

**COPY**

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

CLERK US DISTRICT COURT  
NORTHERN DISTRICT OF TX  
FILED  
MAR -6 PM 1:45  
DEPUTY CLERK *SK*

UNITED STATES of AMERICA

v.

Case No. 3:19-CR-521-K

BETH ELLEN DEGROOT (1)  
HARLEY E. BARNES III (2)

**SUPERSEDING INDICTMENT**

The Grand Jury charges:

**GENERAL ALLEGATIONS**

***Relevant Entities and Individuals***

1. EarthWater Limited (f/k/a EarthWater PLC) was a United Kingdom company with its principal place of business in Dallas County, Texas. EWB International Inc., a subsidiary of EarthWater Limited, was a Texas corporation (together with EarthWater Limited, "EarthWater"). EarthWater's offices were located at 16220 Midway Road, Addison, Texas.

2. **HARLEY E. BARNES III** (a/k/a Buddy Barnes), was a United States citizen residing in Plano, Texas. **BARNES** was the Chief Financial Officer of EarthWater.

3. On or around March 5, 2019, a grand jury sitting in the Northern District of Texas returned an indictment charging **BARNES** and others in connection with a high-yield investment fraud scheme involving EarthWater. The case was captioned United

States v. Harley E. Barnes, III, et al., 3:19-CR-112-K (N.D. Tex.). The indictment included a Notice of Forfeiture.

4. On or around May 6, 2019, **BARNES** was arrested and the indictment was unsealed. At his initial appearance, **BARNES** acknowledged that he had reviewed the indictment, including the Notice of Forfeiture. At the same hearing, the Court entered an order setting the conditions of **BARNES**'s pretrial release, which included, among other conditions, that **BARNES** was required to "avoid all contact, directly or indirectly, with any person who is or may be a victim or witness in the investigation or prosecution, including any co-defendants." **BARNES** was also "prohibited . . . from selling, promoting, or advising on the purchase or sale of securities."

5. Defendant **BETH ELLEN DEGROOT** was a United States citizen residing in Plano, Texas. **DEGROOT** was the Vice President of EarthWater.

6. On or around May 12, 2019, following the arrest and unsealing of the indictment against **BARNES**, **DEGROOT** was named President of EarthWater.

***DEGROOT and BARNES Attempt to Conceal Their Activities and BARNES's Assets***

7. On or around May 6, 2019, EarthWater's Bank of America bank accounts ending in 8213 and 2037 were seized pursuant to warrants issued by the U.S. District Court in the Northern District of Texas.

8. On or around May 6, 2019, after **BARNES** was arrested and before EarthWater's Bank of America accounts were seized, **DEGROOT** transferred \$20,000

from EarthWater's Bank of America account ending in 2037 into a Wells Fargo Bank account under **DEGROOT's** name.

9. On or around May 7, 2019, **BARNES** obtained a new cell phone and phone number (xxx.xxx.3161), which **DEGROOT** put in her name and paid for using her credit card.

10. On or around May 9, 2019, **BARNES** created the new email account masterplan150@gmail.com.

11. On or around May 10, 2019, **DEGROOT** created the new email account tristargroupllc@yahoo.com.

12. After **BARNES** and **DEGROOT** respectively created masterplan150@gmail.com and tristargroupllc@yahoo.com, **DEGROOT** directed several individuals not to use **BARNES's** and **DEGROOT's** old EarthWater email addresses to contact them. **DEGROOT** claimed the EarthWater accounts had been "compromised."

13. On or around May 9, 2019, **BARNES** sent a text message to Person A (Consultant), whom **BARNES** had previously paid for, among other things, introducing him to potential investors and who had agreed to provide **BARNES** with money to retain an attorney to represent **BARNES** in United States v. Harley E. Barnes, III, et al., 3:19-CR-112-K (N.D. Tex.). In the text message, **BARNES** directed Person A (Consultant) to use a "trusted" intermediary – **DEGROOT** – to facilitate communications between them.

**BARNES** also directed Person A (Consultant) to use **DEGROOT** to facilitate money transfers to avoid forfeiture of funds to the government. **BARNES** wrote:

Beth DeGroot mobile #[XXX.XXX].9118. Text or call. She is our VP, shareholder very trusted by me, ... and can guide you through helping me out personally. I'll give her your number as well. ... My personal accounts are subject to forfeiture. Please wire to Beth DeGroot Routing #111000614 Account #[XXXXXX]9368...

14. Also on or around May 9, 2019, after Person A (Consultant) agreed to provide the money by credit card, **BARNES** informed Person A (Consultant) that **BARNES's** attorney would call to verify the credit card information. Person A (Consultant) later confirmed that he had spoken to **BARNES's** attorney.

15. On or around May 15, 2019, **DEGROOT** visited a Happy State Bank branch location to open a corporate bank account in the name of TriStar Marketing Group, LLC ("TriStar"), a company owned by **BARNES**. When **DEGROOT** was told that **BARNES** would need to be a signatory because he was TriStar's owner, **DEGROOT** instead opted to open three personal accounts in her own name and ending in the numbers 3198, 0474, and 3206.

16. After the opening of the three bank accounts at Happy State Bank under **DEGROOT's** name, **BARNES** and **DEGROOT** proceeded to transfer **BARNES's** money into those accounts:

a. On or around May 16, 2019, **BARNES** directed EarthWater's payroll processor to deposit his future payroll checks into the Happy State Bank account under **DEGROOT's** name ending in the number 3198.

b. On or around June 6, 2019, **DEGROOT** deposited a check for \$9,700 from **BARNES's** attorney into the Happy State Bank account under **DEGROOT's** name ending in the number 3206.

c. On or around June 7, 2019, **BARNES** directed that any cash account transfers pursuant to a divorce decree he obtained be wired into the Happy State Bank account under **DEGROOT's** name ending in the number 3206.

d. Beginning on or around July 12, 2019, **BARNES** directed deposits of unemployment benefit payments from the Texas Workforce Commission into the Happy State Bank account under **DEGROOT's** name ending in the number 3198.

***DEGROOT and BARNES Devise a Plan  
to Use EarthWater to Continue Raising Money***

17. On or around May 16, 2019, **DEGROOT** sent a text message to Person A (Consultant), confirming her arrangement to act as an intermediary for **BARNES**. **DEGROOT** wrote: "Buddy is restricted from talking about certain things. When you speak to [Person B] tonight, he will let you know what we are needing. We have a good plan of action." Person B (Business Associate) had previously done work for EarthWater as an attorney but, at that time, was acting as a business associate.

18. **DEGROOT** then sent a text message to Person A (Consultant) attaching **BARNES** and **DEGROOT**'s "plan of action," which proposed a stock deal in which the victims whom **BARNES** had allegedly defrauded would swap their old EarthWater stock for new stock in a newly formed corporate entity (referred to in the plan as "NewCo, LLC"). According to their plan, EarthWater would be re-incorporated under an assumed name and then issue and sell millions of dollars of stock.

19. Also on or around May 16, 2019, **DEGROOT** sent an email from tristargroupllc@yahoo.com to Person C (Victim), an individual who had previously purchased around \$150,000 of EarthWater stock. **DEGROOT** attached **BARNES** and **DEGROOT**'s "plan of action."

20. On or around May 17, 2019, **DEGROOT** sent an email from tristargroupllc@yahoo.com to Person D (Victim), who worked at an investment firm that had previously purchased around \$1.5 million in EarthWater securities. **DEGROOT** copied **BARNES** at masterplan150@gmail.com. In her email, the subject line of which read "EARTH WATER UPDATE - Urgent," **DEGROOT** asked to schedule a conference call with Person D (Victim) for later that afternoon.

21. On or around May 28, 2019, Person C (Victim) sent an email to **BARNES** and **DEGROOT** at their EarthWater email, among others, describing a proposal to launch an initial public offering of EarthWater stock. On or around May 28, 2019, **DEGROOT** responded to the email from Person C (Victim) by sending an email from

tristargroupllc@yahoo.com, copying **BARNES** at masterplan150@gmail.com and others.

**DEGROOT** wrote:

Pursuant to our earlier discussions, EarthWater email has been compromised. Please do not use earthwater email addresses. Additionally, refrain from including Buddy in emails regarding selling, advising or promoting securities. I will coordinate with [Person B].

(the "May 28 Email").

22. On or around June 4, 2019, **DEGROOT** and Person C (Victim) exchanged three additional emails relating to a potential initial public offering of EarthWater stock.

**DEGROOT** sent and received these emails from bXXXXXXXX@yahoo.com.

***DEGROOT and BARNES Attempt to Defraud  
EarthWater's Payroll Processor of More than \$50,000***

23. Company A was EarthWater's payroll processor, located in Dallas County, Texas, within the Northern District of Texas.

24. Person E (Account Manager) was the client services manager at Company A who worked at Company A's office in Dallas County, Texas, and handled EarthWater's account.

25. EarthWater employees were paid on a bi-monthly basis. When it was time to process payroll for EarthWater, Company A issued the funds to each EarthWater employee from Company A's own funds and later made a direct withdrawal from an EarthWater bank account to cover the payroll and any associated fees.

26. At the time of **BARNES**'s arrest on May 6, 2019, EarthWater's Bank of America account ending in 8213 was on file with Company A as the account from which Company A withdrew funds for EarthWater's payroll.

27. **BARNES** and **DEGROOT** had the authority to change the payroll information on file with Company A for EarthWater employees.

28. On or around May 14, 2019, **BARNES** changed the payroll information on file with Company A for **DEGROOT** by changing her title from Vice President to President and increasing her salary from \$70,000 to \$110,000.

29. On or around May 14, 2019, shortly after **BARNES** made the changes, **DEGROOT** changed the contact information on file with Company A for **BARNES** to xxx.xxx.3161, the phone number set up in **DEGROOT**'s name on May 7, 2019, and masterplan150@gmail.com, the email address **BARNES** created on May 9, 2019. **DEGROOT** also increased **BARNES**'s salary.

30. At the time they made the changes to their salaries, **DEGROOT** and **BARNES** knew that EarthWater did not have sufficient available funds to support payroll.

31. On or around May 20, 2019, **DEGROOT** emailed Person E (Account Manager) and another representative of Company A from her EarthWater email address giving her approval for Company A to issue payroll to **DEGROOT** and **BARNES** from EarthWater account ending in 8213. **DEGROOT** knew that the account ending in 8213 did not have sufficient funds and had been seized, but did not disclose this to Person E



(Account Manager) or anyone else at Company A. **DEGROOT** knew her instruction would mislead Company A into believing there were sufficient funds in the account to support the issuance of payroll.

32. On or around May 21, 2019, Company A released **BARNES's** pay in the amount of \$3,106.26 and **DEGROOT's** pay in the amount of \$3,180.53. **BARNES's** payroll check was deposited into the Happy State Bank account under **DEGROOT's** name ending in 3198.

33. On or around May 22, 2019, **DEGROOT** emailed Person E (Account Manager) and told her to use [tristargroupllc@yahoo.com](mailto:tristargroupllc@yahoo.com) to communicate with **DEGROOT** and not to communicate with **BARNES**. **DEGROOT** told Person E (Account Manager) that she was forwarding information from Company A to **BARNES**.

34. Later on the same day, after Person E (Account Manager) informed **DEGROOT** that Company A was not able to recover the May 21, 2019, payroll from EarthWater's Bank of America account ending in 8213 because the account had insufficient funds, **DEGROOT** told Person E (Account Manager) to draw the money from EarthWater's Bank of America account ending in 2037.

35. On or around May 23, 2019, **DEGROOT** submitted paperwork to Company A instructing it to use EarthWater's Bank of America account ending in 2037 to fund EarthWater's payroll.

36. Later on the same day, when **DEGROOT** was informed that Company A was about to issue another payroll to EarthWater, **DEGROOT** responded, "using the new account information correct?" A representative of Company A responded, "yes," and told **DEGROOT** that the May 21, 2019, payroll would be "re-pulled" too. **DEGROOT** knew that the account ending in 2037 did not have sufficient funds and had been seized, but did not disclose this to Person E (Account Manager) or anyone else at Company A.

37. On or around May 30, 2019, after Person E (Account Manager) informed **DEGROOT** that Company A had not been able to recover the May 21, 2019, payroll from EarthWater's Bank of America account ending in 2037 because it had insufficient funds, **DEGROOT** falsely claimed that the money had already been deducted from her account.

38. The same day, **DEGROOT** submitted to Company A her approval for payment of salaries covering the next pay period. Before she submitted her approval, **DEGROOT** directed Company A to pay her an additional \$25,000 on top of her salary, which she described as "Additional Pay." In total, **DEGROOT** directed Company A to pay \$29,612.94 in salary and benefits to **DEGROOT** and \$5,208.33 in salary and benefits to **BARNES**.

39. On or around May 31, 2019, after Person E (Account Manager) informed **DEGROOT** that Company A would not issue additional payroll until EarthWater paid Company A for the May 21, 2019, payroll, **DEGROOT** responded, "I have no way to get

funds.” Company A never issued payment for the payroll **DEGROOT** approved on May 30, 2019.

40. On or around June 5, 2019, after Company A informed **DEGROOT** and **BARNES** that it was terminating its relationship with EarthWater, **DEGROOT** email Person E (Account Manager) using [tristargroupllc@yahoo.com](mailto:tristargroupllc@yahoo.com) and asked: “How do we log into the employee portal to get our information for unemployment and W2?”

41. On or around June 6, 2019, **BARNES** submitted and caused to be submitted an application for unemployment benefits to Company A citing “permanent layoff” from EarthWater.

***DEGROOT and BARNES Fraudulently Obtain a Mortgage for a New House***

42. Financial Institution 1 was a financial instituion, as that term is defined in Title 18, United States Code, Section 20. Financial Institution 1’s deposits were federally insured by the Federal Deposit Insurance Corporation.

43. On or around June 8, 2019, **DEGROOT** entered into a contract to purchase a three-bedroom, two-bath house with a pool in Plano, Texas, located at 3577 Teakwood Lane (“the Teakwood property”). The closing date was scheduled for July 15, 2019.

44. On or around June 8, 2019, **DEGROOT** sent a copy of the contract to **BARNES** at [masterplan150@gmail.com](mailto:masterplan150@gmail.com).

45. On or around June 14, 2019, **DEGROOT** applied for a loan from Financial Institution 1 to finance the purchase of the house.

46. The same day, for the purpose of applying for the loan, **DEGROOT** told Person F (Bank Representative 1), a mortgage-lending officer at Financial Institution 1, that she was employed at EarthWater and emailed Person F (Bank Representative 1), from the email address 4BTexasLLC@gmail.com, pay stubs **DEGROOT** obtained from Company A. The pay stubs **DEGROOT** submitted to Person F (Bank Representative 1) covered the May 2019 pay periods for which **DEGROOT** had fraudulently obtained and attempted to obtain payment from Company A. **DEGROOT** did not tell Person F (Bank Representative 1) or anyone else at Financial Institution 1 that she had not received payment as reflected on the second pay stub or that Company A had terminated its relationship with EarthWater.

47. At some time between on or around June 14, 2019, and on or around July 15, 2019, **DEGROOT** told Person F (Bank Representative 1) that she had been promoted to be the President of EarthWater and that her salary had increased from \$6,500 a month to over \$9,000 a month.

48. On or around June 29, 2019, **DEGROOT** emailed Person G (Outside Director), a member of EarthWater's board of directors, and the email account, info@earthwater.com, stating that, as of June 21, 2019, **DEGROOT** had resigned from "EarthWater Limited and all affiliated companies, boards, subsidiaries, etc."

49. On or around June 29, 2019, **DEGROOT** emailed Person H (Bank Representative 2), a mortgage-operations specialist at Financial Institution 1 who was

responsible for gathering documents from **DEGROOT** verifying **DEGROOT**'s income and employment, and instructed Person H (Bank Representative 2) to use the email address 4BTexasLLC@gmail.com to communicate with **DEGROOT** instead of **DEGROOT**'s EarthWater email address. **DEGROOT** told Person H (Bank Representative 2) that “[w]e do not allow personal emails on our company accounts.”

50. On or around July 2, 2019, in response to an email from Person H (Bank Representative 2) requesting a Human Resource's contact at EarthWater to verify the employment information **DEGROOT** had provided to Person F (Bank Representative 1), **DEGROOT** responded, “Contact for EarthWater employment verification – Mr. Barnes [xxx-xxx]-3161.”

51. On or around July 3, 2019, Person H (Bank Representative 2) called the number **DEGROOT** provided and spoke to **BARNES**. During the call, **BARNES** provided Person H (Bank Representative 2) with the email address, masterplan150@gmail.com.

52. On or around July 3, 2019, after Person H (Bank Representative 2) emailed **BARNES** at masterplan150@gmail.com a “Verification of Employment” form to certify **DEGROOT**'s employment at EarthWater, **BARNES** forwarded the form by email to **DEGROOT** at tristargroupllc@yahoo.com.

53. On or around July 3, 2019, **DEGROOT** emailed a completed “Verification of Employment” form from the email address tristargroupllc@yahoo.com to **BARNES**

at masterplan150@gmail.com. The "Verification of Employment" falsely claimed that (i) **BARNES** was the Chief Financial Officer of EarthWater, (ii) **DEGROOT** was employed as the "President/Director" of EarthWater, (iii) her probability of continued employment was "Excellent," and (iv) in 2019, she received a bonus of \$20,000. In fact, **DEGROOT** had resigned from EarthWater and had received the \$20,000 by transferring the funds from EarthWater's account ending in 2037 after **BARNES** was arrested.

54. On or around July 3, 2019, **BARNES** emailed the completed form to Person H (Bank Representative 2) using his email address masterplan150@gmail.com.

55. On or around July 5, 2019, after Person H (Bank Representative 2) asked **DEGROOT** to explain the source of the \$9,700 deposit on June 7, 2019, into her Happy State Bank account ending in 3206, **DEGROOT** falsely told Person H (Bank Representative 2) that the money was from cash **DEGROOT** held in a safe at **DEGROOT**'s house. In fact, the deposit was a check from **BARNES**'s attorney dated June 6, 2019.

56. On or around July 10, 2019, **DEGROOT** obtained a cashier's check for \$17,351.17 with funds from her Happy State Bank account ending in 3206 for the down payment on the Teakwood property. The funds used for the cashier's check included funds from the June 7, 2019, deposit of the check from **BARNES**'s attorney.

57. On or around July 15, 2019, **DEGROOT** closed on the contract to buy the Teakwood property. At the closing, **DEGROOT** signed a "Uniform Residential Loan

Application” falsely certifying that she was employed as the President of EarthWater with a monthly salary of \$9,166.

58. **DEGROOT** and **BARNES** subsequently moved into the house.

***DEGROOT Is Served with a Federal Grand Jury Subpoena***

59. On or around June 21, 2019, a federal law enforcement agent served **DEGROOT** with a subpoena issued by a federal grand jury in the Northern District of Texas, requesting the production of documents relating to EarthWater and **BARNES**. Among other things, the grand jury subpoena requested documents relating to the sale of EarthWater securities, certain communications between **BARNES** and **DEGROOT**, and certain communications with EarthWater’s investors and lenders, which included Person C (Victim) and Person D (Victim), among others. The grand jury subpoena also requested all documents relating to **DEGROOT**’s receipt of any funds from **BARNES** between May 6, 2019, when **BARNES** was arrested, and June 21, 2019.

60. **DEGROOT** corruptly altered a copy of the May 28 Email, which she produced on or around July 8, 2019, in response to the grand jury subpoena, with the intent to impair the integrity and availability of that email for use in an official proceeding. Specifically, **DEGROOT** altered the May 28 Email with the intent to conceal the existence of masterplan150@gmail.com and tristargroupllc@yahoo.com, and the contents of those email accounts. **DEGROOT** did not produce any other communications sent or received by **DEGROOT** or **BARNES**.

61. On or around July 8, 2019, **DEGROOT** corruptly did or attempted to conceal the existence of certain communications responsive to the grand jury subpoena, including the communications described in this Superseding Indictment, by producing a written response to the grand jury subpoena that falsely claimed that **DEGROOT** no longer had access to documents concerning the sale of securities by EarthWater; and or certain communications between **DEGROOT** and **BARNES**.

62. Continuing on or around July 15, 2019, a federal law enforcement agent conducted an interview of **DEGROOT** by telephone, seeking clarification of her written responses to the grand jury subpoena. In that interview, **DEGROOT** corruptly did or attempted to conceal the existence of certain communications responsive to the grand jury subpoena, including the communications described in this Superseding Indictment, by falsely claiming that all responsive communications would have been in **DEGROOT**'s EarthWater email, to which she no longer had access. **DEGROOT** also falsely claimed that she had not used any email accounts other than her EarthWater email to communicate with **BARNES** or Person C (Victim), when, in truth, she had used [tristargroupllc@yahoo.com](mailto:tristargroupllc@yahoo.com) and [bdXXXXXXXX@yahoo.com](mailto:bdXXXXXXXX@yahoo.com).

63. On or around July 8, 2019, **DEGROOT** corruptly did or attempted to obstruct, influence, and impede the federal grand jury's investigation, by producing a written response to the grand jury subpoena that falsely claimed that she had not received any funds from **BARNES** between May 6, 2019 and June 21, 2019, when, in truth,



**BARNES** had directed EarthWater's payroll processor to send his payroll check to **DEGROOT's** Happy State Bank account ending in 3198.

64. Continuing on or around July 15, 2019, during her telephone interview with a federal law enforcement agent, **DEGROOT** corruptly did or attempted to obstruct, influence, and impede the federal grand jury's investigation, by falsely claiming that she had not received a payroll check from EarthWater in May 2019 and by repeating her false claim that she had not received any funds from **BARNES** between May 6, 2019 and June 21, 2019.

Count One  
Conspiracy to Commit Wire and Bank Fraud  
(Violation of 18 U.S.C. § 1349)

65. The Grand Jury realleges and incorporates by reference paragraphs 1 through 64 of this Superseding Indictment.

66. From in or around May 2019 to in or around July 2019, in the Northern District of Texas, and elsewhere, the defendants,

**BETH ELLEN DEGROOT**  
and  
**HARLEY E. BARNES, III**

together, and with others known and unknown to the Grand Jury, knowingly combined, conspired, confederated, and agreed to commit the following offenses:

a. to knowingly and willfully devise a scheme and artifice to defraud, and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the scheme and artifice to defraud, to knowingly and willfully transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343; and

b. to knowingly execute, and attempt to execute, a scheme to defraud Financial Institution 1, a federally insured financial institution, and to obtain monies owned and under the care, custody, and control of that financial institution by means of false and

fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344.

Purpose of the Conspiracy

67. The purpose of the conspiracy and the scheme to defraud was to: (a) enrich **DEGROOT** and **BARNES** by obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises about the continuing operations of and **DEGROOT** and **BARNES**'s continuing employment at EarthWater, and (b) conceal the conspiracy.

Manner and Means of the Conspiracy

68. It was part of the conspiracy, and among the manner and means by which the defendants and their co-conspirators carried out the conspiracy, that the defendants took the acts described in paragraphs 9 through 12, 15 through 16, 28 through 31, 33 through 41, 43 through 58, and 60 through 64 of this Superseding Indictment. It was further part of the conspiracy that:

- a. **DEGROOT** and **BARNES** directed Company A to increase their pay even after the company's bank accounts had been seized;
- b. **DEGROOT** and **BARNES** concealed from Company A that EarthWater's bank accounts had been seized;

c. **DEGROOT** directed Company A to issue payroll checks to **DEGROOT** and **BARNES** when she knew EarthWater did not have access to sufficient funds to reimburse Company A for the payments;

d. **DEGROOT** and **BARNES** made statements and submitted and caused to be submitted documents to Financial Institution 1 falsely representing that **DEGROOT** and **BARNES** were still employed as of July 2019 at EarthWater and that **DEGROOT** still received a salary from EarthWater;

e. **DEGROOT** and **BARNES** submitted and caused to be submitted a Verification of Employment Form to Financial Institution 1 which falsely represented that the likelihood of **DEGROOT**'s future employment with EarthWater was "Excellent";

f. **DEGROOT** submitted documents she obtained from Company A to Financial Institution 1 to falsely represent that she had received salary payments from EarthWater in May 2019 totaling \$22,022.32, when she had, in fact, received only \$3,180.53;

g. **DEGROOT** and **BARNES** knowingly and willfully transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce writings, signs, signals, pictures, and sounds, specifically emails, between **DEGROOT** and **BARNES** and representatives of Company A and Financial Institution 1;

h. **DEGROOT** opened a new bank account in **DEGROOT**'s name to conceal **BARNES**'s proceeds from the conspiracy;

i. **DEGROOT** and **BARNES** created new email addresses to conceal their communications with Company A and Financial Institution 1; and

j. **DEGROOT** instructed representatives of Company A and Financial Institution 1 to use the new email addresses to communicate with **DEGROOT** and **BARNES** instead of using **DEGROOT** and **BARNES**'s EarthWater email addresses to conceal **DEGROOT** and **BARNES**'s communications with Company A and Financial Institution 1 from law enforcement.

All in violation of Title 18 United States Code 1349.

Count Two  
Obstruction of an Official Proceeding  
(Violation of 18 U.S.C. §§ 1512(c)(2) and 2)

69. The Grand Jury realleges and incorporates by reference paragraphs 1 through 64 of this Superseding Indictment.

70. From in or around May 2019 to in or around September 2019, in the Dallas Division of the Northern District of Texas and elsewhere, the defendants,

**BETH ELLEN DEGROOT**  
and  
**HARLEY E. BARNES III,**

aided and abetted by each other and others known and unknown to the grand jury, did corruptly attempt to obstruct, influence, and impede the forfeiture of property subject to criminal forfeiture in a proceeding pending in the United States District Court for the Northern District of Texas, United States v. Harley E. Barnes, III, et al., 3:19-CR-112-K (N.D. Tex.), an official proceeding, by transferring and depositing and causing to be transferred and deposited money which **DEGROOT** and **BARNES** then knew was subject to criminal forfeiture by the United States, that is, (i) **BARNES**'s payroll check issued by Company A on May 21, 2019; (ii) **BARNES**'s unemployment benefits; (iii) money **BARNES** was to receive pursuant to a divorce settlement; and (iv) \$9,700 from **BARNES**'s attorney, into bank accounts under **DEGROOT**'s name

All in violation of 18 U.S.C. §§ 1512(c)(2) and 2.

Count Three  
Obstruction of an Official Proceeding  
(Violation of 18 U.S.C. § 1512(c)(1))

71. The Grand Jury realleges and incorporates by reference paragraphs 1 through 64 of this Superseding Indictment.

72. In or around July 2019, in the Dallas Division of the Northern District of Texas and elsewhere, the defendant, **BETH ELLEN DEGROOT**, did corruptly alter, destroy, mutilate, and conceal a record, document, and other object, or attempted to do so, with the intent to impair the object's integrity and availability for use in an official proceeding, namely, a federal grand jury investigation in the Northern District of Texas, by (i) altering the May 28 Email, and (ii) concealing communications sent via email to or from masterplan150@gmail.com, tristargroupllc@yahoo.com, and bXXXXXXXX@yahoo.com, and sent via text message to or from (XXX) XXX-9118, including the communications described in this Superseding Indictment.

All in violation of 18 U.S.C. § 1512(c)(1).

Count Four  
Obstruction of an Official Proceeding  
(Violation of 18 U.S.C. § 1512(c)(2))

73. The Grand Jury realleges and incorporates by reference paragraph 1 through 64 of this Superseding Indictment.

74. In or around July 2019, in the Dallas Division of the Northern District of Texas and elsewhere, the defendant, **BETH ELLEN DEGROOT**, did corruptly obstruct, influence, and impede an official proceeding, namely, a federal grand jury investigation in the Northern District of Texas, by falsely claiming in writing and in a telephone call with a federal law enforcement agent that (i) neither **DEGROOT** nor **BARNES** had received EarthWater payroll checks in May 2019, and (ii) **BARNES** had not transferred any funds to **DEGROOT**. In truth, **DEGROOT** and **BARNES** did receive EarthWater payroll checks in or around May 2019 and **BARNES** had directed EarthWater's payroll processor to send his payroll check to **DEGROOT**'s personal bank account.

All in violation of 18 U.S.C. § 1512(c)(2).



**NOTICE OF FORFEITURE**

(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. 2461(c), upon conviction of the Count One and/or Two offenses, the defendants, **BETH ELLEN DEGROOT** and **HARLEY E. BARNES, III**, shall forfeit to the United States, any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses.

Pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), 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,

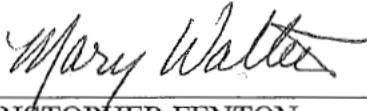
the United States intends to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

A TRUE BILL:

FOREPERSON

ERIN NEALY COX,  
UNITED STATES ATTORNEY

ROBERT A. ZINK  
CHIEF, FRAUD SECTION, CRIMINAL DIVISION  
U.S. DEPARTMENT OF JUSTICE



---

CHRISTOPHER FENTON  
christopher.fenton@usdoj.gov  
AMANDA R. VAUGHN  
amanda.vaughn@usdoj.gov  
Trial Attorneys  
Fraud Section, Criminal Division  
U.S. Department of Justice  
1400 New York Avenue, NW  
Washington, D.C. 20005  
(202) 320-0539

MARY WALTERS  
Assistant United States Attorney  
Texas State Bar No. 24003138  
1100 Commerce Street, Third Floor  
Dallas, Texas 75242-1699  
Telephone: 214-659-8600  
Facsimile: 214-659-8812  
Email: mary.walters@usdoj.gov