

# Frank Carlucci Demands His \$37 Million

5/30/2013 5:26:00 AM, Iulia Filip



WEST PALM BEACH (CN) - Former CIA executive and Defense Secretary Frank Carlucci asked a Florida court to enforce a \$37 million judgment against a man who induced him to invest in a bogus technology.

Carlucci, 82, was Secretary of Defense from 1987 to 1989 under President Ronald Reagan. He also served in senior-level government positions under Presidents Nixon and Carter, including Deputy Director of the CIA and Director of the Office of Economic Opportunity.

Carlucci sued Michael Han and his company Envion last year in Federal Court, to recover more than \$32 million he had invested based on Han's allegedly fraudulent and misleading statements.

Han, the founder and CEO of West Palm Beach-based Envion, claimed the company had developed an efficient technology that could turn waste plastic back into crude oil, according to the April 2012 complaint.

Han told Carlucci that Envion had patented its technology, major investors lined up, and a backlog of orders for its so-called oil generators, the complaint states.

Carlucci claimed Han first approached him in 2004, asking him to invest in Envion. In March 2004, Carlucci gave Han the first \$500,000, relying on his false promises that Envion had patented its oil generators, was run by "seasoned and highly regarded executives with extensive track records of success in the energy, technology, and finance industries, as well as the public sector," and was negotiating business agreements with major waste management companies, according to the complaint.

Carlucci claimed Han also lied to him that investors such as Warren Buffet, Bill Gates and Morgan Stanley were interested in Envion.

He claimed Han continued to "paint a very rosy picture" of Envion over the next years, persuading Carlucci to pour millions into the company.

Han told Carlucci that Envion had deals with Russia's Gazprom, one of the world's largest gas companies, and with Brazilian energy company Petrobras, which would invest millions in Envion, according to the complaint.

He promised that "'Envion would be the best return Mr. Carlucci would receive on any investment,' possibly up to '50 times' the amount Mr. Carlucci had invested," according to the lawsuit.

"During these same meetings, Mr. Han also falsely represented that former President Bill Clinton had agreed to become affiliated with Envion, possibly as a member of its board of directors, and that he had communicated with former President George W. Bush, who was interested in investing in Envion as well," the complaint (<http://www.courthousenews.com/2013/05/30/Carlucci.original.pdf>) states.

Carlucci claimed that after he invested more than \$32 million in Envion, Han closed the company's Washington D.C. headquarters and moved it to Florida, where he bought himself a \$3.5 million home with Carlucci's money. Han also paid himself a \$5 million annual salary without Carlucci's knowledge, according to the complaint.

In early 2012, Carlucci began to suspect Han's promises were empty, after an energy consultant revealed that there was no deal with Petrobas, the complaint states.

Carlucci investigated (<http://www.courthousenews.com/2013/05/30/CarlucciMemo.pdf>) and concluded that Envion did not own any patent, had no deals with major companies, no "all-star list" of investors, and no backlog of orders for its oil generators. He also realized Han had used his money for personal expenses and had drained the company nearly to insolvency, according to the complaint.

Carlucci said Han denied his request to audit the company's books and records.


He sought compensatory and punitive damages for federal and Virginia State securities fraud, negligent misrepresentation and breach of contract.

A federal judge in Alexandria, Va. granted Carlucci a \$37 million judgment in April. The judgment covers violations of the Virginia Securities Act, breach of contract damages, interest, attorneys' fees and costs.

Carlucci seeks to enforce the judgment in Han's home state, Florida.

He is represented by Peter Bernhardt with McDonald Hopkins.

Carlucci was second secretary at the U.S. Embassy in the Congo - an undercover CIA post - during the Congo Crisis of 1961, when President Dwight Eisenhower ordered the CIA to assassinate Congolese independence leader Patrice Lumumba.

He was chairman of the Carlyle Group from 1992 to 2003, a former director of Wackenhut, which runs private prisons, and had a wide range of other business interests. 

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