

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO: <u>10-214</u>
v.	:	DATE FILED: <u>9/2/2010</u>
NATHAN ALLEN KRIEGLER	:	VIOLATIONS:
RYAN A. POLLACK	:	18 U.S.C. § 1343 (wire fraud– 4 counts)
EVAN F. APPEL	:	18 U.S.C. § 1341 (mail fraud – 2 counts)
	:	18 U.S.C. § 641 (theft of government property)
	:	18 U.S.C. § 1344 (bank fraud – 2 counts)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	Notice of forfeiture

SUPERSEDING INDICTMENT

COUNTS ONE THROUGH THREE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

INTRODUCTION

1. eBay was a website at which individuals sold items by auction, among other means. Buyers and sellers registered with eBay by providing a name, email address, telephone number, and credit card number, and selecting a user name. Sellers listed items for sale on eBay and transmitted via the internet information regarding items for sale. Buyers bid on items listed on eBay by transmitting bids via the internet. When a bidder won an auction or agreed to purchase an item, the seller and buyer would arrange for payment and the shipment of the merchandise. All eBay users were required to comply with eBay's rules, which prohibited the sale of stolen property.

2. PayPal was a company owned by eBay which handled payments between

buyers and sellers on eBay. eBay users set up accounts on PayPal which allowed buyers' credit cards to be charged or their bank accounts to be debited in payment for merchandise and the proceeds to be remitted to sellers.

3. Defendant NATHAN ALLEN KRIEGLER maintained and used accounts with eBay and PayPal under the names "dice_man_777," "cmyk3103," "215matt3103," "our.stuff215," "apluscheckcashing," and "judienate18966."

4. Defendant RYAN A. POLLACK maintained and used accounts with eBay and PayPal under the name "zionpolo."

5. Defendant EVAN F. APPEL maintained and used accounts with eBay and PayPal under the name "randegroupcorporation."

6. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL conducted, or caused to be conducted, fraudulent business transactions in the names of at least nine different companies, including All American Printing Company, Appel Wholesale, B&N Group, Inc., CMYK Graphics, Heating and Air Pro, Inc., Huntington Valley School of Graphics, Nathan Kriegler LLC, Printzilla, and R and E Group Corporation (collectively the "shell companies"). Defendants KRIEGLER, POLLACK, and APPEL variously represented themselves as president, owner, and secretary of the shell companies.

SCHEME TO DEFRAUD

7. From at least in or about March 2008 though on or about January 14, 2010, defendants

NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL

devised and intended to devise a scheme and artifice to defraud retail vendors and obtain money by means of false and fraudulent pretenses, representations, and promises.

8. It was part of the scheme that defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL opened false and fraudulent business accounts, lines of credit and lease agreements with retail vendors throughout the United States (collectively, the “victim companies”) in the names of the various shell companies.

It was further part of the scheme that:

9. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL obtained merchandise from the victim companies by providing false and fraudulent payment information. The stolen merchandise included, but was not limited to, laptop computers, printers, scanners, toner, televisions, industrial printing equipment, and other office supply products and electronics equipment.

10. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL caused the victim companies to ship the stolen merchandise to addresses owned or controlled by defendants KRIEGLER, POLLACK, and APPEL, including but not limited to 2248 State Road, Bensalem, Pennsylvania, and 2577 Interplex Drive, No. 100, Trevose, Pennsylvania.

11. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL sold the stolen merchandise throughout the United States on eBay under the names “dice_man_777,” “cmyk3103,” “215matt3103,” “our.stuff215,” “apluscheckcashing,” “judienate18966,” “zionpolo,” and “randegroupcorporation,” without revealing to, and affirmatively concealing from, the potential buyers that the items were stolen.

12. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL falsely represented that they had lawful possession of, and could lawfully transfer, ownership rights to, the stolen property that they sold on eBay by listing those items for sale.

13. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL shipped, and caused to be shipped, the stolen merchandise to buyers around the United States via the United States mails and other carriers, and received payment for it via PayPal.

14. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL defrauded at least 19 victim companies out of at least approximately \$546,017.67.

THE WIRES

15. On or about each of the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendants

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL,**

for the purpose of executing the scheme described above, and aiding and abetting its execution,

caused to be transmitted, by means of wire communication in interstate commerce the signals and sounds described below, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION OF WIRES
1	3/25/2009	15 listings for auction on eBay, through user name "randegrouppcorporation," offering sale of 42-cent U.S. postage stamps.
2	10/9/2009	two listings for auction on eBay, through user name "zionpolo," offering sale of various "Brand New Factory Sealed" Xerox products.
3	8/11/2008	137 listings for auction on eBay, through user identification "cmyk3101," for Rolls of 100 42-cent U.S. postage stamps.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS FOUR AND FIVE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 6 and 8 through 14 of Count One of this indictment are incorporated here.

2. From at least in or about March 2008 though on or about January 14, 2010, defendants

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL**

devised and intended to devise a scheme and artifice to defraud, and obtain money by means of false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL obtained merchandise from various retail vendors through false and fraudulent means, and sold that merchandise on the internet auction site eBay and elsewhere to buyers throughout the United States.

4. On or about each of the dates listed below, in Bensalem Township, in the Eastern District of Pennsylvania and elsewhere, defendant

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL,**

for the purpose of executing the scheme described above, and aiding and abetting its execution, knowingly caused to be transmitted, by mail according to the directions thereon the items described below, each mailing being a separate count:

COUNT	DATE	DESCRIPTION OF MAILING
4	9/14/09	“Brand New Factory Sealed Xerox Phaser 108R00592 Roller” mailed from Bensalem, PA to Honeoye Falls NY though the USPS.
5	9/29/09	“Brand New Factory Sealed Xerox Phaser 6250 Ink Set” mailed from Bensalem, PA to Long Island City, NY though the USPS.

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 3 of Count One of this indictment are incorporated here.

2. The United States Postal Service (“USPS”) was an agency of the United States engaged in the business of selling postal products, including stamps, to members of the public, at post offices and postal retail stores, which were located in all fifty states, including in the Eastern District of Pennsylvania.

3. Defendant NATHAN ALLEN KRIEGLER purchased postal products at USPS retail locations using checks drawn on accounts that were closed, did not contain sufficient funds to pay for the purchases, and on accounts on which “stop payment” orders had been issued after the checks had been presented.

4. From on or about June 13, 2007 to on or about March 6, 2009, in the Eastern District of Pennsylvania and elsewhere, defendant NATHAN ALLEN KRIEGLER knowingly stole and converted to his own use, a thing of value of the United States by passing approximately 30 worthless checks to the USPS in exchange for over approximately \$86,229 worth of United States postage stamps.

5. Defendant NATHAN ALLEN KRIEGLER offered these United States postage stamps, which he knowingly did not rightfully own or possess, for sale to buyers throughout the United States on eBay. Between on or about September 21, 2007, and on or about March 23, 2009, defendant KRIEGLER sold hundreds of thousands of United States postage stamps through auctions conducted under the eBay user names “dice_man_777,”

“cmyk3103,” “215matt3103,” “apluscheckcashing,” and “judienate18966” at purchase prices totaling approximately \$83,712.

In violation of Title 18, United States Code, Section 641.

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times relevant to this indictment:

1. Bank of America, Commerce Bank, First National Bank, Harleysville National Bank, Huntingdon Valley Bank, PNC Bank, Public Savings Bank, Stonebridge Bank, Susquehanna Bank, TD Bank, Wachovia Bank, and Willow Financial Bank were financial institutions with offices located in the Eastern District of Pennsylvania, the deposits of which were insured by the Federal Deposit Insurance Corporation (“FDIC”).

2. A Plus Check Cashing was a check cashing business located at 6837 Torresdale Avenue, Philadelphia, Pennsylvania, that cashed personal and business checks for a fee and provided its customers with immediate cash.

3. Defendant NATHAN ALLEN KRIEGLER maintained checking accounts in various names at the financial institutions listed above in paragraph 1 (“the banks”).

4. From in or about January 2007 to in or about March 2009, defendant

NATHAN ALLEN KRIEGLER

knowingly executed, and attempted to execute, a scheme to defraud the financial institutions listed in paragraph 1 above, and to obtain monies owned by and under the care, custody, and control of these financial institutions by means of false and fraudulent pretenses, representations, and promises.

THE SCHEME

5. It was part of the scheme that defendant NATHAN ALLEN KRIEGLER issued checks written against the various accounts at the banks, and deposited those checks into

accounts at the banks other than those upon which the checks were drawn, knowing that there would be insufficient funds on deposit to cover the checks being issued, and causing the accounts into which the checks were deposited to reflect falsely inflated balances.

It was further part of the scheme that:

6. Defendant NATHAN ALLEN KRIEGLER wrote checks on various accounts at the banks knowing that there were insufficient funds in the issuing bank accounts, and cashed these worthless checks at A Plus Check Cashing. KREIGLER then re-deposited a portion of the cash he received from the checks back into the issuing banks in order to offset portions of the kited checks, and to conceal actual negative balances.

7. Defendant NATHAN ALLEN KRIEGLER continued to write checks back and forth among his various accounts at the banks in order to artificially inflate the account balances, making it appear that he had more money than he actually had in each account, even after certain of his bank accounts were closed by the banks.

8. Defendant NATHAN ALLEN KRIEGLER wrote checks from the various bank accounts to third parties, knowing that most of the funds in the account were fictitious, and that there were insufficient actual funds in the account to pay many of these checks.

9. Between January 2007 and March 2009, defendant NATHAN ALLEN KRIEGLER negotiated approximately 66 worthless checks and made electronic transfers totaling approximately \$215,985 through the checking accounts that Kriegler maintained in various names at the banks in order to artificially inflate the account balances and make the fictitious funds available to KRIEGLER.

10. Defendant NATHAN ALLEN KRIEGLER knowingly negotiated approximately 115 worthless checks totaling approximately \$502,000 at A Plus Check Cashing, and re-deposited approximately \$312,000 into the bank accounts that issued the checks, allowing 69 of the worthless checks to clear. The remaining 46 checks totaling approximately \$190,000 were returned to A Plus Check Cashing unpaid due to lack of funds in the issuing bank account.

11. From in or about January 2007 through in or about March 2009, defendant NATHAN ALLEN KRIEGLER issued approximately 183 worthless checks totaling approximately \$354,757 from the various accounts at the banks to third parties.

In violation of Title 18, United States Code, Section 1344.

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

At all times relevant to this indictment:

1. GMAC Mortgage (“GMAC”) was a mortgage company engaged in the business of issuing mortgage loans for residential properties.
2. When determining whether to issue a particular mortgage loan, GMAC considered, among other things, the loan applicant’s income, assets, debts, and liabilities. GMAC required that the loan applicant’s reported employment information and income figure to be supported by a recent paystub and a W-2 form from the prior year.
3. A&D Printing Solutions, Inc. (“A&D”) was a printing company located on Second Street Pike, Southampton, Pennsylvania.
4. Defendant NATHAN ALLEN KRIEGLER was employed by A&D, and had access to A&D’s accounting systems and finances.
5. Defendant NATHAN ALLEN KRIEGLER had an existing mortgage in the amount of at least \$375,910 on his personal residence located in Holland, Pennsylvania.

SCHEME TO DEFRAUD

6. From in or about May 2006 through in or about June 2006, in the Eastern District of Pennsylvania and elsewhere, defendant

NATHAN ALLEN KRIEGLER

devised and intended to devise a scheme and artifice to defraud GMAC, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

7. It was part of the scheme that defendant NATHAN ALLEN KRIEGLER caused an existing mortgage on his personal residence, which was in his name only, to be refinanced by having his wife apply for a mortgage loan with GMAC in an amount greater than the amount KRIEGLER owed on his existing mortgage.

It was further part of the scheme that:

8. Defendant NATHAN ALLEN KRIEGLER caused to be falsified the employment and income information of his wife on the loan application form in order to make it falsely appear to GMAC that sufficient income existed to qualify for the loan.

9. Defendant NATHAN ALLEN KRIEGLER caused to be falsely represented on the GMAC loan application that his wife had worked as an Account Manager at A&D for the four years preceding the application date, earning a monthly salary of approximately \$9,583.34, when in fact, his wife had not held any such position, or obtained any such salary.

10. Defendant NATHAN ALLEN KRIEGLER created a false and fraudulent paystub from A&D in order to make it falsely appear to GMAC that his wife was employed by, and received a salary from, A&D in May 2006.

11. Defendant NATHAN ALLEN KRIEGLER, in an attempt to substantiate the fraudulent representations regarding employment income, submitted false and altered W-2 forms to GMAC that showed his wife was employed by A&D in 2005, having earned an annual salary of \$153,000.

12. Defendant NATHAN ALLEN KRIEGLER caused GMAC to issue approximately \$391,262.26 in a mortgage loan to defendant KRIEGLER's wife by intentionally

misrepresenting to GMAC the employment and income status of his wife, thereby causing the previously existing mortgage in KRIEGLER's name to be paid in full.

13. On or about June 12, 2006, in the Eastern District of Pennsylvania and elsewhere, defendant

NATHAN ALLEN KRIEGLER,

for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce, the following signals and sounds: a wire transfer of approximately \$391,262.26 from GMAC Bank in Cherry Hill, New Jersey, to PNC Bank in Philadelphia, Pennsylvania.

In violation of Title 18, United States Code, Section 1343.

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 3 and 4 of Count Eight of this indictment are incorporated here.

2. National City Bank (“National City”) was a financial institution, the deposits of which were insured by the FDIC, certificate number 6557.

SCHEME TO DEFRAUD

3. From in or about December 2006 to on or about January 2007, in the Eastern District of Pennsylvania, defendant

NATHAN ALLEN KRIEGLER

knowingly executed, and attempted to execute, a scheme to defraud National City Bank and to obtain monies owned by and under the care, custody, and control of that bank by means of false and fraudulent pretenses, representations, and promises.

4. It was part of the scheme that defendant NATHAN ALLEN KRIEGLER fraudulently obtained a home equity line of credit from National City by having his wife apply for the loan.

It was further part of the scheme that:

5. Defendant NATHAN ALLEN KRIEGLER caused to be falsified the employment and income information of his wife on the loan application form in order to make it falsely appear to National City that sufficient income existed to qualify for the loan.

6. Defendant NATHAN ALLEN KRIEGLER caused to be falsely represented on the National City loan application that his wife had worked as an Account

Manager at A&D for the five years preceding the loan application, earning a monthly salary of approximately \$13,000, when in fact, his wife had not held any such position, or obtained any such salary.

7. Defendant NATHAN ALLEN KRIEGLER, in an attempt to substantiate the fraudulent representations regarding employment income, created and provided a false pay stub to National City that showed his wife was employed by A&D for the period December 30, 2006 through January 5, 2007, earning \$3,550.

8. As a result of this scheme, defendant NATHAN ALLEN KRIEGLER caused National City to issue a \$103,600 home equity line of credit to his wife by misrepresenting to National City the employment and income status of his wife.

In violation of Title 18, United States Code, Sections 1344 and 2.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 641, 1341, 1343, and 1344, set forth in this indictment, defendants

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL,**

shall forfeit to the United States of America any property that constitutes, or is derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to, the sum of up to \$1 million.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(2),
and Title 28, United States Code, Section 2461.

A TRUE BILL:

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**