

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

| | | |
|--------------------------|---|---|
| UNITED STATES OF AMERICA |) | Criminal No. 23cr10223 |
| |) | |
| v. |) | Violation: |
| |) | |
| CRAIG CLAYTON, |) | <u>Count One</u> : Conspiracy to Commit Money |
| |) | Laundering |
| Defendant. |) | (18 U.S.C. § 1956(h)) |
| |) | |
| |) | <u>Count Two</u> : Obstruction of Justice |
| |) | (18 U.S.C. § 1512(c)(2)) |
| |) | |
| |) | <u>Money Laundering Forfeiture Allegation</u> : |
| |) | (18 U.S.C. § 982(a)(1)) |
| |) | |

INFORMATION

At all times relevant to this Information:

General Allegations

1. Defendant CRAIG CLAYTON (“CLAYTON”) resided in Rhode Island.
2. CLAYTON owned and operated Rochart, Inc. d/b/a Rochart Consulting (“Rochart”), a consulting firm that provided financial consulting and “virtual CFO” services.
3. Co-conspirator 1 (“CC-1”) resided in Ukraine. CC-1 worked as a foreign client recruiter for Rochart.
4. Co-conspirator 2 (“CC-2”) resided in Dubai. CC-2 was a Rochart client.
5. Individuals known and unknown to the U.S. Attorney fraudulently induced victims (“Fraud Victims”) into sending money to CLAYTON and to bank accounts in the names of shell companies that CLAYTON opened.
6. Cryson Trading LLC (“Cryson”), Providence Sanitizer Inc. (“Providence Sanitizer”), Farmers Market Purveyors Inc. (“Farmers Market”), Sustainable Agriculture

Technology Inc. (“Sustainable Agriculture”), and XIM Trade Inc. (“XIM”) were shell companies purporting to engage in legitimate businesses. Each of the shell companies had no employees, revenue, expenses, products, customer base, or business.

7. The affected banks were federally insured financial institutions within the meaning of 18 U.S.C. § 20, including: J.P. Morgan Chase, N.A.; Bank of America Corp.; Citizens Bank, N.A.; TD Bank, N.A.; and Navigant Credit Union, among others.

Overview of the Money Laundering Conspiracy

8. From at least 2019 through in or about 2021, CLAYTON, CC-1, CC-2, and others known and unknown to the U.S. Attorney engaged in a conspiracy to use shell companies and bank accounts in the shell companies’ names to launder and conceal at least approximately \$35 million in proceeds of various fraud schemes.

Object and Purposes of the Conspiracy

9. The object of the conspiracy was to commit money laundering by disguising the nature, location, source, ownership, and control of wire and bank fraud proceeds. The purposes of the conspiracy were to make money and to conceal the conspiracy and the fraud schemes it facilitated from law enforcement, bank officials, and Fraud Victims.

Manner and Means of the Conspiracy and Scheme to Defraud

10. Among the manner and means by which CLAYTON, CC-1, CC-2, and other co-conspirators known and unknown to the U.S. Attorney carried out the conspiracy were the following:

- a. Recruiting overseas clients involved in fraud schemes who were in need of money laundering services;
- b. Creating U.S. shell companies with no legitimate business purpose;

- c. Disguising and concealing the involvement of CLAYTON's foreign clients in the shell companies;
- d. Opening U.S. bank accounts in the names of the shell companies;
- e. Disguising and concealing the foreign beneficial ownership of the bank accounts in the names of the shell companies;
- f. Requesting and directing that Fraud Victims send money to CLAYTON, the shell companies, and bank accounts opened by CLAYTON in the names of the shell companies;
- g. Transferring the funds sent by Fraud Victims, often in structured amounts, via international wire transfers;
- h. Receiving monthly payment for money laundering services;
- i. Evading detection by law enforcement and misleading bank compliance personnel.

Acts in Furtherance of the Conspiracy

11. On various dates between in or about 2019 and in or about 2021, CLAYTON, CC-1, CC-2 and others known and unknown to the U.S. Attorney committed and caused to be committed the following acts in furtherance of the conspiracy:

12. In or about September 2019, CC-2 contacted CLAYTON and CC-1 by e-mail about creating U.S. shell companies and opening U.S. bank accounts so that CC-2 could conduct banking in the U.S. "without being so much noticed."

Cryson Trading

13. On or about September 16, 2019, on behalf of CC-2, CLAYTON incorporated Cryson Trading in Delaware. Shortly thereafter, CLAYTON sent an e-mail to CC-2: “This is great. We are now ready to travel to the branch and set up the account.”

14. On or about October 22, 2019, CLAYTON opened a JP Morgan checking account in the name of Cryson at a branch in Rhode Island. When opening the account, CLAYTON listed himself as the “manager” of Cryson, and he represented to the bank that he was the sole authorized signatory on the account. CLAYTON did not disclose CC-2’s involvement in the business or indicate that any foreign persons owned, controlled, or directed any part of Cryson’s purported business.

15. On or about October 23, 2019, CLAYTON sent the Cryson JP Morgan account information to CC-2, and CLAYTON told CC-2 that he would set-up online banking so that CC-2 could control the account.

16. On or about December 15, 2019, CLAYTON e-mailed CC-1 and CC-2 that “JPMC closed the Cryson Trading account for potentially fraudulent activity.”

17. On or about January 10, 2020, CLAYTON opened a Bank of America account in the name of Cryson at a branch in Rhode Island. In opening the account, CLAYTON listed himself as the “manager” of Cryson, and he represented to the bank that he was the sole authorized signatory on the account. CLAYTON did not disclose CC-2’s involvement in the business or indicate that any foreign persons owned, controlled, or directed any part of Cryson’s purported business.

18. On or about March 24, 2020, CLAYTON sent CC-1 an e-mail discussing the need for Rochart to charge “bad actor” clients premium fees. In the e-mail, CLAYTON referred to

CC-2 and Cryson as an “AML” client. When, in response, CC-1 asked CLAYTON about potentially stopping Rochart’s services for “fraud / ML” clients, CLAYTON stated: “We are already ‘money mules’ complicit in their offenses,” that their work for CC-2 “opens us up to charges,” and that the premium fees “ensures our silence if there are issues.”

19. On or about April 15, 2020, CLAYTON sent CC-1 an e-mail discussing the need for Rochart to charge “bad actor” premium fees: “The hope is that what we are offering they cannot get elsewhere—an account wholly operated by them, not needing a US person. That should be worth something.” CLAYTON further justified to CC-1 the premium fees for clients like CC-2 “because the risks for us are too high.” CC-2 and CLAYTON agreed that CC-2 would pay \$4,000 per month to Rochart for CLAYTON’s money laundering services.

20. On or about May 26, 2020, CLAYTON e-mailed CC-2 about how best to continue laundering money through the Cryson bank accounts. CLAYTON directed CC-2 to send checks and money orders in “irregular” amounts to him for deposit to evade detection: “amounts must be irregular—no more rounded to the nearest \$10,000.” On or about the same day, CLAYTON proposed founding two more shell companies for CC-2 in an e-mail and told him that “throughout the process everything is under [your] control, despite the outward appearance to the bank.”

21. On or about July 22, 2020, CLAYTON deposited a \$100,000 check from Victim 1 into the Cryson Bank of America account. Victim 1, who lived in Missouri, was a victim of an online fraud scheme and sent the check payable to Cryson under false pretenses.

Providence Sanitizer and Sustainable Agriculture

22. On or about September 8, 2020, CLAYTON incorporated Providence Sanitizer in Rhode Island on behalf of CC-2.

23. On or about September 21, 2020, CLAYTON opened several Citizens Bank accounts in the name of Providence Sanitizer at a branch in Massachusetts. In opening the accounts, CLAYTON listed himself as the “president” of Providence Sanitizer, and he represented to the bank that he was the sole authorized signatory on the account. CLAYTON did not disclose CC-2’s involvement in the business or indicate that any foreign persons owned, controlled, or directed any part of Providence Sanitizer’s purported business.

24. On or about September 28, 2020, CLAYTON re-activated the charter for Sustainable Agriculture, which he had previously incorporated in 2018.

25. On or about September 30, 2020, CLAYTON opened several Citizens Bank accounts in the name of Sustainable Agriculture at a branch in Massachusetts. In opening the accounts, CLAYTON listed himself as the “president” of Sustainable Agriculture, and he represented to the bank that he was the sole authorized signatory on the account. CLAYTON did not disclose CC-2’s involvement in the business or indicate that any foreign persons owned, controlled, or directed any part of Sustainable Agriculture’s purported business.

26. On or about October 5, 2020, CLAYTON sent CC-2 an e-mail explaining why he had formed two new shell companies, Providence Sanitizer and Sustainable Agriculture, rather than one: “We chose two companies to spread the load a little in case there are large volumes of cash involved. It also provides a safety valve if one of the accounts gets suspended.”

27. On or about the same day, CLAYTON sent CC-2 an e-mail advising him to make sure that CC-2’s foreign entities receiving wire transfers from the accounts of Providence Sanitizer and Sustainable Agriculture matched the fake businesses: “We recommend more than one account for wires out. The accounts should resemble the industry of each of the participants i.e.

chemical company for [Providence] Sanitizer, and agriculture for [Sustainable Agriculture] Technology.”

28. On or about February 10, 2021, CLAYTON notified CC-2 via WhatsApp that a victim had reported being defrauded into sending money to one of CLAYTON’s accounts in the name of Providence Sanitizer at Citizens Bank. He wrote: “Tread carefully my friend. Just spoke to the Citizens [compliance] team . . . we need to return the wire asap.”

29. On or about May 13, 2021, CLAYTON opened a Navigant Credit Union bank account in the name of Providence Sanitizer. In opening the account, CLAYTON listed himself as the “president” of Providence Sanitizer, and he represented to the bank that he was the sole authorized signatory on the account. CLAYTON did not disclose CC-2’s involvement in the business or indicate that any foreign persons owned, controlled, or directed any part of Providence Sanitizer’s purported business.

30. On or about May 14, 2021, CLAYTON sent a WhatsApp message to CC-2 to tell him that a victim had reported being defrauded into sending money to one of the accounts opened by CLAYTON on behalf of CC-2. CLAYTON told CC-2 that the money needed to be returned “quickly to avoid trouble with the FBI.”

31. In or about July 2, 2021, CLAYTON deposited a \$190,000 check from Victim 2 into a Navigant Credit Union account in the name of Providence Sanitizer. Victim 2, who lived in California, was an elderly victim of a telephone fraud scheme and sent the check payable to Providence Sanitizer under false pretenses.

32. On or about July 21, 2021, after Victim 2 contacted law enforcement, CLAYTON received a phone call from a member of law enforcement investigating the fraud against Victim 2.

When asked by the law enforcement agent about the \$190,000 check, CLAYTON falsely stated that the money from Victim 2 was for a large order of hand sanitizer.

33. On or about July 22, 2021, CLAYTON sent CC-2 a WhatsApp message about the false cover story he gave law enforcement: “Ok funds returned. Story is [Victim 2] ordered sanitizers and then changed his mind. Order cancelled. Please ensure your client follows this line . . .”

34. On or about July 23, 2021, the compliance department at Navigant Credit Union contacted CLAYTON about the \$190,000 check from Victim 2. CLAYTON falsely told the bank that the check from Victim 2 was for an order of hand sanitizer.

35. On or about July 31, 2021, in response to his accounts at Navigant being frozen after Victim 2 reported the fraud, CLAYTON asked CC-2 via WhatsApp to find “dirt” on Victim 2: “Nothing moving there. Do we have any dirt on [Victim 2] we [can] use to distract the police?” CLAYTON added: “The police are taking too much interest in our business . . . need something.”

36. On or about August 2, 2021, CLAYTON again told CC-2 via WhatsApp: “I need dirt on [Victim 2].” CLAYTON expressed concern to CC-2 that law enforcement was “digging into our business.”

37. On or about August 21, 2021, CLAYTON directed CC-2 to begin creating fake documents to justify payments to Providence Sanitizer bank accounts, and to transition their communications to Signal, an encrypted, self-deleting messaging application: “We need documentation—payments in, wire out, that includes an element of sanitizers. Let’s move to Signal. WhatsApp can be tapped.”

Farmers Market and XIM

38. On or about January 11, 2021, CLAYTON incorporated Farmers Market in Rhode Island on behalf of CC-2.

39. On or about January 19, 2021, CLAYTON opened several Citizens Bank accounts in the name of Farmers Market at a branch in Massachusetts. In opening the accounts, CLAYTON listed himself as the “president” of Farmers Market, and he represented to the bank that he was the sole authorized signatory on the account. CLAYTON did not disclose CC-2’s involvement in the business or indicate that any foreign persons owned, controlled, or directed any part of Farmers Market’s purported business.

40. On or about February 11, 2021, CLAYTON told CC-2 that he needed to incorporate another shell company with a more general “trade association” business in order to justify the amount of incoming money and outgoing international wire transfers. In a WhatsApp message, CLAYTON told CC-2: “The new plan is designed to provide a better explanation of the number of wires. As a distributor of sanitizers, there should not be so many different suppliers . . . we need a better story to cover the number of wire transfers to a large number of suppliers . . . using the trade association [is] the answer.”

41. On or about the same day, CLAYTON proposed a name for the new, fifth shell company for CC-2, in a WhatsApp message: “How about XiM Trade Inc. a company providing benefits to traders . . . the new structure should allow you to scale to [\$]50m USD per annum.”

42. On or about February 27, 2021, CLAYTON told CC-2 via WhatsApp: “We need XIM to justify all the wires going to different people . . . the volumes are increasing and we need to do XIM to ensure that the story holds and we can handle the volume.”

43. On or about March 1, 2021, on behalf of CC-2, CLAYTON incorporated XIM in Rhode Island.

44. On or about March 20, 2021, CLAYTON sent CC-2 a WhatsApp message to tell him that he had received concerns from a bank regarding certain transactions: “We have an account review coming up on Monday. Pray for us that things go well. . . . We are sure that the current volume will be the subject of some discussion. We will be sticking to the XIM story to explain the big checks.” CC-2 replied: “I feel you will manage it by XIM story is good option.” Further, on or about April 11, 2021, CLAYTON told CC-2 in a WhatsApp message: “With [t]he right storyline and my ownership of XIM there should be no problem.”

45. On or about June 4, 2021, CLAYTON directed CC-2 via WhatsApp to begin directing more fraud proceeds to accounts in the name of XIM, rather than Farmers Market: “Focus on XIM . . . it is the best storyline for the circumstances.”

46. On or about June 23, 2021, CLAYTON told CC-2 via WhatsApp: “FMP [Farmers Market] too many questions. No questions about XIM.”

January 2022 Interview

47. On or about January 10, 2022, accompanied by counsel, CLAYTON met with federal agents at the United States Attorney’s Office in Boston. At that meeting, the agents informed CLAYTON that he was the target of a federal grand jury investigation and warned that lying to or seeking to mislead federal agents is a crime.

48. Despite being warned not to lie to agents, CLAYTON made several materially false statements. For example, CLAYTON falsely told the agents that: (1) he directed CC-2 to switch their communications to Signal because he was worried his WhatsApp communications were being “tapped” by competitors, not by law enforcement; (2) he notified the banks that he was

opening accounts on behalf of CC-2, who was a foreign individual; and (3) he operated a legitimate “trade finance” business to help CC-2 purchase goods abroad.

COUNT ONE
Conspiracy to Commit Money Laundering
(18 U.S.C. § 1956(h))

The United States Attorney Charges:

49. The United States Attorney re-alleges and incorporates by reference paragraphs 1 through 48 of this Information.

50. From in or about 2019 through in or about 2021, in the District of Massachusetts and elsewhere, the defendant,

CRAIG CLAYTON

conspired with CC-1, CC-2, and others known and unknown to the to the United States Attorney to conduct financial transactions, to wit, the receipt of funds from individuals and subsequent withdrawal and transfer of those funds, knowing that the property involved in such transactions represented the proceeds of some form of unlawful activity, and which in fact involved the proceeds of specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, and bank fraud, in violation of Title 18, United States Code, Section 1344, and knowing that the transactions were designed, in whole and in part, to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

All in violation of Title 18, United States Code, Section 1956(h).

COUNT TWO
Obstruction of Justice
(18 U.S.C. § 1512(c)(2))

The United States Attorney Charges:

51. The United States Attorney re-alleges and incorporates by reference paragraphs 1 through 48 of this Information.

52. On or about January 10, 2022, in the District of Massachusetts and elsewhere, the defendant,

CRAIG CLAYTON

did corruptly obstruct, influence, and impede and attempt to corruptly obstruct, influence and impede, an official proceeding, to wit, a federal grand jury investigation being conducted in the District of Massachusetts, by making materially false statements to federal agents.

All in violation of Title 18, United States Code, Section 1512(c)(2).

MONEY LAUNDERING FORFEITURE ALLEGATION
(18 U.S.C. § 982(a)(1))

The United States Attorney further alleges:

53. Upon conviction of the offense in violation of Title 18, United States Code, Section 1956, set forth in Count One, the defendant,

CRAIG CLAYTON

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offenses, and any property traceable to such property. The property to be forfeited includes, but is not limited to, the following:

- a. \$96,000.00 U.S. currency, to be entered in the form of a forfeiture money judgment;
- b. 2016 Mercedes Benz VIN WDC0G4KB9GF085486, seized on February 23, 2023 at 52 Parkside Drive, Cranston, RI;
- c. \$138,773.01 U.S. currency from Navigant Credit Union account ending 9165, seized on March 1, 2023;
- d. \$72,597.50 U.S. Currency from Navigant Credit Union account ending 4961, seized on March 1, 2023;
- e. \$20,260.96 U.S. Currency from Navigant Credit Union account ending 8962, seized on March 1, 2023;
- f. \$1,584.98 U.S. Currency from Navigant Credit Union account ending 5711, seized on March 1, 2023; and
- g. \$990.00 U.S. Currency seized on February 23, 2023 at 52 Parkside Drive, Cranston, RI.

54. If any of the property described in paragraph 53, above, as being forfeitable pursuant to Title 18, United States Code, Section 982(A)(1), 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 or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the 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 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property described in paragraph 53 above.

All pursuant to Title 18, United States Code, Section 982(a)(1).

Respectfully submitted this 17th day of August 2023.

JOSHUA S. LEVY
Acting United States Attorney

By:



IAN J. STEARNS
Assistant United States Attorney
District of Massachusetts

Criminal Case Cover Sheet**U.S. District Court - District of Massachusetts**
Place of Offense: _____ **Category No.** III **Investigating Agency** HSI/IRS **+**
City Swampscott/Boston **+****Related Case Information:****County** Essex / Suffolk **+**
Superseding Ind./ Inf. _____ Case No. _____
Same Defendant _____ New Defendant _____
Magistrate Judge Case Number 23-mj-06002-MPK
Search Warrant Case Number 21-2445-MBB
R 20/R 40 from District of _____
Defendant Information:
Defendant Name Craig Clayton Juvenile: ☐ Yes ☒ No

Is this person an attorney and/or a member of any state/federal bar: ☐ Yes ☒ No

Alias Name _____

Address (City & State) 52 Parkside Drive, Cranston, Rhode Island 02910
Birth date (Yr only): 1949 SSN (last4#): 6825 Sex M Race: _____ Nationality: _____

Defense Counsel if known: Josh Hanye (FPD) Address 51 Sleeper St., 5th Floor, Boston MA 02210
Bar Number _____ 617-223-8061
joshua_hanye@fd.org
U.S. Attorney Information:
AUSA Ian Stearns **Bar Number if applicable** _____

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** 02/23/2023
☐ Already in Federal Custody as of _____ in _____

☐ Already in State Custody at _____ ☐ Serving Sentence ☐ Awaiting Trial

☒ On Pretrial Release: Ordered by: Hon. M. Page Kelley on 2/23/2023
Charging Document: ☐ Complaint ☒ Information ☐ Indictment

Total # of Counts: ☐ Petty _____ ☐ Misdemeanor _____ ☒ Felony 2

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: 8/17/2023 **+** Signature of AUSA: /s/ Ian J. Stearns

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

Name of Defendant Craig Clayton**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. § 1956(h)</u> | <u>Conspiracy to Commit Money Laundering</u> | <u>1</u> |
| Set 2 | <u>18 U.S.C. § 1512</u> | <u>Obstruction of Justice</u> | <u>2</u> |
| Set 3 | _____ | _____ | _____ |
| 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: _____