

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

UNITED STATES OF AMERICA	:	CRIMINAL NO: <u>10-</u>
v.	:	DATE FILED: <u>April 8, 2010</u>
NATHAN ALLEN KRIEGLER	:	VIOLATIONS:
RYAN A. POLLACK	:	18 U.S.C. § 371 (conspiracy – 1 count)
EVAN F. APPEL	:	18 U.S.C. § 641 (theft of government property – 8 counts)
	:	18 U.S.C. § 1341 (mail fraud – 2 counts)
	:	18 U.S.C. § 1343 (wire fraud– 9 counts)
	:	18 U.S.C. § 2 (aiding and abetting)

INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

BACKGROUND

1. eBay was a website at which individuals sold items by auction, among other means. Buyers and sellers registered with eBay by providing a name, email address, telephone number, and credit card number, and selecting a user name. Sellers listed items for sale on eBay and transmitted via the internet information regarding items for sale. Buyers bid on items listed on eBay by transmitting bids via the internet. When a bidder won an auction or agreed to purchase an item, the seller and buyer would arrange for payment and the shipment of the merchandise. All eBay users were required to comply with eBay's rules, which prohibited the sale of stolen property.

2. PayPal was a company owned by eBay which handled payments between

buyers and sellers on eBay. EBay users set up accounts on PayPal which allowed buyers' credit cards to be charged or their bank accounts to be debited in payment for merchandise and the proceeds to be remitted to sellers.

3. Xerox Corporation ("Xerox"), a global document management company headquartered in Norwalk, Connecticut, manufactured and sold office and production equipment.

4. The United States Postal Service ("USPS"), an agency of the United States, sold postal products, including stamps, at post offices and postal retail stores located throughout the United States.

5. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL were in the business of selling stolen merchandise on eBay. Defendant KRIEGLER used the names "dice_man_777," "cmyk3103," "215matt3103," "apluscheckcashing," and "judienate18966." Defendant POLLACK used the name "zionpolo." Defendant APPEL used the name "randegroupcorporation."

6. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL maintained office space at 2248 State Road, Bensalem, Pennsylvania, in the names of at least nine different companies, including B&N Group, Inc. ("B&N Group"), R and E Group Corporation ("R and E Group"), and Huntington Valley School of Graphics ("HVSG"). Defendants KRIEGLER, POLLACK, and APPEL variously represented themselves as president, owner, and/or secretary of these companies.

THE CONSPIRACY

7. From on or about March 6, 2009 through on or about November 6, 2009, in the Eastern District of Pennsylvania, and elsewhere, defendants

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL**

conspired and agreed, together and with others known and unknown to the grand jury, to commit offenses against the United States, that is, to knowingly devise a scheme to defraud vendors, including Xerox and the USPS, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and to use wire transmissions in interstate commerce and the United States mails to further the scheme to defraud, in violation of Title 18, United States Code, Sections 1341 and 1343.

MANNER AND MEANS

It was part of the conspiracy that:

8. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL obtained merchandise from Xerox and the USPS by providing false and fraudulent payment information.

9. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL sold the stolen merchandise on eBay throughout the United States, without revealing to, and affirmatively concealing from, the potential buyers that the items were stolen.

10. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL falsely represented that they had lawful possession of, and could lawfully transfer, ownership rights to, the stolen property that they sold on eBay by listing those items for sale.

11. Defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL shipped the stolen merchandise to buyers around the United States via USPS

and other carriers, and received payment for it via PayPal.

OVERT ACTS

In furtherance of the conspiracy, defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania:

1. On or about August 31, 2009, defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL created, or caused to be created, a business account with Xerox under the company name B&N Group with an office address of 2248 State Road, Bensalem, Pennsylvania 19020.
2. On or about October 7, 2009, defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL placed, or cause to be placed, an order with Xerox for approximately \$4,650.67 worth of merchandise through the B&N Group account.
3. On or about October 8, 2009, defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL caused Xerox to ship merchandise from Carson City, California, to 2248 State Road, Bensalem, Pennsylvania.
4. On or about October 9, 2009, “B. Allen” signed for the delivery of the Xerox merchandise shipped on October 8, 2009.
5. On or about October 9, 2009, defendant RYAN A. POLLACK posted three listings on eBay for the sale of “Brand New Factory Sealed Xerox” products, using the eBay seller name “zionpolo.”
6. On or about March 6, 2009, defendant NATHAN ALLEN KRIEGLER purchased 100 coils of 42-cent United States postage stamps from the Bustleton Post Office in

Philadelphia, Pennsylvania, using a fraudulent \$4,200 check issued in the name Elliot Consulting LLC. This check was returned for insufficient funds.

7. On or about March 25, 2009, defendant EVAN F. APPEL offered 75 rolls of 42-cent United States postage stamps for sale on eBay using the seller name “randegroupcorporation.” The 75 rolls of stamps were sold for a total amount of \$2,473.05, and the funds were wire transferred into the PayPal account of defendant APPEL.

8. On or about March 30, 2009, defendant EVAN F. APPEL caused \$1,362.17 to be wire transferred from his PayPal account into a Royal Bank account in the name “R and E Group,” controlled by defendants EVAN F. APPEL and RYAN A. POLLACK.

9. On or about April 2, 2009, defendant EVAN F. APPEL caused \$494.91 to be wire transferred from his PayPal account into a Royal Bank account in the name “R and E Group,” controlled by defendants EVAN F. APPEL and RYAN A. POLLACK.

10. On or about April 1, 2009, defendant RYAN A. POLLACK wrote check number 131 from the R and E Group Royal Bank account in the amount of \$1,362.17, made payable to defendant NATHAN ALLEN KRIEGLER.

11. On or about April 6, 2009, defendant EVAN F. APPEL wrote check number 191 from the R and E Group Royal Bank account in the amount of \$490 made payable to defendant NATHAN ALLEN KRIEGLER.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH FOUR

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 6 and 8 through 11 of Count One of this indictment are incorporated here.

2. Between on or about March 6, 2009 though on or about November 6, 2009, defendants

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL**

devised and intended to devise a scheme and artifice to defraud retail vendors, including Xerox and the USPS, and obtain money by means of false and fraudulent pretenses, representations, promises, and material omissions.

3. Between on or about March 6, 2009 though on or about November 6, 2009, defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL sold, or caused to be sold, merchandise stolen from Xerox and the USPS, valued in excess of approximately \$95,501, through approximately 33 separate listings on eBay using the names “randegroupcorporation” and “zionpolo.”

4. On or about each of the dates listed below, in the Eastern District of Pennsylvania, and elsewhere, defendants

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL,**

for the purpose of executing the scheme described above, and aiding and abetting its execution, knowingly transmitted, or caused to be transmitted, by means of wire communication in

interstate commerce the signals and sounds described below, each transmission being a separate count:

COUNT	DATE	DESCRIPTION OF WIRE
2	3/25/2009	15 listings for auction on eBay, through user name "randegrouppcorporation," offering sale of 42-cent U.S. postage stamps.
3	9/11/2009	7 listings for auction on eBay, through user name "zionpolo," offering sale of various "Brand New Factory Sealed" Xerox products.
4	10/9/2009	2 listings for auction on eBay, through user name "zionpolo," offering sale of various "Brand New Factory Sealed" Xerox products.

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

COUNTS FIVE THROUGH SIX

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 6 and 8 through 11 of Count One of this indictment are incorporated here.

2. Between on or about March 6, 2009 though on or about November 6, 2009, defendants

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL**

devised and intended to devise a scheme and artifice to defraud, and obtain money by means of false and fraudulent pretenses, representations, promises, and material omissions.

3. It was part of the scheme that defendants NATHAN ALLEN KRIEGLER, RYAN A. POLLACK, and EVAN F. APPEL obtained merchandise from Xerox through false and fraudulent means, and sold that merchandise on the internet auction site eBay to buyers throughout the United States.

4. On or about each of the dates listed below, in Bensalem Township, in the Eastern District of Pennsylvania and elsewhere, defendants

**NATHAN ALLEN KRIEGLER,
RYAN A. POLLACK, and
EVAN F. APPEL,**

for the purpose of executing the scheme described above, and aiding and abetting its execution, knowingly transmitted, or caused to be transmitted, by means of the United States mails, in interstate commerce, the mailings described below, each mailing being a separate count:

COUNT	DATE	DESCRIPTION OF MAILING
5	9/14/09	“Brand New Factory Sealed Xerox Phaser 108R00592 Roller” mailed from Bensalem, PA to Honeoye Falls NY though the USPS.
6	9/29/09	“Brand New Factory Sealed Xerox Phaser 6250 Ink Set” mailed from Bensalem, PA to Long Island City, NY though the USPS.

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

COUNTS SEVEN THROUGH FOURTEEN

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 through 6 and 8 through 11 of Count One of this indictment are incorporated here.

2. Defendant NATHAN ALLEN KRIEGLER purchased postal products at United States Post Offices using checks drawn on accounts that were closed, did not contain sufficient funds to pay for the purchases, and/or on accounts on which “stop payment” orders had been issued after the checks had been presented.

3. Between on or about June 13, 2007 and on or about March 23, 2009, defendant NATHAN ALLEN KRIEGLER passed a total of 30 worthless checks at United States Post Offices in the Eastern District of Pennsylvania in exchange for approximately \$86,229 worth of postage stamps.

4. On or about the following dates, in the Eastern District of Pennsylvania, and elsewhere, defendant NATHAN ALLEN KRIEGLER knowingly stole and converted to his own use, a thing of value of the United States by passing the following worthless checks to the United States Postal Service in payment for postage stamps:

COUNT	DATE	ACCOUNT NAME	FINANCIAL INSTITUTION	CHECK NO.	CHECK AMOUNT	POST OFFICE LOCATION
7	9/27/07	Synergy Graphics	Willow Financial/ Harleysville National	200	\$2,091	Southampton, PA
8	8/11/08	CMYK Graphics	Public Savings Bank	1022	\$3,420	Bustleton Station, Philadelphia, PA

COUNT	DATE	ACCOUNT NAME	FINANCIAL INSTITUTION	CHECK NO.	CHECK AMOUNT	POST OFFICE LOCATION
9	11/3/08	Huntingdon Valley School of Graphics, Inc.	Bank of America	12501	\$3,150	Bensalem, PA
10	11/20/08	Heating & Air Pro, LLC	Bank of America	6860	\$3,402	Southampton, PA
11	1/22/09	N. Kriegler LLC	Stonebridge Bank	540	\$5,250	Richboro, PA
12	1/22/09	Fresh Start Contracting, Inc.	Conestoga Bank	2506	\$4,200	Bensalem, PA
13	2/6/09	HV Mailing and Consulting	Susquehanna Bank	6057	\$4,200	Warminster, PA
14	2/23/09	All American Printing	National Penn Bank	6501	\$3,150	Levittown, PA

All in violation of Title 18, United States Code, Section 641.

COUNTS FIFTEEN THROUGH TWENTY

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1, 2, 4 though 6, and 8 through 11 of Count One of this indictment are incorporated here.

2. From on or about September 21, 2007 to on or about March 23, 2009, the defendant

NATHAN ALLEN KRIEGLER

devised and intended to devise a scheme and artifice to defraud and obtain money by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that the defendant NATHAN ALLEN KRIEGLER obtained United States postage stamps from the USPS by knowingly providing as payment checks drawn on accounts that were closed, did not contain sufficient funds, and/or on accounts on which “stop payment” orders had been issued. Defendant KRIEGLER then offered these United States postage stamps, which he did not rightfully own or possess, for sale to buyers throughout the United States on eBay.

4. Between on or about September 21, 2007 and on or about March 23, 2009, defendant NATHAN ALLEN KRIEGLER sold hundreds of thousands of United States postage stamps through approximately 613 separate listings on eBay using the names “dice_man_777,” “cmyk3103,” “215matt3103,” “apluscheckcashing,” and “judienate18966” at purchase prices totaling approximately \$89,526.37.

5. On or about each of the dates listed below, in the Eastern District of Pennsylvania and elsewhere, defendant

NATHAN ALLEN KRIEGLER,

for the purpose of executing the scheme described above, knowingly transmitted, or caused to be transmitted, by means of wire communication in interstate commerce the signals and sounds described below, each transmission being a separate count:

COUNT	DATE	DESCRIPTION OF WIRE
15	9/21/2007	62 listings for auction on eBay, through user name "dice_man_777," for Rolls of 100 41-cent U.S. postage stamps
16	8/11/2008	137 listings for auction on eBay, through user name "cmyk3101," for Rolls of 100 42-cent U.S. postage stamps
17	8/13/2008	9 listings for auction on eBay, through user name "215matt3103," for Rolls of 100 42-cent U.S. postage stamps
18	8/14/2008	4 listings for auction on eBay, through user name "apluscheckcashing," for Rolls of 100 42-cent U.S. postage stamps
19	3/13/2009	11 listings for auction on eBay, through user name "judienate18966," for Rolls of 100 42-cent U.S. postage stamps
20	3/23/2009	1 listing for auction on eBay, through user name "judienate18966," for Rolls of 100 42-cent U.S. postage stamps

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

A TRUE BILL:

GRAND JURY FOREPERSON

MICHAEL L. LEVY
UNITED STATES ATTORNEY