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Father And Son Executives Charged With Defrauding Sports Park Bondholders.

Tuesday, April 1, 2025

U.S. Attorney's Office, Southern District of New York

Former Chairman and CEO Raised More Than $280 Million Using Forged Documents and Fake Revenue Projections
Matthew Podolsky, the Acting United States Attorney for the Southern District of New York, and Christopher G. Raia, the Assistant Director in Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced today the unsealing of an Indictment charging RANDY MILLER, former Chairman and President of Legacy Sports, and his son, CHAD MILLER, former CEO of Legacy Sports, with engaging in a scheme to defraud investors of more than $280 million in two municipal bond offerings. RANDY MILLER and CHAD MILLER were arrested today and will be presented tomorrow in the U.S. District Court for the District of Arizona. The case has been assigned to U.S. District Judge Lewis A. Kaplan.

> Acting U.S. Attorney Matthew Podolsky said: "As alleged, Randy Miller and Chad Miller swindled investors out of over a quarter of a billion dollars by selling municipal bonds they knew were backed by forgeries and lies. Municipal bonds fund critical public projects and investors rely on accurate financial disclosures to make informed decisions. This Office is committed to protecting the integrity of the public finance system. When individuals abuse that system and investors' trust, we will hold them accountable."

FBI Assistant Director in Charge Christopher G. Raia said: "Fathers and sons have found shared bonds in sports for generation. Randy and Chad Miller allegedly chose to use a planned sports complex as a means to exploit and defraud investors. The Millers allegedly executed the scheme using fraudulent documents to lie about the status of the proposed project in order to raise hundreds of millions of dollars which they used to enrich themselves. The FBI will continue to ensure a level playing field by holding fraudsters accountable in the criminal justice system."

According to the allegations contained in the Indictment:[1]

From November 2019 through May 2023, RANDY MILLER and CHAD MILLER engaged in a scheme to defraud investors in municipal bonds used to fund the development of a major sports complex in Mesa, Arizona called Legacy Park. The defendants worked together and with others to lie to potential bond investors about the interest sports organizations and other potential customers had in using or relocating to Legacy Park. The defendants and their associates forged and altered purported "binding" letters of intent and other documents from those potential customers to make it appear that the customers were committing to holding many events at Legacy Park, with a significant number of spectators, and agreeing to pay large fees – all far beyond what the organizations were considering, if they were considering Legacy Park at all. In some instances,

RANDY MILLER and CHAD MILLER signed and directed others to sign customers' names without the customers' knowledge or permission. At other times the defendants copied and directed others to copy the signatures of other customers onto the fabricated letters, again without the customers' knowledge or permission. As part of their scheme, the defendants forged documents on behalf of numerous persons and organizations, including an organization that promotes sports for disabled athletes.

RANDY MILLER and CHAD MILLER presented the fraudulent documents to prospective bond investors and incorporated them into their solicitation materials by claiming that Legacy Park would be 100% occupied at opening and would generate nearly $100 million in revenue in its first year of operations, more than enough to cover the bond payments.

After the Legacy Park bonds were sold to investors, RANDY MILLER and CHAD MILLER used some of the proceeds to pay for personal expenses such as a home and SUVs. The defendants also paid themselves inflated salaries and withdrew hundreds of thousands of dollars in addition to their salaries.

While the defendants enriched themselves, Legacy Park struggled to survive. The park opened in 2022, but within months failed to generate enough revenue to make the monthly bond payments, and by October 2022 it was in default. On May 1, 2023, the project filed for bankruptcy and was later sold for less than $26 million. Of those proceeds, less than $2.5 million went to repay the approximately $284 million owed to Legacy Park bondholders. Accordingly, because of the defendants' fraud, bondholders were left with near total losses.

* * *

RANDY MILLER, 70, and CHAD MILLER, 41, both of Phoenix, Arizona, were both charged in the Indictment with one count of conspiracy to commit wire fraud and securities fraud, which carries a maximum term of five years in prison; one count of securities fraud and one count of wire fraud, each of which carries a maximum term of 20 years in prison; and one count of aggravated identity theft, which carries a mandatory minimum sentence of two years in prison.

The mandatory minimum and maximum potential sentences in this case are prescribed by Congress and provided here for informational purposes only, as any sentencing of the defendants will be determined by a judge.

Mr. Podolsky praised the outstanding work of the FBI. Mr. Podolsky also thanked the U.S. Securities and Exchange Commission, which has filed a parallel civil action.

The case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys Courtney L. Heavey and Matthew R. Shahabian are in charge of the prosecution.

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