

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X

UNITED STATES OF AMERICA :

- v. - :

ANDREW GARSON, :

Defendant. :

- - - - - X

SEALED INDICTMENT

19 Cr. ____ (____)

19 CRIM 703

COUNT ONE

(Wire Fraud)

The Grand Jury charges:

Overview of the Fraud Scheme Targeting GARSON's Employers

1. Between approximately 2013 and 2018, ANDREW GARSON, the defendant, was employed as an executive at two different marketing/public relations agencies located in New York, New York, the first between approximately 2013 and January 2018 ("PR Firm-1"), and the second between approximately January 2018 and November 2018 ("PR Firm-2"). In his respective roles at those two firms, GARSON was responsible for working directly with clients, coordinating various marketing and public relations campaigns, and managing vendor relationships in connection with such campaigns. In or about July 2018, GARSON was named a "top 40 under 40" public relations executive by PR Week Magazine. For years, however, GARSON engaged in a scheme to lie to his two employers, which fraudulently induced interstate wire transfers

of funds, including wire transfers to bank accounts held in the Southern District of New York, and caused his employers millions of dollars in losses.

2. One such series of misrepresentations by ANDREW GARSON, the defendant, resulted in the unauthorized payment by PR Firm-2 of expenses owed to vendors in connection with marketing campaigns led by GARSON while employed at PR Firm-1. Over the course of GARSON's first several months of employment at PR Firm-2, GARSON lied to certain vendors, stating that PR Firm-2 had agreed to cover expenses still owed to those vendors related to GARSON's prior projects at PR Firm-1. In fact, PR Firm-2 did not authorize the payment of those expenses. In order to cause PR Firm-2 to effect payment of these expenses, GARSON created fraudulent invoices falsely claiming that the vendors were due payment for work performed on PR Firm-2 projects. In this fashion, GARSON caused PR Firm-2 to pay substantial expenses to vendors with which GARSON had worked on projects while employed at PR Firm-1, thereby causing losses to PR Firm-2 in excess of \$2.5 million.

3. In addition, while employed at PR Firm-1, ANDREW GARSON, the defendant, used his corporate credit card for unauthorized personal expenses. For example, in or about August 2017, GARSON purchased a luxury watch using his PR Firm-1

corporate credit card for approximately \$14,000, claiming that that the expense related to event production for a client marketing event. GARSON later sold the watch to a New Jersey jewelry store in or about December 2018 for approximately \$4,000. GARSON deposited the money that he earned from the sale of the watch into his personal bank account.

4. ANDREW GARSON, the defendant, similarly defrauded PR Firm-2 with respect to the unauthorized use of his corporate credit card. For example, GARSON submitted expense reports to PR Firm-2 in which he claimed the same expense for reimbursement on more than one occasion, causing PR Firm-2 to reimburse GARSON twice for the same expenditure.

Statutory Allegations

5. From at least in or about 2014 up to and including at least in or about 2018, in the Southern District of New York and elsewhere, ANDREW GARSON, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings,

signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice.

(Title 18, United States Code, Section 1343.)

COUNT TWO

(Wire Fraud)

The Grand Jury further charges:

Overview of GARSON's Unemployment Benefit Fraud Scheme

6. The allegations set forth in paragraphs 1 through 4 of this Indictment are repeated and realleged as if fully set forth herein.

7. After uncovering certain aspects of the fraud scheme perpetrated by ANDREW GARSON, the defendant, PR Firm-2 terminated GARSON in or about November 2018. In the course of applying for unemployment insurance program benefits from the New York State Department of Labor following his termination, GARSON lied regarding the circumstances surrounding his separation from PR Firm-2. According to the New York State Department of Labor, had GARSON truthfully conveyed the circumstances surrounding his termination from PR Firm-2, GARSON would have been ineligible for the receipt of unemployment insurance benefits. As a result of his misrepresentations, between in or about December 2018 and in or about March 2019, GARSON received a total of over \$5,000 in unemployment insurance

benefits to which he was not entitled. As part of the scheme, GARSON engaged in and caused others to engage in interstate wire communications. For example, on at least one occasion GARSON logged onto the New York State Department of Labor's unemployment website, hosted on a server located in New York, from a location in New Jersey.

Statutory Allegations

8. From at least in or about December 2018 up to and including at least in or about March 2019, in the Southern District of New York and elsewhere, ANDREW GARSON, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice.

(Title 18, United States Code, Section 1343.)

FORFEITURE ALLEGATIONS

9. As a result of committing the offenses alleged in Counts One and Two of this Indictment, ANDREW GARSON, the defendant, 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 and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Assets Provision

10. If any of the above-described forfeitable property, 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 person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value;

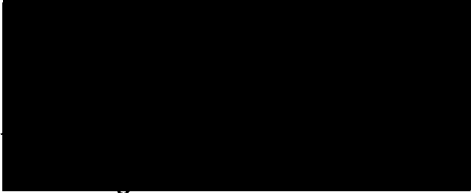
or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), and 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.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)



Geoffrey Berman
GEOFFREY S. BERMAN
United States Attorney

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(Title 18, United States Code,
Section 1343.)

GEOFFREY S. BERMAN
United States Attorney.

A TRUE BILL

