

Presented to the Court by the foreman of the  
Grand Jury in open Court, in the presence of  
the Grand Jury and FILED in the U.S.  
DISTRICT COURT at Seattle, Washington.

April 10 2025  
Ravi Subramanian, Clerk  
By Deputy

UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,  
Plaintiff

v.

PAUL JOSEPH WELCH,  
Defendant.

NO. **CR 25 - 060 JNW**  
**INDICTMENT**

The Grand Jury charges that:

**Overview**

1. Between June 2011 and January 2024, defendant Paul Welch worked for a Kent, Washington energy company that will be referenced in this Indictment as "Victim Company." Welch moved into an Information Technology (IT) role with Victim Company in 2016 and was promoted to Information Technology Manager in 2018. Welch lived and worked in California beginning in approximately 2019. In order to perform his functions as an IT manager, Welch had access to company credit cards that Welch was authorized to use only for legitimate IT expenses, like purchasing IT equipment.

2. As described below, Welch abused his access to company credit cards to secretly make personal purchases and to divert Victim Company's corporate funds to accounts under Welch's control for Welch's own personal use. Welch's fraud caused a loss of more than \$950,000 to Victim Company.

**Counts 1-6**

**(Wire Fraud)**

**A. The Scheme to Defraud**

3. Beginning at a time unknown, but no later than about 2017, and continuing until about January 2024, in King County, within the Western District of Washington, and elsewhere, PAUL JOSEPH WELCH devised and intended to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and omissions of material facts.

4. The essence of the scheme and artifice to defraud was for Welch to enrich himself by secretly using Victim Company's corporate funds for personal purchases and by transferring corporate funds to his own accounts, while creating the appearance that the purchases and transfers were for legitimate business expenses of Victim Company.

**B. Manner and Means**

The following conduct was part of the scheme and artifice to defraud:

***Welch Starts his Fraudulent Scheme with Unauthorized Credit Card and Amazon Purchases***

5. Beginning in at least 2017, Welch began using Victim Company's Amazon business account to make unauthorized purchases for Welch's personal use. Between 2017 and 2021, Welch made at least \$43,000 of unauthorized Amazon purchases using Victim Company's credit card. These unauthorized Amazon purchases were primarily for electronics like televisions, laptops, cables, headphone sets, wireless earbuds, and Apple iPads.

1           6.       Beginning in at least 2019, Welch broadened his fraud by using Victim  
2 Company's credit card with other online vendors in addition to Amazon. Welch used  
3 Victim Company's credit card for additional unauthorized personal purchases at Apple,  
4 Dell, Alaska Airlines, Costco, Instacart, Best Buy, numerous furniture stores, and dozens  
5 of other vendors. Between 2019 and 2024, Welch made at least \$60,000 of unauthorized  
6 purchases using Victim Company's credit card in addition to the at least \$43,000 in  
7 fraudulent purchases using Victim Company's Amazon account.

8           ***Welch Makes Payments to Himself and Disguises Them as Vendor Payments***

9           7.       Beginning in at least January 2021, Welch substantially expanded the scope  
10 of his fraud by paying hundreds of thousands of dollars to accounts he controlled. Welch  
11 disguised the transactions as payments to a real Washington-based computer services  
12 company (the "Third Party Vendor"). Welch made it appear that the payments were for  
13 services provided by Third Party Vendor, when in fact Third Party Vendor had provided  
14 no such services to Victim Company.

15           8.       Welch created a series of email addresses and payment processor accounts  
16 (the "Payment Processor Accounts") using email handles and business names that bore  
17 similarities to Third Party Vendor's name. However, Welch was never affiliated with the  
18 Third Party Vendor. Third Party Vendor had no knowledge of Welch's activities.

19           9.       Welch used the Payment Processor Accounts to funnel money from Victim  
20 Company to himself by making fraudulent charges on Victim Company's credit cards for  
21 purported IT equipment and services that the Third Party Vendor had not provided.  
22 Welch issued credit card payments purportedly to the Third Party Vendor through the  
23 Payment Processor Accounts by charging certain amounts to Victim Company's credit  
24 cards. However, Welch had full control of the Payment Processor Accounts and had  
25 linked his own bank accounts to the Payment Processor Accounts. Accordingly, amounts  
26 charged to Victim Company's credit cards through the Payment Processor Accounts went  
27

1 directly to Welch and his accounts—even though Welch had no relationship to the Third  
2 Party Vendor.

3 10. Between 2021 and 2024, Welch charged at least \$879,176.54 on Victim  
4 Company's credit cards to the Payment Processor Accounts for purported payments to  
5 the Third Party Vendor. Welch transferred the proceeds from these charges to other  
6 accounts under his control and used the money for his own purposes.

7 11. Victim Company paid Welch's fraudulent Third Party Vendor credit card  
8 charges in full each month as part of its routine practice of paying credit card bills.  
9 Victim Company paid these charges because Welch, through misrepresentations and  
10 omissions, caused Victim Company to believe that the Third Party Vendor charges were  
11 legitimate IT expenditures.

12 ***Welch Repeatedly Lies to Victim Company When Confronted About his Fraud***

13 12. On numerous occasions throughout the lifespan of Welch's fraud, Welch  
14 lied to Victim Company about the Third Party Vendor, emailed fabricated Third Party  
15 Vendor invoices to Victim Company, and misled Victim Company about the nature of his  
16 unauthorized credit card charges. Many of these misrepresentations were made via  
17 interstate wire transmission.

18 13. On January 28, 2021, Welch created a Google email account with an email  
19 handle designed to make it look like the email address was associated with the Third  
20 Party Vendor. That same day, Welch emailed a supervisory employee at Victim  
21 Company and reported that he was trying to purchase a computer from Third Party  
22 Vendor through a credit card purchase on PayPal, Inc. This statement was false. Welch  
23 asked his supervisor to release the credit card payment, and the supervisor agreed to do  
24 so.

25 14. In 2021 and 2022, Welch emailed Victim Company employees fake  
26 invoices from the Third Party Vendor to try to substantiate the Third Party Vendor as a  
27

1 legitimate vendor for Victim Company. For example, in response to inquiries about  
2 certain expenditures, Welch fabricated Third Party Vendor invoices to make it appear as  
3 though the Third Party Vendor sold laptop or desktop computers to Victim Company, and  
4 provided those fabricated invoices to Victim Company.

5 15. In each of these instances, Welch's emails to Victim Company were false  
6 or misleading. Victim Company was not receiving services from the Third Party Vendor  
7 and the payments Victim Company made on the purported invoices went directly to  
8 Welch.

9 16. Victim Company began to more closely scrutinize Welch's credit card  
10 activity in 2023, but every time Victim Company confronted Welch about suspicious  
11 credit card charges, he lied and provided false explanations to Victim Company about his  
12 activities. Throughout this period, Welch failed to disclose that he was using Victim  
13 Company funds for his personal use.

14 17. In April 2023, a Victim Company accounting employee identified personal  
15 charges on Welch's credit card, and Victim Company asked Welch to substantiate those  
16 charges. In response, Welch falsely claimed that the charges were inadvertent and that he  
17 would repay them, downplayed the scope of his fraudulent transactions, and did not  
18 identify other fraudulent payments to the Third Party Vendor.

19 18. On November 8, 2023, Victim Company's credit card provider sent a letter  
20 to Victim Company informing Victim Company that Welch's company credit card was  
21 added to Apple Pay on a mobile device. Victim Company employees forwarded that  
22 notification to Welch, but Welch falsely reported that he had added Victim Company's  
23 credit card to Apple Pay to more securely pay the Third Party Vendor.

24 19. On November 30, 2023, Welch responded to a request that he substantiate  
25 his October 2023 credit card charges by emailing false or misleading invoices to Victim  
26  
27

1 Company accounting employees, including another fake invoice for \$28,500 in non-  
2 existent charges from the Third Party Vendor.

3 ***Welch's Fraud Unravels***

4 20. By December 2023, Victim Company began to suspect that the credit card  
5 charges for payments to the Third Party Vendor through the Payment Processor Accounts  
6 may have been fraudulent. Victim Company contacted Welch to request documentation  
7 in support of all of his credit card transactions, but Welch delayed in responding to those  
8 requests and eventually sent more fake Third Party Vendor invoices in an effort to  
9 legitimize his fraud. For example, in January 2024, alone, Welch submitted at least two  
10 sets of fake vendor invoices to Victim Company that showed \$55,800 in purported  
11 invoiced amounts from the Third Party Vendor.

12 21. Victim Company confronted Welch about charges from the Third Party  
13 Vendor during a January 19, 2024 video conference call. During this videoconference,  
14 Welch reported that the Third Party Vendor provided legitimate IT services to Victim  
15 Company and provided false contact information for representatives at the Third Party  
16 Vendor. However, Welch could not substantiate details about the transactions between  
17 Victim Company and the Third Party Vendor. Welch was asked if he was in control of  
18 the Third Party Vendor, but he falsely denied that he was. At the conclusion of that  
19 meeting, Victim Company fired Welch.

20 22. On January 23, 2024, after he had been fired, Welch called Victim  
21 Company and acknowledged causing Victim Company to make fraudulent payments to  
22 Third Party Vendor, but provided false information about the scope of his theft and the  
23 length of time that he was engaged in theft from Victim Company.

24 ***Welch's Fraud Caused Nearly \$1 Million in Losses***

25 23. In all, between 2017 and January 10, 2024, Welch secretly executed at least  
26 250 fraudulent charges to the Third Party Vendor, at least 140 unauthorized credit card  
27



1 purchases using Victim Company's credit card, and at least 100 fraudulent Amazon  
2 purchases on Victim Company's accounts. Those fraudulent transactions caused at least  
3 \$982,520.54 in losses to Victim Company. Welch personally received at least \$950,000  
4 in proceeds.

5 **C. Executions of the Scheme to Defraud**

6 24. Beginning in or about August 2017, and continuing until at least about  
7 January 23, 2024, in King County, within the Western District of Washington, and  
8 elsewhere PAUL JOSEPH WELCH, with intent to defraud, knowingly devised a scheme  
9 and artifice to defraud, and to obtain money and property, by means of materially false  
10 and fraudulent pretenses, representations, promises and omissions of material fact.

11 25. On or about the dates set forth below, for the purpose of executing and  
12 attempting to execute this scheme and artifice to defraud, WELCH did knowingly  
13 transmit and cause to be transmitted, by wire communication in interstate and foreign  
14 commerce, writings, signs, signals, pictures and sounds, each transmission of which  
15 constitutes a separate count of this Indictment:

16 //

COUNT	DATE	WIRE TRANSMISSION
1	03/04/2021	Email containing fraudulent Third Party Vendor invoice sent from WELCH in California to Victim Company employee G.O. in Washington.
2	04/20/2021	Email containing fraudulent Third Party Vendor invoices sent from WELCH in California to Victim Company employee G.O. in Washington.
3	04/20/2022	Email containing payment processor invoice for fraudulent Third Party Vendor charges sent from WELCH in California to Victim Company employee G.O. in Washington.
4	11/08/2023	Email containing false statements about WELCH's credit card usage and Third Party Vendor sent from WELCH in California to Victim Company employee D.R. in Washington.
5	11/30/2023	Email containing fraudulent Third Party Vendor invoice sent from WELCH in California to Victim Company employees S.C. and G.O. in Washington.
6	01/08/2024	Email containing fraudulent Third Party Vendor invoice and false statement about Third Party Vendor sent from WELCH in California to Victim Company employee D.R. in Washington.

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

### **FORFEITURE ALLEGATION**

26. The allegations contained in Counts 1-6 above are hereby realleged and incorporated by reference for the purpose of alleging forfeiture. Upon conviction of the offenses alleged in Counts 1-6, PAUL WELCH shall forfeit to the United States any property constituting, or derived from, proceeds the defendant obtained directly or indirectly, as a result of the offense. All such property is forfeitable pursuant to Title 18, United States Code, Section 981(a)(1)(C), by way of Title 28, United States Code, Section 2461(c), and includes but is not limited to a judgment for a sum of money, also known as a forfeiture money judgment, in the amount of \$950,000.00, representing the proceeds the defendant obtained as result of the offense.

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1       **Substitute Assets.** If any of the above-described forfeitable property, as a result of  
2 any act or omission of the defendant,

- 3           a.     cannot be located upon the exercise of due diligence;  
4           b.     has been transferred or sold to, or deposited with, a third party;  
5           c.     has been placed beyond the jurisdiction of the Court;  
6           d.     has been substantially diminished in value; or,  
7           e.     has been commingled with other property which cannot be divided  
8                 without difficulty,

9 it is the intent of the United States to seek the forfeiture of any other property of the  
10 defendant, up to the value of the above-described forfeitable property, pursuant to  
11 Title 21, United States Code, Section 853(p).

12  
13                               A TRUE BILL: Yes

14  
15                               DATED: 4/10/2025

16                               *Signature of Foreperson redacted pursuant*  
17                               *to the policy of the Judicial Conference of*  
18                               *the United States.*

19                               \_\_\_\_\_  
20                               FOREPERSON

21                               \_\_\_\_\_  
22                               TEAL LUTHY MILLER  
23                               Acting United States Attorney

24                               \_\_\_\_\_  
25                               SETH WILKINSON  
26                               Assistant United States Attorney

27                               \_\_\_\_\_  
                             DANE A. WESTERMEYER  
                             Assistant United States Attorney