

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA)
)
)
v.)
)
GERARD HARYMAN,)
)
)
Defendant.)

CRIMINAL NO. 14CR10077

VIOLATIONS:
18 U.S.C. §1341 (Mail Fraud)
18 U.S.C. §§1343, 1349 (Wire Fraud)
18 U.S.C. §1349 (Conspiracy to Commit Securities Fraud)
18 U.S.C. §981 (Forfeiture)
28 U.S.C. §2461 (Forfeiture)

FILED
CLERK'S OFFICE
2014 MAR 21 AM 10:13
U.S. DISTRICT COURT
DISTRICT OF MASS.

INFORMATION

THE UNITED STATES ATTORNEY CHARGES THAT:

GENERAL ALLEGATIONS

At times relevant to this Information:

1. Defendant GERARD HARYMAN ("HARYMAN") resided in Florida. HARYMAN was a consultant for, and investor in, A Clean Slate, Inc., a company that provided financial services and specialized in debt relief and financial recovery services.
2. R.G. was the President and Chief Executive Officer of A Clean Slate, Inc.
3. A Clean Slate, Inc.'s common stock was publicly quoted on OTC Markets Group, Inc., an inter-dealer electronic quotation and trading system in the over-the-counter securities market commonly known as the "Pink Sheets." Securities of A Clean Slate, Inc. were registered under Section 12 of the Securities Exchange Act of 1934.
4. "UA" was an undercover agent of the Federal Bureau of Investigation ("FBI") who purported to be a representative of a major investment fund (the "Fund"). The Fund purportedly had a satellite office in a suburb of Boston, Massachusetts, out of which UA

periodically worked (the “Boston Office”). In actuality, and unbeknownst to HARYMAN and R.G., the Fund never existed, except as part of an ongoing FBI undercover operation.

5. “CW-1” is a cooperating witness who was in the business of promoting penny stocks and assisting public companies in finding sources of funding. CW-1 is an individual known to the United States Attorney.

THE FRAUD

6. Beginning in or about September 2011, and continuing through at least November 2011, HARYMAN and R.G. engaged in, attempted to engage in, and conspired to engage in a scheme to defraud and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, by secretly kicking back to UA fifty percent of Fund monies invested in A Clean Slate, Inc.

MANNER AND MEANS OF THE FRAUD

7. At some point prior to September 28, 2011, CW-1 arranged for HARYMAN and R.G. to meet with UA to discuss funding for A Clean Slate, Inc.

8. On or about September 28, 2011, HARYMAN and R.G. met with UA and CW-1 to discuss a potential investment of the Fund’s monies in A Clean Slate, Inc. in exchange for a fifty percent kickback to UA (the “September 28 Meeting”). HARYMAN and R.G. indicated that they were both willing to enter into the kickback arrangement.

9. At the September 28 Meeting, which was recorded, UA, HARYMAN, R.G., and CW-1 also discussed the mechanics of the funding. HARYMAN and R.G. were informed that UA would begin by investing smaller amounts in A Clean Slate, Inc., while planning to increase the funding in installments, or tranches, in the future.

10. At the September 28 Meeting, UA further discussed with HARYMAN and R.G. the mechanics of the kickbacks to UA. UA explained to HARYMAN and R.G. that HARYMAN and R.G. would be sending the kickbacks to one or more companies which UA himself controlled. UA discussed with HARYMAN and R.G. that A Clean Slate, Inc. would execute consulting agreements with one or more of UA's companies, and HARYMAN and R.G. would pay the relevant company owned by UA an amount equal to fifty percent of Fund monies invested in A Clean Slate, Inc. as purported fees for consulting services that would not, in fact, be rendered. UA further explained to HARYMAN and R.G. that the Fund would not know about these kickbacks paid to him through such sham consulting agreements. After UA had explained the scheme, HARYMAN and R.G. agreed to enter into the kickback arrangement.

11. On various dates between on or about September 29, 2011 and on or about November 2, 2011, HARYMAN and R.G. sent UA documents related to the kickback transactions, including purported consulting agreements between A Clean Slate, Inc. and UA's nominee consulting companies and phony invoices in the name of UA's nominee consulting companies.

12. On or about October 5, 2011, \$16,000 was sent by wire transfer from a bank account maintained in Boston, Massachusetts, purportedly belonging to the Fund, to a corporate bank account of A Clean Slate, Inc. outside of Massachusetts. The wire transfer represented the first tranche of funding for A Clean Slate, Inc.

13. On or about October 6, 2011, HARYMAN and R.G. caused \$8,000 to be sent by wire transfer from a corporate bank account of A Clean Slate, Inc. outside of Massachusetts to a bank account maintained in Boston, Massachusetts, purportedly belonging to one of UA's

“nominee” companies. This wire transfer represented HARYMAN and R.G.’s kickback to UA from the first tranche of funding for A Clean Slate, Inc.

14. On or about October 13, 2011, HARYMAN and R.G. caused a stock certificate representing the shares purchased by the Fund in A Clean Slate, Inc. to be sent to UA by United Parcel Service (“UPS”).

15. On or about October 20, 2011, \$32,000 was sent by wire transfer from a bank account maintained in Boston, Massachusetts, purportedly belonging to the Fund, to a corporate bank account of A Clean Slate, Inc. outside of Massachusetts. This wire transfer represented the second tranche of funding for A Clean Slate, Inc.

16. On or about October 21, 2011, HARYMAN and R.G. caused \$16,000 to be sent by wire transfer from a corporate bank account of A Clean Slate, Inc. outside of Massachusetts to a bank account maintained in Boston, Massachusetts, purportedly belonging to one of UA’s “nominee” companies. This wire transfer represented HARYMAN and R.G.’s kickback to UA from the second tranche of funding to A Clean Slate, Inc.

17. On or about October 24, 2011, HARYMAN and R.G. caused phony invoices for consulting services that were never performed to be sent to UA by electronic mail. These phony invoices related to the monies HARYMAN and R.G. caused to be kicked back to UA on or about October 6, 2011, and October 21, 2011, respectively.

18. On or about October 28, 2011, HARYMAN and R.G. caused a stock certificate representing the additional shares purchased by the Fund in A Clean Slate, Inc. to be sent to UA by UPS.

19. On or about November 2, 2011, HARYMAN and R.G. caused phony invoices for consulting services that were never performed to be sent to UA by electronic mail. These phony

invoices related to the monies HARYMAN and R.G. agreed to kick back to UA from a proposed third tranche of funding for A Clean Slate, Inc. This proposed third tranche of funding did not, ultimately, occur.

COUNTS ONE AND TWO
(Mail Fraud – 18 U.S.C. §1341)

20. The allegations in Paragraphs 1 through 19 are re-alleged and incorporated herein by reference.

21. On or about the following dates, in the District of Massachusetts and elsewhere, the defendant,

GERARD HARYMAN,

having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting to do so, did knowingly cause matters and things to be delivered by the United States Postal Service and by private and commercial interstate carrier according to the direction thereon, as follows:

COUNT	DATE	CARRIER	MAILING
1	10/13/2011	United Parcel Service	Stock certificate representing the purchase by the Fund of 267,000 shares of A Clean Slate, Inc.
2	10/28/2011	United Parcel Service	Stock certificate representing the purchase by the Fund of 400,000 shares of A Clean Slate, Inc.

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS THREE AND FOUR
(Wire Fraud – 18 U.S.C. §§1343, 1349)

22. The allegations in Paragraphs 1 through 19 are re-alleged and incorporated herein by reference.

23. On or about the following dates, in the District of Massachusetts and elsewhere, the defendant,

GERARD HARYMAN,

having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted, by means of wire communication in interstate commerce, writing, signs, signals, pictures, and sounds, and attempted to do so, to wit, wire transfers and associated online notices, instructions and inquiries regarding the transfer of funds into and out of a bank account in the name of one of UA's nominee companies in Massachusetts, as follows:

COUNT	DATE	WIRE TRANSMISSION
3	10/6/2011	\$8,000 wire transfer from a corporate account of A Clean Slate, Inc. at JPMorgan Chase Bank, N.A. outside of Massachusetts to Citizens Bank account number *****0517 in Boston, Massachusetts.
4	10/21/2011	\$16,000 wire transfer from a corporate account of A Clean Slate, Inc. at JPMorgan Chase Bank, N.A. outside of Massachusetts to Citizens Bank account number *****0517 in Boston, Massachusetts.

All in violation of Title 18, United States Code, Sections 1343, 1349, and 2.

COUNT FIVE
(Conspiracy to Commit Securities Fraud – 18 U.S.C. §1349)

24. The allegations in Paragraphs 1 through 19 are re-alleged and incorporated herein by reference.

25. From in or about September 2011, through at least in or about November 2011, in the District of Massachusetts and elsewhere, the defendant

GERARD HARYMAN,

together with R.G. and others known and unknown to the United States Attorney, conspired and attempted to knowingly execute a scheme and artifice (a) to defraud persons in connection with the securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that is required to file reports under Section 15(d) of the Securities Exchange Act of 1934, to wit, A Clean Slate, Inc.; and (b) to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property in connection with the purchase and sale of securities of an issuer with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 and that is required to file reports under Section 15(d) of the Securities Exchange Act of 1934, to wit, A Clean Slate, Inc., in violation of Title 18, United States Code, Sections 1348 and 2.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATIONS
(18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461(c))

26. Upon conviction of one or more of the offenses alleged in Counts One through Five of this Information, the defendant,

GERARD HARYMAN,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, that constitutes, or is derived from, proceeds traceable to the commission of the offenses, including but not limited to at least \$24,000, which represents the proceeds of the defendant's violations.

27. If any of the property described in paragraph 26 hereof as being forfeitable pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), as a result of any act or omission of the defendant --

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty;

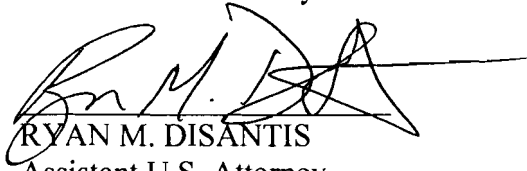
it is the intention of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of all other property of the defendant up to the value of the property described in paragraph 26.

All pursuant to Title 18, United States Code, Section 981 and Title 28, United States Code, Section 2461(c).

Respectfully submitted,

CARMEN M. ORTIZ
United States Attorney

By:


RYAN M. DISANTIS
Assistant U.S. Attorney

Dated: March 21, 2014

Criminal Case Cover Sheet

U.S. District Court - District of Massachusetts

Place of Offense: _____ Category No. III Investigating Agency FBI
City Burlington Related Case Information: 14CR10077
County Middlesex Superseding Ind./ Inf. N/A Case No. _____
Same Defendant N/A New Defendant N/A
Magistrate Judge Case Number 14-MJ-02018-MBB
Search Warrant Case Number N/A
R 20/R 40 from District of N/A

Defendant Information:

Defendant Name GERARD HARYMAN Juvenile: Yes No
is this person an attorney and/or a member of any state/federal bar: Yes No
Alias Name _____
Address _____ (City) _____ (State) Lake Worth, FL
Birth date (Yr only) 1944 (last4#): 2068 Sex M Race: White Nationality: U.S. Citizen
Defense Counsel if known: John J. Burke, Esq. Address 14 Chickering Road
Bar Number _____ North Andover, MA 01845

U.S. Attorney Information:

AUSA Ryan M. DiSantis Bar Number if applicable 654513

Interpreter: Yes No List language and/or dialect: _____

Victims: Yes No If yes, are there multiple crime victims under 18 USC§3771(d)(2) Yes No

Matter to be SEALED: Yes No

Warrant Requested Regular Process In Custody

Location Status:

Arrest Date _____

Already in Federal Custody as of _____ in _____
 Already in State Custody at _____ Serving Sentence Awaiting Trial
 On Pretrial Release: Ordered by: Magistrate Judge Bowler on March 18, 2014

Charging Document: Complaint Information Indictment

Total # of Counts: Petty _____ Misdemeanor _____ Felony 5

Continue on Page 2 for Entry of U.S.C. Citations

I hereby certify that the case numbers of any prior proceedings before a Magistrate Judge are accurately set forth above.

Date: 3/21/14 Signature of AUSA: [Signature]

District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant GERARD HARYMAN

U.S.C. Citations

	<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count Numbers</u>
Set 1	<u>18 U.S.C. ss. 1341, 2</u>	<u>Mail Fraud (Attempt)</u>	<u>1-2</u>
Set 2	<u>18 U.S.C. ss. 1343, 1349, 2</u>	<u>Wire Fraud (Attempt)</u>	<u>3-4</u>
Set 3	<u>18 U.S.C. s. 1349</u>	<u>Conspiracy to Commit Securities Fraud</u>	<u>5</u>
Set 4	_____	_____	_____
Set 5	_____	_____	_____
Set 6	_____	_____	_____
Set 7	_____	_____	_____
Set 8	_____	_____	_____
Set 9	_____	_____	_____
Set 10	_____	_____	_____
Set 11	_____	_____	_____
Set 12	_____	_____	_____
Set 13	_____	_____	_____
Set 14	_____	_____	_____
Set 15	_____	_____	_____

ADDITIONAL INFORMATION: _____