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Department of Justice

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Western District of Oklahoma

FOR IMMEDIATE RELEASE

Monday, October 28, 2019

Sulphur Man Sentenced to More Than Ten Years for Oil and Gas Fraud

Ordered to Pay More than \$2.6 Million in Restitution

OKLAHOMA CITY – **JUSTIN LANE FOUST**, 43, of Sulphur, Oklahoma, has been sentenced to 121 months in prison for wire fraud, money laundering, and aggravated identity theft in connection with fraud against Chesapeake Energy, announced U.S. Attorney Timothy J. Downing.

According to an 11-count indictment filed on January 16, 2018, Foust was employed by Chesapeake Operating, Inc., a wholly owned subsidiary of Chesapeake Energy Corporation, from April 2002 until September 2011. In July 2011, Foust formed Platinum Express, LLC, which became an approved vendor for Chesapeake Operating in October of that year. The indictment alleged that from October 2011 until July 2014, Chesapeake Operating contracted with Platinum Express primarily to transport waste water to disposal facilities in western Oklahoma.

On February 5, 2019, a jury convicted Foust on 8 out of 11 counts of defrauding Chesapeake Operating by causing Platinum Express to submit false invoices for services it did not perform. In particular, Foust created fraudulent work tickets for steaming production equipment, dirt berm work, plating tanks, hauling rock, repairing cattle guards, blading lease roads, and other services. He generated many fraudulent invoices for amounts just under \$5,000, which he knew from his prior work with Chesapeake Operating required a lower level of approval for processing and payment. The trial evidence established he forged the signature and employee identification number a Chesapeake Operating employee on each invoice to ensure Chesapeake Operating's accounting department would process them. This conduct qualifies as aggravated identity theft. He further caused these work tickets and invoices to be submitted through interstate wire communications to Oildex, the Denver, Colorado, company that processed the claims on behalf of Chesapeake Operating.

Today U.S. District Judge Stephen P. Friot sentenced Foust to 121 months in prison, to be followed by three years of supervised release, during which he must perform 104 hours of community service. This sentence includes a mandatory minimum two-year sentence for aggravated identity theft. It also takes into account the court's finding that Foust obstructed justice by using civil lawsuits as a diversionary tactic to inculcate others, destroyed evidence, staged a fake break-in of the Platinum Express office, and provided false information to law enforcement.

The court also ordered Foust to pay \$2,646,207.22 in restitution and \$4,345,619.00 in forfeiture, which represents the proceeds he received from the offense as noticed in the indictment.

This case is the result of an investigation by the Oklahoma Economic and Identity Crimes Task Force, which is composed of the United States Secret Service, the FBI, IRS–Criminal Investigations, Homeland Security Investigations, the U.S. Postal Inspection Service, the Oklahoma Highway Patrol, the Oklahoma City Police Department, the Edmond Police Department, the Moore Police Department, and the Norman Police Department. The case agents hail from FBI and IRS–Criminal Investigations. Assistant U.S. Attorneys Jessica L. Perry, Amanda Green, and Tom Snyder prosecuted the case.

Reference is made to court filings for further information.

Topic(s):

Identity Theft

Component(s):

USAO - Oklahoma, Western

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