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**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

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UNITED STATES OF AMERICA : **CRIMINAL COMPLAINT**  
 :  
 v. : Honorable José R. Almonte  
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 JOSE PENA : Mag. No. 25-16013  
 :  
 : **FILED UNDER SEAL**

I, Kevin Koger, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

**SEE ATTACHMENT A**

I further state that I am a Special Agent with the United States Secret Service, and that this complaint is based on the following facts:

**SEE ATTACHMENT B**

/s/ Kevin Koger /JS  
Kevin Koger, Special Agent  
U.S. Secret Service

*Special Agent Kevin Koger attested to this Affidavit by telephone pursuant to FRCP 4.1(b)(2)(A) on January 31, 2025*

Honorable José R. Almonte  
United States Magistrate Judge

/s/ Jose R. Almonte /JS  
Signature of Judicial Officer

**ATTACHMENT A**

**COUNT 1**  
**(Conspiracy to Commit Wire Fraud)**

From at least as early as in or around June 2018 through at least as recently as in or around September 2020, in Middlesex County, in the District of New Jersey, and elsewhere, the defendant,

**JOSE PENA,**

did knowingly and intentionally conspire and agree with others to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice to defraud, to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, writings, signs, signals, and sounds, contrary to Title 18, United States Code, Section 1343.

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

## **ATTACHMENT B**

I, Kevin Koger, am a Special Agent with the United States Secret Service. 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, and other items of evidence. Where statements of others are related herein, they are related in substance and part. Because this Complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know concerning this investigation. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

### **Background**

1. At times relevant to this Complaint:

a. Williams Sonoma, Inc. (“WSI”) was incorporated in 1973 and has described itself as an “omni-channel specialty retailer of high-quality products for the home.” WSI was headquartered in San Francisco, California, and sold products under several brands, including Williams-Sonoma, Pottery Barn, West Elm, Rejuvenation, and Mark and Graham. WSI sold merchandise to consumers via websites, direct-mail catalogs, and operated more than 500 retail stores in the United States, Puerto Rico, Canada, Australia, and the United Kingdom.

b. WSI maintained distribution centers throughout the United States responsible for handling last-mile deliveries of WSI products to customers within each center’s surrounding geographic area. WSI maintained one such distribution center in Cranbury, New Jersey, which was responsible for handling last-mile deliveries of WSI goods to customers within New Jersey and the New York City metropolitan area (the “Cranbury Facility”).

c. Company-1 was a national transportation and logistics company incorporated in the state of Florida.

d. Company-2 was a trucking firm based in Manalapan, New Jersey.

e. WSI contracted with outside firms, including Company-1 and Company-2, to provide last-mile delivery services of WSI merchandise to customers from the Cranbury Facility. Company-1, in turn, contracted with multiple smaller trucking firms to complete these last-mile deliveries (the “Company-1 Subcontractors”).

f. Certain Company-1 employees were responsible for submitting to Company-1 billing requests for work done by the Company-1 Subcontractors. Those requests would in turn be transmitted from

Company-1 to WSI. WSI would pay Company-1 for the work of the Company-1 Subcontractors based on these billing requests, and Company-1 would in turn pay the Company-1 Subcontractors for that work in accordance with the contract between Company-1 and the Company-1 Subcontractors.

g. Defendant JOSE PENA was a resident of Perth Amboy, New Jersey. PENA owned and operated a trucking firm (“PENA Firm-1”), which was one of the Company-1 Subcontractors.

h. Raymond DeLeon, who has previously pleaded guilty to participating in this conspiracy, was a resident of Ridgefield Park, New Jersey. DeLeon worked for Company-1 until in or around May 2023 as an operations general manager at the Cranbury Facility.

i. Cintia Elaxcar, who has previously pleaded guilty to participating in this conspiracy, was a resident of Perth Amboy, New Jersey. Elaxcar was employed by Company-1 at various times until in or around May 2021 as a billing and dispatch coordinator. Among other duties, Elaxcar was one of the Company-1 employees responsible for entering Company-1 Subcontractor delivery records into the WSI System in order to facilitate payment from WSI to Company-1 and, in turn, to the Company-1 Subcontractors.

j. CC-1 was a New Jersey resident. CC-1 worked for WSI as a regional director of operations.

k. CC-2 was New Jersey resident. CC-2 worked for PENA and as a manager for PENA Firm-1 and served as a principal of PENA Firm-1.

l. CC-3 was a New Jersey resident. CC-3 worked for Company-1 as an operational supervisor at the Cranbury Facility.

m. CC-4 was a New Jersey resident. CC-4 worked for WSI as a manager and reported directly to CC-1.

### **Overview of the Conspiracy**

2. From at least as early as in or around June 2018 through at least as recently as in or around June 2024, PENA, DeLeon, Elaxcar, CC-1, CC-2, CC-3, CC-4, and others known and unknown (collectively, the “Conspirators”) devised and executed a scheme to embezzle funds from WSI (the “Conspiracy”). Through in or around September 2020, the Conspirators did so by causing Company-1 to submit fraudulent billing requests to WSI reflecting fictitious work purportedly done by the Company-1 Subcontractor Conspirators. These fraudulent billing requests caused WSI to tender payment to Company-1—and Company-1, in turn, to tender payment to the Company-1 Subcontractor

Conspirators—for work that the Company-1 Subcontractor Conspirators did not actually do. This portion of the Conspiracy will be referred to herein as the “Company-1 Scheme.” From in or around September 2021 through at least as recently as in or around June 2024, a subset of the Conspirators, including PENA, CC-1, CC-2, and others known and unknown, continued to submit fraudulent billing requests directly to WSI through a different trucking company functionally controlled by PENA, which I’ll refer to as “PENA Firm-2.” This portion of the Conspiracy, described in more detail below, will be referred to herein as the “PENA Firm-2 Scheme.”

3. In exchange for the facilitation of these fraudulent payments, the Company-1 Subcontractor Conspirators, including PENA, CC-2, and others, paid kickbacks in cash and other things of value to both WSI Employee Conspirators, including at least CC-1 and CC-4, and, during the pendency of the Company-1 Scheme, Company-1 Employee Conspirators, including at least DeLeon, Elaxcar, and CC-3.

### **The Company-1 Scheme**

4. As part of the Company-1 Scheme, the Conspirators devised multiple ways to generate and submit fraudulent billing requests:

a. Elaxcar submitted billing requests seeking payment to Company-1 Subcontractor Conspirators for completing deliveries that Company-2 personnel had in fact completed. In this way, the Conspirators defrauded WSI into paying for any of the same deliveries twice. This portion of the Company-1 Scheme, which I refer to in this Affidavit as the “Double-Billing Scheme” for ease of reference, alone caused WSI to sustain over \$3.6 million in losses.

b. Beyond the Double-Billing Scheme, Elaxcar and the Employee Conspirators submitted billing requests that were fraudulent in numerous other respects. For example, the contract between WSI and Company-1 provided for additional payment for deliveries that required an additional crew member (so-called “Third Person Payments”) and for deliveries that were especially difficult (so-called “Difficult Payments”). Elaxcar and the Employee Conspirators would submit requests for additional payment falsely claiming that certain deliveries either involved an additional crew member, were especially difficult, or both. As another example, WSI would pay for Company-1 or its subcontractors to set aside a certain number of trucks per day on “stand-by,” meaning that those trucks did not have a set delivery route for the day but were designated as available in case they were needed on an emergency basis (“Stand-By Trucks”). Elaxcar and the Employee Conspirators would submit requests for payment falsely claiming that a certain number of trucks were designated as Stand-By Trucks by Company-1 Subcontractors (almost exclusively by PENA’s firm,

PENA Firm-1) when, in reality, a significantly fewer number of trucks, if any, were actually standing by and available for emergency routes. In other instances, Elaxcar and the Employee Conspirators would simply fabricate deliveries and submit billing requests for them.

### **The Double-Billing Scheme**

5. Analysis conducted by WSI and Company-1 and reviewed by law enforcement establishes that Elaxcar submitted fraudulent billing requests to WSI for around 17,000 deliveries that were in fact completed by Company-2 between in or around June 2018 and in or around September 2020, but which Elaxcar falsely claimed to have been completed by around ten Company-1 Subcontractor Conspirators. These fraudulent billing requests caused WSI to suffer over \$3.6 million in losses by being defrauded into paying twice for thousands of the same deliveries.<sup>1</sup>

6. That analysis reveals that around ten Company-1 Subcontractor Conspirators received fraudulent payments through this scheme. Of these, PENA was by far the largest beneficiary. 94 percent of the total number of fraudulent billing requests falsely claimed PENA's firm as having completed those deliveries, and PENA received approximately \$2.3 million of the approximate total \$2.9 million—or around 82 percent—that was disbursed to the beneficiaries of the Double-Billing Scheme. (By way of comparison, the next-largest beneficiary of the Double-Billing Scheme received a total of approximately \$290,000 in fraudulent payments from the scheme, representing approximately 2.8 percent of the total number of Elaxcar's fraudulent billing requests.)

### **PENA's Kickbacks to Elaxcar, DeLeon, and CC-1**

7. Evidence obtained by law enforcement shows that PENA paid hundreds of thousands of dollars in payments to DeLeon, Elaxcar, and CC-1 during the pendency of the Company-1 Scheme. There was no legitimate reason known to law enforcement for these payments, and CC-1 was prohibited by WSI's internal policies, and DeLeon and Elaxcar by Company-1's internal policies, from accepting these payments.

### **Kickback Payments to Elaxcar**

8. Bank records and other evidence obtained during this investigation show that PENA, assisted by CC-2, paid Elaxcar hundreds of thousands of dollars in kickbacks during the Conspiracy.

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<sup>1</sup> Although WSI suffered approximately \$3.6 million in losses, Company-1 paid out approximately \$2.9 million to the particular Company-1 Subcontractor Conspirators who benefited from this scheme. The difference of approximately \$700,000 represents Company-1's own fee.

a. Beginning in or around January 2019, Elaxcar deposited more than \$170,000 in checks made payable to cash and drawn against PENA's firm, PENA Firm-1. Elaxcar deposited these checks into an account at "Bank-A," a major financial institution, opened under the name of Elaxcar's mother (the "Elaxcar Bank-A Account"). These checks appear to have been issued each week for the same recurring amount—at first, for \$1,440 per week; then, beginning in or around April 2019, for \$1,700 per week; and then, beginning in or around January 2020, for \$2,000 per week.

b. Law enforcement is aware of no legitimate explanation for the amount and scale of these payments from PENA to Elaxcar, which added up to significantly more than Elaxcar's entire salary at Company-1.

c. PENA and CC-2 were the authorized signatories for the PENA Firm-1 account that issued these checks.

d. Beyond these checks, bank records and further investigation also show that PENA, assisted by CC-2, paid Elaxcar tens of thousands of dollars in cash in additional kickbacks. Elaxcar deposited much, but not all, of this cash into the Elaxcar Bank-A Account.

e. In or around May 2021, Elaxcar gave a written statement to Company-1 personnel in which she admitted her involvement in the Conspiracy. In that statement, Elaxcar admitted, among other things, "that [she] paid extra routes to carriers without being assigned to them"; that she "received cash from" PENA and another Company-1 Subcontractor; that PENA "asked me to help him"; and that she "put routes from [Company-2] and paid to [Company-1]'s carriers from the [Daily Delivery List Software] report." She also noted in the statement that she "apologize[d] for all the things [she] did bad."

#### *Kickbacks Payments to DeLeon*

9. Based on bank records, witness interviews, and other evidence obtained during this investigation also establish that PENA also paid tens of thousands of dollars in kickbacks to DeLeon beginning at least as early as in or around 2017, shortly after DeLeon began working for Company-1. PENA or CC-2 would leave approximately \$300 in cash on a consistent basis under DeLeon's keyboard. As with the payments to Elaxcar, the payments to DeLeon increased over time as well, to approximately \$500 per week.

#### *Kickbacks Payments to CC-1*

10. Evidence obtained in this investigation shows that PENA also paid kickbacks to CC-1.

11. As explained further below, law enforcement has obtained messages between PENA and CC-2 in which PENA instructed CC-2 to make payments to CC-1 and to purchase lavish gifts for CC-1. Messages between PENA and CC-1 himself also discuss the lavish gifts PENA purchased for CC-1.

PENA's and CC-2's Coordination of Kickback Payments

12. Evidence obtained in this investigation shows that PENA and CC-2 coordinated the kickback payments to Elaxcar, DeLeon, and CC-1.

13. For example, and with respect to Elaxcar, on or about May 17, 2019, PENA and CC-2 exchanged the following messages, in which CC-2 provided PENA with the account information for the Elaxcar Bank-A Account, into which Elaxcar deposited the majority of her kickbacks:

PENA	Send me the account number for the deposit
CC-2	[Account number for the Elaxcar Bank-A Account] [First name of Elaxcar's mother, the signatory on that account]

14. Similarly, on multiple occasions, PENA messaged CC-2 instructions on how much cash should be paid to the various Employee Conspirators in kickbacks.

15. For example, on or about June 1, 2018, PENA sent the following text to CC-2:

PENA	[CC-1] \$600 Ray \$500 Cynthia \$1440 [CC-3] \$200 Lunch \$200
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16. Similarly, on or about July 6, 2018, PENA sent the following text to CC-2 (translated from Spanish):

PENA	When you go to the bank, take out \$8000 [CC-1] 2000 Ray 500 [CC-3] 200 Breakfast 200 Your girlfriend 1440
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In context and based on other evidence obtained in this investigation, I believe PENA intended “your girlfriend” to refer to Elaxcar.

17. On or about April 3, 2019, CC-2 sent the following text to PENA(translated from Spanish):

CC-2	Remember the money for [CC-1]
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18. On or about December 8, 2019, CC-2 sent a message to PENA attaching a picture of a Rolex Submariner watch priced at \$13,400 with a message “this is the one he wants.” PENA responded (translated from Spanish): “You know I don’t know about that. But don’t go in and spend all that money. **Buy the one for [CC-1] and that’s it.**” (Emphasis added.)

*PENA’s and CC-1’s Discussion of Kickback Payments*

19. Between 2018 and 2020, PENA and CC-1 exchanged numerous text messages discussing lavish gifts that PENA purchased for CC-1, and other references to PENA’s patronage of CC-1. Law enforcement is unaware of any legitimate reason for PENA, a Company-1 subcontractor, to have purchased these gifts or have these types of discussions with CC-1, who worked for WSI, and had the responsibility of approving the bills sent by Company-1 to WSI.

20. On or about December 20, 2018, PENA texted to CC-1 four tickets to a New York Knicks game at Madison Square Garden in January 2019 with seats located in an expensive section of the arena.

21. On or about May 14, 2019, PENA texted CC-1 offering two tickets to the 2019 PGA Championship.

22. Text messages and other evidence obtained in this investigation show that PENA purchased CC-1 a Chevrolet Tahoe. For example, between on or about June 7, 2019 and June 8, 2019, PENA and CC-1 exchanged the following text messages:

<b>June 7, 2019</b>	
CC-1	You’re the man for what you are doing for me. I really appreciate it. Let me know what day you want to go next week and I’ll make sure I’m available
PENA	Ok I’ll let you know
PENA	I stop by the dealer and everything is ready for Monday afternoon..Your homework over the weekend is to decide the model and color..
CC-1	Ok wha dealer did you go to?
CC-1	I’ll go there and see what they have

PENA	The one in 9 south in old bridge
CC-1	Ok I'll go there tomorrow
CC-1	What model do you like on the Tahoe ?
PENA	I was looking at the Tahoe LT fully loaded signature package
CC-1	Ok. And they got that there
PENA	[Attaching image of dealership salesperson's business card] That's the salesperson that was talking to. They have all models in there. After that one, there is the Tahoe premier just go in there and see what do you like
CC-1	Ok sounds good thanks. I'll go tomorrow and let you know
PENA	Ok thank you
<b>June 8, 2019</b>	
CC-1	I went and saw that guy. Did a test drive on the one you said. It's a really nice truck
PENA	Ok good, all come down to what color do you want
CC-1	Yea they had a black one. That's what I wanted
CC-1	Black on black interior is fine for me
PENA	Ok good

23. On or about February 19, 2020 PENA texted CC-1: "What up [CC-1] By any chance do you any copy of the Tahoe paperwork from the dealer my accountant is asking me for the taxes." CC-1 replied: "I should have it in the truck[.]"

24. On or about October 2, 2019, PENA texted CC-1 the message: "2019 ALDS Home Game 1 [https://tmtickets.page.link/\[redacted\]](https://tmtickets.page.link/[redacted])." Based on training, experience, and investigation, I believe that PENA was using this hyperlink to send CC-1 tickets to the Major League Baseball American League Division Series playoff game at Yankee Stadium on October 4, 2019. And, indeed, on or about October 4, 2019, CC-1 replied to PENA with a picture taken from seats at Yankee Stadium around 20 rows behind home plate. Within moments of CC-1 texting PENA that picture, PENA replied by text: "Enjoy it, good seat!!!!!"

25. On or about November 30, 2019 PENA and CC-1 exchanged the following messages, appearing to refer to extra cash provided by PENA to CC-1:

CC-1	Btw you gave me too much. Why did you do that? You do enough for me.
PENA	So you can go shopping for the baby
CC-1	You didn't have to do that. But thank you I appreciate it
PENA	I appreciate everything you do for us too.

26. On or about December 17, 2019, CC-1 sent the following messages to PENA, directly referring to “thr[owing] another truck” on an invoice on PENA’s behalf:

CC-1	Hey thanks for the guys yesterday. It was a big help
	I threw another truck on this weeks invoices
	Thanks

27. On or about January 1, 2020, PENA and CC-1 exchanged messages yet again acknowledging how they help each other:

PENA	Happy New year [CC-1], May God Bless you and your family thank you for everything you do for us.
CC-1	Happy New Year to you and your family. I appreciate all you do for me

28. On or about March 22, 2020, PENA and CC-1 exchanged similar acknowledgements, and CC-1 alluded to a different WSI employee “know[ing] that something is going on”:

CC-1	Don’t worry I got you. After everything you do for me. I got you.
CC-1	We are family
PENA	You know we are more than family
CC-1	Although I think [CC-4] knows something is going on
CC-1	You have helped me more than anyone and I appreciate you and Jose.
PENA	Don’t worry about him knowing anything he will never say anything to nobody
CC-1	I don’t think I would have gotten through the last year without you guys and I’ll never forget that. Despite what we did with precise
PENA	We are very grateful of what you have done for us and will always appreciate d [sic]
CC-1	I owe you and [CC-2] a lot. And I’ll try and take care of you guys as long as I can
PENA	We thank you a lot

29. On or about April 26, 2020, PENA and CC-1 exchanged the following text messages, in which CC-1 referred to his regular payments from PENA and asked if he could receive money early:

CC-1	Hey man let me ask you a question. I think I'm going to go to Atlanta on Tuesday or so. I want to see my grandfather while he is still in decent shape and upright. I'm looking at flights now. Do you think I can get an get this weeks money early? I want to leave some money for [CC-1's wife] and I need to rent a car and do a few things when I get down there.
PENA	Good morning [CC-1], of course I'll take care you tomorrow are you coming in tomorrow?
CC-1	Thanks man I appreciate it. Yea I'll be in
PENA	Ok good I see you tomorrow.

### **The Conspirators Coordinate and Attempt to Avoid Detection of the Company-1 Scheme**

30. As part of the Conspiracy, the Conspirators shared information and attempted to coordinate with each other so as to facilitate the fraud and avoid detection by WSI and Company-1.

31. For example, Elaxcar – who shared with PENA the password to her Company-1 work device via text message multiple times – consistently kept PENA and CC-2 updated regarding the fraudulent Conspiracy. For instance, on January 23, 2020, Elaxcar warned PENA via text message that reporting the true amount of Difficult Payments that were billed would be a red flag and that DeLeon planned to lie about the issue to his supervisor [translated from Spanish]: “the *difficults* got fixed already and the numbers are going to increase ... Ray [DeLeon] is speaking with [DeLeon's supervisor] to see how much they will give you retroactive, but it will not be the whole amount since Ray [DeLeon] **does not want to give them a real number because it is too big...**”(emphasis added).

32. DeLeon himself warned CC-2 and PENA that the Conspirators could not act too brazenly without getting caught. For example, DeLeon texted Elaxcar in November 2019 that the amount of Stand-By Trucks billed to PENA was unsustainably large and would draw unwanted attention, and that [translated from Spanish] “we have to reduce him the pay so when he goes back up, he doesn't go more than 200k and call for attention.” Elaxcar forwarded this message to CC-2, who then forwarded it to PENA.

33. Despite the Conspirators' best efforts, in or around September and October of 2020, Company-1 conducted an audit of the Cranbury Facility. The Conspirators continued to coordinate with each other in attempt to avoid detection of the fraud.

34. For example, on October 13, 2020, DeLeon messaged Elaxcar while they were on a call with auditors [translated from Spanish]: “think of something for the [accessorial] and 3<sup>rd</sup> man in those routes. They are going to ask. ... think of something, please.”

35. Moreover, while the audit was occurring, on October 1, 2020, Elaxcar sent an email to her personal email address attaching numerous billing spreadsheets containing lists of routes for various dates in July and August 2020. These spreadsheets contained columns identifying the trucking company associated with each route. Many entries in these columns contained a formula that tied back to Company-1’s software and would automatically generate a result based on the company that actually performed the deliveries on that route. However, for numerous entries in the columns, Elaxcar overrode the formula and hard-coded the names of certain Company-1 Subcontractor Conspirators, including many with the name “PENA” hard-coded. Later that same day, Elaxcar forwarded those spreadsheets to PENA and CC-2 from her personal email address.

36. As a result of the audit, WSI and Company-1 discovered that there was fraudulent billing at the Cranbury Facility, and made personnel changes. Certain of the Conspirators lost their jobs with Company-1, including, but not limited to, Elaxcar and DeLeon. Both WSI and Company-1 refused to do further business with certain Company-1 Subcontractor Conspirators, including PENA and his firm, PENA Firm-1.

**The Fraudulent Conspiracy Continues After the Audit via the PENA Firm-2 Scheme**

37. Despite the discovery of the fraud in 2020 by WSI and Company-1 and their refusal to do business any further with PENA, certain of the Conspirators, including PENA, continued to defraud WSI through in or around June 2024.

38. Specifically, law enforcement has learned through investigation that after the October 2020 audit, in or around July 2021, WSI directly contracted with PENA Firm-2 to conduct last-mile deliveries from the Cranbury Facility along with Company-1 and Company-2. Law enforcement has learned that PENA held an ownership interest in PENA Firm-2 throughout this time. Moreover, law enforcement has learned that PENA, knowing full well that he was not permitted to conduct any further business with WSI, hid his ownership interest in PENA Firm-2 from WSI and did not disclose that he was the true owner of PENA Firm-2, despite employing numerous former PENA Firm-1 employees at PENA Firm-2.

39. Through witness interviews and other evidence, law enforcement has learned that it was near common knowledge at the Cranbury Facility that

PENA Firm-2 was controlled by PENA, despite the prohibition on PENA Firm-1 conducting any further business at the Cranbury Facility. A large number of former PENA Firm-1 employees and drivers worked at PENA Firm-2. PENA Firm-2 was managed by CC-2, just as PENA Firm-1 was. When PENA Firm-2 first contracted with WSI to perform deliveries from the Cranbury Facility, one Company-1 employee who worked at the Cranbury Facility witnessed PENA Firm-2 employees ripping stickers that said “[PENA Firm-1] Trucking” off of the delivery trucks, throwing them in the trash, and covering the same trucks in stickers that said “[PENA Firm-2].”

40. PENA, CC-1, CC-2, and others known and unknown continued to defraud WSI through fraudulent billing requests submitted by PENA Firm-2. From at least as early as in or around September 2021 through at least as recently in or around June 2024, PENA Firm-2 billed WSI for numerous fabricated deliveries that simply were not completed by PENA Firm-2 trucks.

41. PENA Firm-2 invoices would typically be sent from a PENA Firm-2 employee (who was a former PENA Firm-1 employee), often copying CC-2 (PENA’s former manager at PENA Firm-1 and a former principal at PENA Firm-1), and sent to CC-1 at WSI for approval. As with the Company-1 invoices, CC-1 was in charge of approving these invoices on behalf of WSI. And as was the case with Company-1 fraudulent invoices before the audit, CC-1 would approve the PENA Firm-2 invoices containing these fabricated deliveries.

42. These fraudulent bills from PENA Firm-2 caused WSI to sustain nearly \$1 million in losses in addition to the losses it sustained as a result of the Company-1 Scheme.

43. When confronted by WSI in or around June 2024, CC-1 admitted that he allowed PENA Firm-2 to contract with and service WSI at the Cranbury Facility, despite the obvious connections and overlapping employees between PENA Firm-1 and PENA Firm-2. He also admitted to approving PENA Firm-2 invoices without careful review.