

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : 04 Cr. 98 (CLB)
v. : Filed: 2/4/04
LEONARD N. WEISS, : 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. Leonard N. Weiss ("Weiss") is hereby made a defendant on the charge stated below.

I. THE RELEVANT PARTIES AND ENTITIES

During the period covered by this Information:

2. Weiss was a resident of New City, New York. Weiss was the owner and president of Parchment & Chrome, Inc. ("P&C"), a vendor of office supplies and business forms located in Nanuet, New York.

3. Paul G. Einstman ("Einstman") was a co-conspirator who 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. GCM was a customer of P&C.

4. Vincent L. Murphy (“Murphy”) was a co-conspirator who worked as a purchasing agent for MOL (America), Inc., formerly known as Mitsui O.S.K. Lines (America) (“Mitsui”), an international shipping company with offices in Edison, New Jersey. Murphy had responsibility for ordering and purchasing office supplies at that location. Mitsui was a customer of P&C.

II. DESCRIPTION OF THE OFFENSE

5. From approximately September 1997 until approximately April 2002, the exact dates being unknown to the United States, in the Southern District of New York and elsewhere, 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.

6. It was a part and object of the conspiracy that Weiss, and others known and unknown, having devised and intending to devise a scheme and artifice to defraud, including a scheme to deprive others of the intangible right of 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:

7. From approximately September 1997 until approximately March 2002, Weiss paid Murphy substantial kickbacks in exchange for his awarding contracts for office supplies and business forms to P&C. Weiss paid Murphy at least \$40,000 in kickbacks in the form of cash, entertainment tickets, and, at Murphy's direction and for Murphy's benefit, payments to third parties for automobile leases and housing expenses.

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

9. Weiss generated the money he paid to, and for the benefit of, Murphy and Einstman by causing P&C to issue false and fraudulent invoices to their employers. The invoices were false and fraudulent in that they purported to represent the sale of office supplies and business forms that were not intended to be delivered and were, in fact, never delivered to Mitsui or GCM. Murphy and Einstman reviewed the false and fraudulent invoices and authorized them to be paid by their employers, knowing that not all the office supplies identified in the invoices had been delivered. The total value of the fraudulent invoices issued to Mitsui

was at least \$80,000, and to GCM at least \$240,000, in both cases twice the amount of the kickbacks. The false and fraudulent invoices from P&C, and corresponding payments from Mitsui and GCM, were sent by and through the United States mails.

10. At no time did Murphy disclose to his employer his receipt of the kickbacks. All such payments were made without the knowledge or approval of Mitsui, and in violation of Murphy's fiduciary duty to his employer. Similarly, at no time did Einstman disclose to his employer his receipt of the kickbacks. All such payments were made without the knowledge or approval of GCM, and in violation of Einstman's fiduciary duty to his employer.

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:

11. On numerous occasions between September 1997 and March 2002, Weiss paid cash to Murphy. In addition, during that period, at Murphy's direction and for Murphy's benefit, Weiss caused P&C to make numerous payments to third parties in connection with automobile leases and housing expenses.

12. On numerous occasions between mid-1998 and April 2002, Weiss paid cash to Einstman.

13. On numerous occasions between September 1997 and March 2002, Murphy and Weiss caused P&C to issue, and Mitsui to pay, numerous false and fraudulent invoices that sought payment for office supplies that had never been delivered. Weiss caused those invoices to be sent to Mitsui by and through the United States mails. Mitsui sent the corresponding payments by and through the United States mails.

14. On numerous occasions between mid-1998 and April 2002, Einstman and Weiss caused P&C to issue, and GCM to pay, numerous false and fraudulent invoices 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

/s/ _____
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Assistant Attorney General

/s/ _____
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Chief, New York Office

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