



*Office of the United States Attorney  
Eastern District of Kentucky  
Kerry B. Harvey, United States Attorney*

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## **California Man Accused in Bogus Investment Scheme Makes First Court Appearance**

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**FOR IMMEDIATE RELEASE**

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**LONDON** — A former fugitive wanted by the FBI for allegedly defrauding individuals in multiple states out of hundreds of thousands of dollars made his first court appearance in the Eastern District of Kentucky today.

Harold Carmical Jr., 62, who recently lived in Somerset, Ky., was arrested on May 5 in California pursuant to a federal indictment filed January 27 in Kentucky that charged him with three counts of wire fraud, two counts of mail fraud and one count of interstate transportation of stolen property.

After his arrest in California, Carmical was sent to Reno, Nev. where he was detained until authorities extradited him to Lexington, Ky.

Carmical pleaded not guilty to the charges. His trial is set for August 8 in London, Ky. A detention hearing is set for June 21 to determine whether Carmical will be detained before trial. He will remain in custody until the hearing.

The indictment alleges that starting in November 2006 and continuing to early 2008, Carmical represented himself to be an elite investment broker who had previously conducted business with Charles Schwab. In reality, Carmical was not an elite investment broker and only held a Charles Schwab individual investment account that was essentially his personal bank account.

According to the indictment, Carmical never invested any money he received from the individuals; instead, he used the money for his own personal benefit.

The indictment alleges that Carmical obtained approximately \$900,000 from several investors located in Somerset, Ky.; Loveland, Ohio; and Chicago, Ill., by using several different tactics such as:

\*Guaranteeing million dollar returns on their investments and specific dates they would receive such returns.

- \*Promising to pay one investor's medical bills.
- \*Attending church services with potential investors.
- \*Sent one investor to a health spa in Puerto Rico
- \*Offering jobs to some potential investors.
- \*Promising to pay living expenses to some investors
- \*Promising two investors a Cadillac
- \*Fabricating his credentials as an investor and information on phony investment opportunities.

One investor allegedly cashed out his retirement fund and gave the money to Carmical to invest; but, according to the indictment, Carmical just deposited the cash into his own personal investment account. In early 2008, the same investor, now retired, moved from Kentucky to Florida upon Carmical's encouragement.

Carmical allegedly told the investor he would purchase a new Cadillac for him as an investment bonus and pay his rent and utilities. Carmical never provided the Cadillac and stopped paying the investor's living expenses in Florida after a short time.

Carmical allegedly expressed interest in buying another investor's house and promised her half of all the profits he received from his investments if she would keep it available for him and not put it on the market. Carmical neither purchased the home, nor shared half of his investment profits with this investor.

Carmical also obtained money from other investors to invest in oil and gas stocks. Again, according to the indictment, the money was never invested and simply deposited into his own personal investment account instead.

In 1974, Carmical incorporated Tennessee Fried Rabbit, Inc., ostensibly to engage in the restaurant business.

Kerry B. Harvey, United States Attorney for the Eastern District of Kentucky, Robin Dalgleish, Postal Inspector in Charge, United States Postal Inspection Service; Charles A. Vice, Commissioner of the Commonwealth of Kentucky Department of Financial Institutions, Division of Securities; and Elizabeth A. Fries, Special Agent in Charge, Federal Bureau of Investigation, jointly made the announcement today.

The investigation preceding the indictment was conducted by the United States Postal Inspection Service, the Commonwealth of Kentucky Department of Financial Institutions, Division of Securities and the Federal Bureau of Investigation. The U.S. Attorney's Office was represented by Assistant United States Attorney Lindsay Hughes Thurston.

If convicted, Carmical faces a maximum prison sentence of 20 years. However, any sentence following conviction would be imposed by the court after consideration of the

United States Sentencing Guidelines and the federal statute governing the imposition of sentences.

*The indictment of a person by a grand jury is an accusation only, and that person is presumed innocent unless proven guilty.*

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