

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) No. 18 CR 782
)
) Violations: Title 18, United States Code,
) Sections 1343 and 1957
MICHAEL PUGLISI)

COUNT ONE

The SPECIAL JUNE 2018 GRAND JURY charges:

1. At times material to this Indictment:

 a. Company A was an automobile parts company with headquarters in the Northern District of Illinois.

 b. Company A retained the services of other companies in importing automobile parts from overseas as a part of its normal course of business.

 c. Defendant MICHAEL PUGLISI was Company A's chief financial officer and accounting manager with responsibility for Company A's accounting functions, including: paying bills, making entries in Company A's QuickBooks accounting program, and preparing financial statements.

2. Beginning no later than in or around July 2013, and continuing until in or around April 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL PUGLISI,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud and obtain money from Company A by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described in the following paragraphs.

3. It was part of the scheme that defendant PUGLISI fraudulently incorporated, or caused to be incorporated, in the states of Illinois and Indiana shell companies named, Apex Shipping, C & R Custom Brokers, and DPIF IL 4 Libertyville, LLC, which names closely resembled or were identical to the names of actual Company A vendors, but which provided no goods or services to Company A.

4. It was further part of the scheme that, in the course of carrying out his responsibilities with Company A, and knowing that Company A did no actual business with the shell companies he had created, defendant PUGLISI fraudulently caused Company A to issue checks made payable to the shell companies (“the scheme checks”).

5. It was further part of the scheme that defendant PUGLISI opened bank accounts in the names of the shell companies and then deposited the scheme checks into these bank accounts, which he controlled, knowing he was not entitled to the funds.

6. It was further part of the scheme that defendant PUGLISI transferred funds derived from the scheme checks to his personal bank accounts and later transferred some of these stolen funds from these personal accounts to his investment accounts.

7. It was further part of the scheme that defendant PUGLISI made false entries in Company A’s accounting reports and financial statements to conceal his theft of Company A’s funds.

8. It was further part of the scheme that as a result of his actions, defendant PUGLISI caused a loss to Company A of at least approximately \$700,000.

9. It was further part of the scheme that defendant PUGLISI concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence, purpose, and acts done in furtherance of the scheme.

10. On or about December 16, 2015, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL PUGLISI,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, and signals, namely, an email to Company A's chief executive officer advising that Company A's monthly accounting reports were available for review, which unbeknownst to the chief executive officer, defendant PUGLISI had altered to conceal his theft of Company A funds;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

The SPECIAL JUNE 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this Indictment are incorporated here.
2. On or about March 15, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL PUGLISI,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, and signals, namely, an email to Company A's chief executive officer advising that Company A's final 2016 financial statements were available for review, which unbeknownst to the chief executive officer, defendant PUGLISI had altered to conceal his theft of Company A funds;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE

The SPECIAL JUNE 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this Indictment are incorporated here.
2. On or about May 11, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL PUGLISI,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, and signals, namely, an email to Company A's chief executive officer advising that Company A's monthly accounting reports were available for review, which unbeknownst to the chief executive officer, defendant PUGLISI had altered to conceal his theft of Company A funds;

In violation of Title 18, United States Code, Section 1343.

COUNT FOUR

The SPECIAL JUNE 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this Indictment are incorporated here.
2. On or about June 14, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

MICHAEL PUGLISI,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, and signals, namely, an email to Company A's chief executive officer advising that Company A's monthly accounting reports were available for review, which unbeknownst to the chief executive officer, defendant PUGLISI had altered to conceal his theft of Company A funds;

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE

The SPECIAL JUNE 2018 GRAND JURY further charges:

On or about February 17, 2016, in the Northern District of Illinois, Eastern Division,

MICHAEL PUGLISI,

defendant herein, knowingly engaged and attempted to engage in a monetary transaction affecting interstate commerce and involving criminally derived property of a value greater than \$10,000, in that defendant PUGLISI caused check #1022 in the amount of \$13,000 made payable to MICHAEL PUGLISI to be drawn on Apex Shipping's account at the PNC Bank and deposited in defendant PUGLISI's personal account X1398 at the BMO Harris Bank, such property having been derived from specified unlawful activity, namely, wire fraud as charged in Count One of this Indictment, in violation of Title 18, United States Code, Section 1343;

In violation of Title 18, United States Code, Section 1957(a).

COUNT SIX

The SPECIAL JUNE 2018 GRAND JURY further charges:

On or about February 27, 2017, in the Northern District of Illinois, Eastern Division,

MICHAEL PUGLISI,

defendant herein, knowingly engaged and attempted to engage in a monetary transaction affecting interstate commerce and involving criminally derived property of a value greater than \$10,000, in that defendant PUGLISI caused a check in the amount of \$18,014 made payable to MICHAEL PUGLISI to be drawn on C & R Custom Broker's account at the BMO Harris Bank and deposited in defendant PUGLISI's personal account X6839 at the JP Morgan Chase Bank, such property having been derived from specified unlawful activity, namely, wire fraud as charged in Count One of this Indictment, in violation of Title 18, United States Code, Section 1343;

In violation of Title 18, United States Code, Section 1957(a).

COUNT SEVEN

The SPECIAL JUNE 2018 GRAND JURY further charges:

On or about February 14, 2018, in the Northern District of Illinois, Eastern Division,

MICHAEL PUGLISI,

defendant herein, knowingly engaged and attempted to engage in a monetary transaction affecting interstate commerce and involving criminally derived property of a value greater than \$10,000, in that defendant PUGLISI caused check #1063 in the amount of \$30,000 made payable to MICHAEL PUGLISI drawn on Apex Shipping's account at the PNC Bank and deposited in defendant PUGLISI's personal account X6839 at the JP Morgan Chase Bank, such property having been derived from specified unlawful activity, namely, wire fraud as charged in Count One of this Indictment, in violation of Title 18, United States Code, Section 1343;

In violation of Title 18, United States Code, Section 1957(a).

FORFEITURE ALLEGATION

The SPECIAL JUNE 2018 GRAND JURY further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1343, as set forth in this Indictment, defendant shall forfeit to the United States of America any property which constitutes and is derived from proceeds traceable to the offense, as provided in Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. The property to be forfeited includes, but is not limited to, at least approximately \$740,747 in United States currency.

3. If any of the property described above, as a result of any act or omission by a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code Section 853(p).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY