

NEWS

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FOR IMMEDIATE RELEASE
April 17, 2007

Lakewood Couple Admits to Defrauding Target Through the Use of Fraudulent Bar Codes

(More)

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TRENTON – A Lakewood couple pleaded guilty today to devising and running a scheme in which they profited by selling merchandise that was fraudulently purchased below retail prices from Target stores through the use of fake bar code labels, U.S. Attorney Christopher J. Christie announced.

Robert Bailey, 39, and his wife, Theresa Bailey, 45, entered their pleas in U.S. District Court in Trenton before Judge Mary L. Cooper, who scheduled sentencing for Jan 11, 2008. Both defendants were release on \$100,000 personal recognizance bonds pending sentencing.

Both Robert and Theresa Bailey pleaded guilty to separate one-count Informations, which charge mail fraud.

At their plea hearings, the couple admitted that from January 2004 through May 2004 they devised and operated a scheme in which Robert created fraudulent bar code labels for products that they intended to purchase from Target and other home products stores in New Jersey, Pennsylvania, and Delaware. The couple then placed the fake bar codes on products in the stores they visited, enabling them to purchase the items below retails prices, the couple admitted. The defendants admitted they then profited by reselling the fraudulently purchased items on E-Bay. The items were then shipped to the winning E-Bay bidders via private carriers and the U.S. Postal Service.

In pleading guilty, the defendants agreed to pay \$45,000 in restitution to Target stores.

The charge of mail fraud carries a statutory maximum penalty of 20 years in prison and a \$250,000 fine.

In determining the actual sentences, Judge Cooper will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FBI, under the direction of Acting Special Agent in Charge Pedro Ruiz, and the U.S. Postal Inspection Service, under the direction of Inspector in Charge Thomas C. Van De Merlen, with the investigation.

The Government is represented by Assistant U.S. Attorney Eugenia A.P. Cowles, of the U.S. Attorney's Criminal Division in Trenton.

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Defense Attorney:

Robert Bailey - William Cunningham, Esq. Brick

Theresa Bailey - Brian Reilly, Esq Asst. Federal Public Defender