

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA	:	
	:	
	:	CRIMINAL NO.
v.	:	
	:	VIOLATION: 18 U.S.C. § 371
	:	
MARTIN B. CARTER,	:	(Conspiracy to Commit Mail Fraud,
	:	Wire Fraud, and Obstruction of
Defendant.	:	Justice)

INFORMATION

COUNT 1

(Conspiracy to Commit Mail Fraud, Wire Fraud, and Obstruction of Justice)

THE UNITED STATES CHARGES THAT:

From in or about December 2007 through in or about February 2010, within the District of Columbia and elsewhere, the defendant, MARTIN B. CARTER, did knowingly and voluntarily conspire and agree with others, both known and unknown, to commit offenses against the United States, namely:

1. Having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises, knowingly: (a) placing and causing to be placed in any post office and authorized depository for mail matter, any matter and thing whatever to be sent and delivered by the Postal Service; (b) depositing and causing to be deposited any matter and thing whatever to be sent and delivered by any private and

commercial interstate carrier; and (c) causing to be delivered by mail and private and commercial interstate carrier any matter and thing whatever according to the direction thereon, in violation of Title 18, United States Code, Section 1341; and

2. Having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of material false and fraudulent pretenses, representations, and promises, knowingly transmitting and causing to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, in violation of Title 18, United States Code, Section 1343; and

3. Corruptly, and by threats or force, and by any threatening letter or communication influencing, obstructing, impeding and endeavoring to influence, obstruct, and impede the due and proper administration of the law under which a pending proceeding was being had before a department or agency of the United States, namely, the United States Securities and Exchange Commission ("S.E.C."), in violation of Title 18, United States Code, Section 1505.

Purpose of the Conspiracy

A purpose of the conspiracy was to create the appearance of sales volume, revenue, and other material financial and business information for a publicly traded corporation, in order to mislead the public, investors, and regulators, and to obtain substantial economic benefits for the conspirators.

Manner and Means of the Conspiracy

For the purpose of executing the conspiracy, CARTER and his co-conspirators, among other things, made material misrepresentations and omissions designed to mislead investors and regulators about the true financial condition of a publicly traded corporation. These misrepresentations and omissions included but were not limited to false documents created by the conspirators as well as their false testimony to the S.E.C.

Overt Acts

In furtherance of the conspiracy, and to effectuate its objects, the conspirators committed the following overt acts, among others, in the District of Columbia and elsewhere:

1. In or about December 2007 through in or about January 2008, CARTER knowingly created two false and misleading documents as purported evidence of sales of a company's product;
2. In or about June 2008, CARTER knowingly created a false document purporting to be a cancellation by a Heart Tronics customer of a purchase order for Heart Tronics's products; and
3. On or about February 25, 2010, in sworn testimony before the S.E.C., CARTER provided the false and misleading information he and a co-conspirator had discussed and developed.

All in violation of Title 18, United States Code, Section 371

FORFEITURE ALLEGATION

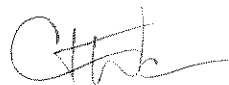
Pursuant to Federal Rule of Criminal Procedure 32.2, the defendant is advised that upon conviction of the offense charged in Count One of this information, he shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the violation charged in Count One.

If property subject to forfeiture meets the requirements of 21 U.S.C. § 853(p), the government will seek an order forfeiting substitute assets.

(In accordance with 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)).

DENIS J. McINERNEY
Chief
Criminal Division, Fraud Section
United States Department of Justice

DATED: Sept. 23, 2011

BY: 

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