

three business ventures would yield legitimate profits at a high rate of return. At all times material to this Information, Defendant lived in and operated his businesses in the Northern District of Ohio, Eastern Division.

2. Strictly Stocks Investment Company, Inc. (“Strictly Stocks”) was an Ohio Corporation owned and operated by Defendant. Defendant represented to investors that Strictly Stocks would “make payments by trading only in stocks and options” and that it would provide investors with “above average fixed returns with below average risk.” Defendant provided investors with “investment contracts” that committed to providing investors with quarterly dividend payments.

3. JR Ventures, an Ohio trucking company, which began in or about 1998, was owned and operated by Defendant. In or about 2001, JR Ventures began operating a car and limousine service called “Corporate Car and Limousine.” Defendant sold “Corporate Car and Limousine” to a local competitor in or about 2006.

4. Adams Title Agency was a real estate company wholly owned and operated by Defendant to manage rental properties he owned in the Northern District of Ohio, Eastern Division. Adams Title Agency was formed in or about 2002 and closed in or about 2006.

The Scheme to Defraud

5. Beginning in 1997 and continuing through in or about July 2006, in the Northern District of Ohio, Eastern Division, Defendant devised and intended to devise a scheme and artifice to defraud individuals who had invested money with him and his businesses and to obtain money and property from those individuals by means of false and fraudulent pretenses, representations, and promises.

6. It was part of the scheme and artifice to defraud that Defendant solicited investors for one or more of his companies by representing that the companies engaged in legitimate transactions and produced legitimate income. Moreover, Defendant represented to investors that their money would be placed in the business of their choosing, whether that was Strictly Stocks, JR Ventures or Adams Title Agency, and that their money would not be used for any other purpose. These representations were false.

7. It was a further part of the scheme and artifice to defraud that Defendant did not invest the money as he represented. Instead, Defendant unlawfully commingled investor funds; used investor funds for unauthorized purposes, including to make Ponzi payments to previous investors; and misappropriated investor funds for his own purposes and personal use.

The Use of the U.S. Mail

8. On numerous occasions from in or about 1997 and continuing through July 2006, for the purpose of executing the scheme and artifice to defraud described above,

Defendant placed and caused to be placed in any post office and authorized depository for mail matter, any matter or thing; that is, quarterly dividend checks and financial statements to Strictly Stocks investors, to be delivered by the U.S. Postal Service, from Mentor, Ohio to various addresses in the Northern District of Ohio.

9. On numerous occasions from in or about 1997 and continuing through July 2006, for the purpose of executing the scheme and artifice to defraud described above, Defendant placed and caused to be placed in any post office and authorized depository for mail matter, any matter or thing; that is, interest checks to JR Ventures and Adams Title Agency investors, to be delivered by the U.S. Postal Service from Mentor, Ohio to various addresses in the Northern District of Ohio.

The Effect of the Scheme

10. As a result of Defendant's fraudulent conduct, approximately 25 people sustained a combined loss in excess of \$889,000.

All in violation of Title 18, United States Code, Section 1341.

COUNT 2
(Making and Subscribing a False Tax Return)

The United States Attorney further charges:

On or about April 2, 2007, in the Northern District of Ohio, Eastern Division, Defendant RAYMOND THOMAS, a resident of Mentor, Ohio, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the 2006 calendar year, which was verified by a written declaration that it was made under the penalties of perjury

and was filed with the Internal Revenue Service, and which the Defendant did not believe to be true and correct as to every material matter in that, as the defendant then and there well knew and believed, said return understated the amount of his total income for the year by approximately \$186,414.00.

All in violation of Title 26, United States Code, Section 7206(1).

STEVEN M. DETTELBACH
United States Attorney