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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

June 2000 Grand Jury

UNITED STATES OF AMERICA)
)
Plaintiff,)
)
v.)
MAURICE B. NEWMAN,)
aka Corky Newman, and)
RICHARD A. GERHART,)
Defendants.)

No. CR 00-_____)
I N D I C T M E N T)
[18 U.S.C. § 371: Conspiracy;)
15 U.S.C. § 78ff and 17 C.F.R.)
§ 240.13b2-2: False Statements)
to Accountants of a Publicly)
Traded Company; 15 U.S.C.)
§ 78j(b), 78ff and 17 C.F.R.)
§ 240.10b-5: Securities Fraud;)
15 U.S.C. §§ 78m(a), 78ff and)
17 C.F.R. § 240.12b-20,)
240.13a-13: False Statements)
in a Report Filed with the)
SEC; 15 U.S.C.)
§§ 78m(b)(2)(B), 78m(b)(5),)
and 78ff; and 17 C.F.R.)
§ 13b2-1: Knowing)
Circumvention of Internal)
Accounting Controls and)
Falsification of Books and)
Records; 18 U.S.C. § 2: Aiding)
and Abetting and Causing an)
Act to Be Done]

The Grand Jury charges:

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GJW:gjw

I. INTRODUCTION

1. At all times relevant to this Indictment:

a. The Sirena Apparel Group, Inc. ("Sirena") was a corporation engaged in the design, manufacture, and marketing of women's swimwear, resortwear, and intimate apparel under its own private labels as well as for other companies. Sirena's principal executive offices were originally located in South El Monte, California, but moved to Vernon, California in May 1999.

b. Defendant MAURICE B. NEWMAN ("NEWMAN") (also known as Corky Newman) was the Chief Executive Officer of Sirena and Chairman of its Board of Directors.

c. Defendant RICHARD A. GERHART ("GERHART") was the Chief Financial Officer of Sirena.

Federal Financial Reporting Requirements

2. Sirena's common stock was registered with the Securities and Exchange Commission ("SEC") and was publicly traded on the National Association of Securities Dealers Automated Quotation ("NASDAQ") system, which subjected Sirena to certain reporting requirements imposed under federal law. Sirena was required, among other things, to file with the SEC periodic reports containing information about the company's management, board of directors, and business operations, as well as financial statements that accurately presented its financial condition and results of business operations in accordance with generally

1 accepted accounting principles (also known as "GAAP"). Sirena's
2 annual financial statements were required to be audited by an
3 independent public accountant.

4 **Federal Record Keeping Requirements**

5 3. Because Sirena's stock was registered with the SEC
6 pursuant to Section 12 of the Securities Exchange Act of 1934 and
7 publicly traded on the NASDAQ, Sirena was required to make and
8 keep books, records and accounts which, in reasonable detail,
9 accurately and fairly reflected its transactions and dispositions
10 of its assets. Sirena was further required to devise and
11 maintain a system of internal accounting controls sufficient to
12 provide reasonable assurances that transactions were recorded as
13 necessary to permit preparation of financial statements in
14 conformity with GAAP and to maintain accountability for its
15 assets.

16 **The Scheme to Defraud**

17 4. Under GAAP, a company's sales revenues and income are
18 recorded and reported for specific reporting periods, e.g., for a
19 quarter or a year. Under GAAP, the rules and regulations of the
20 SEC, and Sirena's own publicly stated accounting policies, Sirena
21 could report revenues from the sale of merchandise in a
22 particular reporting period only if there were a valid sale to a
23 customer, and the merchandise had been shipped to the customer,
24 all during that reporting period.

25 5. Sirena's financial statements were publicly reported
26 four times a year, that is quarterly, based on a fiscal year that
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1 began July 1st. Accordingly, the third quarter of Sirena's
2 fiscal year began January 1st and ended March 31st. Defendants
3 NEWMAN and GERHART carried out a scheme to defraud which involved
4 falsely inflating Sirena's revenues and profitability for the
5 third quarter of fiscal year 1999 by \$4.4 million by falsely
6 reporting as revenues for Sirena's third quarter sales that in
7 fact were shipped after March 31, 1999. This practice is
8 sometimes known as leaving a quarter "open." In addition,
9 defendants NEWMAN and GERHART covered up the false manipulation
10 of Sirena's financial results through false statements and the
11 creation of fraudulent documents.

12 **II. THE OBJECTS OF THE CONSPIRACY**

13 6. Beginning on a date unknown to the Grand Jury and
14 continuing until on or about June 8, 1999, in the Central
15 District of California and elsewhere, defendants NEWMAN and
16 GERHART, together with others known and unknown to the Grand
17 Jury, knowingly and unlawfully combined, conspired, and agreed to
18 commit the following offenses against the United States:

19 (1) To commit securities fraud by knowingly and
20 willfully and with the intent to defraud, directly and
21 indirectly, in connection with the purchase and sale of
22 securities, (a) employing a scheme to defraud, (b) making untrue
23 statements of material fact and omitting to state material facts
24 necessary in order to make the statements made, in light of the
25 circumstances under which they were made, not misleading, and (c)
26 engaging in acts, practices and courses of business that operated

1 as a fraud and deceit, through the use of the means and
2 instrumentalities of interstate commerce, and the facilities of a
3 national securities exchange, all in violation of Title 15,
4 United States Code, Sections 78j(b) and 78ff, and Rule 10b-5 of
5 the rules and regulations of the Securities and Exchange
6 Commission promulgated thereunder and codified at Title 17, Code
7 of Federal Regulations, Section 240.10b-5;

8 (2) To knowingly and with the intent to defraud make
9 and cause to be made materially false and misleading statements,
10 and to omit to state, and cause others to omit to state, material
11 facts necessary in order to make the statements made, in light of
12 the circumstances under which such statements were made, not
13 misleading, to the Securities and Exchange Commission, in
14 connection with the preparation of a document and report required
15 to be filed with the Securities and Exchange Commission in
16 violation of Title 15, Sections 78m(a) and 78ff and Rules 12b-20
17 and 13a-13 of the rules and regulations of the United States
18 Securities and Exchange Commission promulgated thereunder and
19 codified at Title 17, Code of Federal Regulations, Sections
20 240.12b-20 and 240.13a-13;

21 (3) To knowingly and with the intent to defraud make
22 and cause to be made materially false and misleading statements,
23 and to omit to state, and cause others to omit to state material
24 facts necessary in order to make the statements made, in light of
25 the circumstances under which such statements were made, not
26 misleading, to Sirena's accountants in connection with an audit
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1 and examination required to be made pursuant to the rules of
2 regulations of the Securities and Exchange Commission, in
3 violation of Title 15, United States Code, Section 78ff and Rule
4 13b2-2 of the rules and regulations of the Securities and
5 Exchange Commission promulgated thereunder and codified at Title
6 17, Code of Federal Regulations, Section 240.13b2-2; and

7 (4) To knowingly and willfully circumvent a system of
8 internal accounting controls which were sufficient to provide
9 reasonable assurances that Sirena had properly maintained
10 accountability for its assets, and to knowingly and willfully
11 falsify records kept by Sirena necessary to accurately and fairly
12 reflect the transactions and dispositions of Sirena's assets, in
13 violation of Title 15, United States Code, Sections 78m(b)(2),
14 78m(b)(5), and 78ff(a), and Rule 13b2-1 of the rules and
15 regulations of the Securities and Exchange Commission promulgated
16 thereunder and codified at Title 17, Code of Federal Regulations,
17 Section 240.13b2-1.

18 **III. THE MANNER AND MEANS OF THE CONSPIRACY**

19 7. The objects of the conspiracy were carried out, in
20 part, as follows:

21 a. Toward the end of March 1999, it became apparent
22 to defendants NEWMAN and GERHART that Sirena would not meet the
23 third quarter revenue projections of stock market analysts who
24 covered Sirena's stock. At a management meeting on or about
25 March 23, 1999, defendant NEWMAN stated that Sirena would
26 continue to record revenue for the third quarter, even after the
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1 third quarter had ended, for as long as was necessary to record
2 \$12 million in sales revenue for March, the amount necessary for
3 Sirena's third quarter revenues to reach analysts' estimates.
4 During the meeting, Sirena's vice-president of distribution
5 responded that the third quarter would have to be held open at
6 least until April 12, 1999 to meet that figure, and that he would
7 not participate in holding the quarter open for that long.

8 b. After the meeting, later that same day, defendant
9 NEWMAN again told Sirena's vice-president of distribution that he
10 had to participate in holding the quarter open. The vice-
11 president of distribution refused and told defendant NEWMAN that
12 he would not go to jail for defendant NEWMAN. Approximately
13 three days later, defendant GERHART fired the vice-president of
14 distribution on orders from defendant NEWMAN.

15 c. Although the third quarter ended March 31, 1999,
16 at the direction of defendants NEWMAN and GERHART Sirena
17 continued to book revenue from April 1, 1999 through
18 approximately April 12, 1999 as though that revenue had occurred
19 before March 31, 1999. To accomplish this task, during April
20 1999 defendants NEWMAN and GERHART caused Sirena's internal
21 computer clock to be repeatedly reset to a date before March 31,
22 1999 so that revenue could falsely be recorded as having occurred
23 before March 31, 1999. The manipulation of the computer clock
24 was well-known by Sirena employees, who could see well into April
25 that their computer workstations showed the date as still being
26 in March. Indeed, an office pool was begun in which employees
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1 placed bets as to how long the third quarter would be kept open.
2 Moreover, Sirena's internal weekly operations report reflected
3 the fraudulent manipulation of the computer clock. Sirena's
4 internal weekly operations report for the week ending April 3,
5 1999, which was sent to defendants NEWMAN and GERHART, falsely
6 stated that it was for the week ending March 31, 1999 and noted
7 that "SHIPPING IS STILL OPEN FOR THE MONTH." Sirena's internal
8 weekly operations report for the next week, ending April 10,
9 1999, again stated falsely that it was for the week ending March
10 31, 1999.

11 d. Through this manipulation of the computer clock
12 and through holding the quarter open, defendants NEWMAN and
13 GERHART were able to falsely inflate Sirena's third quarter
14 revenues by approximately \$4.4 million.

15 e. On or about April 27, 1999, Sirena issued a press
16 release that falsely announced that Sirena had experienced its
17 seventh consecutive quarter of sales and earnings growth. Before
18 the press release was issued, defendant NEWMAN spoke to one of
19 Sirena's auditors, who had requested that Sirena delay the press
20 release until auditors had a chance to perform some preliminary
21 quarter review procedures. Defendant NEWMAN falsely assured the
22 auditor that the numbers in the press release were accurate.

23 f. On or about April 27, 1999, after the issuance of
24 the press release, defendants NEWMAN and GERHART participated in
25 a conference call with analysts covering Sirena's stock. During
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1 that conference call, they repeated false statements made in the
2 press release.

3 g. After the press release and conference call, Black
4 & Company, one of the stock market analysts following Sirena,
5 reiterated its "strong buy" recommendation for Sirena based in
6 part on the falsely inflated third quarter revenue figures.
7 After receiving the falsely inflated third quarter revenue
8 figures, Brean Murray Research, another stock market analyst,
9 issued a May 1999 report that reiterated its "strong buy"
10 recommendation for Sirena and stated its view that Sirena was a
11 potential "home run" stock.

12 h. On or about May 14, 1999, defendants NEWMAN and
13 GERHART caused Sirena to file a false and misleading financial
14 statement with the SEC for the third quarter of fiscal 1999,
15 known as a Form 10-Q. The 10-Q was signed by defendant GERHART
16 and falsely reported Sirena's third quarter sales and profit.
17 The 10-Q further falsely stated that Sirena "recognizes revenue
18 as of the date the merchandise is shipped to its customers,"
19 which in fact was not true because Sirena had recognized as of
20 March 31, 1999 several million dollars in revenue for goods that
21 were actually shipped in April 1999, after the third quarter had
22 ended.

23 i. On or about May 19, 1999, one of Sirena's
24 customers that defendants NEWMAN and GERHART had used to falsely
25 record a sale that had in fact been shipped in April 1999 as
26 having occurred in March 1999, filed for bankruptcy. The filing
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1 for bankruptcy by Sirena's customer would likely have required
2 Sirena to write off as a bad debt expense some or all of the
3 amount owed by that customer to Sirena, thereby significantly
4 reducing Sirena's net income. An emergency management meeting to
5 discuss Sirena's cash flow problems and financial condition was
6 called for May 25, 1999 in Portland, Oregon. Defendants NEWMAN
7 and GERHART attended, and learned that auditors would soon arrive
8 at Sirena to inspect its books and records. Defendants NEWMAN
9 and GERHART were further informed that a board meeting would be
10 scheduled for June 2, 1999 at which the auditors would report
11 their findings.

12 j. Fearful that their fraudulent scheme would be
13 uncovered, defendants NEWMAN and GERHART took a number of steps
14 to cover up their manipulation of Sirena's third quarter
15 financial statements, including:

16 (1) Before the auditors arrived at Sirena to begin
17 their review, defendant GERHART attempted to instruct Sirena's
18 director of management information systems on what to say if
19 auditors asked why there appeared to be no sales in the first few
20 weeks of April 1999.

21 (2) On or about May 28, 1999, defendants NEWMAN
22 and GERHART discussed the creation of false bills of lading to
23 conceal from auditors that shipments made in April 1999 had been
24 booked as of March 1999.

25 (3) On or about May 29, 1999, defendants NEWMAN
26 and GERHART caused four bills of lading to be falsified by
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1 creating new bills of lading which falsely indicated that certain
2 shipments had been made in March 1999 when in fact they had been
3 made in April 1999. Concerned about getting in trouble with
4 legal authorities for signing the false bills of lading, the
5 person who signed them used the alias "Armando Segura" instead of
6 his real name.

7 k. On or about June 2, 1999, Sirena's board of
8 directors met to hear a report from the auditors. Because the
9 auditors' report raised significant questions about the actions
10 of defendants NEWMAN and GERHART, a special committee of the
11 board of directors was created to investigate accounting issues
12 at Sirena, including whether the third quarter had been left
13 open. On or about that same day, defendant GERHART was placed on
14 administrative leave.

15 l. Recognizing their fraudulent scheme might soon be
16 uncovered, shortly before June 2, 1999 when GERHART was placed on
17 administrative leave, defendants NEWMAN and GERHART arranged to
18 take cash payments from Sirena in lieu of their unused vacation
19 time.

20 m. Before the special committee of the board of
21 directors interviewed a Sirena employee who had helped defendants
22 NEWMAN and GERHART hold the quarter open and falsify the bills of
23 lading, defendant NEWMAN offered to give the employee a raise if
24 he did not mention defendant NEWMAN's involvement and if he
25 placed all the blame on defendant GERHART.

1 n. On or about June 4, 1999, Sirena placed defendant
2 NEWMAN on administrative leave. On or about June 7, 1999, Sirena
3 terminated both defendants NEWMAN and GERHART. On or about June
4 8, 1999, Sirena issued a press release stating that defendants
5 NEWMAN and GERHART had been relieved of their duties, and
6 disclosing that Sirena expected to restate its earnings for the
7 first three quarters of fiscal year 1999. The NASDAQ halted all
8 trading in the stock that same day. Sirena's stock did not
9 resume trading and was later delisted from the NASDAQ.

10 **IV. OVERT ACTS**

11 8. In furtherance of the conspiracy, and to accomplish its
12 objects, defendants NEWMAN and GERHART, together with others
13 known and unknown, committed and caused others to commit the
14 following overt acts, among others, in the Central District of
15 California and elsewhere:

16 Overt Act No. 1: On or about March 23, 1999, at a
17 management meeting, defendant NEWMAN stated that Sirena would
18 hold the third quarter open for as long as was necessary to reach
19 a pre-established sales revenue figure.

20 Overt Act No. 2: On or about March 26, 1999, defendant
21 GERHART fired Sirena's vice-president of distribution for
22 refusing to help hold the third quarter open on orders from
23 defendant NEWMAN.

24 Overt Act No. 3: In or about April 1999, defendant GERHART
25 requested an outside consultant to assist Sirena in resetting its
26 computer clock so that the date that appeared on shipping
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1 invoices printed out by the computer matched the false dates
2 being recorded in the company's books and records.

3 Overt Act No. 4: On or about April 26, 1999, defendant
4 NEWMAN spoke to one of Sirena's auditors, who had requested that
5 Sirena delay the press release until the auditors had a chance to
6 perform some preliminary quarter review procedures, and assured
7 the auditor that defendant NEWMAN was comfortable with the
8 numbers in the press release.

9 Overt Act No. 5: On or about April 27, 1999, defendants
10 NEWMAN and GERHART caused Sirena to issue a press release that
11 falsely announced that Sirena had experienced its seventh
12 consecutive quarter of sales and earnings growth.

13 Overt Act No. 6: On or about April 27, 1999, defendants
14 NEWMAN and GERHART participated in a conference call with
15 analysts covering Sirena's stock and repeated false statements
16 made in the press release.

17 Overt Act No. 7: On or about May 14, 1999, defendants
18 NEWMAN and GERHART caused Sirena to file a false and misleading
19 Form 10-Q with the SEC for the third quarter of fiscal 1999.

20 Overt Act No. 8: In or about May 1999, defendant GERHART
21 attempted to instruct Sirena's director of management information
22 systems on what to say if auditors asked why there appeared to be
23 no sales in the first few weeks of April 1999.

24 Overt Act No. 9: On or about May 28, 1999, defendants
25 NEWMAN and GERHART discussed the creation of false bills of
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1 lading to conceal from auditors that shipments made in April 1999
2 had been booked as of March 1999.

3 Overt Act No. 10: On or about May 29, 1999, defendants
4 NEWMAN and GERHART caused false bills of lading to be created to
5 conceal from auditors that shipments made in April 1999 had been
6 booked as of March 1999.

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COUNT TWO

[15 U.S.C. § 78ff; 17 C.F.R. § 240.13b2-2;
and 18 U.S.C. § 2]

9. The Grand Jury repeats and realleges paragraphs one through five, seven, and eight of this Indictment.

10. On or about April 26, 1999, in the Central District of California, defendant NEWMAN knowingly and with the intent to defraud made and caused to be made a materially false and misleading statement, and omitted to state a material fact necessary in order to make statements made, in light of the circumstances under which the statements were made, not misleading, to Sirena's auditors in connection with an audit and examination of Sirena's financial statements required to be made pursuant to the rules and regulations of the SEC; that is, defendant NEWMAN falsely stated to a Sirena auditor that he was comfortable that the numbers in Sirena's press release accurately reflected Sirena's third quarter financial performance.

COUNT THREE

[15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. § 240.10b-5;
and 18 U.S.C. § 2]

11. The Grand Jury repeats and realleges paragraphs one through five, seven, and eight of this Indictment.

12. Beginning on a date unknown to the Grand Jury and continuing until at least on or about June 8, 1999, in the Central District of California and elsewhere, defendants NEWMAN and GERHART knowingly and willfully and with the intent to defraud, directly and indirectly, in connection with the purchase and sale of Sirena stock, (1) employed a scheme to defraud, (2) made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and (3) engaged in acts, practices, and courses of business that operated as a fraud and deceit, as alleged in paragraphs four, five, seven, and eight of this Indictment.

13. On or about April 27, 1999, in furtherance of the fraudulent scheme described above, defendants NEWMAN and GERHART used the means and instrumentalities of interstate commerce in connection with the purchase and sale of Sirena stock in that they caused the issuance of a false and misleading press release stating that Sirena was reporting its seventh consecutive quarter of sales and earnings growth, and that net sales for the third quarter of 1999 were \$27,873,000.

1 a. Defendant NEWMAN falsely stated that Sirena had
2 just achieved its seventh consecutive quarter of increases in
3 sales and earnings;

4 b. Defendant NEWMAN falsely stated that Sirena had
5 had its largest single shipping month in the company's history in
6 March 1999;

7 c. Defendant GERHART falsely reiterated the statement
8 in Sirena's press release that stated that Sirena had experienced
9 its seventh consecutive quarter of revenue growth and profit
10 expansion; and

11 d. Defendant GERHART falsely stated that Sirena's
12 third quarter revenue was \$27.8 million.

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COUNT FIVE

[15 U.S.C. §§ 78m(a), 78ff; 17 C.F.R. § 240.12b-20, 240.13a-13;
and 18 U.S.C. § 2(b)]

17. The Grand Jury repeats and realleges paragraphs one through five, seven, and eight of this Indictment.

18. On or about May 17, 1999, in the Central District of California, defendants NEWMAN and GERHART knowingly and willfully caused the following statements that were false and misleading as to material facts to be made in a report and document which was required to be filed with the SEC; that is, defendants NEWMAN and GERHART knowingly and willfully caused the Sirena 1999 third quarter Form 10-Q to falsely state:

a. That Sirena had net sales for the three months ended March 31, 1999 of \$27,873,000;

b. That Sirena's 1999 third quarter Form 10-Q had been prepared in accordance with generally accepted accounting principles for interim financial information; and

c. That Sirena recognized revenue as of the date the merchandise was shipped to its customers.

COUNT SIX

[15 U.S.C. §§ 78m(b) (2) (B) (ii) (I), (II), 78m(b) (5), 78ff(a);
and 18 U.S.C. § 2]

19. The Grand Jury repeats and realleges paragraphs one through five, seven, and eight of this Indictment.

20. Beginning on or about April 1, 1999 and continuing until on or about April 12, 1999, in the Central District of California, defendants NEWMAN and GERHART knowingly and willfully caused to be circumvented Sirena's system of internal accounting controls required to be devised and maintained to provide reasonable assurances that transactions of Sirena were recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for its assets; that is, defendants NEWMAN and GERHART caused Sirena's computer clock repeatedly to be reset to a date in March 1999 in order to falsely inflate the revenue and profit recorded by Sirena for the third quarter of fiscal 1999.

COUNT SEVEN

[15 U.S.C. §§ 78m(b) (2) (A), 78m(b) (5), 78ff(a);
17 C.F.R. 240.13b2-1; and 18 U.S.C. § 2]

21. The Grand Jury repeats and realleges paragraphs one through five, seven, and eight of this Indictment.

22. On or about May 29, 1999, in the Central District of California, defendants NEWMAN and GERHART knowingly and willfully aided and abetted the falsification of, and caused to be falsified, a record kept by Sirena necessary to accurately and fairly reflect the transactions and dispositions of Sirena's assets; that is, defendants NEWMAN and GERHART caused to be created a bill of lading that falsely stated that merchandise was shipped on March 30, 1999 to Victoria's Secret when in truth the merchandise had been shipped on April 14, 1999.

COUNT EIGHT

[15 U.S.C. §§ 78m(b) (2) (A), 78m(b) (5), 78ff(a);
17 C.F.R. § 240.13b2-1; and 18 U.S.C. § 2]

23. The Grand Jury repeats and realleges paragraphs one through five, seven, and eight of this Indictment.

24. On or about May 29, 1999, in the Central District of California, defendants NEWMAN and GERHART knowingly and willfully aided and abetted the falsification of, and caused to be falsified, a record kept by Sirena necessary to accurately and fairly reflect the transactions and dispositions of Sirena's assets; that is, defendants NEWMAN and GERHART caused to be created a bill of lading that falsely stated that merchandise was shipped on March 30, 1999 to Kmart Fashions, when in truth the merchandise had been shipped on April 9, 1999.

COUNT NINE

[15 U.S.C. §§ 78m(b) (2) (A), 78m(b) (5), 78ff(a);
17 C.F.R. § 240.13b2-1; and 18 U.S.C. § 2]

25. The Grand Jury repeats and realleges paragraphs one through five, seven, and eight of this Indictment.

26. On or about May 29, 1999, in the Central District of California, defendants NEWMAN and GERHART knowingly and willfully aided and abetted the falsification of, and caused to be falsified, a record kept by Sirena necessary to accurately and fairly reflect the transactions and dispositions of Sirena's assets; that is, defendants NEWMAN and GERHART caused to be created a bill of lading that falsely stated that merchandise was shipped on March 30, 1999 to Loehman's Inc., when in truth the merchandise had been shipped on April 16, 1999.

COUNT TEN

[15 U.S.C. §§ 78m(b) (2) (A), 78m(b) (5), 78ff(a);
17 C.F.R. § 240.13b2-1;and 18 U.S.C. § 2]

27. The Grand Jury repeats and realleges paragraphs one through five, seven, and eight of this Indictment.

28. On or about May 29, 1999, in the Central District of California, defendants NEWMAN and GERHART knowingly and willfully aided and abetted the falsification of, and caused to be falsified, a record kept by Sirena necessary to accurately and fairly reflect the transactions and dispositions of Sirena's assets; that is, defendants NEWMAN and GERHART caused to be created a bill of lading that falsely stated that merchandise was shipped on March 31, 1999 to Bradlees Distribution Center, when in truth the merchandise had been shipped on April 19, 1999.

A TRUE BILL

Foreperson

ALEJANDRO N. MAYORKAS
United States Attorney

JOHN S. GORDON
Assistant United States Attorney
Chief, Criminal Division

JENNIFER T. LUM
Assistant United States Attorney
Chief, Major Frauds Section