

From The Office Of:
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NEWS RELEASE

RELEASE P.M. NEWSPAPERS
TUESDAY, MAY 3, 1960

A self-styled "sage and spiritual consultant" advised his client to join him in prayer and travel the "golden road to beautiful living" as part of a subtle scheme to sell them oil leases which cannot be located, Attorney General Louis J. Lefkowitz charged today.

An order obtained by the Attorney General in Supreme Court, New York County, enjoins the "consultant", Gervin Barrett, from engaging in the securities business in New York State. Barrett consented to the order which was signed by Justice Samuel M. Gold.

According to the affidavit of Assistant Attorney General Nicholas Caputo, Barrett's scheme involved two phases of operation.

First, Barrett used a religious pamphlet to gain the confidence of potential investors. The pamphlet feigned great concern for the religious and economic welfare of its readers. Second, he forwarded personal letters to the recipients of the pamphlet. Eventually these letters contained the "command" to invest in oil and gas leases which "could not fail".

"Barrett's method was nothing more than a cleverly contrived confidence scheme calculated to defraud," according to Attorney General Lefkowitz' office.

The affidavit relates that the pamphlet, which was written by Barrett, was entitled "How To Improve Your Life Through Prayer". It contained various pieces of advice and vision including "Take The Golden Road To Beautiful Living", "Prayer is the golden road. It begins right here," and "the golden hours lie ahead."

The affidavit cites a letter sent to one of Barrett's clients. Barrett addressed the client as "Good Heart" and expressed the feeling that finances were somehow a hindrance to the client. The letter contained the following statement:

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"This isn't a suggestion, ***-- it is something close to a genial command. As quickly as this letter reaches your hands rush a telegraph money order of \$25 to me with these accompanying words 'Please purchase one unit of Malartic immediately.'" The letter also stated: "With that trained intuition of yours I am sure you know that a real strike is coming very shortly." Malartic referred to oil leases allegedly held by Barrett's family in Texas and Colorado.

"The recipient of this letter was 'genially commanded' to send \$900", a few days later, the affidavit states.

"The representations made by the defendant were not true and any attempt to check the accuracy of his representations have been to no avail. It has not been possible to ascertain whether any lease did exist at all since no records were kept or financial statements filed," the affidavit asserts.

Barrett resides at 4 West 31st Street, New York City.

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From: Charles W. Stickle, Executive Assistant to the Attorney General
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