

IN THE UNITED STATES DISTRICT COURT FOR THE

EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	CRIMINAL NO. 1:04CR496
)	
ROBERT GEOFFREY LAYNE)	Count 1 - 15 U.S.C. §§ 78j(b) and
)	78ff and 17 C.F.R. § 240.10b-5
)	(Securities Fraud)
Defendant)	

CRIMINAL INFORMATION

COUNT 1

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information or as specified below:

1. From in or about January 2001 to in or about June 2001, in the Eastern District of Virginia and elsewhere, ROBERT GEOFFREY LAYNE, directly and indirectly, by the use of means and instrumentalities of interstate commerce, and of the mails, and of facilities of national securities exchanges, employed, in connection with the purchase and sale of securities issued by PurchasePro.com (“PurchasePro”), manipulative and deceptive devices and contrivances in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state materials facts necessary in order to make the statements made, in the light of the

circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which would operate as a fraud and deceit upon the purchaser and seller, all in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

2. In furtherance of the scheme and in order to accomplish its objects, LAYNE committed or caused to be committed the following overt act, among others, within the Eastern District of Virginia and elsewhere:

a. a letter dated April 10, 2001 to be mailed by regular United States Postal Service mail on or about April 13, 2001 from Las Vegas, Nevada to the offices of a major media company headquartered in the United States, which was PurchasePro's strategic partner ("Media Company") in Dulles, Virginia. The letter sought, among other things, written confirmation from the Media Company that PurchasePro and the Media Company had executed a contract, i.e., the Statement of Work, in the amount of \$3.65 million. The April 10, 2001 letter asked the Media Company to confirm or otherwise acknowledge something LAYNE knew was false because,

among other reasons, the Statement of Work had been forged by LAYNE and a PurchasePro vice president at the instructions of a senior officer at PurchasePro.

(All in violation of 15 U.S.C. §§ 78j(b) and 78ff and 17 C.F.R. § 240.10b-5.)

Respectfully submitted,

PAUL J. MCNULTY
UNITED STATES ATTORNEY

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By: _____
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