
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Mag. No. 15-4131
 :
 v. : Hon. Michael A. Hammer
 :
 TRACEY PERRIGAN : **CRIMINAL COMPLAINT**

I, Special Agent Lindsay M. Garland, 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 Federal Bureau of Investigation, and that this Complaint is based on the following facts:

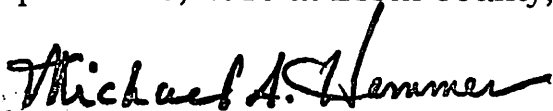
SEE ATTACHMENT B

continued on the attached page and made a part hereof.



Lindsay M. Garland, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
on September 8, 2015 at Essex County, New Jersey



HONORABLE MICHAEL A. HAMMER
UNITED STATES MAGISTRATE JUDGE

THE STATE OF NEW YORK
IN SENATE
January 11, 1906

REPORT OF THE
COMMISSIONERS OF THE LAND OFFICE
IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE
MAY 11, 1905

ALBANY: PUBLISHED BY THE STATE PRINTING OFFICE,
189 NASSAU ST., N. Y.

STATE OF NEW YORK

THE COMMISSIONERS OF THE LAND OFFICE
HONORABLE SENATOR JOHN W. WALKER
ALBANY, N. Y.

REPORT

IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE
MAY 11, 1905

ALBANY: PUBLISHED BY THE STATE PRINTING OFFICE,
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THE COMMISSIONERS OF THE LAND OFFICE
ALBANY, N. Y.

[Handwritten signature]

1906



ATTACHMENT A

On or about the dates set forth below, in Somerset County, in the District of New Jersey and elsewhere, defendant

TRACEY PERRIGAN,

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud and to obtain money and property from Company A by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice to defraud, did knowingly and intentionally transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, specifically, those referenced below, each constituting a separate count of this Complaint.

Count	Approximate Date	Description
1	August 13, 2015	Fraudulent Company A Comchek processed for payment to the order of Southern Cross in the amount of \$2,750.00
2	August 20, 2015	Fraudulent Company A Comchek processed for payment to the order of a merchant located in or around Waco, Texas in the amount of \$450.82

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

ATTACHMENT B

I, Lindsay M. Garland, am a Special Agent with the Federal Bureau of Investigation. I have knowledge of the following facts based upon both my investigation and discussions with other law enforcement personnel and others. Because this affidavit is being submitted for the sole purpose of establishing probable cause to support the issuance of a complaint, I have not included each and every fact known to the government concerning this matter. I have set forth only the facts which I believe are necessary to establish probable cause. Unless specifically indicated, all dates described in this affidavit are approximate, and all conversations and statements described in this affidavit are related in substance and in part.

Overview

1. At all times relevant to this Complaint:
 - a. Company A was the corporate parent of several subsidiary trucking, rigging, and transportation companies. Company A was headquartered in or around Oceanside, New York, and had a facility in or around Branchburg, New Jersey.
 - b. Company A, like many companies in the trucking and freight industries, uses a third-party payment system to cover operating expenses. Company A uses the "Comchek" system provided by the payment processing company Comdata. The Comchek system enables clients to authorize and monitor expenditures by drivers in often remote locations and eliminates the need for drivers to carry large quantities of cash. Many establishments that service the trucking industry, like gas stations and freightliners, offer blank Comcheks for purchase by patrons. Comdata imposes a fee for each Comchek transaction.
 - c. Comdata clients deposit funds into segregated accounts at a financial institution for which Comdata is the designated beneficiary. Comdata draws down on customer funds in the accounts to cover its clients' Comchek payments.
 - d. Defendant Tracey PERRIGAN ("PERRIGAN") resided in New Jersey, and was employed by Company A in New Jersey. Defendant PERRIGAN was primarily responsible for monitoring Company's A Comchek use and for approving Company A Comchek payments.
 - e. "Southern Cross Transport" ("Southern Cross") is a Tennessee-based trucking and towing company that is believed to be owned and operated by defendant PERRIGAN and her husband. Company A does no business with Southern Cross.
2. From at least as early as in or around September 2012 through in or around August 2015, defendant PERRIGAN devised a scheme to defraud Company A out of approximately \$1.2 million by using her position to fraudulently authorize Comchek payments from Company A's Comdata

account (the “Fraudulent Company A Comcheks”). Defendant PERRIGAN initiated and approved the use of Fraudulent Company A Comcheks to issue Company A funds:

- a. Directly to Southern Cross and other affiliated businesses owned and operated by defendant PERRIGAN and her husband; and
 - b. To cover operating expenses incurred by Southern Cross.
3. To execute her scheme to defraud, defendant PERRIGAN used her knowledge of and access to Company A’s Comchek account and her access to Company A’s funds granted to her by virtue of her position with Company A.

The Comchek System

4. Comdata verifies that that a client has authorized a Comchek transaction by reviewing the unique 23-digit “Express Code” written on each negotiated Comchek. The client generates the Express Code by using the formula set forth on a “code sheet” issued by Comdata. One code sheet is used per Comchek transaction. Each code sheet contains a unique grid that generates a number sequence based on each numeral of the payment amount of the transaction. This sequence is incorporated into the Express Code. The client maintains code sheets at one or more central locations and issues Express Codes to its employees as needed. This gives the client a measure of oversight over its employees’ Comchek transactions.

5. The first five digits of an Express Code are the unique “customer number” assigned to each Comdata client. Company A’s customer number is “99157.” Every Express Code authorized for use by a Company A employee begins with “99157.”

6. Before accepting a Comchek for payment, a payee or bank must call Comdata’s toll-free number to report the Express Code. The Express Code tells Comdata which client issued the Express Code, which code sheet the client used, and whether the payment amount corresponds to the code sheet. This information, in turn, indicates whether the employee of the client that presented the check pre-cleared the expense with whomever the client has designated to approve Comchek expenditures. If it appears based on the Express Code that the expense is authorized by the client, and the client has sufficient funds in its bank account, Comdata will release the funds in the amount indicated on the Comchek.

Defendant PERRIGAN’s Scheme to Defraud

7. The investigation has revealed that defendant PERRIGAN authorized all of the Fraudulent Company A Comcheks by using her control over Company A’s Comdata account.

8. All of the funds transferred by Fraudulent Company A Comcheks by defendant PERRIGAN and others belonged to Company A. None of the Fraudulent Company A Comcheks nor the expenditures they covered were authorized by anyone at Company A other than defendant PERRIGAN.

9. Defendant PERRIGAN worked primarily out of Company A's Branchburg, New Jersey office and was responsible for reimbursing drivers for fuel and other expenses incurred while on the road through the use of Comcheks. PERRIGAN has worked for Company A since in or around August 2005.

10. Company A employees contacted PERRIGAN to secure Express Codes at the time of purchase or to secure reimbursement. Using her access to the Comdata code sheets, PERRIGAN generated Express Codes and provided them to Company A employees.

11. Company A's expense and reimbursement protocols called for defendant PERRIGAN to collect receipts for all Company A Comchek expenditures. Defendant PERRIGAN also was the only Company A employee responsible for reviewing periodic Expense Code statements issued by Comdata that cataloged Company A's Comchek transactions.

12. In or around August 2015, Company A discovered that its Comcheks, bearing Company A's unique "99157" Express Code prefix, were being negotiated for purchases unrelated to Company A's business, and which Company A executives were unaware had been authorized.

13. Many of the Fraudulent Company A Comcheks were endorsed to payee Southern Cross and other corporations affiliated with Southern Cross. Company A does no business with Southern Cross.

14. As just one example, on or about August 12, 2015, an unknown individual presented a Fraudulent Company A Comchek endorsed to Southern Cross in the amount of \$2,750.00 for deposit at a financial institution in Tennessee (the "Tennessee Transaction"). A copy of the Fraudulent Company A Comchek negotiated during the Tennessee Transaction bears a stamp indicating that the financial institution processed the check in or around Carthage, Tennessee. The Tennessee Transaction resulted in Company A funds being issued to Southern Cross because the negotiated Fraudulent Company A Comchek bore an ostensibly valid Express Code verified by Comdata. Comdata processed the Tennessee Transaction for payment to the order of Southern Cross on or about August 13, 2015.

15. The investigation has revealed that defendant PERRIGAN was responsible for providing the Company A Express Code for the Tennessee Transaction. Defendant PERRIGAN alone had access to the code sheet needed to generate the Express Code. The Tennessee Transaction does not correspond to any legitimate Company A business.

16. Numerous other Fraudulent Company A Comcheks have been endorsed to businesses and individuals located in and around Tennessee and negotiated at banks in Tennessee. None of these Fraudulent Company A Comcheks correspond to legitimate Company A business; however, defendant PERRIGAN's husband and family live in Tennessee.

17. Other Fraudulent Company A Comcheks were issued to pay for expenses incurred by Southern Cross, and had no connection to Company A's business.

18. For example, on or about August 18, 2015, an employee of Southern Cross presented a Fraudulent Company A Comchek in the approximate amount of \$450.82 that was endorsed to a merchant based in or around Waco, Texas (the "Waco Transaction"). The invoice for the Waco Transaction reflects a total amount of \$450.82, identical to the amount on the Fraudulent Company A Comchek, and that the customer was Southern Cross, not Company A. Company A executives confirmed that the Waco Transaction did not correspond to any legitimate Company A business. Comdata processed the Waco Transaction for payment to the order of the merchant on or about August 20, 2015.

19. Company A executives have analyzed Comdata records dating back to in or around September 2012 and found Fraudulent Company A Comcheks totaling approximately \$1.2 million issued during that time that did not correspond to Company A business and that, unlike legitimate Company A Comchek transactions, were not supported by receipts or invoices. Defendant PERRIGAN was responsible for authorizing Company A Comcheks during this timeframe.

20. Recent events suggest a correlation between the amount of funds in the Company A Comdata account and the ability of Southern Cross to pay its employees. After the suspected fraud was discovered on or about August 15, 2015, Company A has maintained a lower than usual balance in its Comdata account on the pretext that the Company A executive responsible for depositing funds in the account ("Executive 1") did not have the proper wire transfer forms and because Company A was short on funds. Specifically, on or about August 21, 2015, Executive 1 deposited approximately \$10,000 into the Comdata account, which meant that the account had a lower balance than usual to cover weekend expenditures. Executive 1 also instructed PERRIGAN not to authorize payments from the Comdata account except for fuel expenditures because of the low balance.

21. On or about August 21, 2015, an employee of Southern Cross ("SC Employee 1") received calls from multiple Southern Cross drivers that they had not been paid as scheduled on that date. SC Employee 1 was told by another Southern Cross employee that the drivers had not been paid because of a glitch at Southern Cross.

22. Southern Cross's inability to make scheduled payments to its employees corresponds temporally to the low-balance in the Company A Comdata account. Investigators have concluded based on this information that PERRIGAN is diverting funds from Company A's Comdata account to pay for Southern Cross's operating expenses.

Summary of Probable Cause

23. There is probable cause to believe that defendant PERRIGAN used her position with Company A to defraud Company A of its Comdata funds. Defendant PERRIGAN was responsible for monitoring and approving payments by Comchek for fuel and other expenses incurred by Company A drivers. Defendant PERRIGAN was the only Company A employee with access to:

- a. the code sheets needed to generate Express Codes that would pass Comdata's verification system; and
- b. statements that documented Company A's Comchek usage.

24. In addition, many of the Company A Comchek payees were individuals and businesses located in Tennessee, where defendant PERRIGAN's family resides, and include a business in Tennessee that defendant PERRIGAN is believed to own jointly with her husband. Plus, Company A Comcheks were presented by employees of Southern Cross for expenditures incurred in the course of Southern Cross's business.

Use of Interstate Wires

25. The scheme to defraud Company A required the use of interstate wire communications.

26. Defendant PERRIGAN coordinated with individuals in other states to obtain the transaction amount information needed to generate Express Codes and to provide Express Codes to the individuals responsible for presenting or negotiating Fraudulent Company A Comcheks. This necessitated interstate wire communications because defendant PERRIGAN worked in New Jersey and the individuals who presented or negotiated the Company A Comcheks were located in other states. For example, SC Employee 1, who is located in Texas received an Express Code for a Company A Comchek for non-Company A business from defendant PERRIGAN by text message.

27. In addition, each transaction involving a Fraudulent Company A Comchek triggered other interstate wire communications, including:

- a. Toll-free telephone calls from the payee to Comdata to secure the authorization number; and
- b. Communications necessary for and reflecting the electronic transfer of funds from Company A's Comdata account to the payee.

FORFEITURE ALLEGATION

1. The allegations contained in this Complaint are hereby realleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. The United States hereby gives notice to the defendant, that upon her conviction of the offense charged in this Complaint, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), which require any person convicted of such offense to forfeit any property constituting or derived from proceeds obtained directly or indirectly as a result of such offense.

3. If any of the forfeitable property described above, as a result of any act or omission of the defendant:

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

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of such defendant up to the value of the forfeitable property described above.