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THE UNITED STATES ATTORNEY'S OFFICE  
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**Department of Justice**  
U.S. Attorney's Office  
Eastern District of California

FOR IMMEDIATE RELEASE

Monday, November 5, 2018

## **Granite Bay Man Pleads Guilty to Multi-Million Dollar Product Substitution Fraud on Federal Government Agencies**

SACRAMENTO, Calif. — Jim A. Meron, 54, of Granite Bay, pleaded guilty today to wire fraud related to a government-procurement fraud scheme, U.S. Attorney McGregor W. Scott announced.

According to court documents, between May 2011 and July 2017, Meron used two office supply businesses he operated to defraud federal government agencies out of as much as \$3.5 million, in thousands of transactions, by substituting and delivering cheaper, generic versions of expensive, name-brand products his customers ordered, and pocketing the price difference. As part of his plea, Meron agreed to forfeit more than \$1.7 million in assets seized during the investigation of his crimes.

Meron's companies, WOW Imaging Products LLC and Time Enterprises LLC, contracted to sell office supplies to federal agencies through two web-based government sales portals, GSA Advantage, operated by the General Services Administration, and DOD EMail, operated by the Department of Defense. After Meron received payments for the premium products his customers ordered, he obtained compatible products from his suppliers that cost him a fraction of what his customer paid for the brand-name products they ordered. Meron then substituted and delivered those cheaper products for the more expensive products his customers ordered, and retained the difference in cost. Over time, Meron extended his substitution scheme to nearly all orders for those name-brand products, and never intended to deliver what his customers ordered.

This case is the product of an investigation by the General Services Administration Office of Inspector General and the Defense Criminal Investigative Service. Assistant U.S. Attorneys André M. Espinosa and Kevin Khasigian are prosecuting the case.

Meron is scheduled to be sentenced by U.S. District Judge Kimberly J. Mueller on February 4, 2019. Meron faces a maximum statutory penalty of 20 years in prison and a \$250,000 fine on each count of conviction. The actual sentence, however, will be determined at the discretion of the court after consideration of any applicable statutory factors and the Federal Sentencing Guidelines, which take into account a number of variables.

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