

**United States District Court  
District of New Jersey**

|                          |   |                      |
|--------------------------|---|----------------------|
| UNITED STATES OF AMERICA | : | Hon. Cathy L. Waldor |
|                          | : |                      |
| v.                       | : | Mag. No. 20-9267     |
|                          | : |                      |
| MATTHEW BENJAMIN         | : | CRIMINAL COMPLAINT   |

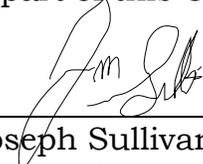
I, Joseph Sullivan, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

**SEE ATTACHMENT A**

I further state that I am a Special Agent for the Federal Bureau of Investigation, and that this Complaint is based on the following facts:

**SEE ATTACHMENT B**

Continued on the attached page and made a part of this Complaint.

  
\_\_\_\_\_  
Joseph Sullivan  
Special Agent  
Federal Bureau of Investigation

Attested to me by telephone pursuant to FRCP 4.1(b)(2)(A),  
June 30, 2020, in the District of New Jersey

HONORABLE CATHY L. WALDOR  
UNITED STATES MAGISTRATE JUDGE

  
\_\_\_\_\_  
Signature of Judicial Officer

**ATTACHMENT A**

**Counts One and Two**  
**(Wire Fraud)**

From at least as early as in or about May 2017 through in or about August 2019, in Bergen County, in the District of New Jersey and elsewhere, defendant

**MATTHEW BENJAMIN**

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, the following writings, signs, signals, pictures, and sounds, each constituting a separate count of this Complaint.

| <b>Count</b> | <b>Approximate Date</b> | <b>Description</b>   |
|--------------|-------------------------|--|
| 1            | May 19, 2017            | BENJAMIN deposited a check for approximately \$78,552.85 from Victim 1's bank account into a Clear Solutions Group LLC bank account in Tenafly, New Jersey, resulting in an interstate wire transmission.                |
| 2            | June 3, 2019            | BENJAMIN deposited a check for approximately \$30,925.38 from Victim 2's and Victim 3's bank account into a Clear Solutions Group LLC bank account in Tenafly, New Jersey, resulting in an interstate wire transmission. |

In violation of Title 18, United States Code, Section 1343 and Section 2.

**Count Three**  
**(Securities Fraud)**

From at least as early as in or about May 2017 through in or about August 2019, in Bergen County, in the District of New Jersey and elsewhere, defendant

**MATTHEW BENJAMIN**

by use of the means and instrumentalities of interstate commerce, the mails, and facilities of national securities exchanges, directly and indirectly, knowingly and willfully used manipulative and deceptive devices and contrivances in contravention of Title 17, Code of Federal Regulations, Section 240.10b-5 in connection with the purchase and sale of securities, to wit, interests in Clear Solutions Group LLC, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and a course of business which operated and would operate as a fraud and deceit upon persons, namely, persons with interests in Clear Solutions Group LLC.

In violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18, United States Code, Section 2.

## **ATTACHMENT B**

I, Joseph Sullivan, am a Special Agent with the Federal Bureau of Investigation. I have knowledge about the facts set forth below from my involvement in the investigation, my review of reports, documents, pictures, videos, witness interviews, and discussions with other law enforcement officials. Because this affidavit is submitted for the limited purpose of establishing probable cause, I have not set forth each and every fact that I know concerning this investigation. All statements described herein are relayed in substance and in part. In addition, where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

### **Relevant Entities and Individuals**

1. At all times relevant to this Complaint, unless otherwise indicated:
  - a. Defendant Matthew Benjamin (“defendant BENJAMIN”) resided in or around Tenafly, New Jersey, and was the primary shareholder of Clear Solutions Group LLC (“Clear Solutions Group”).
  - b. Clear Solutions Group was located in or around Tenafly, New Jersey and was purportedly involved in the purchase, sale, and distribution of wholesale makeup and beauty products.
  - c. Company A, a Delaware corporation, was a multinational cosmetics, skin care, fragrance, and personal care company headquartered in New York City.
  - d. Company B was a discount retailer headquartered in North Kingstown, Rhode Island.
  - e. Victim 1, a resident of New Jersey, was an individual investor.
  - f. Victims 2 and 3, married residents of New Jersey, were individual investors.
  - g. Victim 4, a resident of New Jersey, was an individual investor.

## **The Scheme to Defraud**

2. Beginning at least as early as May 2017 through in or about August 2019, defendant BENJAMIN engaged in an investment fraud scheme and fraudulently obtained more than approximately \$1.525 million from at least three victim families (hereinafter, the “Victim Investors”). BENJAMIN falsely represented to the Victim Investors that BENJAMIN’s company, Clear Solutions Group, had lucrative contracts to purchase closeout or excess cosmetic inventory from Company A, which he would then resell at a mark-up to Company B. BENJAMIN induced the Victim Investors to provide him with money to purchase the inventory from Company A and promised significant profits in return. Instead of investing the money as he promised, BENJAMIN misappropriated the Victim Investors’ money for his own use and benefit.

3. Prior to engaging in the fraudulent scheme, BENJAMIN worked in his family’s cosmetics and fragrance closeout goods business. BENJAMIN represented to the Victim Investors that he formed his own company, Clear Solutions Group, in or around January 2017 after leaving his family’s business.

4. BENJAMIN told the Victim Investors that he had access to closeout goods sold by wholesalers at low prices through his contacts in the cosmetics and fragrance industry. BENJAMIN represented to the Victim Investors that he would use their investments in Clear Solutions Group to purchase these closeout cosmetic and beauty goods from the wholesalers and then sell those goods to retailers at a higher price.

5. BENJAMIN promised the Victim Investors significant returns on their investments. For example, BENJAMIN represented to Victim 1 that there would be a 49% profit margin and a 47% profit margin, respectively, on two of the deals that BENJAMIN invested in. BENJAMIN also represented to Victims 2 and 3 that the profit margin on the first several deals that they invested in would be 40%, and that they and BENJAMIN would split the profit on those deals 50-50. Similarly, BENJAMIN represented to Victim 4 that he could expect to make a return of approximately 15-18% on his investments.

6. In addition to these representations, BENJAMIN provided certain of the Victim Investors with falsified documents. For example, BENJAMIN:

a. emailed Victim 1 purported purchase orders from Company B detailing its purchase of cosmetics and other beauty items at prices providing consistent profits for Clear Solutions Group and Victim 1;

b. forwarded emails to Victim 1 that were purportedly between BENJAMIN and Company B regarding Company B's payments for certain purchase orders;

c. provided Victim 1 with purported Clear Solutions Group bank statements showing inflated assets; and

d. executed promissory notes for the benefit of Victims 2 and 3 and Victim 4, respectively, that set forth the amounts of their investments, the terms of repayment, and the remedy in the event of default on the promissory notes.

7. To lull certain of the Victim Investors and induce them to continue investing, BENJAMIN provided them with documents that purported to detail the Victim Investors' profits, including:

a. emails sent to Victim 1 from BENJAMIN's Clear Solutions Group email account attaching purported purchase orders from Company B showing the mark-up prices at which the goods sold by Company A were purchased by Company B, thereby providing a purported profit to Clear Solutions Group and Victim 1 on the deals; and

b. invoices on Clear Solutions Group letterhead addressed to Victims 2 and 3 that included a description of the cost of the goods sold, the resale amount, and the profits.

8. In order to further perpetuate the scheme, BENJAMIN misrepresented to Victims 1, 2 and 3 that portions of their profits on the investment contracts were being reinvested in additional deals to purchase and sell cosmetics, which in turn would generate more profits for those Victim Investors. From time to time, BENJAMIN made payments to the Victim Investors that were purportedly their profits on certain cosmetics contracts.

9. Based on BENJAMIN's false statements and misrepresentations described above, among other things, Victim 1 invested over approximately \$915,000 with Clear Solutions Group. For example, on or about May 19, 2017, Victim 1 provided a check drawn on his business account for \$78,552.85 to BENJAMIN for the purpose of investing in Clear Solutions Group. That check was deposited into BENJAMIN's Clear Solutions Group bank account at a branch location in Tenafly, New Jersey on or about May 19, 2017, and this amount was then transferred electronically from Victim 1's business account to BENJAMIN's bank, resulting in interstate wire transmissions.

10. Based on BENJAMIN's false statements and misrepresentations described above, among other things, Victims 2 and 3 invested over

approximately \$533,000 with Clear Solutions Group. For example, on or about May 31, 2019, Victims 2 and 3 provided a check for \$30,925.38 to BENJAMIN for the purpose of investing in Clear Solutions Group. That check was deposited into BENJAMIN's Clear Solutions Group bank account at a branch location in Tenafly, New Jersey on or about June 3, 2019, and this amount was then transferred electronically from Victims 2 and 3's account to BENJAMIN's bank, resulting in interstate wire transmissions.

11. Based on BENJAMIN's false statements and misrepresentations described above, among other things, Victim 4 invested approximately \$76,500 with Clear Solutions Group.

12. In reality, BENJAMIN did not purchase or sell cosmetics with the money invested by the Victim Investors. Company A and Company B have no record of doing business with Clear Solutions Group.

13. Instead, BENJAMIN misappropriated the Victim Investors' money by (1) making payments to other investors in Clear Solutions Group, which were characterized as those investors' profits from the nonexistent cosmetic contracts, thereby enabling BENJAMIN to continue to perpetuate his fraudulent scheme; and (2) funding BENJAMIN's and his family's lifestyle.

14. Specifically, BENJAMIN diverted the Victim Investors' funds to pay for, among other things, personal expenses such as car and house rental payments, food, international travel, legal fees, purchases of technology equipment, and summer camp tuition for his family members.

15. On or about August 27, 2019, Victim 1 confronted BENJAMIN about the fraud. Upon being confronted by Victim 1, BENJAMIN apologized repeatedly and confessed that he had done "the wrong thing." BENJAMIN further confessed that he had not made any deals with Company B with the money that Victim 1 had invested with Clear Solutions Group, and that he had used the money that Victim 1 had invested with him on "personal things" and "to get myself out of trouble."

16. On or about August 29, 2019, BENJAMIN confessed to Victims 2 and 3 that he had "[de]frauded [them] out of money" and that none of the investments were real. During that meeting, BENJAMIN identified four additional victims or victim families, including Victims 1 and 4, whose investments with Clear Solutions Group had been used as part of the fraudulent scheme.

17. The Victim Investors' losses from the fraud perpetrated by BENJAMIN collectively totaled over approximately \$1 million.