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Sports Park Promoters Charged With $280 Million Bond Fraud.

A former minor-league baseball player and his father were charged with fraud over the failure of an Arizona sports complex that cost municipal bondholders more than $280 million.

Randy Miller, 70, and Chad Miller, 41, were accused in an indictment unsealed Tuesday in New York of forging documents and misrepresenting interest from professional sports teams to draw investors, including Vanguard Group Inc, AllianceBernstein Holding LP and Macquarie Group's Delaware Funds, to their Legacy Park development in Mesa, Arizona.

Manhattan federal prosecutors claim the Millers used fabricated letters of intent and fake pre-contracts to claim that various organizations were lined up to use the park. Bloomberg previously reported that the pair claimed in bond prospectuses that they had deals with British soccer powerhouse Manchester United and a youth affiliate of US Major League Soccer's Real Salt Lake.

Those teams and others later denied signing up with the Millers. Manchester United never authorized using the park as a US training ground, Andrew Ward, a spokesman for the team told Bloomberg News in 2023. Ward said the purported letter from the UK-based club that was included in a 2020 bond prospectus was fake. Real Salt Lake executive Brent Erwin also said a supposed letter by him was fake.

"Municipal bonds fund critical public projects and investors rely on accurate financial disclosures to make informed decisions," Acting Manhattan US Attorney Matthew Podolsky said in a statement. The US Securities and Exchange Commission on Tuesday also filed civil allegations against the Millers and Legacy Sports' former chief operating officer, Jeffrey De Laveaga.

Randy's attorney Timothy Sini didn't immediately return a voicemail seeking comment on the charges. Chad's attorney, Hector Diaz, had no immediate comment.

After failing years earlier to find financing for the sports park, the Millers in 2020 and 2021 looked to revenue-back municipal bonds through the Arizona Industrial Development Authority — a path that avoided the scrutiny and regulations attached to corporate stocks and bonds.

The Millers allegedly inflated projected revenues to raise hundreds of millions of dollars from bond offerings, using "at least hundreds of thousands of dollars" of that money for personal use on cars, property and increased salaries.

The 2020 prospectus for the first Legacy Park bond issue estimated that the complex would would bring in $23 million from 25 organizations. It said another 26 organizations — including Manchester United — had entered into similar "letters of intent" that promised $19 million more. The park, which opened in January 2022, never made enough to cover a bond payment and defaulted later that year.

Legacy Cares, a nonprofit set up by the Millers to own the 320-acre complex, filed for bankruptcy in

May 2023, saying construction setbacks, labor shortages and supply-chain delays amid the pandemic delayed the park's opening, resulting in lost revenue. The facility, with a set of fields and courts for soccer, football, baseball, basketball and other sports, was sold last October for $26 million. Bondholders received $2.4 million in cash and an 11% equity stake in the new owners.

More than half of the 50 organizations that the Millers said signed letters of intent or pre-contracts didn't sign them, prosecutors alleged. The vast majority of pre-contracts were fake, according to the indictment.

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