

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 19-
 :
 v. : 18 U.S.C. § 1349
 :
 LAWRENCE ESPAILLAT :
 a/k/a "Larry Espailat" :

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

(Conspiracy to Commit Wire Fraud)

Relevant Persons

At all times relevant to this Information:

1. Defendant LAWRENCE ESPAILLAT was a citizen of the United States who resided in or around Clifton, New Jersey.
2. Amanda Suazo, a co-conspirator not charged as a defendant herein, was a citizen of the United States who resided in or around East Windsor, New Jersey.
3. Corry Pringley, a co-conspirator not charged as a defendant herein, was a citizen of the United States who resided in or around East Windsor, New Jersey.
4. Co-Conspirator 1 ("CC-1"), a person of unknown origin and residence, directed the actions of defendant LAWRENCE ESPAILLAT and co-

conspirators Suazo and Pringley, and, as a result of defendant ESPAILLAT, and co-conspirators Suazo and Pringley's conduct, CC-1 was enriched financially.

5. Beginning in or about March 2017 through in or about June 2018, defendant ESPAILLAT and others known and unknown, including co-conspirators Suazo, Pringley and CC-1: (i) facilitated the incorporation of fictitious New Jersey companies under the names of which these persons opened business bank accounts for the purpose of receiving deposits stolen from individuals or domestic business entities; (ii) recruited other persons similarly to assist in the incorporation of fictitious New Jersey companies under the names of which the recruited persons opened business bank accounts for the same unlawful purpose; and (iii) withdrew or transferred by wire stolen funds from the business bank accounts and directed those stolen funds to co-conspirators, while retaining a portion for themselves. Defendant ESPAILLAT directed the actions of co-conspirators Suazo and Pringley, among other co-conspirators known and unknown, and, as a result of defendant ESPAILLAT's own conduct and the conduct of those co-conspirators whom he supervised, defendant ESPAILLAT was enriched financially.

The Conspiracy

6. From as early as in or about March 2017 to in or about June 2018, in Passaic County, in the District of New Jersey, and elsewhere, defendant

**LAWRENCE ESPAILLAT,
a/k/a "Larry Espailat,"**

did knowingly and intentionally conspire and agree with co-conspirators Amanda Suazo, Corry Pringley, CC-1, and with others known and unknown, to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the scheme and artifice, did transmit and cause to be transmitted in interstate and foreign commerce, by means of wire, radio, and television communication, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

The Goal of the Conspiracy

7. The goal of the conspiracy was for defendant ESPAILLAT and his co-conspirators to enrich themselves by channeling through various financial accounts they controlled funds that other co-conspirators had stolen from corporations and individuals through cyber attacks.

Manner and Means

8. From as early as in or about March 2017 to in or about June 2018, it was part of the scheme that defendant ESPAILLAT, and others known and unknown, participated in business email compromise scams (“BEC scams”), as described below, targeting multiple victims throughout the United States.

9. It was part of the conspiracy that, in executing the BEC scams, co-conspirators created email addresses mimicking but differing slightly from legitimate email addresses of supervisory employees of various victim companies, vendors that did business with those victim companies, mortgage lenders that dealt with individual victims in connection with real estate purchases, and advisors and accountants who performed financial services for clients.

10. It was further part of the conspiracy that co-conspirators sent emails to victims from these deceptive addresses, which, while on the emails’ faces appeared to request the payment of legitimate invoices or debts owed by the victims, in actuality deceived the victims into wire transferring funds into bogus bank accounts that the co-conspirators controlled (the “bogus bank accounts”).

11. It was further part of the conspiracy that co-conspirators recruited individuals, referred to herein as “money mules,” including among several others, defendant ESPAILLAT before he, himself, rose to the level of

recruiter and manager, to provide personal identifying information such as social security numbers and dates of births (“pii”), which the co-conspirators then used to incorporate sham businesses with the New Jersey Department of the Treasury under the money mules’ names.

12. It was further part of the conspiracy that co-conspirators directed the money mules to open the bogus bank accounts under the fictitious companies’ names.

13. It was further part of the conspiracy that, after the victims complied with the fraudulent wiring instructions, the money mules, under the direction of other co-conspirators, quickly debited from the bogus bank accounts thousands of dollars in cash through in-person and ATM withdrawals, debit card purchases and the purchases of cashier’s checks, while also transferring by wire from the bogus bank accounts to foreign bank accounts controlled by co-conspirators, tens, and frequently even hundreds, of thousands of dollars in stolen funds.

14. It was further part of the conspiracy that, with the approval of co-conspirators, the money mules ordinarily kept a fraction of the proceeds of the stolen funds for themselves.

15. It was further part of the conspiracy that co-conspirators created and provided the money mules with fraudulent invoices appearing to have been issued by the money mules’ fictitious companies, and purporting to

reflect legitimate debts owed in the precise amounts of funds stolen from victims.

16. It was further part of the conspiracy that co-conspirators instructed the money mules to provide these fraudulent invoices to bank personnel in order to justify the large deposits of victims' funds credited to the bogus bank accounts.

17. It was further part of the conspiracy that co-conspirators created and provided the money mules with fraudulent invoices appearing to have been issued by the beneficiaries of the money mules' fraudulent international wire transfers, and purporting to reflect legitimate debts owed to these beneficiaries located in the Peoples Republic of China and Hong Kong.

18. It was further part of the conspiracy that co-conspirators instructed the money mules to provide these fraudulent invoices to bank personnel in order to justify the large international wire transfers of victims' funds debited from the bogus bank accounts.

19. It was further part of the conspiracy that, in total, the BEC scams defrauded victims of more than one million dollars.

Acts in Furtherance of the Conspiracy

20. In furtherance of the conspiracy and in order to effect the object thereof, its members committed the following acts, among others, in the District of New Jersey and elsewhere:

A. LJE Group Inc.

21. In or around March 2017, co-conspirators in possession of defendant ESPAILLAT's pii, applied to the Internal Revenue Service ("IRS") for an Employer Identification Number ("EIN") for a corporation under the name LJE Group Inc. ("LJE Group").

22. In or around March 2017, the IRS mailed a letter to LJE Group stating that its application had been granted and advising LJE Group of its assigned EIN.

23. In or around March 2017, co-conspirators used defendant ESPAILLAT's pii in connection with an application to the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services ("NJ Department of the Treasury") for a Certificate of Incorporation for LJE Group.

24. On or about March 27, 2017, LJE Group obtained a Certificate of Incorporation from the NJ Department of the Treasury, listing defendant ESPAILLAT as LJE Group's registered agent, board member, incorporator, and signatory, and describing LJE Group's business as "All legal and lawful, wholesale, agent/broker, importer, exporter, manufacturer, distributor, of all kinds of house hold [sic] electronics."

25. On or about April 18, 2017, defendant ESPAILLAT visited a Bank of America branch located in Elmwood Park, New Jersey, and paid a \$100 deposit in connection with opening a checking account under the business name of LJE Group ("LJE Group BoA Account").

26. On or about April 18, 2017, representing himself as the sole owner of LJE Group, a business styled as “all legal and lawful and distributors,” defendant ESPAILLAT visited a Wells Fargo branch located in Paterson, New Jersey, and paid a \$100 deposit in connection with opening a Wells Fargo Business Choice Checking Account under the business name LJE Group (“LJE Group Wells Fargo Account”).

27. On or about May 11, 2017, representing himself as the president of LJE Group, defendant ESPAILLAT visited a PNC Bank branch and paid a \$100 deposit in connection with opening a Business Checking Preferred Account under the business name LJE Group (“LJE Group PNC Bank Account”).

28. Between in or around April 2017 through in or around May 2017, hundreds of thousands of dollars in deposits were made into bank accounts opened by defendant ESPAILLAT; held under the name LJE Group; and controlled by defendant ESPAILLAT and other co-conspirators known and unknown, including the following:

DATE OF DEPOSIT	DEPOSIT MADE BY	AMOUNT DEPOSITED	CONSPIRATORS' ACCOUNT
On or about April 27, 2017	“Colorado Corporate Victim”	\$155,516.20	LJE Group Wells Fargo Account
On or about April 28, 2017	“California Corporate Victim”	\$123,716.10	LJE Group BoA Account

DATE OF DEPOSIT	DEPOSIT MADE BY	AMOUNT DEPOSITED	CONSPIRATORS' ACCOUNT
On or about May 4, 2017	Colorado Corporate Victim	\$137,800	LJE Group Wells Fargo Account
On or about May 10, 2017	Colorado Corporate Victim	\$102,310	LJE Group Wells Fargo Account
On or about May 18, 2017	"Indiana Corporate Victim"	\$67,500	LJE Group PNC Bank Account

29. Between in or around April 2017 through in or around May 2017, defendant ESPAILLAT, together with and at the direction of other unknown co-conspirators, for the purpose of executing the BEC scams, withdrew funds or caused or attempted to cause numerous interstate and international wire transfers, each transaction occurring from bank accounts held under the name LJE Group, and controlled by defendant ESPAILLAT and other co-conspirators known and unknown, including the following:

DATE OF DEBIT	CONSPIRATORS' ACCOUNT	AMOUNT TRANSACTED	TRANSACTION TYPE (destination of wire transfer)
On or about April 28, 2017	LJE Group Wells Fargo Account	\$25,490	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)

DATE OF DEBIT	CONSPIRATORS' ACCOUNT	AMOUNT TRANSACTED	TRANSACTION TYPE (destination of wire transfer)
On or about April 28, 2017	LJE Group Wells Fargo Account	\$49,102	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)
On or about April 28, 2017	LJE Group Wells Fargo Account	\$57,583	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)
Between on or about April 28, 2017 to on or about May 2, 2017	LJE Group Wells Fargo Account; LJE Group BoA Account	\$35,492.45	Series of withdrawals and debit card purchases from branches located in the District of New Jersey
On or about May 2, 2017	LJE Group BoA Account	\$49,801	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)

DATE OF DEBIT	CONSPIRATORS' ACCOUNT	AMOUNT TRANSACTED	TRANSACTION TYPE (destination of wire transfer)
On or about May 2, 2017	LJE Group BoA Account	\$49,881	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)
On or about May 5, 2017	LJE Group Wells Fargo Account	\$44,318	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)
On or about May 5, 2017	LJE Group Wells Fargo Account	\$61,715	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)
Between on or about May 5, 2017 to on or about May 11, 2017	LJE Group Wells Fargo Account	\$21,700	Series of withdrawals from a branch located in the District of New Jersey

DATE OF DEBIT	CONSPIRATORS' ACCOUNT	AMOUNT TRANSACTED	TRANSACTION TYPE (destination of wire transfer)
On or about May 8, 2017	LJE Group Wells Fargo Account	\$18,200	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)
On or about May 23, 2017	LJE Group PNC Bank Account	\$58,404	Attempted wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)

B. PSP Specialties Inc.

30. On or about March 8, 2018, co-conspirator Suazo sent defendant ESPAILLAT a text message containing co-conspirator Pringley's pii.

31. On or about March 8, 2018, CC-1 facilitated the incorporation of the business PSP Specialties Inc. ("PSP Specialties") with the NJ Department of the Treasury, listing co-conspirator Pringley as the business's sole shareholder and registered agent.

32. On or about March 8, 2018, defendant ESPAILLAT sent co-conspirator Suazo a text message attaching PSP Specialties' newly created New Jersey Certificate of Incorporation and IRS EIN, with further instruction that co-conspirator Pringley open four bank accounts under this corporate name.

33. On or about March 16, 2018, in connection with applying for a business account at TD Bank, co-conspirator Pringley paid a \$100 initial deposit and furnished TD Bank with, among other documents, PSP Specialties' New Jersey Certificate of Incorporation, listing co-conspirator Pringley as the registered agent and sole incorporator of PSP Specialties, and describing the business's purpose as a "wholesale agent/broker, importer, exporter, manufacturer, distributor, of all kinds of commercial and house hold electronics goods" (the "PSP Specialties TD Bank Account").

34. On or about March 16, 2018, further in connection with applying for a business account at TD Bank, co-conspirator Pringley provided TD Bank with an invoice purporting to have been issued by PSP Specialties to an individual in San Francisco, California, reflecting \$36,000 worth of goods alleged to have been sold.

35. On or about March 20, 2018, defendant ESPAILLAT left co-conspirator Suazo a voicemail stating: "Oh and by the way, I, he, already put out his TD account last night. Hopefully by the end of the week we'll have some work in there."

36. On or about March 21, 2018, co-conspirator Pringley provided co-conspirator Suazo the user identity and password for online access to the PSP Specialties TD Bank Account, log-on information which co-conspirator Suazo, in turn, sent by text message to defendant ESPAILLAT.

37. In or around April 2018, millions of dollars were deposited into the PSP Specialties TD Bank Account, which was controlled by co-conspirator Pringley, defendant ESPAILLAT, co-conspirator Suazo and other unknown co-conspirators, including the following:

DATE OF DEPOSIT	DEPOSIT MADE BY	AMOUNT DEPOSITED	CONSPIRATORS' ACCOUNT
On or about April 6, 2018	"Illinois Corporate Victim"	\$250,000	PSP Specialties TD Bank Account
On or about April 10, 2018	"Texas Corporate Victim"	\$1,352,351	PSP Specialties TD Bank Account
On or about April 10, 2018	Texas Corporate Victim	\$1,074	PSP Specialties TD Bank Account
On or about April 11, 2018	Texas Corporate Victim	\$751,881	PSP Specialties TD Bank Account
On or about April 11, 2018	Texas Corporate Victim	\$30,720	PSP Specialties TD Bank Account
On or about April 12, 2018	Texas Corporate Victim	\$1,706,137	PSP Specialties TD Bank Account

38. On or about April 7, 2018, defendant ESPAILLAT sent co-conspirator Suazo a text message attaching a Microsoft Excel spreadsheet entitled "PSP 250K Client INV" (the "PSP 250K Spreadsheet"), which identified

Illinois Corporate Victim as the “Buyer” and PSP Specialties Inc. as the “Seller” of \$250,000 worth of electronics goods.

39. On or about April 7, 2018, co-conspirator Suazo provided co-conspirator Pringley with the PSP 250K Spreadsheet.

40. In or around April 2018, co-conspirator Pringley, together with and at the direction of defendant ESPAILLAT, co-conspirator Suazo and other unknown co-conspirators, for the purpose of executing the BEC scams, withdrew funds or caused or attempted to cause numerous interstate and international wire transfers, each transaction occurring from the PSP Specialties TD Bank Account, which was controlled by co-conspirator Pringley, defendant ESPAILLAT, co-conspirator Suazo and other unknown co-conspirators, including the following:

DATE OF DEBIT	CONSPIRATORS' ACCOUNT	AMOUNT TRANSACTED	TRANSACTION TYPE (destination of wire transfer)
On or about April 7-9, 2018	PSP Specialties TD Bank Account	\$22,000	Series of withdrawals from a branch located in the District of New Jersey
On or about April 9, 2018	PSP Specialties TD Bank Account	\$87,940	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)

DATE OF DEBIT	CONSPIRATORS' ACCOUNT	AMOUNT TRANSACTED	TRANSACTION TYPE (destination of wire transfer)
On or about April 11, 2018	PSP Specialties TD Bank Account	\$197,600	Wire transfer initiated from a branch located in the District of New Jersey (Hong Kong)
On or about April 11, 2018	PSP Specialties TD Bank Account	\$88,415	Wire transfer initiated from a branch located in the District of New Jersey (Peoples Republic of China)
On or about April 11, 2018	PSP Specialties TD Bank Account	\$53,000	Series of withdrawals from a branch located in the District of New Jersey
On or about April 12, 2018	PSP Specialties TD Bank Account	\$377,000	Wire transfer initiated from a branch located in the District of New Jersey (Hong Kong)
On or about April 12, 2018	PSP Specialties TD Bank Account	\$248,319	Wire transfer initiated from a branch located in the District of New Jersey (Hong Kong)
On or about April 12, 2018	PSP Specialties TD Bank Account	\$53,000	Series of withdrawals from a branch located in the District of New Jersey

41. On or about April 6, 2018, defendant ESPAILLAT sent co-conspirator Suazo a text message attaching a Microsoft Excel spreadsheet entitled “PSP 87,940 Weifang Huanteng” (the “PSP 87,940 Spreadsheet”), purporting to be an invoice issued by “Weifang Huateng Weaving and Printing and Dyeing Co. Ltd.” to PSP Specialties for \$87,940 worth of electronic goods.

42. On or about April 7, 2018, defendant ESPAILLAT left co-conspirator Suazo a voicemail directing her to have co-conspirator Pringley send the “[PSP 87,940 Spreadsheet] and the wire ... together.”

43. On or about April 12, 2018, defendant ESPAILLAT left co-conspirator Suazo a voicemail stating: “Yea, let’s try and do it 3 times cause we tried, we gotta try and get all this money out before these mother fuckers shut down this account so. We gotta try to make the most money we can honey.”

44. On or about April 12, 2018, defendant ESPAILLAT sent a text message to co-conspirator Suazo stating: “1,706,137.00 Also in PSP just came in LOL” and included at the end of the text message eight emoji’s of a face overcome by crying laughter.

45. On or about April 12, 2018, defendant ESPAILLAT left co-conspirator Suazo a voicemail stating: “You guys just got another big hit came in. Damn we got work for weeks if the[y] let this shit keep going bro.”

46. On or about April 12, 2018, defendant ESPAILLAT left co-conspirator Suazo a voicemail stating: “Let’s keep these people happy and lets

keep making shit happen for them. Keep moving this money so they can keep giving us more bread honey.”

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

FORFEITURE ALLEGATION

1. The allegations contained in this Information are incorporated by reference as though set forth in full herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(c) and 28 U.S.C. Section 2461(c).

2. Upon conviction of the offense in violation of Title 18, United States Code, Section 1349 set forth in this Information, defendant

**LAWRENCE ESPAILLAT,
a/k/a "Larry Espailat,"**

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(c), any property, real or personal, constituting, or derived from, proceeds the defendant obtained directly or indirectly, as a result of such violation, including but not limited to \$12,000 in United States Currency, in that such sum in the aggregate is property representing the amount of proceeds obtained by the defendant as a result of the offense.

SUBSTITUTE ASSETS PROVISION

3. If any of the above-described property, as a result of any act or omission of the defendant:

- 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 intention of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 981 and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.



CRAIG CARPENITO
United States Attorney

Handwritten signature in blue ink.

Faint, illegible text or stamp below the signature.