

ATTACHMENT A

Count One
(Mail Fraud Conspiracy)

From at least as early as in or around May 2003 through in or around July 2010, in Bergen County, in the District of New Jersey and elsewhere, defendants

CYNTHIA ESPEJO AND
LISETTE DELAROSA

did knowingly and intentionally conspire and agree with each other and others, to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such a scheme and artifice to defraud, caused to be delivered by mail according to directions thereon matter and things to be sent and delivered by private and commercial interstate carrier, contrary to Title 18, United States Code, Section 1341.

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

ATTACHMENT B

I, Eric Malecki, am a Postal Inspector with the United States Postal Inspection Service ("USPIS"). I am fully familiar with the facts set forth herein based on my own investigation, my conversations with other law enforcement officers, and my review of reports, documents, and items of evidence. Where statements of others are related herein, they are related in substance and part. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged. Because this Affidavit 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.

1. Defendants ESPEJO and DELAROSA, along with others, orchestrated a scheme to defraud their employer, a watch manufacturer (the "Watch Company") out of hundreds of thousands of dollars of watches and watch parts (the "Fraud Scheme"). This Fraud Scheme was, at bottom, a false invoicing scheme that involved false representations, falsified documents, and doctored corporate records.
2. The Customer Service Department of the Watch Company was based in or around Bergen County, New Jersey, and defendants ESPEJO and DELAROSA worked there throughout the period covered by this Complaint. As part of the conspiracy, ESPEJO and DELAROSA abused their positions to create false invoices and thereby fraudulently obtain merchandise from the Watch Company.
3. ESPEJO and DELAROSA created hundreds of fictitious invoices for watch parts in the Watch Company's invoice system and directed parts to be sent to addresses associated with ESPEJO, DELAROSA, and others. This resulted in watch parts being shipped by the Watch Company to those addresses. Watch Company received no payment related to these invoices and no legitimate basis existed for providing the parts free of charge.
4. For example, on or about June 24, 2010, DELAROSA received a request sent to her personal email address for five Watch Company parts from Individual 1. The investigation has revealed that Individual 1 made multiple deposits into ESPEJO's personal bank account. On or about June 28, 2010, the "order" was confirmed by Individual 1 in an email to DELAROSA's personal email account. On that same day, DELAROSA created a fraudulent invoice to have the five watch parts sent to that individual. On or about June 29, 2010, the five requested watch parts were shipped by Watch Company via Federal Express to a Florida address associated with Individual 1. In the notes field of this invoice DELAROSA wrote "NC" for "no charge." No legitimate basis

existed for these parts to be provided free of charge.

5. ESPEJO and DELAROSA also created dozens of false records containing fictitious customer complaints in Watch Company's invoice system, which resulted in "replacement" watches being shipped by Watch Company to addresses changed by ESPEJO and DELAROSA in Watch Company's invoicing system from legitimate customer addresses to addresses associated with ESPEJO and DELAROSA.
6. For example, on or about February 2, 2010, ESPEJO created a false follow-on complaint to a legitimate Watch Company customer complaint previously made on or about October 12, 2009. Espejo indicated in Watch Company's internal records that the "CUST CASEBACK FELL OFF FOR THE 2nd TIME. WE OFFERED REPLACEMENT." ESPEJO changed the shipping address from an address in Maryland associated with the legitimate Watch Company customer to a "J. Alvarex" at ESPEJO's residence, which at that time was in or around North Bergen, New Jersey. The order was shipped via Federal Express on or about February 3, 2010 and arrived at ESPEJO's residence on or about February 4, 2010.
7. Each time ESPEJO and/or DELAROSA directed a watch part or watch be shipped to a fraudulent address, they caused to be delivered by mail according to directions thereon matter and things to be sent and delivered by private and commercial interstate carrier.