

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

FILED
CHARLOTTE, NC
DEC 14 2016
US District Court
Western District of NC

UNITED STATES OF AMERICA)
)
)
v.)
)
(1) MICHAEL BOUGHNER)
(2) CEDRIC CLARK)
(3) ISAAC HUMBERTO GONZALEZ)
(4) CYNTHIA MARTINEZ)
(5) BENJAMIN MURRAY)
(6) FELICIA SHAW)
_____)

DOCKET NO.
3:16CR316-RJC

BILL OF INFORMATION

Violation:
18 U.S.C. § 371
18 U.S.C. § 1957

THE UNITED STATES ATTORNEY CHARGES:

At the specified times and at all relevant times:

1. There were several interconnected fraudulent debt collection companies operating in and around Mecklenburg County in North Carolina. These fraudulent debt collection companies targeted individuals throughout the United States and generally executed their scheme to defraud by coercing purported debtors to pay money, some of which was not even owed, by providing false and misleading information and using harassing and abusive tactics.
2. One of the fraudulent debt collection companies operating in Mecklenburg County was known at various points as Capital Solutions Agency and/or Berkeley Hughes and Associates and/or The Vortex Group, collectively "BHA." Each of these companies was organized by Defendant CEDRIC CLARK and used as part of his fraudulent debt collection scheme.
3. BHA began operating in Mecklenburg County in or about November 2011 and remained in operation until the Federal Bureau of Investigation executed a search warrant in May 2015.
4. Between in or about November 2011 and May 2015, BHA defrauded thousands of debtors throughout the United States out of approximately \$6 million dollars.

Individuals

5. Defendant CLARK was, at all relevant times, the leader of the BHA conspiracy and the sole owner, operator, and leader of BHA.

6. Defendant MICHAEL BOUGHNER worked at BHA from in or about January 2013 through in or about May 2015. During that time, BOUGHNER served as a collector, team leader or supervisor, and eventually general manager or floor manager. BOUGHNER used several different aliases or “shake” names while talking with and communicating with purported debtors, including “Andrew Logan,” “Alex Moore,” “Michael Alexander,” and “John Riley.”

7. Defendant ISAAC HUMBERTO GONZALEZ worked at BHA from in or about November 2013 through in or about May 2015. During that time, GONZALEZ served as a collector and team leader or supervisor. GONZALEZ generally used the alias or “shake” name “Nick Barnes” while talking to purported debtors.

8. Defendant CYNTHIA MARTINEZ worked at BHA from in or about July 2013 through in or about May 2015. During that time, MARTINEZ served as a collector and team leader or supervisor. MARTINEZ generally used the alias or “shake” names “Janet Melendez” and “Joanna Gonzalez” while talking to purported debtors.

9. Defendant BENJAMIN MURRAY worked at BHA from in or about September 2013 through in or about May 2015. During that time, MURRAY served as a collector and team leader or supervisor. MURRAY generally used the alias or “shake” names “Ryan Chase” or “Seth Davis” while talking to purported debtors.

10. Defendant FELICIA SHAW worked at BHA from in or about December 2013 through in or about May 2015. During that time, SHAW served as a collector and team leader or supervisor. SHAW generally used the alias or “shake” name “Tracy Roberts” while talking to purported debtors.

11. Individual A, a co-conspirator not charged herein, worked at BHA from in or about February 2014 through in or about May 2015. During that time, Individual A served as a collector and, for several months, also as a team leader or supervisor. Individual A generally used the alias or “shake” names “Cory Hinton” and “Brian Hinton” while talking to purported debtors.

The Fraudulent Debt Collection Scheme

12. CLARK generally operated BHA in the following manner:

a. CLARK purchased lists of purported debtors. These lists were often sold and resold, so that the same purported debtors were called by multiple companies, attempting to collect on the same purported debt.

b. CLARK then engaged in or caused others to engage in a process commonly known as “skip-tracing” to locate biographical information about the purported debtor, including, for example, the person’s phone number, address, and social security number. The collectors then utilized this information to call the purported debtors and to induce the purported debtors into talking with them.

c. Then, depending on the company and the timing, messages were either left for purported debtors using a dial service or collectors called the purported debtors

individually, generally using prepared scripts that contained numerous false and fraudulent representations.

d. As part of the script approved by CLARK and BOUGHNER, which they provided to the managers and collectors at BHA, purported debtors were asked whether they wished to “handle this matter in or out of court!” Depending on the response, collectors either switched to a “rebuttal” script, *i.e.*, a script that responded to whatever reason the purported debtor gave for not paying, or engaged in a conversation to “settle” the debt with either a payment plan or a one-time payment.

e. Often, either before offering or agreeing to a settlement figure, the collector placed the purported debtor on hold and pretended to consult with a fictitious person, who was often falsely represented to be an attorney.

f. Collectors then either processed the payment or transferred the call to another individual, *i.e.*, a manager, a payment processor, and/or a “closer,” to take the payment.

13. In making calls, the collectors were instructed by CLARK and BOUGHNER to follow a script or scripts that included false and misleading information designed to scare purported debtors into paying monies. For example, among the false and/or fraudulent representations in the script(s) utilized by CLARK at BHA were that:

a. The collector was calling “to investigate and possibly file 2 charges against you in (Debtor’s local county court)” and that those charges included “Breach of contract or fraud” and “Malicious intent to defraud a financial institution.”

b. “We have reviewed all of the case file; and it has been determined that this is a definite case of breach of contract...”

c. “According to the language of this contract; our client has the right to pursue you for up to 378% of the original balance if this contract is breached...”

d. “Federal law does require that I inform you that you do have the right to offer a counter offer; most defendants offer close to what they originally borrowed, plus the \$300 civil penalty...assessed by the state....”

14. Further, in order to disguise the fraudulent nature of their business and scare purported debtors, CLARK often misrepresented or caused those working for him to misrepresent who they were in one or more ways. For example,

a. They frequently changed the name of the purported company they were working for when making calls so that a purported debtor would not be able to locate truthful information about the company, and, more particularly complaints against the company, on the internet. For example, among the fictitious company names used by CLARK and his co-conspirators were: The Layton Group, Kaufman and Associates, Sanderson Blaine & Associates, The Fleetwater Group, Bloom & Smith, Lyman & Turner Agency, Collins & Stern, Kennedy Clyne & Associates, The Patterson Group.

b. In some instances, they falsely represented that they were law firms, that they had attorneys on staff to consult, and/or that the collectors themselves were attorneys.

c. In other instances, they falsely represented themselves to be members of law enforcement or falsely represented that they were working with or affiliated with law enforcement, sometimes going as far as to play a police scanner in the background.

d. In other instances, they utilized names intended to give the false impression they were working with the government, including, for example, "Mediations" or "Department of Fraud."

e. They instructed collectors to use aliases, commonly known as "shake" names, when making the calls and to fraudulently identify themselves as an "investigator" purportedly calling on behalf of a "client."

15. BHA also often engaged in one or more other scare tactics to fraudulently induce purported debtors to pay them, including, for example,

a. Harassing family members and friends to get the purported debtor to call them and pay them.

b. Threatening that imminent civil and/or criminal charges would be filed if the purported debtor did not make arrangements to pay during the call.

c. Threatening that a process server or the sheriff was prepared to serve them with papers, including, for example, arrest warrants, subpoenas, restraining orders, and garnishment of wages, if they did not make arrangements to pay during the call.

16. As a result of the false and fraudulent representations and harassing and abusive tactics used by BHA, BOUGHNER, CLARK, GONZALEZ, MARTINEZ, MURRAY, SHAW, and Individual A, thousands of individuals throughout the United States were fraudulently induced to pay debts (a) that often were not owed; (b) that were outside of the statute of limitations; and/or (c) to companies that were not authorized to collect on such debts.

Examples of Fraudulent Debt Collection Calls

17. BOUGHNER made many calls to purported debtors and their friends and family in which he made false and fraudulent representations and engaged in harassing and abusive tactics intended to scare individuals into paying purported debts. For example,

a. On January 23, 2014, BOUGHNER spoke with Victim P.C., making a number of false and misleading statements, including representing that he was with "Kennedy Clyne" and that "[they've] been retained to investigate and file two charges," "that [his] client's position is that they have exhausted all efforts in trying to contact [her] to try to resolve this matter in a voluntary fashion and that some of the case information seems to imply that [she] may even have refused to take care of this matter." BOUGHNER went on to falsely state that his "office has reviewed the documents and [they've] determined that this is definitely a case of breach of contract at the very least where our

client does have the right to pursue [her] for damages” and that “according to the language of the contract [his] client has the right to pursue [her] for up to 378% of the original defaulted on balance.” BOUGHNER went onto misleadingly refer to Victim P.C. as a “defendant” and falsely represent that he was going to talk to an attorney about a settlement.

b. On January 31, 2014, BOUGHNER a/k/a Andrew Logan spoke with Victim A., making a number of false and misleading statements, including that he had “been retained to investigate and file two charges against [him] in San Mateo County Court. The first charge is breach of contract, otherwise known as fraud...the second charge is malicious intent to defraud a financial institution.” When Victim A informed BOUGHNER that he “was pretty sure [he] was already paying that bill off with another collection company,” BOUGHNER ignored the comment and continued making false and misleading statements consistent with the script including for example that “the case information seems to imply that [he] may have even refused to take care of this matter” and that he [BOUGHNER] had “reviewed the documents and determined that this was definitely a case of breach of contract at the very least where the complainants do have the right to pursue [the victim] for damages” and that “all I [BOUGHNER] need to know from [the victim] is whether [the victim] would like to handle this matter in or out of court.” When the victim again expressed his concern that he was already paying this bill, BOUGHNER continued with his false and misleading representations, reiterating that he’d “been retained to investigate and file these charges” and all he needed to know was whether the victim “want[ed] to handle it in or out of court.” When the victim indicated that he wanted to handle it out of court, BOUGHNER falsely represented he was consulting with an attorney as to a settlement. And when the victim indicated that he could not make a payment as requested, BOUGHNER made further false and misleading representations stating that they would “process the documents through the court system, a subpoena is issued” and “is either served by the sheriff’s department or by some private processing company” and “two or three weeks later [the victim] would appear in court to settle the charges.”

c. On September 10, 2014, BOUGHNER a/k/a Andrew Logan spoke with Victim C.J., claiming to be in the “closure department,” seeking information to “utilize the services of the sheriff’s department to give [her] the proper legal paperwork so that [she] and her attorney could appear in court to answer the charges being brought against [her].” BOUGHNER made a number of additional false and misleading representations including referring to her as a “defendant” in a “case,” and threatening court action, including that “when you get a court order, when a conviction is put into place, restitution to [his] client is paid from [her] to the court to [his] client, so its really simple for [his] client to collect the money that way because when people don’t pay their restitution a bench warrant is issued for them and they go back to jail or they go to jail, then they get released, a couple of weeks of processing time, you typically don’t spend a lot of time in jail, then they get released, then they go out, they have another payment that’s due, and if they don’t make that payment they go back and forth and back and forth and eventually what happens is, um, the defendant in these cases pays it, finds some way to pay it because they’re tired of the cycle of, and ya know, jail and being released. I mean that’s why its effective for us. That’s why they’ve hired us. We’re very good at it.”

18. As a collector, GONZALEZ made many calls to purported debtors and their friends and family in which he made false and fraudulent representations and engaged in harassing and abusive tactics intended to scare individuals into paying purported debts. For example,

a. On or about March 11, 2014, GONZALEZ a/k/a Nick Barnes attempted to contact Victim W.L. falsely claiming to be an investigator with Sanderson Blaine & Associates about “possible charges” to be filed in “Suffolk County” and telling Victim W.L.’s wife, who answered the call, that Victim W.L. should contact them with a “criminal attorney.”

b. On or about March 11, 2014, GONZALEZ a/k/a Nick Barnes called Victim J.R., falsely claiming to be an “investigator” with Sanderson Blaine & Associates regarding an allegation about “possible criminal charges” to get a statement to submit to their “client and to the county, possibly Miami-Dade.” GONZALEZ made a number of additional false and misleading representations, including that his company had “been retained by the financial institute and the bank of the American Express” and that “according to the language of our client’s agreement with [the victim], they have the right to pursue to [the victim] for damages, to garnish [her] wages...”

c. On or about November 13, 2014, GONZALEZ a/k/a Nick Barnes attempted to call Victim M.L., instead reaching Victim M.L.’s grandparents. In the call with the grandmother, D.L., GONZALEZ falsely represented himself to be Nick Barnes with the law office of Collins & Sterns with a “time sensitive” contract for Victim M.L. to “resolve” her debt “voluntary out of court” with a payment that day and a second payment at a later date.

19. MARTINEZ made many calls to purported debtors and their friends and family in which she made false and fraudulent representations and engaged in harassing and abusive tactics intended to scare individuals into paying purported debts. In her role as a supervisor, MARTINEZ also served as a “closer,” making false and fraudulent representations and engaging in harassing and abusive tactics in an attempt to solicit payments from purported debtors transferred to her after the callers she supervised were unable to get payment. For example,

a. On March 14, 2014, MARTINEZ a/k/a Janet Melendez spoke with an Oconee County, Georgia Detective who was calling because he was investigating a fraud case and “just trying to find out who” the company was that continued calling the complainant, to which MARTINEZ falsely represented that “this is a law firm” and that “they never state fines because it is a civil case.” When the Detective pressed to find out the name of the law firm, instead of providing the name of the law firm, MARTINEZ falsely represented that the firm had “been in business for 17 years” and she didn’t “really think [they] were in the business of defrauding people.” When pressed further to provide the name of the firm, MARTINEZ hung up the phone on the Detective.

b. On May 1, 2015, MARTINEZ a/k/a Joanna Gonzalez spoke with Victim B.P., representing herself as a supervisor, first trying to get Victim B.P., who was providing home health services, to provide the name of the client whose house she was at, and then when Victim B.P. mentioned that she was the victim of identity theft and had a police

report, telling her to “bring that [police report] to court with” her and that “once [they] get into court [her] legal counsel, they’ll file for a motion of discovery. Once they file for a motion of discovery, [MARTINEZ’ client would] go ahead and present the plethora of evidence that [they] here have pending against [Victim B.P.]” MARTINEZ went on to falsely represent and harass Victim B.P., telling her that once they got into court she would “get to see [her] videotape, [her] ID, the application, the check.” MARTINEZ then falsely represented that “here’s [her, MARTINEZ’] dilemma, once [the] call here is disconnected, [her] system is integrated with the court system, it comes out, the system automatically documents it, right, it updates, it does a status update, alright non-compliant.” And when Victim B.P. represented that she needed more time that evening to go get money to pay off the debt, MARTINEZ told Victim B.P. to “see if [her] client could help her.”

c. On May 4, 2015, MARTINEZ a/k/a Joanna Gonzalez spoke with Victim E.D., representing herself as a supervisor, falsely stating that she “had the documentation here” and that “once we get into court, alright, I will go ahead and tell you, I would suggest you go ahead and obtain legal counsel, we will be, ya know, seeking full damages, alright, once you get your legal counsel, he can certainly file for a motion of discovery, at such time we are going to go ahead and present the plethora of documentation that we have here pending against you” and that her company’s “job is just to make [him] aware of the case before we actually file it” and “that once [they] get into court” they “will be seeking the 378% just in damages, as well as the balance for the client, as well as [their] legal fees” and that they “are going to ask the judge to waive arbitration and [they] are going to seek a lien and/or garnishment, alright, so [they] can get this rectified in a 90 day period.”

d. On May 4, 2015, MARTINEZ a/k/a Joanna Gonzalez spoke with Victim K.P., representing herself as a supervisor. When Victim K.P. noted that she had filed Chapter 13 bankruptcy, MARTINEZ falsely represented that the debt “can’t be discharged under the bankruptcy laws” and then confirmed Victim K.P.’s address, asking if she was there at the moment or “what time [she] anticipate being at that actual location” so she can be “served” with the documentation.

20. As a collector, MURRAY made many calls to purported debtors and their friends and family in which he made false and fraudulent representations and engaged in harassing and abusive tactics intended to scare individuals into paying purported debts. For example,

a. On or about September 11, 2013, MURRAY a/k/a Ryan Chase called Victim S.T., falsely claiming he had been “retained to investigate and file two charges against[him] in Orleans Parish Court, the first charge is breach of contract and the second charge is malicious intent to defraud a financial institution.” MURRAY made a number of additional false and misleading representations including that he “have reviewed all the case file and determined the that this is a definite case of breach of contract at the very least and that [his] client do have the right to pursue for damages or prosecute [S.T] to the fullest extent of the law” and that “according to the language of this contract [his] my client does have the right to pursue [S.T.] for up to 378% if this contract is breached,” and that he has “to actually go speak with [his] attorneys that are filing these complaints against [S.T.] and see if they want to come up with some sort of out of court settlement offer.”

b. On or about February 21, 2014, MURRAY a/k/a Ryan Chase contacted Victim P.M., falsely claiming to be an investigator for a law firm called Kaufman and Associates, which had been “retained...to determine if [P.M.] has enough assets and income to secure the repayment of the default balance” and that the firm had determined that she did. MURRAY made a number of additional false and misleading representations, including “that the language of [the] client’s agreement with [her], they do have the right to pursue [her] for damages, to garnish your wages, and to seize through the application of liens all available assets owned by [her] and [her] spouse until such time that this amount is paid in full.”

c. On or about February 21, 2014, MURRAY a/k/a Ryan Chase called Victim J.M., again falsely claiming to be an investigator for Kaufman and Associates law firm, which had purportedly “been retained to investigate and to file two charges against [her] in Contra Costa County Court, the first charge being bank fraud and the second charge being malicious intent to defraud a financial institution.” MURRAY made a number of additional false and misleading representations including that “this is a definite case of breach of contract at the very least where the complainants do have the right to pursue [her] for damages or to prosecute [her] to the fullest extent of the law” and that the language of the contract gave them “the right to pursue [her] for up to 378% of the original balance if the contract is breached.”

21. As a collector, SHAW made many calls to purported debtors and their friends and family in which he made false and fraudulent representations and engaged in harassing and abusive tactics intended to scare individuals into paying purported debts. For example,

a. On January 21, 2014, SHAW spoke with R.M., spouse of J.M., purporting to be with Kennedy Clyne & Associates about a purported debt in Texas of \$321.98, that at that point with “legal charges and fees, court fees that have been accrued” resulting in a purported balance of \$1,321.98. And falsely representing that if the victim “decides she wants to handle the matter out of court” she “can speak with an attorney in [her] office and see if we can have this amount reduced. [She] just needs to know that you guys want to handle this matter cooperatively, so that we’ll prevent any sheriff coming out to your residence” and “they’ll send a summons out for you to appear in court.” SHAW went on to falsely represent that the attorneys might settle for “the original balance” or will “probably settle round about \$400” in four payments, and that she was then putting the victim’s husband “on a brief hold to speak with the attorney to see what [she] can come up for” the Victim. SHAW came back and said she “convinced them [the attorney] to do \$400” but they would “offer [the Victim] a one-time payment today of \$321.98” and “pay it off in full for the original balance.”

b. On January 23, 2014, SHAW a/k/a Tracy Roberts spoke with Victim T.B. falsely claiming to be an investigator with Kennedy Clyne & Associates, purportedly “retained to investigate two charges that have been filed against [the victim] ... in Oconee County Court” with “the first charge is bank fraud, the second is malicious intent to defraud a financial institution” purportedly stemming from “checking information that was submitted to obtain a loan” from a company that Victim T.B. was not familiar with. SHAW further falsely represented that they “had reviewed the case and it has been determined that

this is a definite case of breach of contract at the very least” and that “the complainants they do have the right to pursue you for damages or prosecute you to the fullest extent of the law” including “up to 378% of the original balance of the contract that has been breached” and that the “client is prepared to ask them to award damages in the amount of, um, \$1465.” SHAW further falsely represented that she was going to “speak with the attorney on [the victim’s] behalf,” putting the Victim on hold, and then coming back and fraudulently representing that she “spoke with the attorney in reference to the case” and that “they did offer [the victim] two different options” including a “one-time settlement that is valid for today only for the balance of \$465” or “a payment plan” with a settlement of \$650 with “a payment in the office of \$150 today to start the payment plan.” When the Victim asked for verification in the mail because he “was not remembering that [he] owed anything like that,” SHAW falsely responded that “this is a legal matter; this is not a collection agency.” SHAW further falsely represented that “we’re not a scam. You can look us up, sir. We’re Kennedy Clyne.com. You can look us up on our website.”

22. Individual A made many calls to purported debtors and their friends and family in which he made false and fraudulent representations and engaged in harassing and abusive tactics intended to scare individuals into paying purported debts. In his role as a supervisor, Individual A also served as a “closer,” making false and fraudulent representations and engaging in harassing and abusive tactics in an attempt to solicit payments from purported debtors transferred to him after the callers he supervised were unable to get payment. For example,

a. On or about May 4, 2015, Individual A a/k/a “Brian Wilson” spoke with Victim L.C., telling her that her information came to his system “setting [her] up on the option of settling out of court in the amount of \$653.22, with [her] first payment being \$150 today.” When the Victim asked if the payment could be \$100, Individual A responded that he “would have to approve it” and “what it’s stating is that [she] is part of the hardship program and at this point the minimum payment that [she] could make in [his] office for [his] client is \$150 so they will not move forward with the litigation.”

b. On or about May 4, 2015, Individual A, a/k/a “Brian in the Closing Department,” spoke with Victim L.T., informing her that his “job is just to let [her] know the next step in what is going to happen next” and that he was “just looking over [her] case file” and “is this something that [she] do want to handle in court.” He then asked her what she “would like to present to Mr. Wilson who is over [her] case to go ahead and close this matter out.” When Victim L.T. represented she had no money to offer that day, but was willing to pay \$25 a month, Individual A then asked her if she “was working at the time” and if she “had any type of income at all coming in” and “when [she] is supposed to start receiving her worker’s comp.” Individual A then pressed her asking such questions as “how [she was] taking care of [her] bills and [her] food. How are you eating on a daily basis?”

c. On or about May 4, 2015, Individual A, a/k/a “Brian”, spoke with Victim C.R. that the even though he had a previous payment arrangement with the company, that they “don’t have [his] case in the office any longer” because the “client wanted to rectify the matter themselves, so at this point you can contact the client.” Individual A further falsely represented that they’re “just the middle guys that speak to [the victim] and let you

know they're pursuing you. At this point, my boss, Mr. Wilson, let me know that we are no longer moving forward with [his] case. That the client wants to handle the matter on their own." Individual A then refused to Victim C.R. any information regarding the purported "client" who was purportedly pursuing Victim C.R.

23. In addition to collecting purported debt themselves, as team leaders, supervisors, and/or managers, BOUGHNER, GONZALEZ, MARTINEZ, MURRAY, SHAW, and Individual A also, *inter alia*, (1) listened to the calls of other collectors to ensure that they were following the scripts provided when talking to purported debtors and (2) would sometimes have calls transferred to them from the collectors they supervised so that they could "close" the call and/or could process payments from purported debtors.

Money Laundering:

24. During the course of his fraudulent debt collection scheme, CLARK engaged in multiple financial transactions greater than \$10,000.00 derived from the proceeds of his fraudulent debt collection companies and involving interstate commerce. For example,

a. CLARK wired \$172,943.42 of proceeds derived from his fraudulent debt collection conspiracy to a closing attorney to purchase a condominium in Charlotte, North Carolina; and

b. CLARK obtained a cashier's check for \$111,000.00, again representing proceeds derived from his fraudulent debt collection conspiracy, which he used to purchase a 2006 Sea Ray, 320 Sundancer boat.

COUNT ONE
18 U.S.C. § 371
(Fraudulent Debt Collection Conspiracy)

25. The United States Attorney re-alleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 24 of the Bill of Information, and further alleges that:

26. From in or about November 2011 through in or about May 2015, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendants,

- (1) **MICHAEL BOUGHNER**
(2) **CEDRIC CLARK**
(3) **ISAAC HUMBERTO GONZALEZ**
(4) **CYNTHIA MARTINEZ**
(5) **BENJAMIN MURRAY**
(6) **FELICIA SHAW**

did knowingly combine, conspire, confederate, and agree with Individual A, members of the fraudulent debt collection company, and others known and unknown to the United States Attorney, to commit offenses against the United States, including violations of Title 18, United States Code, 1341 (mail fraud) and 1343 (wire fraud).

Manner and Means

27. The defendants and other members of the fraudulent debt collection company carried out the conspiracy in the manner and means described in paragraphs 1 through 22 of this Bill of Information, among others.

Overt Acts

28. In furtherance of the conspiracy, and to accomplish the objects thereof, the defendants and their co-conspirators committed one or more overt acts described in paragraphs 1 through 22 in the Western District of North Carolina and elsewhere.

All in violation of 18 U.S.C. § 371.

COUNT TWO
18 U.S.C. § 1957
(Money Laundering)

29. The United States Attorney re-alleges and incorporates by reference herein the allegations contained in paragraphs 1 through 24 of this Bill of Information, and further alleges that:

30. In or about April 2014, in Mecklenburg County, within the Western District of North Carolina and elsewhere, Defendant,

(2) CEDRIC CLARK

did knowingly and willfully conduct and attempt to conduct a financial transaction affecting interstate commerce and involving a value greater than \$10,000.00, to wit, providing for the purchase of a 2006 Sea Ray, 320 Sundancer boat a cashier's check for \$111,000.00, which involved the proceeds of a specified unlawful activity, that is wire fraud, and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction, that is, funds fraudulently received from purported debtors, represented the proceeds of some form of unlawful activity.

All in violation of Title 18, United States Code, Section 1957.

NOTICE OF FORFEITURE

31. Notice is hereby given of 18 U.S.C. § 982 and 28 U.S.C. § 2461(c). Under Section 2461(c), criminal forfeiture is applicable to any offenses for which forfeiture is authorized by any other statute, including but not limited to 18 U.S.C. § 981 and all specified unlawful activities listed or referenced in 18 U.S.C. § 1956(c)(7), which are incorporated as to proceeds by Section 981(a)(1)(C). The following property is subject to forfeiture in accordance with Section 982 and/or 2461(c):

a. All property which constitutes or is derived from proceeds of the violations set forth in this Bill of Information;

b. All property involved in such violations or traceable to property involved in such violations; and

c. If, as set forth in 21 U.S.C. § 853(p), any property described in (a) or (b) cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, all other property of the defendant/s to the extent of the value of the property described in (a) and (b).

32. The following property is subject to forfeiture on one or more of the grounds stated above:

a. A forfeiture money judgment in the amount of at least \$6 million, such amount constituting the proceeds of the violations set forth in this Bill of Information;

b. Approximately \$96,512.18 in funds seized from Bank of America Account XXXXXXXX7324, such account held in the name of Berkeley Hughes & Associates, LLC;

c. Approximately \$6,986.68 in funds seized from Bank of America Account XXXXXXXX1232, such account held in the name of Cedric D. Clark;

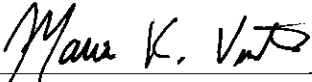
d. Approximately \$222,253.58 remaining of the \$282,416.11 in funds seized from State Employees' Credit Union Account XXX5092, such account held in the name of, among others, Cedric Clark;

e. Approximately \$2,519.35 remaining of the \$2,862.35 in funds seized from State Employees' Credit Union Account XXX8511, such account held in the name of, among others, Cedric Clark;

f. One 2006 Sea Ray, 320 Sundancer boat, Hull Number SERT7457I506 ("the Sea Ray Sundancer"); and

g. Approximately \$5,720 in United States Currency seized from 6557 Derby Ln NW, Concord, North Carolina.

JILL WESTMORELAND ROSE
UNITED STATES ATTORNEY



MARIA K. VENTO
ASSISTANT UNITED STATES ATTORNEY

NEW CRIMINAL CASE COVER SHEET

U. S. DISTRICT COURT

*(To be used for **all** new Bills of Indictments and Bills of Information)*

CASE SEALED:() Yes (X) No **DOCKET NUMBER:** _____
*(If case is to be sealed, a Motion to Seal and proposed Order **must** be attached.)*

CASE NAME : MICHAEL BOUGHNER, ET AL

COUNTY OF OFFENSE : MECKLENBURG COUNTY

RELATED CASE INFORMATION :

Magistrate Judge Case Number : _____

Search Warrant Case Number : _____

Miscellaneous Case Number : _____

Rule 20b : _____

SERVICE OF PROCESS - SUMMONS

U.S.C. CITATIONS *(Mark offense carrying greatest weight):* Petty Misdemeanor Felony

18 U.S.C. § 371

JUVENILE : Yes No

ASSISTANT U. S. ATTORNEY: MARIA K. VENTO

VICTIM / WITNESS COORDINATORS: shirley.rutledge@usdoj.gov /ulricia.kennedy@usdoj.gov

INTERPRETER NEEDED: _____

LIST LANGUAGE AND/OR DIALECT: _____

REMARKS AND SPECIAL INSTRUCTIONS:

RELATED TO: 3:15cv450 (Conrad)