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UNITED STATES DISTRICT COURT

for the

Eastern District of Michigan

United States of America

v.

Mark Rivera

Case: 2:16-mj-30201
Judge: Unassigned,
Filed: 05-03-2016 At 09:15 AM
CMP USA V MARK RIVERA (BG)

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 March 2014 through September 2015 in the county of Macomb in the
Eastern District of Michigan, the defendant(s) violated:

Code Section

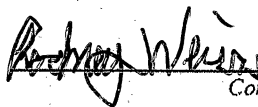
18 U.S.C. Section 501
18 U.S.C. Section 1341

Offense Description

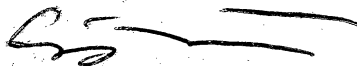
Counterfeiting Postage Meter Stamps
U.S. Mail Fraud

This criminal complaint is based on these facts:

See Attached.

☐ Continued on the attached sheet.*Complainant's signature*Rodney Weiss, U.S. Postal Inspector*Printed name and title*

Sworn to before me and signed in my presence.

Date: May 3, 2016City and state: Detroit, MI*Judge's signature*Anthony Patti, U.S. Magistrate Judge*Printed name and title*

AFFIDAVIT

I, Rodney Weiss, being duly sworn, depose and state the following:

1. Your affiant, Postal Inspector Rodney Weiss, hereafter referred to as affiant, is assigned to the USPIS, Detroit Division, and has been so employed for the past 21 years. I am currently assigned to the Revenue Investigations/Security team that investigates fraud against the United States Postal Service (USPS). Based upon my training and experience, I am familiar with the rules and regulations governing the USPS, including those pertaining to the methods used to commit fraud against the USPS, and the documents and other records that frequently evidence such fraud. I have also participated in the execution of numerous search warrants.
2. The information contained in this affidavit is based on my personal knowledge and observations made by me during the course of this investigation, as well as training and experience, and on information conveyed to me by other law enforcement officers.
3. Affiant is submitting this affidavit in support of a criminal complaint that Mark Rivera violated Title 18, United States Code, § 501 (Counterfeit Postage) and 1341 (Mail Fraud).
4. Since this affidavit is being submitted for the limited purpose of securing an arrest warrant, I have not included each and every fact known to me concerning this investigation. I have set forth only the facts that I believe are necessary to establish probable cause to believe that Mark Rivera violated Title 18, United States Code, § 501 and 1341. Where statements of others are set forth in this affidavit, they are set forth in substance and in part.

DETAILS OF INVESTIGATION

5. On or about July 9, 2015, postal officials discovered a high volume of Priority Mail pieces were being rejected from the APBS (Automated Parcel and Bundle Sorter) and deposited into a First Class mail hold out bin. The sorter was depositing these Priority Mail marked pieces into First Class bins because the tracking labels from these pieces registered as First Class rather than Priority. A

review of the parcels by postal officials revealed that the parcels were from a company, Advance Business, which had an address located in Washington, MI 48094.

6. On or about July 10, 2015, postal officials notified the Postal Inspection Service that Advance Business in Washington Township was mailing priority parcels with counterfeit labels. Specifically, it appeared that this company was attempting to send parcels via Priority Mail, but were only paying First Class Mail rates. Postal officials noted two parcels had a Priority Mail label where postage had been cut and pasted onto a First Class tracking label. Postal officials inspected the mailing label itself and discovered the top portion of the mailing label had been cut and taped to another mailing label. Postal officials peeled one of the labels back and found that someone had cut the top portion of a Priority piece, made copies, and then taped it to the bottom half of a First Class mailing label. Postal officials looked up the tracking numbers for the two parcels (9400 1096 9993 9078 9425 85 and 9400 1096 9993 7731 8458 22). Both tracking numbers showed the parcels to be First Class Mail and not Priority Mail (but the physical labels purported to be Priority Mail).
7. A review of investigative databases revealed that Advanced Business of Washington Township was not licensed or incorporated with the state of Michigan or the federal government. Information revealed that Mark and Michelle Rivera reside at 57022 Berkshire Drive, Washington Township, MI. Postal Inspectors discovered that Mr. Rivera uses several Pitney Bowes Postage Meters, and from March 3, 2014 through September 30, 2015 had paid \$23,625.13 in U. S. postage. eBay and PayPal ePostage are different than other types of postage as an eBay and PayPal customer is assigned a user-ID and this identifier is used to research postage history and not a meter number. A meter number is placed on the ePostage but this number comes back to a "shared meter" which means more than one individual can use this number in multiple locations. In this case, Advanced Business was assigned a user-id of "AQABAAAAELzC3vAQ8JC6vdGyeqX41QU=" by eBay and a user-id of "6EX7BB5TV8NYL" by PayPal.

8. Local postal officials at the Washington Township Post Office indicated that Advanced Business mailed between 20-40 Priority parcels per day and that the Postal Service had been picking them up from the residence since March 2014. Postal officials added the postage is always stale and the company only mails Priority Mail and does not mail First Class parcels. A "stale" meter date is when the date on the postage is past the date the mail enters the mail system of the USPS. Stale meter dates are not allowed by the Postal Service as they give a false representation on the amount of time the item that was mailed took to go through the mail system. Postal officials also indicated that Mr. Rivera has complained about his parcels not arriving at the scheduled time at their intended destinations. When Mr. Rivera was told it might have something to do with the stale meter dates he answered "yeah, maybe that's why."
9. On or about July 22, 2015 through September 15, 2015, physical reviews of parcels mailed by Advanced Business were conducted by the Postal Inspection Service. A total of 26 reviews were conducted on the following days: 7/22/15, 7/27/15, 7/30/15, 8/5/15, 8/6/15, 8/7/15, 8/11/15, 8/12/15, 8/13/15, 8/14/15, 8/18/15, 8/19/15, 8/20/15, 8/21/15, 8/25/15, 8/26/15, 8/28/15, 8/29/15, 9/1/15, 9/2/15, 9/3/15, 9/4/15, 9/9/15, 9/10/15, 9/11/15, and 9/15/15. One hundred percent of the parcels mailed by Advanced Business were reviewed, with a total of 872 pieces being individually examined. A majority of the parcels reviewed had stale meter dates. During the review process, many of the mailing labels were peeled back to reveal that the counterfeit Priority postage had been attached to a First Class tracking number. In other instances, you could feel that the label was not one piece, but in fact two different pieces of paper. Most of the mailing labels were attached to the parcels with white tape that was marked "FRAGILE HANDLE WITH CARE" and the tape was placed on the label to cover the IBI (Information Based Indicia), which made it impossible for the postage to be scanned. Scanning would have notified postal employees that the postage paid was insufficient. In addition, the human readable part of the postage was forged to match the requirements for the parcel being mailed. The IBI consists of a two dimensional barcode that contains several pieces of information, that is used to create the postage imprint.

10. In order to determine the quantity of counterfeit/short-paid parcels within the sample and the amount of postage by which each of those parcels were deficient, the data obtained during the observation periods were evaluated using a "Short-paid Calculator" created in Microsoft Excel. Within this program, comparisons were made against the rate and classification of each piece, as examined by a Postal Inspector, against those claimed by Advanced Business. Analysis of the reviewed data revealed that of the 872 parcels examined during the review, 99.7% (869 parcels) were counterfeit and thus paid an incorrect rate. This resulted in a deficiency to the Postal Service of \$10,025.83.
11. The Short-paid Calculator generates a value called the adjustment factor. The adjustment factor is a statistical multiplier that is based upon the sampled data; it is used to extrapolate the data over a period of time. The adjustment factor is the inverse proportion of postage paid by the mailer to the postage owed by the mailer. ZeroCheck is a division function that divides the first number by the second number as long as the second number is not zero. This first divides the total claimed postage by the total actual postage due, and then divides one by that result. For example, if someone paid \$80 on parcels, but actually owed \$100, you would first divide 80 by 100 to get .80. You would then divide one by .80 (the inverse proportion) to get 1.25. This adjustment factor is the number you multiply the amount paid by to get the amount owed. $\$80 \times 1.25 = \100 . In this case, the adjustment factor is 6.563. This means for every dollar Advanced Business paid for their parcels, they should have paid \$6.563. Applying this ratio to the \$23,625.13 in revenue paid by Advanced Business, the total loss to the Postal Service attributable to Advance Business from March 3, 2014 through September 30, 2015 is \$155,051.73.
12. A review of postal databases revealed that Advanced Business shipping information goes back to January, 2011 for eBay records and June, 2008 for PayPal records. When these numbers are used it shows Advanced Business has mailed at least 30,981 packages with the Postal Service for an estimated revenue deficiency of \$437,855.07.
13. On or about August 5, 2015, postal officials at the Washington Township Post Office received a call from Mark Rivera concerned that some of the packages he

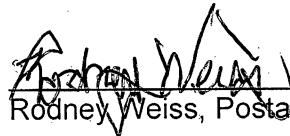
had mailed were not arriving by the due date. Rivera provided tracking number 9400109699939133602249 that showed it was dispatched to Allen Park on July 30, 2015. Rivera also provided tracking number 9400109699939078942561 for a parcel that had not arrived at its destination. Each parcel was paid at the First Class Rate and not the required Priority rate.

14. A review of Advanced Business' eBay web page on October 21, 2015, revealed there were 101 items available for purchase. Every item offered free shipping. Most of the items for sale were different types of cash register tapes.
15. On or about October 22, 2015, Postal Inspectors purchased 50 rolls of cash register tapes from Advanced Business. On October 28, 2015 the rolls of cash register tapes ordered from Advanced Business were received. A review of the package disclosed that part of the postage was covered with tape marked "Fragile Handle with Care" thus not allowing the postage to be scanned. When the tape was peeled back and the postage was scanned it revealed that the postage was for \$5.19 and was originally purchased on November 28, 2011. Additional information from the postage revealed that the original postage had been previously used and mailed to zip code 29407. The package should have actually been mailed with postage of \$11.30 (online price) based on the type of box (medium flat rate box) that was used.
16. On or about October 30, 2015, Inspectors purchased an additional 50 rolls of cash register tapes from Advanced Business. On November 6, 2015, the rolls of cash register tapes ordered from Advanced Business were received. A review of the package disclosed that part of the postage was covered with tape marked "Fragile Handle with Care" thus not allowing the postage to be scanned. When the tape was peeled back and the postage was scanned it revealed that all the information on the IBI label was identical to the label that was on the package received on October 28, 2015.
17. On or about December 4, 2015, a search warrant was executed by Postal Inspectors at the residence of Mark Rivera. Some of the items seized included a roll of tape marked "Fragile Handle with Care", along with a scale.


18. A review of the documents taken during the search revealed many printed USPS postage shipping labels at First class, one ounce rates that were not used (because the label was only generated to get a valid tracking number).
19. Also seized during the search were 49 Priority Mail parcels that were waiting for the postal carrier to pick up and enter the parcels into the mail stream. A review of each parcel disclosed that part of the postage was covered with tape marked "Fragile Handle with Care" thus not allowing the postage to be scanned. When the tape was peeled back and the postage was scanned it revealed that each and every one of the 49 parcels had postage of \$5.19 that was originally purchased and used on November 28, 2011 from an origination zip code of 95125 being delivered to a zip code of 29407. All the information in the IBI postage was identical to the postage that was on the packages received on October 28, 2015 and November 6, 2015. Nineteen of the packages should have actually been mailed with postage of \$11.30 (online price) based on the type of box that was used (medium flat rate box) and 30 of the parcels should have been mailed at \$15.80 based on the type of box (large flat rate box). In order to get tracking numbers for each parcel, postage of \$2.04 (First Class rate, one ounce) was paid for each parcel. This would have resulted in a revenue deficiency of \$588.74 to the USPS.
20. Other items seized during the search were USPS postage labels that were cut up and thrown in the trash. It appears Mark Rivera was purchasing and printing USPS First Class rate mailing labels (in order to acquire a valid tracking number). He then cut the top half off of the label that contains the human readable part of the postage along with the IBI and the words USPS First-Class Pkg. Next, he printed a fictitious Priority Large Flat Rate box mailing label. He would then cut the top half of this label off that contained the human readable part of the postage along with the IBI and the words Priority Mail 2-Day, and attach it to the bottom portion of the First-Class mailing label. This allowed Mr. Rivera to alter the labels, giving the appearance the parcels were paid at a priority rate, when in fact they were paid at the lower first class (one ounce) rate.
21. Also found during the execution of the search warrant were 44 USPS mailing labels that matched three manifests from PayPal dated December 1, 2, and 3,

2015. The manifests from PayPal listed the items purchased and who they were to be shipped to. A review of each mailing label determined the labels were for First Class, one ounce; however analysis of the items purchased showed that the materials ordered would weigh more than one ounce. If Mr. Rivera used the same method of shipping these products, as he did in the past, each package would have had a revenue deficiency to the USPS of \$9.26 or \$13.76 (depending on the box used) for a total deficiency between \$407.44 and \$605.44.

22. Other items seized during the search were computers. A forensic review of the computers seized revealed both legitimated First Class (one ounce) mailing labels as well as the fictitious Priority Mail Large Flat Rate Box mailing labels.
23. Other items seized were original State of Michigan, Department of Treasury, Sales Tax Licenses in the name of Nineco Inc., Travis of Chesterfields, dated 2000, 2001, and 2002. The license dated 2000 was altered to show the company name of Advanced Business Supplies, Inc.; 33260 Van Dyke Ave; Sterling Heights, MI 48312 and the expiration date was changed to June 30, 2014. Another State of Michigan, Sales Tax License, dated 1999 was altered.
24. Based on the aforementioned factual information, I respectfully submit that there is probable cause that Mark Rivera violated Title 18, United States Code, Sections 501 and 1341, by counterfeiting postage and then mailing packages with the counterfeit postage.


Rodney Weiss, Postal Inspector

Subscribed and sworn to before me this 3rd
day of May 2016.



U.S. Magistrate/Judge
ANTHONY P. PATTI