

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

<b>UNITED STATES OF AMERICA</b>	:	<b>CRIMINAL NO:</b> _____
<b>v.</b>	:	<b>DATE FILED:</b> _____
<b>MICHAEL H. KEPPLER</b>	:	<b>VIOLATIONS:</b>
	:	<b>18 U.S.C. § 1343 (wire fraud - 2</b>
	:	<b>counts)</b>

**INFORMATION**

**THE UNITED STATES ATTORNEY CHARGES THAT:**

At all times material to this information:

1. Defendant MICHAEL H. KEPPLER was a resident of New Jersey and was the owner of Keppler Engineers, LLC (“Keppler Engineers”), a business that performed engineering services for the lighting industry whose principal place of business was in Ridgewood, New Jersey.

2. Douglas S. Rae, charged elsewhere, was living in Coopersburg, Pennsylvania, and was employed at a company referred to herein as “Company A” as Manager of the Lighting Department, a supervisory position in Company A’s West Chester, Pennsylvania facility. In that role, Rae was responsible for purchasing, and overseeing the purchasing of, lighting related products and services, including lamps and other items, as well as merchandise and services relating to larger projects such as studio set designs.

3. Company A was a general merchandise electronic retail company that marketed and sold a wide variety of products directly to consumers through various media,

including its television programming and the internet. Company A had its principal place of business in West Chester, Pennsylvania.

4. Lighting Products International, Inc. ("LPI"), was a business entity with addresses in Allentown and Bethlehem, Pennsylvania, and was controlled and operated by Douglas S. Rae.

#### **THE SCHEME**

5. From in or about November 2010 to in or about November 2012, defendant

#### **MICHAEL H. KEPPLER**

and Douglas S. Rae, devised and intended to devise a scheme to defraud Company A, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

#### **MANNER AND MEANS**

It was part of the scheme that:

6. Douglas S. Rae and defendant MICHAEL H. KEPPLER caused Company A to pay bogus invoices for product invoiced from LPI to Keppler Engineers, and then from Keppler Engineers to Company A, when in fact neither LPI nor Keppler Engineers supplied or shipped any product to Company A, and for services purportedly performed by Keppler Engineers that were not in fact performed by Keppler Engineers. In this manner, Rae and defendant KEPPLER caused Company A to pay over \$170,000 for goods and services that LPI and Keppler Engineers had not supplied or provided to Company A. Rae took most of these proceeds for his own personal use.

7. Between approximately November 2010, and February 2011, Douglas S. Rae directed defendant MICHAEL H. KEPPLER to send Rae invoices from Keppler Engineers to Company A for particular amounts, with particular product descriptions, item numbers, and unit

prices. Rae instructed defendant KEPPLER how much of the total amount was to go to Keppler Engineers, which was typically about 10% of the total amount of the invoice, and the remainder was to go to LPI.

8. Defendant MICHAEL H. KEPPLER generated Keppler Engineers invoices to Company A as directed by Douglas S. Rae and forwarded them to Rae.

9. Douglas S. Rae caused the Keppler Engineers invoices to be submitted to Company A for processing and payment.

10. Neither LPI nor Keppler Engineers supplied or shipped the pertinent product to Company A.

11. Company A issued checks to pay Keppler Engineers for the amounts in the invoices.

12. Defendant MICHAEL H. KEPPLER caused Keppler Engineers to issue corresponding checks to LPI in the amounts directed by Douglas S. Rae.

13. Douglas S. Rae caused the Keppler Engineers checks to be deposited into bank accounts controlled by Rae.

14. In or about May 2012, Douglas S. Rae directed defendant MICHAEL H. KEPPLER to create a Keppler Engineers quotation for services in connection with a Company A dimmer rack installation project. Rae provided defendant KEPPLER with detailed language to include in the Keppler Engineers proposal to Company A.

15. As directed by Douglas S. Rae, defendant MICHAEL H. KEPPLER generated a quotation for Company A with the language provided by Rae.

16. Douglas S. Rae caused the Keppler Engineers proposal to be submitted to Company A. Company A unwittingly approved the quotation and issued a purchase order to Keppler Engineers for the services.

17. Between approximately July and October 2012, knowing that Keppler Engineers had not performed any of the services on the Company A dimmer rack project, defendant MICHAEL H. KEPPLER forwarded to Douglas S. Rae several Keppler Engineers invoices to Company A for services purportedly performed in connection with the project. Company A issued checks to Keppler Engineers to pay the invoices, and defendant KEPPLER then forwarded corresponding checks to Rae for tens of thousands of dollars each, which Rae deposited into an account he controlled.

18. On or about each of the dates set forth below, in West Chester, in the Eastern District of Pennsylvania, and elsewhere, defendant

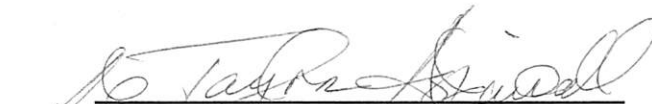
**MICHAEL H. KEPPLER,**

and Douglas S. Rae, for the purpose of executing the scheme described above, and conspiring and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a

separate count:

COUNT	DATE	DESCRIPTION
1	9/2/2012	E-mail from defendant MICHAEL H. KEPPLER to Douglas S. Rae with Subject "invoice" stating "Hello Doug, please find attached the invoice with a new invoice number..." with attachment "PO KE 110-2336.pdf," an invoice to Company A for \$50,000
2	10/8/2012	E-mail from defendant MICHAEL H. KEPPLER to Douglas S. Rae with Subject "Final invoice" stating "Hello Doug, please find attached the final invoice for this project. Mike..." with attachment "PO KE 111-2336.pdf," an invoice to Company A for \$42,500

All in violation of Title 18, United States Code, Sections 1343 and 1349.

  
**ZANE DAVID MEMEGER**  
**UNITED STATES ATTORNEY**