

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 25-
	:	
RICHARD FORREST SHERMAN	:	18 U.S.C. § 1349
	:	18 U.S.C. § 1343

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

Relevant Background

1. At times relevant to this Information:
 - a. “Victim-1” was a telecommunications company with offices in New Jersey and Washington.
 - b. Company-1 was a multinational technology company that sold among other things, computer software and consumer electronics.
 - c. Defendant Richard Forrest Sherman (“Sherman”) was a resident of Salem, Oregon, and was employed by Victim-1.
 - d. Sherman Entity-1 was an entity controlled by Sherman and his co-conspirators.

The Conspiracy

2. From in or August 2013 through in or around August 2020, in the District of New Jersey, and elsewhere, the defendant,

RICHARD FORREST SHERMAN,

did knowingly and intentionally conspire and agree with others to devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means

of false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice to defraud, did knowingly transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

Goal of the Conspiracy

3. The goal of the conspiracy was for Sherman and his co-conspirators to enrich themselves by removing locking software from devices associated with Victim-1 through false and fraudulent pretenses, in exchange for compensation by an individual not named in this Information (“Individual-1”) who intended to sell the unlocked devices for a greater value than locked devices would generate, and converting the funds Sherman and his co-conspirators were paid to unlock the devices to their personal use.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:
- a. Between in or around August 2013 and in or around August 2020, Sherman and his co-conspirators devised and executed a scheme to remove locking software technology installed by Victim-1 on its devices (the “Locking Software”) using false and fraudulent pretenses (the “Scheme”).
 - b. The Locking Software prevented devices from being used with services provided by Victim-1’s competitors.
 - c. Victim-1 would only remove the Locking Software from devices if certain requirements were satisfied, for example, the financial obligations of any

device payment plan were met fully and at least 40 days had passed since the device was first used on Victim-1's network (the "Unlocking Requirements").

d. However, Victim-1 granted certain of its customers, including Company-1, an exemption from the Unlocking Requirements, which allowed them to request that the Locking Software be removed from their affiliated devices even if they had not met the Unlocking Requirements (the "Company-1 Exemption").

e. Being familiar with these policies of Victim-1, Sherman and his co-conspirators opened an account with Victim-1 under the name of Entity-1 (the "Entity-1 Account").

f. Sherman used his employment with Victim-1, which allowed him access to Victim-1's internal systems, to classify fraudulently the Entity-1 Account as an affiliate account of Company-1 in Victim-1's system, including by requesting that the Entity-1 Account be assigned a billing number which mirrored one of the billing numbers used by Company-1. This false classification entitled Entity-1 to the benefits of the Company-1 Exemption, though Sherman and his co-conspirators knew that Entity-1 was not affiliated with Company-1.

g. Moreover, this affiliate designation allowed Sherman and his co-conspirators to submit requests in connection with the Entity-1 Account to remove the Locking Software on a bulk basis without meeting the Unlocking Requirements.

h. Sherman and his co-conspirators were paid by Individual-1 in exchange for using the Entity-1 Account's access to the Company-1 Exemption. Sherman fraudulently submitted to Victim-1 lists of devices provided by Individual-1

through the Entity-1 Account and requested that the Locking Software be removed from those devices on a bulk basis.

i. For example, on or about June 26, 2019, as compensation for his involvement in the Scheme, Sherman received approximately \$52,361.01 wired through the Fedwire Funds Service in New Jersey, to a business bank account Sherman controlled.

j. Sherman and his co-conspirators converted the resulting funds, approximately \$500,000, from the Scheme to their personal use.

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATION

Upon conviction of the wire fraud offense charged in this Information, the defendant,

RICHARD FORREST SHERMAN,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense, including, but not limited to, a sum of money equal to \$500,000.00 (five hundred thousand dollars), representing the proceeds of the offense charged in this Information.

SUBSTITUTE ASSETS PROVISION

If any of the property described above, 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 intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.



ALINA HABBA
United States Attorney

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INFORMATION FOR

18 U.S.C. § 1349

ALINA HABBA
UNITED STATES ATTORNEY
FOR THE DISTRICT OF NEW JERSEY

SEAN NADEL
ASSISTANT U.S. ATTORNEY
NEWARK, NEW JERSEY
(973) 645-2797
