanor. Id. Sean Patrick Gorman gave R.S. a business card and invoice from Sean Patrick Gorman representing the business Gorman General Contracting. An expert retained by the McLean County State’s Attorney’s Office determined that the work performed on R.S.’s home was very poor quality and needed to be repaired and redone. Id. The expert also determined that



the rates charged for the shoddy work was exorbitant compared to what a legitimate contractor would charge for the same work. Id. In connection with these allegations, Sean Patrick Gorman, in case No. 28-2019-CR-00380, has been charged with Exploitation of a Vulnerable Adult, in violation of N.D.C.C. § 21.1-31-07.1; Construction Fraud, in violation of N.D.C.C. § 43-07-02(5); Unlawfully Acting in the Capacity of a Contractor Without a License, in violation of N.D.C.C. § 43-07-02(2); and Failure to Possess a License When Transacting Business, in violation of N.D.C.C. § 51-04-10. Defendants' violations of N.D.C.C. §§ 43-07-02(5), 43-07-02(2), and 51-04-10 also constitute violations of N.D.C.C. ch. 51-15. In Case Nos. 28-2020-CR-00024 and 28-2020-CR-00025, in connection with these allegations, Sean Patrick Gorman and Bartley Gorman, Jr., have been charged with Illegal Control of an Enterprise – Illegally Conducting an Enterprise, in violation of N.D.C.C. § 12.1-06.1-03.

[¶27] It appears to the Attorney General that this conduct violated N.D.C.C. chs. 43-07, 51-04, 51-15, and 51-18. Violations of N.D.C.C. chs. 43-07, 51-04, and 51-18 constitute violations of N.D.C.C. ch. 51-15.

[¶28] Following media reports about the criminal charges filed against Sean Patrick Gorman, another victim, "J.Z." of McLean County, contacted the McLean County Sheriff's Department and spoke with Affiant Matties. Id. at ¶ 12. J.Z. reported that, in the summer of 2017, an individual apparently named Patrick Gorman solicited her to place asphalt on her driveway and in an outbuilding for a total price of \$10,000.00 – 15,000.00. Id. After the work was completed, Patrick Gorman told J.Z. that she owed him \$65,000.00. When J.Z. declined to pay this amount, Patrick Gorman took her horse trailer as a \$20,000.00 "down payment." Id. J.Z. then later paid Patrick Gorman the \$40,000.00 that he

demanded. J.Z. reported that the work performed by Patrick Gorman was poorly done. Id. On June 12 or June 13, 2019, Sean Patrick Gorman came, unannounced, to J.Z.'s home with a crew of workers. Id. It was J.Z.'s impression that Sean Patrick Gorman and his crew were going to perform warranty work, but, when the work was approximately half completed, he demanded that J.Z. pay him \$32,500.00. Id. J.Z. told Sean Patrick Gorman that she did not have \$65,000.00, but he continued to demand payment from her. Sean Patrick Gorman then threatened to take her car and camper as a "down payment." Id. Fearing Sean Patrick Gorman and his crew, J.Z. fled her home through a window and went to her bank where she was advised she was being scammed. Id. When she returned to her home, Sean Patrick Gorman and his crew were gone. Id. In connection with these allegations, Sean Patrick Gorman and Bartley Gorman, Jr., in Case Nos. 28-2020-CR-00024 and 28-2020-CR-00025, have been charged with Illegal Control of an Enterprise – Illegally Conducting an Enterprise, in violation of N.D.C.C. § 12.1-06.1-03. Sean Patrick Gorman has also been charged with Attempted Theft of Property, in violation of N.D.C.C. §§ 12.1-06-01 and 12.1-23-02.

[¶29] It appears to the Attorney General that this conduct violated N.D.C.C. chs. 43-07, 51-04, 51-15, and 51-18. Violations of N.D.C.C. chs. 43-07, 51-04, and 51-18 constitute violations of N.D.C.C. ch. 51-15.

[¶30] Another victim, "D.J." of McLean County, contacted the McLean County Sheriff's Department after hearing media reports about the charges brought against Sean Patrick Gorman. Id. at ¶ 13. D.J., a 95-year old widow who lives alone, spoke with Affiant Matties and told him that Sean Patrick Gorman and his father, Bartley Gorman, Jr., came to D.J.'s home the day after they used "homeadvisor.com" to hire a contractor to perform

roof repairs. Id. D.J. paid Sean Patrick Gorman and Bartley Gorman, Jr. \$6,700.00 for the roof repairs. Id. The expert retained by the McLean County Sheriff's Department determined that the work performed was of poor quality and the \$6,700.00 cost was excessive, in part, because a roof vent was not actually repaired. Id. In connection with these allegations, Sean Patrick Gorman and Bartley Gorman, Jr., in Case Nos. 28-2020-CR-00024 and 28-2020-CR-00025, have been charged with Exploitation of an Eligible Adult, in violation of N.D.C.C. § 12.1-31-07.1.

[¶31] It appears to the Attorney General that this conduct violated N.D.C.C. chs. 43-07, 51-04, 51-15, and 51-18. Violations of N.D.C.C. chs. 43-07, 51-04, and 51-18 constitute violations of N.D.C.C. ch. 51-15.

[¶32] Affiants Hiatt and Matties describe other incidents involving victims of similar construction scams including a 70-year old widower in an oil-producing county who, the affiants allege, has been scammed out of \$1.8 million dollars. Id. at ¶ 15. Affiants Hiatt and Detective Matties itemize exorbitant amounts solicited from the man and paid to Sean Patrick Gorman, Patrick Gorman, Ann Gorman, and Bartley Gorman, including \$242,000.00 and \$130,000.00 for lightning rod and spray work; \$138,500.00 and \$70,000.00 for clearing gravel and spraying sealant; and \$294,000.00 for lightning rod and spray work. Id. Checks written by the man have been paid to Sean Patrick Gorman, Peter Toogood, Patrick Gorman, John Gorman, John Lovell, James Costello, William Riley, and Bartley Gorman. Id.

[¶33] It appears to the Attorney General that this conduct violated N.D.C.C. chs. 43-07, 51-04, 51-15, and 51-18. Violations of N.D.C.C. chs. 43-07, 51-04, and 51-18 constitute violations of N.D.C.C. ch. 51-15.

[¶34] Affiants Hiatt and Detective Matties also allege that the man has been further victimized through “romance scams” perpetrated by the Gormans or their associates. Id. In 2019, the Attorney General has received reports from twenty-one romance scam victims, ranging in ages from 22 to 74, reporting losses totaling \$1,680,934. A “romance scam” constitutes a violation of N.D.C.C. ch. 51-15.

[¶35] Independently, the Consumer Protection and Antitrust Division of the Attorney General’s Office has received consumer complaints from individuals against Sean Patrick Gorman, Patrick Gorman, Joseph Jude Gorman, “M. Gorman,” and Gorman General Contracting. The consumer complaints allege conduct that would constitute violations of N.D.C.C. chs. 43-07 and 51-15.

### ORDER

[¶36] Based upon the foregoing information, it appears to the Attorney General that Respondents have engaged in, or are engaged in, violations of N.D.C.C. chs. 43-07, 51-04, 51-15, and 51-18; and are or were engaged in violation of N.D.C.C. §§ 12.1-06.1-03, 12.1-06-01 and 12.1-23-02, 12.1-31-07.1, and 51-04-03.1. **NOW, THEREFORE, IT IS ORDERED**, pursuant to N.D.C.C. § 51-15-07, that Respondents immediately **CEASE AND DESIST** from: 1) engaging in transient merchant sales within the meaning of N.D.C.C. § 51-04-01, without first having a transient merchant license in accordance with N.D.C.C. ch. 51-041; 2) soliciting or selling services and/or merchandise, as defined by N.D.C.C. § 51-15-01(3), to North Dakota consumers, including engaging in the business of, or acting in the capacity of a contractor within the meaning of N.C.C.C. § 43-07-01(1); 3) engaging in the business or acting in the capacity of a contractor within North Dakota when the cost, value, or price per job exceeds the sum of four thousand dollars without

first having a license provided in accordance with N.D.C.C. ch. 43-07; 4) soliciting consumers using untrue, deceptive, or misleading representations, engaging in deceptive acts or practices, fraud, false pretenses, false promises or misrepresentations with the intent that consumers rely thereon, in violation of N.D.C.C. § 51-15-02; and 5) engaging in unconscionable acts or practices in violation of N.D.C.C. § 51-15-02. Respondents also shall immediately **CEASE AND DESIST** from issuing any invoices or bills to North Dakota consumers for any services or merchandise and **CEASE AND DESIST** from taking any payments from North Dakota consumers including, but not limited to, direct debits or withdrawals from North Dakota consumers' bank accounts, cash, checks, or credit card payments for the sale of merchandise as defined in N.D.C.C. § 51-15-01(3).

[¶37] **YOU ARE NOTIFIED** that pursuant to N.D.C.C. § 12.1-09-03 a person is guilty of a criminal offense if he or she intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

#### **NOTICE OF CIVIL PENALTIES**

[¶38] **YOU ARE FURTHER NOTIFIED** that pursuant to N.D.C.C. § 51-15-07 any violation of this Cease and Desist Order is subject to civil penalties not to exceed \$1,000.00 per violation. Any violation of this Order that also is a violation of N.D.C.C. ch. 51-15 may result in additional civil penalties of not more than \$5,000.00 per violation. Such penalties are separate and in addition to any civil penalties, costs, expenses, investigation fees, and attorney fees pursuant to N.D.C.C. ch. 51-15 or any other applicable statute. Nothing in this

Order is intended to limit or waive any rights and remedies available to the State of North Dakota or consumers.

**NOTICE OF RIGHT TO REQUEST HEARING**

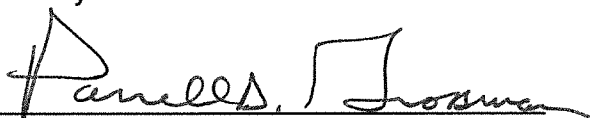
**[¶39] YOU ARE NOTIFIED** that pursuant to N.D.C.C. § 51-15-07 you may request a hearing before the Attorney General if such a request is made in writing WITHIN TEN (10) DAYS AFTER RECEIPT OF THIS ORDER. Respondents have the right to be represented by legal counsel at the hearing at Respondents' expense.

Dated this 17th day of January, 2020.

**STATE OF NORTH DAKOTA**

Wayne Stenehjem  
Attorney General

BY:



Parrell D. Grossman, NDBID 04684  
Assistant Attorney General  
Director  
Consumer Protection and  
Antitrust Division  
Office of Attorney General  
Gateway Professional Center  
1050 E. Interstate Ave., Suite 200  
Bismarck, ND 58503-5574  
(701) 328-5570

STATE OF NORTH DAKOTA  
BURLEIGH COUNTY

BEFORE THE  
ATTORNEY GENERAL

IN THE MATTER OF:

SEAN PATRICK GORMAN, BARTLEY  
GORMAN, JR, ROBERT GORMAN,  
PATRICK MICHAEL GORMAN, JOSEPH  
JUDE GORMAN, JOHN GORMAN, ANN  
GORMAN, GORMAN GENERAL  
CONTRACTING, JOHN COSTELLO,  
JOHN LOVELL, WILLIAM RILEY, AND  
PETER TOOGOOD,

**AFFIDAVIT OF SERVICE  
BY MAIL**

Respondents

CPAT 200010.001

STATE OF NORTH DAKOTA    )  
  ) ss  
COUNTY OF BURLEIGH    )

1. Jessica Seibel states under oath as follows: I swear and affirm upon penalty of perjury that the statements made in this affidavit are true and correct and made upon personal knowledge.

2. I am of legal age and on the 17th day of January, 2020 I served the CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING upon the following by placing true and correct copies thereof in an envelope addressed as follows:

SEAN PATRICK GORMAN  
PO BOX 1172  
MINOT, ND 58702

BARTLEY GORMAN, JR.  
PO BOX 1172  
MINOT, ND 58702

ROBERT GORMAN  
500 54<sup>TH</sup> ST NW  
MINOT, ND 58701

PATRICK MICHAEL GORMAN  
500 54<sup>TH</sup> ST NW  
MINOT, ND 58701

JOSEPH JUDE GORMAN  
9933 PEREGRINE TRAIL

GORMAN GENERAL CONTRACTING  
PO BOX 1172  
MINOT, ND 58702

FORT WORTH, TX 76108

ANN GORMAN  
500 54<sup>TH</sup> ST NW  
MINOT, ND 58701

JOHN GORMAN  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

JAMES COSTELLO  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

JOHN LOVELL  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

WILLIAM RILEY  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

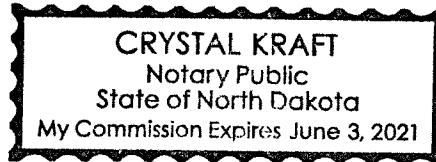
PETER TWOGOOD  
9933 PEREGRINE TRAIL  
FORT WORTH, TX 76108

and depositing the same, with postage prepaid, in the United States mail at Bismarck,  
North Dakota, as first class mail.

  
\_\_\_\_\_  
Jessica Seibel

Subscribed and sworn to before me  
this 17th day of January, 2020.

  
\_\_\_\_\_  
NOTARY PUBLIC





STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF MCLEAN

SOUTH CENTRAL JUDICIAL DISTRICT

State of North Dakota, )

McLean County Cr. # 28-2019-CR- 380

Plaintiff, )

-vs- )

INFORMATION

Sean Patrick Gorman, )

Defendant. )

THE PROSECUTING ATTORNEY OF MCLEAN COUNTY, CHARGES that:

On or before the 24<sup>th</sup> day of September, 2019, in McLean County, ND the above-named

Defendant committed the offenses of:

**COUNT I: EXPLOITATION OF AN ELIGIBLE ADULT** in violation of N.D.C.C. § 12.1-31-07.1 by then and there: The person has a business relationship with the eligible adult and knowingly, by deception, intimidation, or undue influence, obtains or uses, or attempts to obtain or use, the eligible adult's funds, assets, or property with the intent to temporarily or permanently deprive the eligible adult of the use, benefit, or possession of the property, for the benefit of someone other than the eligible adult.

To-wit: The Defendant knowingly deceived and intimidated R.S. to obtain funds from R.S. for home improvement projects in an amount in excess of \$42,000 and did deceptive work for that money.

Penalty Section: N.D.C.C. § 12.1-31-07.1(2)(b)  
Class B Felony

**COUNT II: CONSTRUCTION FRAUD** in violation of N.D.C.C. § 43-07-02 by then and there: A person commits construction fraud if: The person receives payment for a construction project by intentionally using deception as defined in section 12.1-23-10.

To-wit: The Defendant used deception to obtain \$42,000 from R.S. for construction projects.

Penalty Section: N.D.C.C. § 43-07-02(5)  
Class B Felony

**EXHIBIT 1**

**COUNT III: UNLAWFULLY ACTING IN THE CAPACITY OF A CONTRACTOR WITHOUT A LICENSE** in violation of N.D.C.C. § 43-07-02 and by then and there: A person may not engage in the business nor act in the capacity of a contractor within this state when the cost, value, or price per job exceeds the sum of four thousand dollars.

To-wit: The Defendant acted in the capacity of a contractor under the company name of Gorman Construction Company and/or Gorman General Contracting at a time he was not licensed as a contractor and received funds in excess of \$4,000 for a contracting business.

Penalty Section: N.D.C.C. § 43-07-02(2)  
Class A Misdemeanor

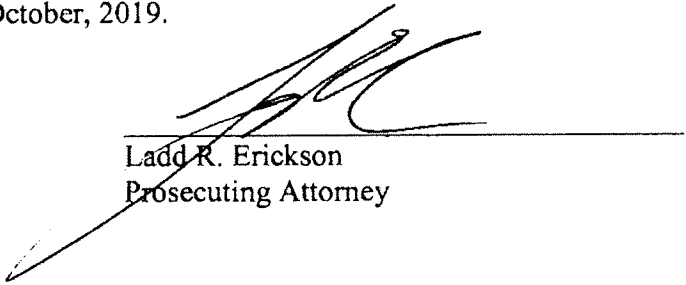
**COUNT IV: FAILURE TO POSSESS LICENSE WHEN TRANSACTING BUSINESS** in violation of N.D.C.C. § 51-04-03.1 by then and there: License to be carried by licensee and exhibited on demand. Every transient merchant licensed under this chapter shall have the license in immediate possession at all times when engaging in or transacting any business regulated by this chapter. The licensee shall display the license when requested to do so by any court, law enforcement official, peace officer, or consumer.

To-wit: The Defendant failed to possess and exhibit a transient merchant license while working on R.S.'s house.

Penalty Section: N.D.C.C. § 51-04-10  
Class B Misdemeanor

Against the peace and dignity of the State of North Dakota.

DATED: This 8 day of October, 2019.


  
\_\_\_\_\_  
Ladd R. Erickson  
Prosecuting Attorney

Based on the attached affidavit, the Court finds probable cause to initially charge the

Defendant with the offenses on:

Signed: 10/9/2019 7:54:14 AM

BY THE COURT:

  
\_\_\_\_\_  
District Court Judge

State's Witnesses:

Detective Aaron Matties

Ali Brown, Adult Vulnerable Services

Roy Steinke

Donna Levey

Chris Schroeder, ND Attorney General's office

ND Secretary of State's office

Newly Voight, Wagon Wheel Lumber

STATE OF NORTH DAKOTA    )  
  )ss.  
COUNTY OF McLEAN         )

**AFFIDAVIT  
CONSTRUCTION FRAUD-C Felony  
EXPLOITATION OF AN ELIGIBLE ADULT-B Felony**

I, Detective Aaron Matties being first duly sworn, depose and state the following:

1. That I am a McLean County Sheriff's Deputy and have served in that capacity for approximately 13 years.
2. That in between August 17, 2018 and September 24, 2019 at 1476 38th Ave NW, Roy Steinke residence, rural Garrison, North Dakota.
3. The following gives rise to charge Sean Gorman date of birth 11/24/1993, with criminal offenses:

On August 30, 2019 I received a complaint email from Ally Brown of Adult Vulnerable Services. The report was a complaint that Roy Steinke of rural Garrison had possibly been scammed out of \$17,000 for work on his house.

I called and spoke with Roy Steinke on the phone at 701-337-5760 on the 30th of August 2019. I asked Mr. Steinke if he had any work done on his house lately. Mr. Steinke said that he had written checks for work on his house done by Sean Gorman, who had another person with him. Mr. Steinke said that guys were pushy, and he had asked Mr. Gorman if he was related to people that worked on his house back in the past. Mr. Steinke told me that some Gorman's came out to his house in the past and just started working on his house without asking, and they were pushy too. Mr. Steinke said that he couldn't remember the work they had done, but he didn't like them. Mr. Steinke also told me that this Sean Gorman wouldn't answer that question, and changed the subject to working on his house.

I then asked Mr. Steinke again about the work he had done, and asked if he had this work done in August of this year. Mr. Steinke said yes, it was this August. I asked him what the work was. Mr. Steinke told me that it was work that he needed done with his roof, and it was leaking in some areas. Mr. Steinke said that they put hot melted plastic on his roof, to seal the cracks. Mr. Steinke said that he didn't know what else they did. Mr. Steinke said that each person was there for a half of a day each. Mr. Steinke said that he wrote them a check for \$17000 one day, and for \$14000 the other day. Mr. Steinke said that they were expensive, but a lot of things are these days. Mr. Steinke said that this Sean Gorman was looking around his place and said that more work needed to be done, and he was looking around his buildings. Mr. Steinke said that these guys are pushy, and he wants someone to go talk to them and tell them to stop doing what they are doing.

Mr. Steinke was asked how Sean Gorman got out to his place. Mr. Steinke said that he didn't know, that he didn't call or ask them to come out, they just showed up. Mr Steinke said that he didn't know him from any place, and no one called him to come by his house to do work. Mr. Steinke said that he paid these individuals in checks, and they were cashed, and I needed to check with his bank about these checks. Mr. Steinke said that he does have one piece of paper that said what they did, but he can't find the other one. I spoke with Ally Brown from Adult Vulnerable Services.

Mr. Sean Gorman did receive checks as payments from Roy Steinke for repair work done on his house on the following dates.

Check #3398 issued to Sean Gorman \$11,000 for work on Roy Steinke's home on May 6<sup>th</sup> 2019 from Roy Steinke's account. This check was cashed by Sean Gorman on May 7<sup>th</sup>, 2019. There is a proposal contract for 5-6-2019 for \$11,000 by "gorman" for steel roof repairs and "lightning" and foundation sealant, and chimney repairs.

Check #3460 to Sean Gorman for \$17,000 for work on the house, from Roy Steinke's checking account. The check was written by Roy Steinke on August 22<sup>nd</sup>, 2019, and the check was cashed on August 27<sup>th</sup>, 2019. There was a piece of paper regarding work to be done, and a bill \$17,000. The list of repairs included tighten down all screws,"reline ridecap", replace screws, tighten edge rake, seal roof with water proof, tighten drip edge, tack point chimney, repair chimney flashing.

Check #3184 was written to Sean Gorman as payment for \$14,000 by Roy Steinke on August 17, 2019 and cashed on August 17, 2019. This was for work on Mr. Steinke's house. There is a proposal contract from Gorman General Contracting related to this day. Under the contractor slot of the document the name "S GORMAN" is written in cursive. This proposal is for \$14,000, for a full new lightning rod system. Mr. Steinke stated that he received the proposal bills after all the work was done.

4. Information provided to me by witnesses includes:

I made contact with Mr. Steinke's niece, Donna Levey, and she has given me information on repairs done on the house. Ms. Levey located estimates at the house, and sent them to me. Mrs. Levey also has power of attorney over Mr. Steinke's account. I also contacted Garrison State Bank, and requested copies of the checks and work done with Roy Steinke's permission. I have copies the checks that were written to Sean Gorman. Donna Levey provided me checks of work that was done on the Mr. Steinke's house. This work was done in late from August 30<sup>th</sup> to Sept 2<sup>nd</sup> of 2012. Donna Levey stated to me that the siding was done on the house, along with the steel roof that Mr. Steinke has on the house now. Mrs. Levey stated to me that they also put windows in the house. Mrs. Levey said that she thought the windows they replaced were just on the main floor. Mrs. Levey stated that the windows were not properly sealed in the house, and the finishing isn't done around the windows. Mrs. Levey stated that this was done by J. Gorman, and sent me the checks for the work done on the house. The total of this work was \$82,000. Three different checks were issued for payment, all the checks issued to a J. Gorman. These

checks were never issued to the Gorman Construction Company. Mr. Steinke identified Sean Gorman from a picture as the person who came out and worked on his house. Mr. Steinke did tell me that there was another person with him though, and that person hasn't been identified.

I spoke with Chris Schroeder, investigator for the North Dakota Attorney General's office. Investigator Schroeder stated to me that they have had problems with Sean Gorman installing lightning rods in North Dakota without the proper license. Investigator Schroeder provided me a copy of Assurance of Voluntary Compliance regarding Sean Gorman from August 4th, 2015. This order was signed by a District Judge in Burleigh County. It lists Sean Gorman doing business as Gorman General Contracting residing at 2808 6th St. SW, Minot, North Dakota 58701, and is not licensed as a Transient Merchant. It also alleges that Sean Gorman has engaged in sales activity in North Dakota without being licensed as a Transient Merchant. This paperwork was for Sean Gorman not to advertise, sell, but not limited to, installing lightning rods until he obtains a Transient Merchant License with the state of North Dakota. It also states that Sean Gorman has to obtain a contractor's license. It is stated in this Assurance of Voluntary Compliance that if Mr. Gorman violates, that he could be held in contempt of court. It also stated that Mr. Gorman could be fined if he continues to do work in North Dakota. Sean Gorman did sign this document on August 4th, 2015, and the document is notarized. This document has been signed by a district judge for approval.

On 9/11/2019 I checked with Secretary of State Office to check and see if Sean Gorman has a contractor's license. Mr. Gorman doesn't have a contractor's license. I checked to see if Sean Gorman has a transient merchant license with the ND Consumer Protection. Sean Gorman doesn't have a transient merchant license in the North Dakota.

On 09/20/2019 I went to the Roy Steinke residence with Newly Voight. Mr. Voight is the manager of the Wagon Wheel Lumber in Washburn, North Dakota. Mr. Voight has extensive experience in the construction field, and was brought in for his knowledge and expertise to look at the repairs done by Sean Gorman at the Steinke residence. Mr. Voight took measurements of the house. Mr. Voight noticed the top seams on the house weren't right, were bent and dented, which would cause the roof to leak again. Mr. Voight also noticed the "sealing" the foundation on the bottom of the house they were supposed to apply, and they just applied paint instead. Mr. Voight also stated that he noticed a "patch over" job on the steel, where it should have been replaced on the roof. Mr. Roy Steinke stated that his roof has been leaking from the recent rain we have been receiving by the chimney. Mr. Steinke was asked questions about the bid he received from Sean Gorman. Mr. Steinke stated that the Sean Gorman and his helper were very "pushy." When I asked him to explain this Mr. Steinke said that when he was given the bill he was told he needed to pay and they were really pushy with immediate payment. Mr. Steinke said that he felt that they would do something to him if he didn't pay right away. I asked if he was threatened, or if they were physical with him. Mr. Steinke said that they didn't threaten him, or anything like that, but they were just really "pushy." Mr. Steinke told me that they went into the house, and visited with him. Mr. Steinke said that

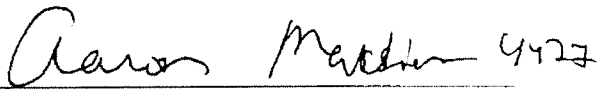
Sean and his helper told him what was wrong with his house, and he agreed to have it fixed. Mr. Steinke said that after his house was fixed, or work was done, Sean Gorman gave him the bill and told him to pay. Mr. Steinke said that Sean Gorman never told him before the repairs were done how much it was going to cost on any of his jobs before they were done. Mr. Voight said that he was going to do some research on the lightning rods that were placed on Mr. Steinke's house, and the other repairs that were supposedly done on his house.

.On September 28th, I received information from Newly Voight, manager of Wagon Wheel Lumber. Mr. Voight sent me a couple of documents. One is from Costowl.com. In the document, it stated that the cost of the lightning rod and installation should cost in between \$2000-3000 dollars for a two story house. Mr. Steinke was charged \$14000 dollars for his installation and purchase of a new lightning rod, which was copper from Mr. Sean Gorman. I received another piece of paperwork from Mr. Voight. This was from Lightning Protection. In this document it states that with a steel or aluminum roof use should use aluminum parts and cables due to corrosion rates. The paperwork stated that copper could be used on most other roofing surfaces.

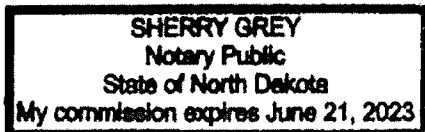
Mr. Voight was provided estimates that Sean Gorman gave to Roy Steinke. Mr. Voight did his own estimate for the same services. Mr. Voight's estimate was only \$2,683.24 for material. Mr. Steinke stated that Sean Gorman and his friend worked approximately a day on his house, without any heavy machinery, and charged him \$28000 for the work that was done with material.

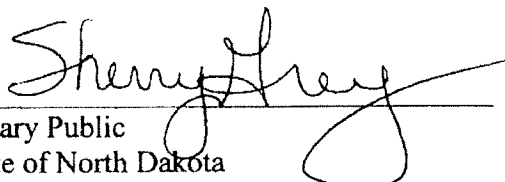
MC-19-09067

Dated October 7, 2019.

  
Detective Aaron Matties

Subscribed and sworn before me on the 7th day of October, 2019.



  
Notary Public  
State of North Dakota  
County of McLean  
My Commission Expires: \_\_\_\_\_

STATE OF NORTH DAKOTA     )  
  ) ss.  
COUNTY OF MCLEAN         )

PROBABLE CAUSE AFFIDAVIT

This sworn affidavit is attested to by Bureau of Criminal Investigation (BCI) Special Agent Matt Hiatt and McLean County Detective Aaron Matties. Both of us are licensed peace officers and experienced investigators. As such, we attest to the following:

1) Law enforcement and media sources across the nation have described the suspects in our joint investigation as "Travelers," "Irish Travelers," "The Irish Mob," or "The White Gypsies," and report common surnames of the group as "Gorman," "Toogood," "Carroll," "Riley," "Costello," "Mack," "O'Hara," "Sherlock," "McNally," and others.

2) We have reviewed police reports and court filings from Texas and South Carolina regarding criminal investigations into cases involving Travelers. Those sources depict organized crime and detail common fraudulent scams Travelers will conduct on people and the government when they operate in an area. We have also consulted with the Consumer Protection Division of the North Dakota Attorney General's office throughout this investigation, and with state's attorneys and sheriff departments in oil producing counties.

3) In 2017, twenty-four (24) Travelers plead guilty in South Carolina to conspiring to conduct numerous criminal scams. <https://www.justice.gov/usao-sc/pr/24-defendants-plead-guilty-murphy-village-criminal-conspiracy> In that case's sentencing memorandum, the U.S. Attorney's office for South Carolina stated the Travelers are found throughout the nation, but have three large settlements or "camps" near: Murphy Village, South Carolina; Fort Worth, Texas; and Memphis, Tennessee. That sentencing memorandum is attached because it explains Travelers' scams, lifestyle, culture, and norms.

4) The most pervasive Traveler scam involves construction fraud, and the signatures of those scams will be outlined in paragraphs involving North Dakota Traveler victims. The South Carolina court documents outline additional Traveler scams involving money laundering; tax evasion; food stamp and Medicaid fraud; mail and wire fraud; and prominently – life insurance scams.

5) From court documents and Texas police reports, signatures of Travelers' life insurance scams are:

a) Term life insurance policies may be taken out first, later to be converted to whole life policies;

b) The beneficiary of the policy will be a Traveler – whether they are related to the insured person or not;

c) False information will be used in the policy application and the insured person may not even know the policy was taken out in their name. The insured person is simply a source of personal identity information for a person who is going to be killed or die at some point;

**EXHIBIT 2**



d) Once a target person to insure is identified by the Travelers, many separate policies may be taken on that person using different life insurance vendors;

e) The insurance agent selling the policies may not reside in the state the insured person lives in. If the Travelers obtain a cooperative insurance agent they will insure multiple people with that agent and falsify information in the policy application to thwart state insurance laws and insurance provider internal controls;

f) Among other examples, found in the attached sentencing memorandum is an 84 year old women with 52 life insurance policies with 30 different son or daughter beneficiaries taken out in her name – but she actually had no children;

The memorandum goes on to explain that within the Travelers' community, life insurance policies are a status symbol used by men to attract brides in arranged marriages within the Travelers' sects. In other words, life insurance proceeds or polices on third parties are used as dowries to pay off the bride's family so she is allowed to marry the man.

6) A high profile Travelers' life insurance scam came to light in recent years following the murder of a 72 year old housekeeper in Texas. Two South Carolina Travelers went to Texas and murdered the housekeeper to obtain life insurance proceeds from policies other Travelers had taken out or invested in on the housekeeper. <https://www.dallasnews.com/news/crime/2016/12/05/feds-to-seize-5-million-in-life-insurance-proceeds-linked-to-murder-of-housekeeper-in-colleyville/>  
<https://www.courthousenews.com/texas-murder-produces-tangle-of-lawsuits/>

7) Our investigation found common signatures of Travelers' construction fraud scams, which in North Dakota are:

a) Travelers appear to be focusing on elderly victims who live in or near our oil producing counties, and their victims include Native American elders;

b) Travelers often appear to just show up at residences and begin working on houses - then demand payments, and payments exorbitant in relation to the work or supplies applied. Or, Travelers show up and offer a low price for a construction job, but then dramatically escalate their costs after work starts;

c) If the Travelers get paid by their target they may reappear over and over again to bleed more money out of their victim with other "construction" projects;

d) Travelers use coercion, intimidation, and extortion to frighten their victims into paying them;

e) The construction work Travelers do is uniformly poor quality requiring follow up repairs that leads to additional attempts to extort more money from their victims;

f) If confronted by law enforcement, Travelers will offer to repay their victim all or part of the money they have been paid to settle the matter and avoid criminal charges. This is evidence the Travelers have other ongoing scams in that media coverage area and don't want the publicity that comes with criminal charges to threaten those scams.

8) On June 6, 2015, Gorman General Contracting was licensed by the North Dakota Secretary of State listing the business owner as Bartley Gorman and specifying the business does: painting, roofing, coatings, asphalt coatings, and building. Our investigation shows Gorman General Contracting is a post office box type shell business Travelers use to convey legitimacy to their victims.

9) Spray foam insulation fraud: On July 5, 2018, Robert Gorman and two others approached C. M. in rural Billings County stating there were loose shingles on her roof and that he had some spray that would secure the singles and provide insulation for the cost of \$3,200.00. C.M. is a 75 year old woman who lives alone. After applying some spray foam to her roof, Robert Gorman demanded \$24,000.00 for the work that was done. C. M. felt "pressured" by Gorman and paid him \$21,000.00. Afterwards, C.M. discovered she had been scammed and canceled the check before it was cashed. BCI Special Agent Tim Helmer investigated the case and ultimately Robert Gorman plead guilty to felony Criminal Mischief for damages caused to C.M.'s roof. Agent Helmer then had the North Dakota Attorney General's State and Local Intelligence Center (NDSLIC) put out an alert to law enforcement stating "Robert Gorman," "Peter Toogood," and possibly a "James Costello" may be Irish Travelers who are running a spray foam insulation scam in western North Dakota oil producing counties.

10) A second, but larger, Travelers' spray foam insulation scam we discovered during our investigation involves an elderly man whose sister has power of attorney over his affairs because of his age and mental condition. The man lives in a small town in an oil producing county in western North Dakota. Before we became aware of this case the sheriff's department where the man resides was already investigating it. S/A Hiatt exchanged information we had about the Travelers with that sheriff's department. This case was under investigation because the man hired Gorman General Contracting to spray foam insulate his garage and between May 21 and July 22, 2019 he wrote five (5) checks to: "M. Gorman," "Patrick Gorman," and "Joseph Jude Gorman" totally \$185,000.00.

11) Sean Patrick Gorman has pending charges in McLean County for: Exploitation of an Eligible Adult; Construction Fraud; Unlawfully Acting as a Contractor; and Failure to Possess a License When Transacting Business. *State v. Gorman, 28-2019-CR-380*

In this case, R.S. is an elderly bachelor who lives alone. R.S. told Det. Matties that Sean Gorman and another man just showed up and started working on his house without asking. R.S. described Sean Gorman as "pushy." This occurred twice, once in 2018 and once in 2019.

R.S. also told Det. Matties that in 2012 a group of people had shown up at his house and put on siding and a roof. R.S.'s niece showed Det. Matties records that R.S. wrote "J. Gorman" and "Sean Gorman" \$82,000.00 in checks at that time. For the work Sean Gorman, et.al. did on R.S.'s home in 2018 and 2019, R.S. wrote him checks in the amounts of \$11,000.00, \$14,000.00 and \$17,000.00. R.S. told Det. Matties that Sean Gorman would just show up and repeated that he was "pushy" and that he didn't like him. R.S. stated he didn't know what things cost these days. R.S. received an invoice and a business card from Sean Gorman that had "Gorman General Contracting" written on them along with "State Contractor."

All of the work done by the Travelers on R.S.'s house was very poor quality and needed to be repaired and redone according to a construction expert hired by McLean County State's Attorney

Ladd Erickson to inspect the Travelers' work. The expert also said that the Travelers charged R.S. exorbitant rates for the work they had done compared to what legitimate contractors would have charged for the same jobs.

Sean Patrick Gorman has a criminal record that begins in Ft. Worth, Texas. In addition, in 2015 he was sought by law enforcement for questioning along with a James Carroll, John Carroll, and Bartley Gorman as part of a large fraudulent roofing scam that targeted seniors in Oklahoma.

<https://www.koco.com/article/logan-county-deputies-arrest-two-seeking-two-more-in-roofing-scam/4303388#>; <https://kfor.com/2015/04/01/two-arrested-for-alleged-home-repair-fraud-in-logan-county/>

12) When McLean County charged Sean Patrick Gorman the case was reported in the local media. <https://www.kfyrtv.com/content/news/Suspect-charged-in-construction-scam-in-McLean-County--564676901.html> Based on that reporting, J.Z. contacted the McLean County Sheriff's office to report that she recognized the picture of Sean Patrick Gorman in the media as one of the people that came to her house and applied asphalt to her driveway. J.Z. is a 57 year old widow who lives alone in rural McLean County.

J.Z. told Det. Matties that in the summer of 2017 a person identifying himself as "Patrick Gorman" appeared at her house unannounced. (J.Z. couldn't identify the "Patrick Gorman" we have a picture of.) J.Z. agreed that they could put asphalt on her driveway and in an outbuilding for \$10,000.00 - \$15,000.00. After the work was done, Patrick Gorman told J. Z. that she owed him \$65,000.00 for the job. J.Z. told Patrick Gorman she didn't have that kind of money on her. J.Z. stated that Patrick Gorman took her horse trailer as a \$20,000.00 down payment and that J.Z. still owed him \$40,000.00. J.Z. later withdrew \$40,000.00 from her bank account and paid it to Patrick Gorman. J.Z. stated that the work that was done had cracks and weeds growing in it in a short time.

J.Z. told Det. Matties that Sean Patrick Gorman came to her house unannounced on June 12<sup>th</sup> or 13<sup>th</sup>, 2019, and he had a crew of workers with him. J.Z. stated that Sean Patrick Gorman told her they were there to work on her asphalt. J.Z. stated she had the impression they were going to do warranty work on the poor job they had done in 2017.

J.Z. stated that when the work was about half done Sean Patrick Gorman and "his cousin" came into her house and demanded he be paid half of the \$65,000.00 she owed him for the job before they proceeded to finish it. J.Z. told Sean Patrick Gorman that she didn't have the money, but he continued to demand payment. Sean Gorman then told J. Z. that he would take her Camaro and camper as down payment. J.Z. told him no. J.Z. stated she was "furious" and exited her house through a window to get away from them. J.Z. stated she drove to her bank where she was advised that she was being scammed. When J.Z. returned to her house Sean Patrick Gorman and his crew had left.

13) Also after the media reported the McLean County charges against Sean Patrick Gorman for the R.S. case, Det Matties interviewed D.J., a 95 year old widow who lives alone in her house in McLean County. D.J.'s daughter identified Sean Patrick Gorman and Bartley Gorman, Jr. as the people that worked on her mother's house in 2019. She stated that Sean Patrick Gorman and his dad Bartley Gorman, Jr. stopped by her mother's house the day after they had contacted "homeadvisor.com" looking for someone to do roof repairs. D.J. paid \$6,700.00 for the work they

had done on the roof. The construction expert hired by SA Erickson inspected the work done by the Gormans on D.J.'s house and found it was very poor quality work that was not worth near \$6,700.00 in charges. For example, a roof vent the Gormans had supposedly fixed wouldn't vent air the way they "fixed" it.

14) We took note that when J.Z. was upset and scared enough to exit her house through a window in order to escape the extortion and demands for payments by Sean Patrick Gorman, then flee her house to go get help only to return home to find the Gorman crew had left the scene - there is trade craft evidence in those facts. This example and others listed below have shown us: When Travelers are confronted by law enforcement or non-vulnerable people they will try and repay money or avoid confrontation to attempt to evade being reported to authorities and the publicity from being charged with crimes, such as:

a) In 2016 an elderly man in an oil producing county had a construction scam run on him by Travelers using the business name of Gorman General Contracting on the invoice for a \$78,500.00 bill. The elderly man wrote a check in that amount to "B. Gorman." A third party found out about it and reported it to their sheriff's department. A deputy found and confronted the Travelers involved and they repaid the elderly man his money and the matter was closed.

b) In September 2018 Bartley Gorman using the business name Gorman General Contracting applied sealant to a Killdeer couple's driveway. The sealant was poor quality and the couple demanded their money back. After thirteen (13) months of getting the run around from Bartley Gorman and other Travelers the couple sued Bartley Gorman and Gorman General Contracting in small claims court. Once served the small claims complaint, the Travelers paid the couple their money back - thus avoiding a contested court hearing or other attention from authorities.

Legitimate contractors would not demand a payment from a person and then leave the scene when that person flees for help; nor just pay all the money back when confronted by a sheriff's deputy or small claims action. We believe Travelers do this because they have other deeper ongoing scams being run on other elderly people and don't want to risk those scams being exposed by media reports that follow criminal charges - like happened in McLean County when Sean Patrick Gorman was charged for his construction scam on R.S.

15) Evidence of a deeper scam Travelers would want protected by returning money if confronted involves a 70 year old widow rancher in an oil producing county. This man lives alone in a secluded modest older ranch house in the North Dakota badlands. On December 13, 2019 S/A Hiatt met with this man at his home. The man showed S/A Hiatt twelve (12) checks he had written to eight (8) different Travelers totaling \$1,895,700.00. The following is an itemized list of the checks the man wrote to Travelers:

a) Sean Patrick Gorman - \$242,000.00 and \$130,000.00 for lighting rod and spray work;

b) Peter Toogood - \$138,500.00 and \$70,000.00 for clearing gravel and spraying sealant. These two checks were endorsed to be paid to "Ann Gorman;"

- c) Patrick Gorman - \$246,000.00 for lightening rod work performed by "Andy Lee," and spraying something on tin roofs;
- d) John Gorman - \$219,000.00 and \$170,000.00 for lightening cable work that was completed by "Andy Lee," and spot spraying foam insulation on his house and an outbuilding;
- e) John Lovell - \$50,000.00 for clearing gravel and spraying sealant on asphalt;
- f) James Costello - \$150,000.00 and \$111,200.00 for removing and replacing concrete;
- g) William Riley - \$75,000.00 for asphalt sealant;
- h) Bartley Gorman - \$294,000.00 for lightening rod and spray work.

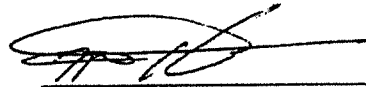
S/A Hiatt showed the man pictures of known Travelers from our investigation and the man identified some of the people under investigation, but he knows some of them by different names. Changing names or alternating first and last names with victims is Travelers' trade craft throughout the nation. For example, the man showed S/A Hiatt a Gorman General Contracting business card with "Bud Jr." written on it and identified a picture of Sean Patrick Gorman as "Bud." The man told S/A Hiatt that he felt "pressured" by the Travelers when they showed up, and he had been lead to believe that some of the work they were doing was going to be free only to have them demand large payments when they were done.

Coincidentally, while S/A Hiatt was meeting with the man a Traveler called the man demanding more payments. The man handed S/A Hiatt the phone and when S/A Hiatt identified himself the Traveler hung up. The next day the man called S/A Hiatt and informed him that a Traveler called him again and offered to pay him back \$75,000.00 because "he just found out he was being scammed by the others."

A twist in this case is the Travelers are using online dating scam techniques on the man by appealing to his sense of isolation and loneliness in using a woman the man knows as a "Kathy Stevenson" to repeatedly call and flirt with him. The Travelers told the man that "Kathy" is a flight attendant who is interested in a romantic relationship with him, and is a cousin of "Andy Lee." S/A Hiatt believes that the man was truly interested in having a romantic relationship with "Kathy," though he has never met her. S/A Hiatt could not find a matching "Andy Lee" in any system, and the number the man has to contact "Kathy" comes back to Hyatt House Hotel in Minot.

16) Attached are photographs of some of Travelers that we know are involved in construction fraud in North Dakota.

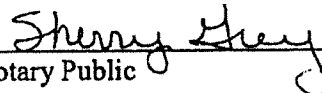
Dated this 13<sup>th</sup> day of January, 2020.



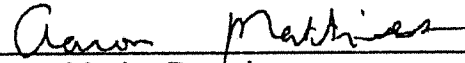
\_\_\_\_\_  
Matt Hiatt, Special Agent NDBCI

Subscribed and sworn to me this 13<sup>th</sup> day of January, 2020.

**SHERRY GREY**  
Notary Public  
State of North Dakota  
My commission expires June 21, 2023

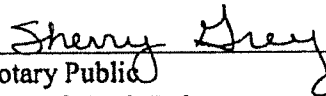
  
\_\_\_\_\_  
Notary Public  
State of North Dakota  
County of McLean

Dated this 13<sup>th</sup> day of January, 2020.

  
\_\_\_\_\_  
Aaron Matties, Detective  
McLean County Sheriff's Department

Subscribed and sworn to me this 13<sup>th</sup> day of January, 2020.

**SHERRY GREY**  
Notary Public  
State of North Dakota  
My commission expires June 21, 2023

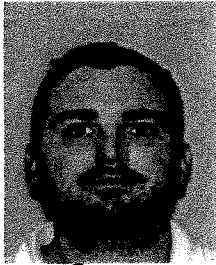
  
\_\_\_\_\_  
Notary Public  
State of North Dakota  
County of McLean

**Bartley Gorman Jr.**



*Bartley Gorman*

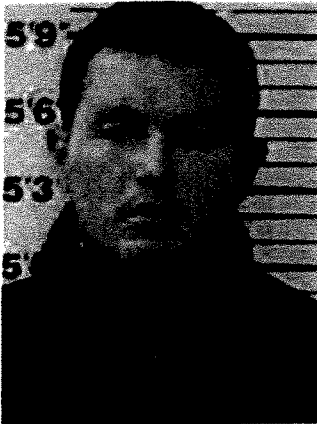
**Patrick Michael Gorman**



*Patrick Michael Gorman*

**Sean Patrick Gorman**

Photo



STATE OF NORTH DAKOTA

IN DISTRICT COURT

COUNTY OF MCLEAN

SOUTH CENTRAL JUDICIAL DISTRICT

State of North Dakota, )  
 )  
 Plaintiff, )  
 )  
 -vs- )  
 )  
 Sean Patrick Gorman, )  
 Bartley Gorman, Jr., )  
 )  
 Defendants. )

**INFORMATION**

**McLean County Cr. # 28-2020-CR-  
McLean County Cr. # 28-2020-CR-**

¶ 1 THE PROSECUTING ATTORNEY OF McLean COUNTY, CHARGES that:

On or before the 31st day of December, 2019, in McLean County, North Dakota, the above named Defendants committed the offense(s) of:

**COUNT I: ILLEGAL CONTROL OF AN ENTERPRISE – ILLEGALLY CONDUCTING AN ENTERPRISE [as to SEAN PATRICK GORMAN and BARTLEY GORMAN, JR.]** in violation of N.D.C.C. § 12.1-06.1-03 by then and there: A person is guilty of an offense if such person, through a pattern of racketeering activity or its proceeds, acquires or maintains, by investment or otherwise, control of any enterprise; or if the person is employed or associated with any enterprise and conducts or participates in the conduct of that enterprise's affairs through a pattern of racketeering activity.

To wit: The defendants knowingly used Gorman General Contracting as a shell business to conduct a pattern of racketeering focused in North Dakota oil producing counties. The defendants' pattern of racketeering victimized elderly or vulnerable people using residential construction fraud that committed felony theft of property, at times by means of extortion. In McLean County alone, the defendants victimized R.S., J.Z., and D.J. in Gorman General Contracting home construction scams.

Penalty Section: N.D.C.C. § 12.1-06.1-03(3)  
Class B Felony

**COUNT II: EXPLOITATION OF AN ELIGIBLE ADULT [as to SEAN PATRICK GORMAN and BARTLEY GORMAN, JR.]** in violation of N.D.C.C. § 12.1-31-07.1 by then and there: The person has a business relationship with the eligible adult and knowingly, by deception, intimidation, or undue influence, obtains or uses, or attempts to obtain or use, the eligible adult's funds, assets, or property with the intent to temporarily or permanently deprive the



eligible adult of the use, benefit, or possession of the property, for the benefit of someone other than the eligible adult.

To-wit: The defendants knowingly deceived D.J., an elderly widow, to obtain funds from her for home improvement projects in an amount of \$6,700.00, and did deceptive fraudulent work for that money.

Penalty Section: N.D.C.C. § 12.1-31-07.1(2)(c)  
Class C Felony

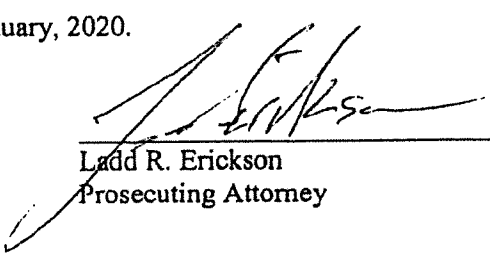
**COUNT III: ATTEMPTED THEFT OF PROPERTY [as to SEAN PATRICK GORMAN]** violation of N.D.C.C. §§ 12.1-06-01 and 12.1-23-02 by then and there: The defendant acted with the kind of culpability required to commit Theft of Property and engaged in conduct that was a substantial step towards the commission of intentionally depriving another of property by deception or by threat.

To-wit: That during the summer of 2019, Sean Patrick Gorman attempted to steal \$65,000.00 from J.Z. using a construction scam when he appeared at J.Z.'s house and began applying or repairing asphalt that J.Z. thought was warranty work from a previous asphalt scam Gorman General Contracting had run on her in 2017. After Sean Patrick Gorman and his crew started working on J.Z.'s driveway he and another person confronted J.Z. and demanded she pay him \$65,000.00 for the repairs and that she relinquish her Camaro and camper to him as down payment. Upon Sean Patrick Gorman using threats and extortion to try and make J.Z. pay him, J.Z. fled her house through a window, got into her vehicle, and went for help. When she returned to her house Sean Patrick Gorman and his crew had packed up their things and left.

Penalty Section: N.D.C.C. § 12.1-23-05(1) and N.D.C.C. §12.1-06-01(3)  
Class B Felony

¶ 2 Against the peace and dignity of the State of North Dakota.

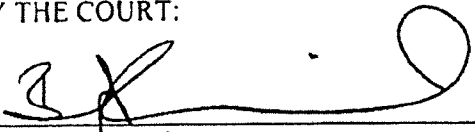
¶ 3 DATED: This 13 day of January, 2020.

  
\_\_\_\_\_  
Ladd R. Erickson  
Prosecuting Attorney

¶ 4 Based on the attached affidavit, the Court finds probable cause to initially charge the Defendants with the offense(s) on:

1/14/2020

BY THE COURT:

  
\_\_\_\_\_  
District Court Judge

State's Witnesses:

BCI Special Agent Matt Hiatt

Detective Aaron Matties

R.S.

Donna Levey

Ali Brown, Adult Vulnerable Services

Chris Schroeder, ND Attorney General's office

ND Secretary of State's office, contractor license representative

Newly Voight, Wagon Wheel Lumber

J.Z.

D.J.

D.J.'s daughter