

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : 04 Cr. 97 (CM)  
v. : Filed: 2/4/04  
PAUL G. EINSTMAN, : Violation: 18 U.S.C. § 371  
Defendant. :

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INFORMATION

CONSPIRACY  
(18 U.S.C. § 371)

The United States of America, acting through its attorneys, charges:

1. Paul G. Einstman ("Einstman") is hereby made a defendant on the charge stated below.

I. THE RELEVANT PARTIES AND ENTITIES

During the period covered by this Information:

2. Einstman was a resident of Norwalk, Connecticut. He worked as a purchasing agent for Greenwich Capital Markets, Inc. ("GCM"), a financial services company headquartered in Greenwich, Connecticut. Einstman had responsibility for ordering and purchasing office supplies, such as folders, paper clips, tape, packing material, paper, business cards, and copier toner.

3. Leonard N. Weiss ("Weiss") was a co-conspirator who was the owner and president of Parchment & Chrome, Inc. ("P&C"), a vendor of office supplies and business forms located in Nanuet, New York. GCM was one of P&C's largest customers.

II. DESCRIPTION OF THE OFFENSE

4. From approximately mid-1998 until approximately April 2002, the exact dates being unknown to the United States, in the Southern District of New York and elsewhere, Einstman, Weiss, and others, known and unknown, unlawfully, willfully, and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States of America, to wit, to violate Title 18, United States Code, Sections 1341 and 1346.

5. It was a part and object of the conspiracy that Einstman, Weiss, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud, including a scheme to deprive another of the intangible right of Einstman's honest services, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, unlawfully, willfully, and knowingly, for the purpose of executing such scheme and artifice and attempting to do so, would and did place in post offices and authorized depositories for mail matter, matters and things to be sent and delivered by the Postal Service, and would and did deposit and cause to be deposited matters and things to be sent and delivered by private and commercial interstate carriers, and would and did take and receive therefrom such matters and things, and would and did knowingly cause to be delivered, by mail and such carriers according to the directions thereon, and at the places at which they were directed to be delivered by the persons to whom they were addressed, such matters and things, in violation of Title 18, United States Code, Sections 1341 and 1346.

### III. THE MANNER AND MEANS BY WHICH THE CONSPIRACY WAS CARRIED OUT

The manner and means by which the conspiracy was sought to be accomplished included, among others, the following:

6. From approximately mid-1998 until approximately April 2002, Einstman received substantial kickbacks from Weiss in exchange for awarding contracts for office supplies to P&C. Einstman received at least \$120,000 in kickbacks in the form of cash, airline tickets, and automobiles.

7. Weiss generated the money he paid to, and for the benefit of, Einstman by causing P&C to issue invoices to GCM that were false and fraudulent in that they purported to represent the sale of office supplies that were not intended to be delivered and were, in fact, never delivered to GCM. Einstman reviewed the false and fraudulent invoices and authorized them to be paid by GCM, knowing that not all the office supplies identified in the invoices had been delivered to GCM. The total value of the fraudulent invoices was at least \$240,000, twice the amount of the kickbacks that had been paid to or for the benefit of Einstman. The false and fraudulent invoices from P&C, and corresponding payments from GCM, were sent by and through the United States mails.

8. At no time did Einstman disclose his receipt of the kickbacks to GCM. All such payments were made without the knowledge or approval of GCM, and in violation of Einstman's fiduciary duties to GCM.

#### IV. OVERT ACTS

In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts were committed in the Southern District of New York, and elsewhere:

9. On numerous occasions between mid-1998 and April 2002, Einstman received cash from Weiss.

10. On numerous occasions between mid-1998 and April 2002, Einstman and Weiss caused GCM to receive and pay numerous false and fraudulent invoices issued by P&C that sought payment for office supplies that had never been delivered.

Weiss caused those invoices to be sent to GCM by and through the United States mails. GCM sent the corresponding payments by and through the United States mails.

IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 371

Dated: 2/4/04

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Assistant Attorney General

/s/ \_\_\_\_\_  
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