

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
DARYL STEVENS	:	VIOLATIONS:
	:	18 U.S.C. § 1341 (mail fraud - 4 counts)
	:	18 U.S.C. § 2 (aiding and abetting)
		Notice of Forfeiture

INDICTMENT

COUNTS ONE THROUGH FOUR

(Mail Fraud)

THE GRAND JURY CHARGES THAT:

At all times material to this information:

Introduction

1. “Company A” was a company based in Radnor, Pennsylvania, engaged in interstate commerce, that provided turn-key, in-plant repair, and equipment parts inventory and storeroom management services for industrial, commercial, and educational facilities throughout the United States. Company A’s services provided clients with procurement, inventory analysis and management, surplus materials disposal, receiving and distribution, storeroom management, warranty tracking and recovery, and management reporting by managing client storerooms both on-site and virtually.

2. “Company B” was an pharmaceutical company, engaged in interstate commerce, headquartered in New York City, New York, with offices in locations throughout the world, including New Brunswick, New Jersey.

3. Company A entered into a contractual services agreement with Company B, pursuant to which Company A was hired to provide inventory management and purchasing services for Company B at Company B’s New Brunswick, New Jersey office.

4. Co-schemer Justin Jordan, who is charged elsewhere, was employed by Company A, and worked on-site at Company B’s storeroom in New Brunswick, New Jersey.

5. Defendant DARYL STEVENS was employed by Company A, and worked on-site at Company B’s storeroom in New Brunswick, New Jersey.

6. Co-schemer Christopher Cook, who is charged elsewhere, was employed as an instrument technician, either directly by Company B or through a contracting agency that staffed him at Company B, and worked on-site at Company B’s New Brunswick, New Jersey offices.

7. The UPS Store, Inc. was a wholly owned subsidiary of the United Parcel Service which was a franchisor of retail shipping, postal, printing and business services centers. UPS Stores, which engaged in interstate commerce, existed in locations throughout the United States, Puerto Rico, and Canada.

8. The United States Postal Service (“USPS”) was an independent agency of the United States federal government, engaged in interstate commerce, responsible for providing postal services and the receipt, transport, and delivery of the mails in and throughout the United States.

9. TD Bank, Wells Fargo Bank, and Bank of America were financial institutions engaged in interstate commerce, the deposits of which were insured by the Federal Deposit Insurance Corporation.

THE SCHEME

10. From in or about July 2008, through in or about December 2014, defendant

DARYL STEVENS

devised and intended to devise a scheme to defraud, and to obtain monies through false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme that:

11. Co-schemer Justin Jordan worked as a Site Manager for Company A. His responsibilities included overseeing the purchasing, ordering, and receiving process in Company B's storeroom. Accordingly, he determined which items and materials to order and purchase on Company B's behalf, submitted the orders to Company A, selected the vendor who would provide the necessary items to Company A, and received the invoices submitted by the vendors as well as the shipping receipts when items were delivered to Company B.

12. Between August 14, 2007, and July 7, 2014, in order to enrich himself, Justin Jordan created, registered, and incorporated four sham vendor companies with the New Jersey Department of State, secured mailing addresses for the sham companies, and opened bank accounts in the names of the sham companies (more fully described below).

13. Justin Jordan caused Company A to purchase unnecessary and non-

existent items and materials from his sham companies, falsely entered into Company A's computers that Company B had received the items, and caused Company A to issue and mail checks to the bank accounts of the sham companies which he controlled. Company A then billed Company B for the purchased non-existent items.

14. To further the scheme and conceal its existence, Justin Jordan recruited defendant DARYL STEVENS and co-schemer Christopher Cook, both of whom worked on-site at Company B, to also create and register their own respective sham vendor companies for the purpose of causing Company A to order unnecessary and non-existent items and materials, and to thereafter receive payment from Company A.

15. Defendant DARYL STEVENS created, registered, and incorporated two sham vendor companies, one with the Delaware Department of State and the other with the Pennsylvania Department of State (described below), and Christopher Cook created, registered, and incorporated one sham vendor company with the New Jersey Department of State (also described below). Both defendant DARYL STEVENS and Christopher Cook subsequently obtained mailing addresses for their respective sham vendor companies, and opened bank accounts in the sham vendor company names, which they controlled.

16. On or about the following dates, Justin Jordan, Christopher Cook, and defendant DARYL STEVENS registered and incorporated, and caused to be registered and incorporated, a total of seven fictitious businesses variously in the Commonwealth of Pennsylvania, and the States of New Jersey and Delaware, to serve as sham vendors as part of the scheme to defraud Company A and Company B, as follows:

<u>Dates</u>	<u>Defendant/Schemer</u>	<u>Sham Vendor Company</u>	<u>Address(es) Used</u> <i>(USPS or UPS)</i>
August 14, 2007	Justin Jordan	"Joruccio LLC" ("Joruccio")	PO Box 971 Piscataway, NJ 08855 <i>(USPS Post Office Box)</i>
February 19, 2014	Justin Jordan	"Vedco Supply LLC" ("Vedco Supply")	3171 Route 9 North, #303 Old Bridge NJ 08857 <i>(UPS Store # 4635)</i> PMB119 1056 Highway 9 South Parlin, NJ 08859 <i>(UPS Store # 5280)</i>
May 9, 2014	Justin Jordan	"Creso LLC" ("Creso")	518-7 Old Post Rd, #357 Edison, NJ 08817 <i>(UPS Store # 2947)</i>
July 7, 2014	Justin Jordan	"Galloway Distributors LLC" ("Galloway Distributors")	579B Raritan Rd, #108 Roselle, NJ 07203 <i>(UPS Store # 5821)</i>
April 25, 2014	DARYL STEVENS	"I & E Supply LLC" ("I & E Supply")	1866 Leithsville Rd, #259 Hellertown PA 18055 <i>(UPS Store # 4803)</i>
February 26, 2013	DARYL STEVENS	"Industry Best LLC" ("Industry Best")	PO Box 3254 Bethlehem, PA 18017 <i>(USPS Post Office box)</i>
November 1, 2012	Christopher Cook	"JDD Industrial Supplies LLC" ("JDD Industrial Supplies")	PO Box 1354 New Brunswick, NJ 08901 <i>(USPS Post Office Box)</i>

17. Defendant DARYL STEVENS, and Justin Jordan and Christopher Cook, opened or caused to be opened bank accounts at financial institutions for their respective sham vendor companies as follows:

<u>Defendant/Schemer</u>	<u>Fictitious Business</u>	<u>Bank Account Information</u>
Justin Jordan	Joruccio	TD Bank, account ending in 8986

<u>Defendant/Schemer</u>	<u>Fictitious Business</u>	<u>Bank Account Information</u>
Justin Jordan	Vedco Supply	Wells Fargo Bank, account ending in 3215
Justin Jordan	Creso	TD Bank, account ending in 2358
Justin Jordan	Galloway Distributors	Wells Fargo Bank, account ending in 0147
DARYL STEVENS	I&E Supply	Wells Fargo Bank, account ending in 7494
DARYL STEVENS	Industry Best	Bank of America, account ending in 1922
Christopher Cook	JDD Industrial Supplies	TD Bank, account ending in 6579

18. Justin Jordan, defendant DARYL STEVENS, and Christopher Cook generated purchase orders from Company A, on behalf of Company B, for bogus unnecessary and non-existent product from the sham vendor companies that they, respectively, controlled.

19. Justin Jordan then “sold” the bogus product from the sham vendor companies that he, defendant DARYL STEVENS, and Christopher Cook controlled to Company A, which then “sold” the same bogus product to Company B at a mark-up.

20. Justin Jordan then marked and caused to be marked as “received” the bogus product by signing, and causing to be signed, a packing slip acknowledging the receipt of the bogus product, causing Company A to generate invoices to Company B for the bogus product.

21. Justin Jordan generated and caused to be generated invoices corresponding to the bogus product that he caused to be purchased from the sham vendor companies that he and

defendant DARYL STEVENS and Christopher Cook controlled, and submitted these invoices to Company A – his employer – for processing and payment.

22. Company A subsequently made payment to the sham vendor companies, either by mailing checks to the listed mailing addresses for each fictitious vendor company or via electronic automated clearing house (“ACH”) wire transfer, into the bank accounts of the fictitious vendors, all of which were controlled by defendant DARYL STEVENS, Justin Jordan, and Christopher Cook.

23. On or about the following dates, Justin Jordan, defendant DARYL STEVENS, and Christopher Cook submitted or caused to be submitted fraudulent invoices which caused Company A to send checks via the United States Postal Service made out to the sham vendor companies, and to wire money via ACH transfer to the sham vendor company bank accounts, in the amounts listed below:

<u>Defendant/Schemer</u>	<u>Fictitious Business</u>	<u>Invoice Date Ranges</u>	<u>Total Amount Invoiced from Company A to Company B (approximate)</u>	<u>Total Amount Paid by Company A to Sham Vendor Companies (approximate)</u>
Justin Jordan	Joruccio	3/9/09 – 7/24/12	\$575,611.27	\$452,243.37
Justin Jordan	Vedco Supply	2/10/14 – 2/2/14	\$92,901.31	\$72,570.33
Justin Jordan	Creso	4/4/14 – 12/4/14	\$129,655.31	\$97,517.14
Justin Jordan	Galloway Distributors	6/30/14 – 11/10/14	\$93,430.20	\$74,538.34
DARYL STEVENS	I&E Supply	5/2/14 – 12/3/14	\$65,169.76	\$51,031.96
DARYL STEVENS	Industry Best	5/3/13 – 5/19/14	\$159,748.27	\$125,841.62
Christopher Cook	JDD Industrial Supplies	11/27/12 – 4/1/14	\$132,642.20	\$99,404.14
			TOTAL: \$1,249,158.32	TOTAL: \$973,146.90

24. As a result of the fraudulent scheme, Company B paid Company A approximately \$1,214,307 for the bogus product.

25. On or about the dates shown below, in the Eastern District of Pennsylvania, and elsewhere, defendant

DARYL STEVENS

for the purpose of executing the scheme described above, and aiding and abetting such, and attempting to do so, knowingly caused to be delivered by the United States Postal Service mail according to the directions thereon, the following items, each mailing constituting a separate count:

<u>Count</u>	<u>Defendant</u>	<u>Date (On or About)</u>	<u>Description</u>
1	DARYL STEVENS	6/12/2014	Letter containing check from Company A to I & E Supply for \$9,312.30
2	DARYL STEVENS	7/10/2014	Letter containing check from Company A to I & E Supply for \$7,759.07
3	DARYL STEVENS	7/5/2013	Letter containing check from Company A to Industry Best for \$25,967.43
4	DARYL STEVENS	12/19/2013	Letter containing check from Company A to Industry Best for \$13,636.68

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

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1341, as set forth in this information, defendant

DARYL STEVENS

shall forfeit to the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of such offenses, including but not limited to the sum of up to \$1,214,307.00.

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 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant(s) up to the value of the property subject to forfeiture.

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

A TRUE BILL:

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**