
**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon. James B. Clark, III
v. :
SHIRLEY SOOY : Mag. No. 14-3102 (JBC)
: CRIMINAL COMPLAINT
:

I, Anthony Gonzalez, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Postal Inspector with the United States Postal Inspection Service, and that this Complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.



Anthony Gonzalez, Postal Inspector
United States Postal Inspection Service

Sworn to before me and
subscribed in my presence

May 27, 2014 at
Newark, New Jersey



HONORABLE JAMES B. CLARK, III
UNITED STATES MAGISTRATE JUDGE

ATTACHMENT A

Count One
(Wire Fraud Conspiracy)

From at least as early as in or around 2003 through in or around April 2013, in the District of New Jersey and elsewhere, defendant

SHIRLEY SOOY

knowingly and intentionally conspired and agreed with "D.S." and others to devise a scheme and artifice to defraud, and to obtain money and property from Victim Companies by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice to defraud, transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Section 1349.

Count Two
(Wire Fraud)

On or about March 31, 2013, in the District of New Jersey and elsewhere, defendant

SHIRLEY SOOY

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud and to obtain money and property from Victim Companies by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice, transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, specifically, an e-mail from TransVantage in New Jersey to Victim Company C in Pennsylvania, containing invoice 0009982-IN for TransVantage's purported freight bill audit and payment services.

In violation of Title 18, United States Code, Section 1343 and Section 2.

Counts Two through Four
(Mail Fraud)

On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

SHIRLEY SOOY

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud and to obtain money and property from Victim Companies by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice to defraud, placed and caused to be placed in any post office and authorized depository for mail matter any matter and thing whatever to be sent and delivered by the Postal Service, each constituting a separate count of this Complaint:

Count	Approximate Date	Description
3	April 5, 2013	Mailing from New Jersey to Victim Company B in Florida containing invoices 0009945-IN and 0009947-IN for TransVantage's purported freight bill audit and payment services
4	April 5, 2013	Mailing from New Jersey to Victim Company D in Louisiana containing invoice 0009940-IN for TransVantage's purported freight bill audit and payment services

In violation of Title 18, United States Code, Section 1341 and Section 2.

Counts Five and Six
(Transacting in Criminal Proceeds)

On or about the dates set forth below, in the District of New Jersey, and elsewhere,
defendant

SHIRLEY SOOY

knowingly engaged and attempted to engage in monetary transactions affecting interstate commerce in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, that is wire fraud, in violation of Title 18, United States Code, Section 1343 and Title 18, United States Code, Section 2, as follows:

Count	Approximate Date	Monetary Transaction
5	December 7, 2011	Wire for approximately \$12,583.16 from an account held by TransVantage in New Jersey to the Palm Beach County Tax Collector for taxes owed on defendant SOOY's condominium
6	June 4, 2012	Wire for approximately \$60,000 from an account held by TransVantage in New Jersey to an account ending in 0424 held by defendant SOOY

In violation of Title 18, United States Code, Section 1957 and Section 2.

ATTACHMENT B

I, Anthony Gonzalez, a Postal Inspector with the United States Postal Inspection Service ("USPIS"), having conducted an investigation and discussed this matter with other law enforcement officers who have participated in this investigation, have knowledge of the following facts. Because this Complaint is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. I have set forth only the facts which I believe are necessary to establish probable cause. Unless specifically indicated, all conversations and statements described in this affidavit are related in substance and in part, and all dates are approximate.

At all times relevant to this Complaint, unless otherwise indicated:

RELEVANT INDIVIDUALS AND ENTITIES

1. The TransVantage Group ("TransVantage") was a collection of freight payment, logistics, and shipping businesses comprised of TransVantage Solutions (f/k/a FTS Industries, Inc.), TransVantage Transportation, Inc., and TransVantage Forwarding, Inc., among others, and prior incarnations of these businesses, including, among others: FTS Freight Traffic Services; The Logistics Group; STS Transportation, Inc.; ICS Warehousing; and ICS Intermodal Consolidating Services, Inc. Each business within TransVantage was incorporated in New Jersey.

2. Defendant SHIRLEY SOOY ("SOOY") was a resident of New Jersey and elsewhere. Between in or around 2003 and in or around 2008, defendant SOOY served as assistant to the President and as Director of Operations at TransVantage. In or around 2007, defendant SOOY also became the President of TransVantage. In or around 2010, defendant SOOY became the sole shareholder of TransVantage.

3. "D.S.," a co-conspirator not named as a defendant herein, was one of the founders of TransVantage. Until his death in or around 2008, co-conspirator D.S. exerted primary control and operation of TransVantage.

4. Common carriers and freight forwarders (collectively, the "Carriers") were transportation and logistics companies hired by businesses to transport goods within the United States and elsewhere. The Carriers generated freight bills for each shipment they carried for their customers.

5. TransVantage entered into contracts with its clients (collectively, the "Victim Companies") pursuant to which TransVantage audited freight bills generated by the Victim Companies' Carriers and paid the audited and approved freight bills from funds provided by the Victim Companies for that express purpose (the "Carrier Payment Funds"). The Carrier Payment Funds were supposed to be held in trust by TransVantage until paid over to the

Carriers. The Victim Companies paid TransVantage for its purported services, but these payments were separate and apart from the Carrier Payment Funds.¹

6. Victim Company A, headquartered in or around Milwaukee, Wisconsin, manufactured and supplied automotive and building equipment, controls, and services.

7. Victim Company B, headquartered in or around Sarasota, Florida, produced and distributed consumer food products.

8. Victim Company C, headquartered in or around Easton, Pennsylvania, developed and produced industrial parts and technologies.

9. Victim Company D, headquartered in Baton Rouge, Louisiana, developed and manufactured chemicals and other industrial products.

OVERVIEW OF THE SCHEME TO DEFRAUD

10. During the period charged in this Complaint, defendant SOOY and others operated TransVantage as a large-scale and long-running corporate Ponzi scheme which resulted in more than \$42 million in losses to the Victim Companies. TransVantage, under the leadership of defendant SOOY and others, received billions of dollars in Carrier Payment Funds from the Victim Companies, which funds were supposed to be used solely for the payment of the Victim Companies' Carrier bills, once those bills had been audited and approved by TransVantage. In truth and in fact, however, defendant SOOY and others co-mingled the various Victim Companies' Carrier Payment Funds into one of two freight payment accounts held at financial institutions (collectively, the "Freight Payment Plan Accounts"), and then misused that money to, among other things:

- a. pay older, unpaid Carrier bills of certain Victim Companies – using Carrier Payment Funds provided by other, unrelated Victim Companies;
- b. fund TransVantage's payroll obligations;
- c. fund the obligations of various TransVantage subsidiaries; and
- d. subsidize millions of dollars in personal expenses of defendant SOOY and others, including:
 - i. mortgage payments for personal properties owned by defendant SOOY and others, including real estate in or around Bloomsbury, New Jersey,

¹ On occasion, certain Victim Companies combined Carrier Payment Funds and TransVantage's service fee into one wire transfer, for the sake of convenience. Even in those circumstances, however, the terms of the contracts between TransVantage and the Victim Companies made clear that the Carrier Payment Funds were to be held in trust by TransVantage, and never belonged to TransVantage to do with what TransVantage saw fit.

Phillipsburg, New Jersey, Waretown, New Jersey, and Palm Beach Gardens, Florida;

- ii. an approximately 48 foot yacht purchased by co-conspirator D.S., defendant SOOY, and others;
- iii. an approximately \$135,000 Maserati automobile purchased by co-conspirator D.S.;
- iv. payments for personal credit card charges incurred by defendant SOOY and her family members; and
- v. payments for remodeling defendant SOOY's home.

THE SCHEME TO DEFRAUD

11. The Victim Companies used numerous Carriers to move their products, and generated thousands of Carrier bills each month. Given the number of Carrier bills generated, the Victim Companies relied on TransVantage to audit those bills for accuracy, and then to pay the Carriers if the bills were accurate.

12. Pursuant to contracts between each Victim Company and TransVantage, the Victim Companies advanced Carrier Payment Funds to TransVantage by wiring their money to a Freight Payment Plan Account at Bank of America ("Financial Institution A") or at TD Bank ("Financial Institution B"), as designated by TransVantage. This money belonged to the Victim Companies, and TransVantage was contractually required to hold the Carrier Payment Funds in trust for the sole purpose of paying upcoming Carrier bills that had been audited and approved.

13. As just one example, Victim Company B's contract with TransVantage provided, in relevant part:

[A]ll funds received from [Victim Company B] for payment of freight bills shall be deposited in a "zero balance" trust account for the benefit of [Victim Company B] and other [TransVantage] customers (the "Account"), and shall not be commingled with any funds or assets of [TransVantage]. At no time shall any such funds received from [Victim Company B] be considered to be among the assets of [TransVantage] and any use or treatment of those funds by [TransVantage] shall be deemed to constitute a misappropriation/conversion of those funds.

14. TransVantage earned revenue by charging a fee for each Carrier bill that it processed on behalf of the Victim Companies, and it charged these fees on invoices that were transmitted by TransVantage to the Victim Companies for payment (the "Service Fee Invoices"). Certain Service Fee Invoices were transmitted to the Victim Companies via e-mail, while other Service Fee Invoices were transmitted to the Victim Companies through mail carried by the Postal Service.

15. The Victim Companies paid TransVantage's Service Fee Invoices from funds separate and apart from the Victim Companies' Carrier Payment Funds (whether actually transmitted together with, or separate from, TransVantage's fees). Pursuant to its contractual agreements with the Victim Companies, TransVantage was not authorized to extract its service fees, or other form of compensation, from the Carrier Payment Funds.

16. Each Service Fee Invoice referenced the specific Carrier bills that supposedly had been paid by TransVantage from the Victim Company's Carrier Payment Funds. During the course of the scheme to defraud, defendant SOOY and others caused certain Service Fee Invoices to include material misrepresentations in that they falsely indicated that Specific Carrier bills had been paid, when in fact they had not.

17. These Service Fee Invoices induced the Victim Companies to pay the Service Fee Invoices, and also induced the Victim Companies to continue remitting Carrier Payment Funds to TransVantage, in the mistaken belief that TransVantage was using the Carrier Payment Funds for their proper purposes.

THE SCHEME TO DEFRAUD COLLAPSES

18. In or around March 2013, Victim Company A received communications from certain Carriers stating that the Carriers had not been paid for specific Carrier bills, notwithstanding that Victim Company A had already forwarded payment for those specific Carrier bills to TransVantage.

19. Representatives from Victim Company A immediately contacted TransVantage and demanded to know where Victim Company A's money had gone. Defendant SOOY first instructed certain TransVantage employees to inform Victim Company A's representatives that everything was fine, that there were no problems with TransVantage's payments, and that the only possible issue was a "float" issue: *i.e.*, that there were simply less prepaid funds from the Victim Companies available, for a short period of time.

20. Based upon the information from its Carriers, and based upon the representations of TransVantage's employees, Victim Company A cut off further payments to the Freight Payment Plan Account at Financial Institution A.

21. Victim Company A also dispatched a team of auditors from an accounting firm to try to determine what had transpired at TransVantage, and where Victim Company A's money had gone. The audit investigation revealed that approximately \$15 million paid by Victim Company A to TransVantage was never provided to Victim Company A's freight carriers as defendant SOOY and others had represented to Victim Company A. The money is currently largely unaccounted for.

22. When Victim Company A stopped paying TransVantage, the corporate Ponzi scheme orchestrated by defendant SOOY and others collapsed, as TransVantage could no longer

cover its illegal activities by paying the Carrier bills of one Victim Company with the Carrier Payment Funds of another Victim Company.

23. Subsequently, other Victim Companies, including Victim Company B, Victim Company C, and Victim Company D, among others, each learned that certain of their Carriers, too, had not been paid, notwithstanding the fact that these Victim Companies had sent tens of millions of dollars to TransVantage for the sole purpose of paying specific Carrier bills.

24. As a result, these Victim Companies made repeated efforts to contact defendant SOOY and other representatives of TransVantage to determine the status of their Carrier Payment Funds. For example, on or about April 19, 2013, an officer of Victim Company B reached a TransVantage employee, who stated in sum and substance that “something’s going on around here” and that Victim Company B should “do whatever you have to do” to protect Victim Company B’s interests. The employee further stated that only defendant SOOY would have information on what happened to Victim Company B’s money, but that defendant SOOY was not available to speak to the officer.

SPECIFIC EXAMPLES OF THE SCHEME TO DEFRAUD

Victim Company C

25. In or around March 2013, pursuant to a written contract between Victim Company C and TransVantage, certain Carriers associated with Victim Company C sent Carrier bills to TransVantage.

26. These Carrier bills requested various payments, including one group of bills that requested approximately \$534,247.25, and were assigned weekly invoice number 30663 by TransVantage.

27. On or about March 31, 2013, defendant SOOY and others e-mailed, or caused to be e-mailed, a Service Fee Invoice in the amount of approximately \$3,687.20 from TransVantage in New Jersey to Victim Company C in Pennsylvania. This Service Fee Invoice was numbered 0009982-IN, and falsely claimed that TransVantage had audited the bills associated with weekly invoice number 30663, and had paid the approximately \$534,247.25 billed by the Carriers.

28. In truth and in fact, however, TransVantage had paid only approximately \$19,156.07 of the Carrier bills associated with weekly invoice number 30663, and defendant SOOY and others diverted the remainder of Victim Company C’s funds to their own uses without disclosing the diversion of funds.

29. On or about April 11, 2013, in reliance upon the material misrepresentations made by defendant SOOY and others at TransVantage, and believing that the Carrier bills associated with weekly invoice number 30663, among others, had been paid, Victim Company C provided funds to TransVantage to cover Service Fee Invoice 0009982-IN.

Victim Company B

30. In or around March 2013, pursuant to a written contract between Victim Company B and TransVantage, certain Carriers associated with Victim Company B sent Carrier bills to TransVantage.

31. These Carrier bills requested various payments, including one group of bills that requested approximately \$790,409.96, and was assigned weekly invoice number 30658 by TransVantage.

32. On or about April 5, 2013, defendant SOOY and others mailed, or caused to be mailed, a Service Fee Invoice in the amount of approximately \$2,171.56 from TransVantage in New Jersey to Victim Company B in Florida. This Service Fee Invoice was numbered 0009947-IN, and claimed, falsely, that TransVantage had audited the bills associated with weekly invoice number 30658, and had provided funds to cover the approximately \$790,409.96 billed by the Carriers.

33. In truth and in fact, however, TransVantage had paid only approximately \$379,304.34 of the Carrier bills associated with weekly invoice number 30658, and defendant SOOY and others diverted the remainder of Victim Company B's funds to their own uses without disclosing the diversion of funds.

34. On or about April 24, 2013, in reliance upon the material misrepresentations made by defendant SOOY and others at TransVantage, and believing that the Carrier bills associated with weekly invoice number 30658, among others, had been paid, Victim Company B provided funds to TransVantage to cover Service Fee Invoice 0009947-IN.

Victim Company D

35. In or around March 2013, pursuant to a written contract between Victim Company D and TransVantage, certain Carriers associated with Victim Company D sent Carrier bills to TransVantage.

36. These Carrier bills requested various payments, including one group of bills that requested approximately \$956,862.90, and was assigned weekly invoice number 30704 by TransVantage.

37. On or about April 5, 2013, defendant SOOY and others mailed, or caused to be mailed, a Service Fee Invoice in the amount of approximately \$3,966.00 from TransVantage in New Jersey to Victim Company D in Louisiana. This Service Fee Invoice was numbered 0009940-IN, and claimed, falsely, that TransVantage had audited the bills associated with weekly invoice number 30704, and had provided funds to cover the approximately \$956,862.90 billed by the Carriers.

38. In truth and in fact, however, TransVantage had paid only approximately \$375,454.49 of the Carrier bills associated with weekly invoice number 30704, and defendant

SOOY and others diverted the remainder of Victim Company D's funds to their own uses without disclosing the diversion of funds.

SPECIFIC EXAMPLES OF MISAPPROPRIATION OF CARRIER PAYMENT FUNDS

39. As noted above, the Carrier Payment Funds in the Freight Payment Plan Accounts were held in trust by TransVantage, and should not have been used for any purpose other than to pay designated and specific Carrier bills. In many instances, however, defendant SOOY and others did not use Carrier Payment Funds to pay these Carrier bills. Instead, defendant SOOY and others used, or caused to be used, Carrier Payment Funds for unauthorized purposes.

40. For example, in or around December 2011, defendant SOOY and others caused approximately \$12,583.16 to be wired from the Freight Payment Plan Account at Financial Institution A to another account held by TransVantage. On or about December 7, 2011, defendant SOOY and others caused a wire transfer in the amount of approximately \$12,583.16 to be sent from this account held by TransVantage in New Jersey to the Palm Beach County Tax Collector in Florida. These funds were sent or caused to be sent by defendant SOOY to cover taxes owed on defendant SOOY's condominium in Palm Beach County, Florida.

41. As another example, in or around June 2012, defendant SOOY and others caused approximately \$60,000 to be wired from the Freight Payment Plan Account at Financial Institution A to another account held by TransVantage. On or about June 4, 2012, defendant SOOY and others caused a wire transfer in the amount of approximately \$60,000 to be sent from this account to a personal banking account ending in 0424 held by defendant SOOY. The money was then disbursed to pay for defendant SOOY's personal expenses.

DEFENDANT SOOY'S ADMISSIONS

42. Since the unraveling of the corporate Ponzi scheme described above, defendant SOOY has made various statements revealing her knowledge of, and participation in, the fraudulent scheme. The following are just a few examples:

- a. In or around March 2013, an auditor hired by Victim Company A performed an on-site examination at TransVantage. During this examination, defendant SOOY stated that a multi-million dollar "cash hole" had existed at TransVantage for years and that TransVantage used Victim Company A's money to fill the "hole." Defendant SOOY further stated that some of Victim Company A's money had been invested and lost in the stock market years earlier.
- b. In or around May 2013, defendant SOOY was deposed in a civil action arising out of her operation of TransVantage. During the deposition, defendant SOOY stated, among other things, that:
 - i. In or around April 2010, defendant SOOY learned that TransVantage was running a "deficit," or had a "shortfall" or "hole" – i.e., that

TransVantage did not have enough money to pay Carriers with the money that was coming in from the Victim Companies.

- ii. When defendant SOOY learned of this deficit, she “went into panic, a panic mode.”
- iii. Notwithstanding that defendant SOOY learned of the deficit in or around April 2010, she nonetheless continued to operate TransVantage and did not inform the Victim Companies.
- iv. In or around 2010, the deficit at TransVantage – the amount that had been paid by the Victim Companies, but which was not used to pay Carrier freight bills – was approximately \$13 million. By 2013, when the scheme collapsed, it was approximately \$42 million.
- v. Co-conspirator D.S. made loans to third parties with money that had been entrusted to TransVantage by the Victim Companies for the sole purpose of paying Carrier freight bills. Defendant SOOY learned of these loans in or around 2010, but did not inform any of the Victim Companies about these loans.