

UNITED STATES DISTRICT COURT
for the
District of New Jersey

ORIGINAL FILED
MAY 15 2023
CLERK, U.S. DISTRICT COURT - DNJ

United States of America)
v.)
Austin T. Mahan)
)
)
)
)
)

Case No.
23-mj-2046 (AMD)

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.
On or about the date(s) of between Sept 2022 and Feb 2023 in the county of Cape May County in the
 District of New Jersey , the defendant(s) violated:

Code Section
Title 18 U.S.C. Sections 1711 & 2

Offense Description
Misappropriation of Postal Funds
See Attachment A

This criminal complaint is based on these facts:
See Attachment B

Continued on the attached sheet.


Complainant's signature
Justin Lynch, USPS-OIG Special Agent
Printed name and title

Sworn to before me and signed in my presence.

Date: MAY 15, 2023


Judge's signature
Hon. Ann Marie Donio, U.S.M.J.
Printed name and title

City and state: Camden, New Jersey

CONTENTS APPROVED

UNITED STATES ATTORNEY

A handwritten signature in blue ink, appearing to read "S.A. Aliabadi".

By: Sara A. Aliabadi
Assistant U.S. Attorney

Date: May 15, 2023

ATTACHMENT A

COUNT ONE

(Misappropriation of Postal Funds)

Between in or around September 2022 and in or around February 2023, in Cape May County, in the District of New Jersey and elsewhere, the defendant,

AUSTIN T. MAHAN,

being a United States Postal Service Employee, did use, convert to his own use, and exchange for other property, without authority, money and property that came into his hands and under his control in any manner, namely, over \$1,000 in Postal Service funds, in the execution and under color of his office, employment, and service.

In violation of Title 18, United States Code, Section 1711 and Section 2.

ATTACHMENT B

I, Justin Lynch, am a Special Agent with the United States Postal Service, Office of Inspector General (“USPS-OIG”). 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, photographs and video recordings of the evidence. Because this Complaint is being submitted for the limited purpose of establishing probable cause, I have not set forth each and every fact that I know concerning this investigation. The contents of documents and the actions, statements, and conversations of the individuals referenced herein are provided in substance and in part, unless otherwise indicated. Where I assert that an event took place on a particular date and time, I am asserting that it took place on or about the date and time alleged. Dollar amounts, and other figures cited herein are approximations.

Relevant Individuals and Entities

1. At varying times between in or around September 2022 and in or around February 2023, Austin T. Mahan (“MAHAN”) was employed by the United States Postal Service (“USPS” or “Postal Service”) as a Supervisor, Customer Service, at either the United States Post Offices (“USPOs”) located in Sea Isle City, New Jersey (“Sea Isle City USPO”), Somers Point, New Jersey (“Somers Point USPO”), and Atlantic City, New Jersey (“Atlantic City USPO”).

2. Bank-1 was a “financial institution,” as that term is defined in Title 18, United States Code, Section 20, offering, among other things, credit cards, checking, savings, and investment accounts to its customers. Bank-1’s deposits were insured by the Federal Deposit Insurance Corporation (“FDIC”).

3. Bank-1 was the issuing bank for all USPS Purchase Cards, which are credit cards that certain USPS employees may use to access and spend Postal Service funds on approved expenses related to official USPS business. USPS employees who have been given Purchase Card buying authority (*i.e.*, USPS Purchase Card cardholders) may use their Purchase Cards in accordance with the USPS purchase card policies and procedures. USPS Purchase Card cardholders are required to obtain supervisory USPS approval for their purchases and must maintain supporting records for three years.

4. Retail Store-1 was a home improvement store offering, among other things, the ability to purchase home improvement supplies, home décor items, tools, and a variety of gift cards.

5. Retail Store-2 was a home improvement store offering, among other things, the ability to purchase home improvement supplies, home décor items, tools, and a variety of gift cards.

6. Retail Store-3 was an office supply store offering, among other things, the ability to purchase office supplies, electronics, and a variety of gift cards.

7. Retail Store-4 was a grocery store offering, among other things, the ability to purchase food and domestic supplies.

8. Retail Store-5 was an auto parts supplier offering, among other things, the ability to purchase numerous auto parts for a variety of vehicles.

9. Retail Store-6 was a multinational department store offering, among other things, the ability to purchase food, clothing, electronics, and a variety of gift cards.

10. The aforementioned Retail Stores operated retail locations in multiple states, including New Jersey.

Summary of Investigation

11. Between December 2021 and March 2022, Bank-1 issued two USPS Purchase Cards (collectively, "USPS Purchase Cards") to MAHAN. One of the cards was issued to MAHAN at the Sea Isle City USPO and the other card was issued to MAHAN at the Somers Point USPO.

12. In or around February 2023, law enforcement officers were notified by an employee of the Sea Isle City USPO ("Witness-1") of a large volume of suspected fraudulent transactions that had occurred on one or both of MAHAN's USPS Purchase Cards, including over \$20,000 worth of transactions at Retail Store-1, Retail Store-2, and Retail Store-3.

13. Witness-1 advised law enforcement officers that, in Witness-1's view, MAHAN had violated the applicable USPS Purchase Card rules and regulations. According to Witness-1, MAHAN did not submit all of the required requests for USPS supervisory approval for the identified suspicious transactions. In addition, MAHAN did not provide the required documentary support for the identified suspicious transactions, and some of these transactions had occurred on days when MAHAN was on vacation or otherwise on leave from his position at the USPS. Witness-1 advised that Witness-1 was suspicious of MAHAN's purchases based on their associated vendors, dollar values, and frequency, and Witness-1 suspected that MAHAN did not have a legitimate USPS business need for all of MAHAN's USPS purchase transactions, as required by USPS policy.

14. In or around February 2023, law enforcement officers obtained financial records and credit card transaction information from Bank-1 regarding MAHAN's USPS Purchase Cards. Based on their analysis of these records, law enforcement officers determined that approximately \$65,000

worth of purchase transactions had occurred on one or both of MAHAN's USPS Purchase Cards from December 2021 through February 2023, including at Retail Store-1, Retail Store-2, Retail Store-3, Retail Store-4, Retail Store-5, and Retail Store-6. The vast majority of these purchase transactions appeared to be unsupported by a legitimate USPS business need, and MAHAN had not received USPS supervisory approval for these transactions, as was required by the USPS policy regarding the use of USPS Purchase Cards.

15. Law enforcement officers also determined that both the frequency of the transactions and the dollar value of the transactions were relatively low from in or about December 2021 to in or about September 2022, with an average of four transactions a month during that span. Over the next few months, from in or about October 2022 to in or about January 2023, both the frequency of transactions and dollar value of transactions quickly accelerated. During this latter timeframe, that is, from in or about October 2022 to in or about January 2023, approximately 207 transactions took place on MAHAN's USPS Purchase Cards in total.

16. Law enforcement officers' analysis of the financial records provided by Bank-1 for MAHAN's USPS Purchase Cards, together with other information and records reviewed by law enforcement officers, reflected the following:

- a. Approximately \$21,770 worth of purchases on MAHAN's USPS Purchase Cards occurred at Retail Store-1. MAHAN did not submit any purchase requests or provide any receipts for these purchases, as required by the applicable USPS policies and procedures for USPS Purchase Cards.
- b. Approximately \$18,520 worth of purchases on MAHAN's USPS Purchase Cards occurred at Retail Store-2. MAHAN did not submit any purchase requests or provide any receipts for these purchases, as required by the applicable USPS policies and procedures for USPS Purchase Cards.
- c. Approximately \$11,358 worth of purchases on MAHAN's USPS Purchase Cards occurred at Retail Store-3. MAHAN did not submit any purchase requests or provide any receipts for these purchases, as required by the applicable USPS policies and procedures for USPS Purchase Cards.
- d. Approximately \$23,173 worth of the purchases on MAHAN's USPS Purchase Cards that occurred at Retail Store-1, Retail Store-2, Retail Store-3, and Retail Store-6, were for gift cards from various gift card providers including Visa, Mastercard, and other providers.
- e. Approximately half of the transactions at Retail Store-1, as well as the majority of transactions at Retail Store-2, consisted of home

renovation materials, home décor items, power and handheld tools, and tool storage equipment.

Sample Purchase Transactions at Retail Stores 1 Through 6

17. Most, if not all, of the purchase transactions on MAHAN's USPS Purchase Cards from September 2022 to February 2023 appeared to be unsupported by a legitimate USPS business need. For example, on or about September 14, 2022, a purchase transaction occurred at Retail Store-4 on one of MAHAN's USPS Purchase Cards in the amount of approximately \$495.93. As reflected in the corresponding store receipt, this transaction involved the purchase of a variety of personal grocery items including men's deodorant, men's shave cream, men's shampoo, mouthwash, toothpaste, eye drops, Axe body spray, melatonin, and numerous food products. The Retail Store-4 rewards account associated with this purchase was in the name of "AUSTIN T MAHAN."

18. On or about September 15, 2022, a purchase transaction occurred at Retail Store-5 on one of MAHAN's USPS Purchase Cards in the amount of approximately \$193.22. The transaction records from the store reflected that approximately \$99.99 of the purchase consisted of LED fog lights. Law enforcement officers learned that MAHAN's only registered vehicle during the relevant timeframe was a 2015 Jeep Grand Cherokee ("The Registered Vehicle"), and Retail Store-5's website confirmed that the particular LED fog light bulb type that was purchased with MAHAN's USPS Purchase Card was the same fog light bulb type that is required by the Registered Vehicle.

19. On or about October 16, 2022, a purchase transaction occurred at Retail Store-6 on one of MAHAN's USPS Purchase Cards in the amount of approximately \$410.38. As reflected in the corresponding store receipt, this transaction involved the purchase of gift cards.

20. On or about December 21, 2022, a purchase transaction occurred in the amount of approximately \$479.80 for the purchase of a Dyson V10 Cordless Vacuum at Retail Store-2's website on one of MAHAN's USPS Purchase Cards. Records reflect that a Retail Store-2 account in the name of "Austin Mahan," with MAHAN's personal phone number and email address listed, placed the order. The order was shipped by Retail Store-2 to an address in Cape May Courthouse, New Jersey, which is known to law enforcement officers as being the address of MAHAN's personal residence.

21. On or about January 20, 2023, approximately four in-person transactions occurred at Retail Store-1 on MAHAN's USPS Purchase Cards, approximately thirteen online transactions occurred on Retail Store-2's website on MAHAN's USPS Purchase Cards, and approximately five in-person transactions occurred at Retail Store-3 on MAHAN's USPS Purchase Cards.

The total dollar value of all of these transactions was approximately \$5,659.94, of which approximately \$3,500 consisted of gift cards. Further analysis of records and items revealed the following:

- a. At approximately 4:42 p.m. on January 20, 2023, the first of four consecutive in-person transactions occurred at Retail Store-1 on one of MAHAN's USPS Purchase Cards in the amount of approximately \$470.85. The corresponding store receipt reflected that the entire purchase was for gift cards and card activation fees.
- b. Law enforcement officers obtained surveillance video footage from Retail Store-1, which depicted MAHAN himself conducting all four of the transactions in-person transactions at Retail Store-1 on January 20, 2023, with the USPS Purchase Card visible on video.
- c. Retail Store-1's surveillance video footage from on or about January 20, 2023 also depicted MAHAN conducting the in-store pickup portion of multiple online orders that had been placed on Retail Store-1's website, through a user account in the name of MAHAN, using one of MAHAN's USPS Purchase Cards. Exterior surveillance video depicted MAHAN driving The Registered Vehicle to Retail Store-1 and then parking in the fire lane in front of the store. MAHAN then loaded the items into The Registered Vehicle and left the store. According to the corresponding store receipt and surveillance video footage, the items purchased included a large power table saw.

22. On or about January 25, 2023, approximately ten transactions (four in person and six online) occurred at Retail Store-1 on MAHAN's USPS Purchase Cards, and approximately twelve transactions (three in person and nine online) occurred at Retail Store-2 on MAHAN's USPS Purchase Cards. The total dollar value of all of these transactions was approximately \$5,502.04, of which approximately \$2,075 consisted of gift cards. Further analysis of records and items revealed the following:

- a. At approximately 2:00 p.m. on January 25, 2023, the first of four in-person transactions occurred at Retail Store-1 on one of MAHAN's USPS Purchase Cards in the amount of approximately \$548.15. The corresponding store receipt reflected that approximately \$150 of the purchase consisted of a gift card.
- b. Law enforcement officers obtained surveillance video footage from Retail Store-1, which depicted MAHAN himself conducting all four of the in-person purchase transactions at Retail Store-1 on January 25, 2023, with the USPS Purchase Card visible on video. In total, these four purchases included the purchase of

approximately \$1,475 worth of gift cards as well as thousands of dollars' worth of power tools. Surveillance video on this date also captured MAHAN conducting the in-store pickup portion of multiple orders that were placed online from Retail Store-1's website by a user account in the name of MAHAN. According to the corresponding online receipt, the items purchased included accessories and batteries for power tools.

- c. At approximately 8:25 p.m., an in-person purchase transaction occurred at Retail Store-2 on one of MAHAN's USPS Purchase Cards in the amount of approximately \$471.75. The corresponding store receipt reflected that approximately \$300 of this transaction consisted of gift cards. The remainder of the transaction consisted of batteries and tools. Law enforcement officers obtained surveillance video footage from Retail Store-2, which depicted MAHAN himself conducting the purchase transaction.

USPS Records Regarding MAHAN's Purchase Card Approvals, Training, and Work Attendance

23. Law enforcement officers obtained and reviewed records regarding the history of MAHAN's USPS eBuyPlus accounts. eBuyPlus is the system used by USPS employees to submit purchase requests for supervisory approval before buying an item with a USPS Purchase Card.

24. MAHAN's eBuyPlus history records for the USPS Purchase Card that was assigned to him at the Sea Isle City USPO reflected that there were only approximately two purchase requests related to transactions on the card. By contrast, financial records, credit card records, and records received from the retail stores described herein reflected that approximately 69 transactions occurred on that USPS Purchase Card during the period of my investigation.

25. MAHAN did not have an eBuyPlus history for the USPS Purchase Card that was assigned to him at the Somers Point USPO. Based on my knowledge of the eBuyPlus system, I understand this to mean that MAHAN never submitted any purchase requests for that card. By contrast, financial records, credit card records, and records received from the six retail stores described herein reflected that approximately 172 transactions actually occurred on that USPS Purchase Card during the period of my investigation.

26. Law enforcement officers obtained and reviewed MAHAN's official USPS training records and learned that, on or about October 27, 2021, MAHAN completed the USPS training course titled "Purchase Card Program Training."

27. Law enforcement officers obtained and reviewed the underlying training materials from the "Purchase Card Program Training" course. Among

other things, these training materials state, in sum and substance, “Purchasing other forms of credit or debit as listed below (to include gift cards) with the Purchase Card to pay for day-to-day local operations of goods and services is prohibited. Misuse of Purchase Card local buying authority includes employee fraud and intentional employee misuse. The individual is responsible for all liabilities and legal and/or disciplinary action.”

28. Law enforcement officers obtained and reviewed MAHAN’s official USPS time and attendance records. Based on their review of these records, law enforcement officers observed that there were several dates when MAHAN’s USPS Purchase Cards were used to purchase items, even though MAHAN was not working. For example:

- a. On or about February 3, 2023, MAHAN took annual leave, reflecting that he was on vacation or otherwise was not working on that date. MAHAN’s USPS Purchase Card history reflects that approximately \$148.88 worth of purchases occurred on this date on Retail Store-1’s website, using MAHAN’s store account.
- b. On or about February 1, 2023, MAHAN took annual leave. MAHAN’s USPS Purchase Card history reveals that approximately \$245.75 worth of purchases occurred on this date on Retail Store-1’s website, using MAHAN’s store account.
- c. On or about January 21, 2023, MAHAN took annual leave. MAHAN’s USPS Purchase Card history reveals that approximately \$2,173.92 worth of online purchases occurred on this date through Retail Store-1’s website and Retail Store-2’s website, using MAHAN’s store accounts.
- d. On or about January 20, 2023, MAHAN took annual leave. MAHAN’s USPS Purchase Card history reveals that approximately \$5,659.94 worth of purchases occurred on this date, including approximately \$3,500 in gift cards, both in person and online at Retail Store-1 and Retail Store-2, and in person at Retail Store-3. All online orders were placed with MAHAN’s store accounts. Surveillance video captured MAHAN purchasing the gift cards on this date from Retail Store-1 and Retail Store-2.
- e. January 16, 2023 was a federal holiday. MAHAN’s USPS Purchase Card history reveals that approximately \$82.08 worth of online purchases occurred on or about this date, on Retail Store-1’s website, using MAHAN’s store account.
- f. On or about January 14, 2023, MAHAN took annual leave. MAHAN’s USPS Purchase Card history reflected that approximately

\$222.72 worth of online purchases occurred on this date on Retail Store-1's website using MAHAN's store account.

- g. November 24, 2022 was a federal holiday. MAHAN's USPS Purchase Card history reveals that approximately \$375.92 worth of purchases occurred on this date on Retail Store-1's website using MAHAN's account with Retail Store-1.
- h. October 29, 2022 was a Saturday and a regularly scheduled leave day for MAHAN. MAHAN's USPS Purchase Card history reveals that approximately \$418.29 worth of purchases occurred on this date, including approximately \$150 in gift cards, at Retail Store-2. Law enforcement officers obtained surveillance video that depicted MAHAN purchasing the gift cards on this date from Retail Store-2.