

DMJ: CCC: PGJ  
F.# 2013R00978

**CR 13 500**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

**BIANCO, J.**

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UNITED STATES OF AMERICA

I N F O R M A T I O N

**LINDSAY, M**

- against -

Cr. No. \_\_\_\_\_  
(T. 18, U.S.C. §§ 1349  
and 3551 et seq.)

THEODORE D. HEYMAN,

Defendant.

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THE UNITED STATES ATTORNEY CHARGES:

~~FILED  
IN CLERK'S OFFICE  
U.S. DISTRICT COURT~~

★ **AUG 27 2013**

INTRODUCTION

At all times relevant to this Information, unless  
otherwise indicated:

1. Multivend, LLC, d/b/a Vendstar ("Vendstar") operated from Deer Park, New York. Vendstar sold vending machine business opportunities to customers throughout the United States.

2. The defendant THEODORE D. HEYMAN was the Vice President of sales at Vendstar.

The Fraudulent Scheme

3. At various times in or about and between May 2005 and July 2010, the defendant THEODORE D. HEYMAN, together with others, devised, implemented, supervised and executed a scheme to fraudulently induce customers throughout the United States to

purchase vending machine business opportunities from Vendstar by means of materially false and fraudulent pretenses, representations and promises. The fraudulent scheme generally worked as follows:

a. Vendstar sold to its customers business opportunities to own and operate bulk candy vending machines that dispensed loose candy. Vendstar typically offered for sale between 20 and 30 vending machines for \$9,995. As part of the business opportunity package, Vendstar sales representatives promised to provide the following: vending machines, an initial supply of candy, assistance in finding locations for vending machines, training and ongoing customer assistance in how to operate a successful vending business.

b. Vendstar's newspaper and Internet advertisements suggested that a "local vending route" was available and that customers could earn \$800 per day. The defendant THEODORE D. HEYMAN's responsibilities included deciding where to place Vendstar's advertisements.

c. Prospective customers who responded to the advertisements spoke by telephone with a Vendstar sales representative. During these telemarketing calls, the Vendstar sales representative described the business opportunity as a

low-risk investment in which Vendstar would provide everything needed for the customer to be successful.

d. Under the supervision of the defendant THEODORE D. HEYMAN and other managers, Vendstar's sales representatives provided prospective customers with the telephone number of a locating company and encouraged them to contact that locating company, assured them that the recommended locating company would find good locations for vending machines and touted guarantees offered by the locating companies that made the investment appear to be low risk.

e. Vendstar's sales representatives told the operator of the recommended locating company about prospective customers and sometimes coached the operator of the locating company on what to say to prospective customers. Throughout the process, the Vendstar sales representatives and locating company operator frequently exchanged information and coordinated their sales messages to prospective customers.

f. To induce purchases of the business opportunities, under the supervision of the defendant THEODORE D. HEYMAN and other managers, Vendstar's sales representatives falsely overstated the likely profits of the business opportunities and falsely claimed to operate successful vending routes themselves.

The Vendstar sales representatives falsely overstated the services that Vendstar and the locating companies recommended by Vendstar would provide to customers. The Vendstar sales representatives also intentionally concealed from prospective customers that Vendstar had received numerous complaints from customers that the vending machines did not earn the profits represented by Vendstar sales representatives, locating companies did not usually find locations that generated the profits represented by sales representatives and locating companies broke their promises to relocate machines and provide refunds.

g. Vendstar employees sent to prospective customers by overnight delivery service a sales packet that included a glossy brochure and a promotional video.

h. Under the supervision of the defendant THEODORE D. HEYMAN and other managers, Vendstar's sales representatives encouraged prospective customers to use credit cards and bank wires to purchase the business opportunity.

i. Under the supervision of the defendant THEODORE D. HEYMAN and other managers, John Doe, a co-conspirator whose identity is known to the United States Attorney, and others, tried to convince customers who had purchased the business opportunity to "reorder" additional vending machines. John Doe

falsely claimed that customers could place the additional vending machines in locations that already had been secured for previous customers in the area who had recently backed out of a purchase. John Doe alternatively sometimes falsely claimed that customers could place the additional machines in locations that had just been vacated by previous customers in the area who had recently moved out of the state and taken their machines to a new state.

j. As a result of this false and fraudulent scheme of which the defendant THEODORE D. HEYMAN knew and approved, Vendstar's customers lost most of their investments.


CONSPIRACY TO COMMIT MAIL FRAUD

4. The allegations contained in paragraphs one through three are realleged and incorporated as if fully set forth in this paragraph.

5. In or about and between May 2005 and July 2010, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant THEODORE D. HEYMAN, together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud Vendstar customers, and to obtain money and property from them by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to place and to cause

to be placed in authorized depositories for mail matter, one or more matters and things to be sent and delivered by the United States Postal Service; and to deposit and to cause to be deposited to be sent and delivered by private and commercial interstate carriers one or more matters and things; and to take and receive from an authorized depository for mail, one or more mail matters and things, contrary to Title 18, United States Code, Section 1341.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

  
LORETTA E. LYNCH  
UNITED STATES ATTORNEY  
EASTERN DISTRICT OF NEW YORK