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6 CASE #: 22-1-00813-6 SEA

7 SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

8 THE STATE OF WASHINGTON,)
9 Plaintiff,)
10 v.) No. 22-1-00813-6 SEA
11 ERMENILDO VALDEZ CASTRO,) INFORMATION
12 Defendant.)
13)
14)
15)
16)

17 I, Daniel T. Satterberg, Prosecuting Attorney for King County in the name and by the
18 authority of the State of Washington, do accuse ERMENILDO VALDEZ CASTRO of the
19 following crime[s], which are based on the same conduct or a series of acts connected together or
20 constituting parts of a common scheme or plan: **Theft In The First Degree, Identity Theft in
21 the First Degree, Theft In The First Degree**, committed as follows:

22 **COUNT 1: THEFT IN THE FIRST DEGREE**

23 That the defendant ERMENILDO VALDEZ CASTRO in King County, Washington, on
24 or about the period between February 24, 2022 and April 2, 2022 , with intent to deprive another
of property, to-wit: U.S. currency, did wrongfully obtain such property belonging to Zulily, and
did obtain control over such property belonging to Zulily by color and aid of deception; and did
exert unauthorized control over such property belonging to Zulily; and did appropriate lost and
misdelivered property belonging to Zulily; and the thefts were a series of transactions which
were part of a criminal episode, continuing criminal impulse, and a common scheme or plan in
which the sum value of the property or services did exceed \$5,000;

Contrary to RCW 9A.56.030(1)(a) and 9A.56.020(1), and against the peace and dignity
of the State of Washington.

And further do allege the crime involved the aggravating factor that said offense was a
major economic offense or series of offenses, so identified by consideration of any of the
following factors: the current offense involved multiple victims or multiple incidents per victim,
the current offense involved attempted or actual monetary loss substantially greater than typical

1 for the offense, the current offense involved a high degree of sophistication or planning or
2 occurred over a lengthy period of time, and the defendant used his position of trust, confidence,
3 or fiduciary responsibility to facilitate the commission of the current offense; this allegation is
4 under the authority of RCW 9.94A.535(3)(d).

4 **COUNT 2: IDENTITY THEFT IN THE FIRST DEGREE**

5 That the defendant ERMENILDO VALDEZ CASTRO in King County, Washington, on
6 or about the period between February 18, 2022 and June 15, 2022 , did knowingly obtain,
7 possess, use or transfer a means of identification or financial information, to-wit: the electronic
8 address of another person, living or dead, to-wit: Zulily, knowing that the means of
9 identification or financial information belonged to another person, with the intent to commit, or
10 to aid or abet, any crime; and obtained an aggregate total of credit, money, goods, services, or
11 anything else of value in excess of \$1500;

9 Contrary to RCW 9.35.020(1), (2), and against the peace and dignity of the State of
10 Washington.

11 And further do allege the crime involved the aggravating factor that said offense was a
12 major economic offense or series of offenses, so identified by consideration of any of the
13 following factors: the current offense involved multiple victims or multiple incidents per victim,
14 the current offense involved attempted or actual monetary loss substantially greater than typical
15 for the offense, the current offense involved a high degree of sophistication or planning or
16 occurred over a lengthy period of time, and the defendant used his position of trust, confidence,
17 or fiduciary responsibility to facilitate the commission of the current offense; this allegation is
18 under the authority of RCW 9.94A.535(3)(d).

16 **COUNT 3: THEFT IN THE FIRST DEGREE**

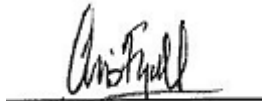
17 That the defendant ERMENILDO VALDEZ CASTRO in King County, Washington, on
18 or about the period between February 16, 2022 and June 2, 2022 , with intent to deprive another
19 of property, to-wit: U.S. currency, did wrongfully obtain such property belonging to Zulily, and
20 did obtain control over such property belonging to Zulily by color and aid of deception; and did
21 exert unauthorized control over such property belonging to Zulily; and did appropriate lost and
22 misdelivered property belonging to Zulily; and the thefts were a series of transactions which
23 were part of a criminal episode, continuing criminal impulse, and a common scheme or plan in
24 which the sum value of the property or services did exceed \$5,000;

21 Contrary to RCW 9A.56.030(1)(a) and 9A.56.020(1), and against the peace and dignity
22 of the State of Washington.

23 And further do allege the crime involved the aggravating factor that said offense was a
24 major economic offense or series of offenses, so identified by consideration of any of the
following factors: the current offense involved multiple victims or multiple incidents per victim,

1 the current offense involved attempted or actual monetary loss substantially greater than typical
2 for the offense, the current offense involved a high degree of sophistication or planning or
3 occurred over a lengthy period of time, and the defendant used his position of trust, confidence,
4 or fiduciary responsibility to facilitate the commission of the current offense; this allegation is
5 under the authority of RCW 9.94A.535(3)(d).

DANIEL T. SATTERBERG
Prosecuting Attorney

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8 By: _____
9 Christopher A. Fyall, WSBA #48025
10 Senior Deputy Prosecuting Attorney
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1
2 CAUSE NO. 22-1-00813-6 SEA

3 PROSECUTING ATTORNEY CASE SUMMARY AND REQUEST FOR BAIL AND/OR
4 CONDITIONS OF RELEASE

5 The State incorporates by reference the Certification for Determination of Probable
6 Cause prepared by Detective Nicholas Kartes of the Seattle Police Department for case number
7 **2022-140919.**

8 I, Christopher A. Fyall, Senior Deputy Prosecuting Attorney, declare that I have reviewed the
9 Certification, Discovery, and Defendant's criminal history; I further declare that:

- 10 1. This case involves three distinct types of theft committed by a former Zulily
11 software engineer. Starting in the spring of 2022, Castro began a series of malicious
12 software edits to Zulily.com's checkout pages causing \$302,278.52 in loss.
13 Specifically, and at different times: (1) he wrote a software code that applied to a
14 small percentage of Zulily customer check-outs, but which diverted all shipping fees
15 associated with those purchases to an account at Stripe.com that Castro controlled—
16 \$110,240.71 was stolen this way; (2) after Zulily began investigating that first issue,
17 by writing a replacement code that double-charged some customers for shipping, and
18 routed a 'full' shipping fee to both Zulily and Castro's account at Stripe—
19 \$151,645.50 was stolen this way; and (3) unrelated to the first two issues, by
20 manipulating the prices of items of merchandise on Zulily.com and then purchasing
21 those items for pennies-on-the-dollar—\$40,842.31 was stolen this way. The total
22 theft was \$302,278.52.
- 23 2. Count 1 charges Castro with stealing the customer shipping fees that were owed to
24 Zulily, but which Castro diverted into his own Stripe account. The charging period
ends when Castro's replacement code went live.
3. Count 2 charges Castro with Identity Theft in the First Degree, as his shipping-fee
scheme used a 'means of identification' for Zulily—specifically, the electronic
address Zulily.com—as a necessary mechanism to facilitate the shipping-fee thefts.
The charging period for this count covers the entire shipping-fee scheme.
4. Count 3 charges Castro for the price manipulations he caused and benefited from.
Casto technically paid for each item, so arguably no item itself was stolen. The

1
2 charging period covers the period between the first and last price-manipulated
3 purchases.

4 Under penalty of perjury of the laws of the State of Washington, I, Christopher A. Fyall, Senior
5 Deputy Prosecuting Attorney, certify that the foregoing is true and correct. Signed and dated by
me this 19th day of December, 2022.

6 
7

8 Christopher A. Fyall, WSBA #48025

9 The State requests that a summons issue directing the defendant to appear in court. To the State's
10 knowledge, he does not have any criminal conviction history.

11 In addition, the State seeks a no-contact order prohibiting the defendant from contacting
12 all Zulily properties, employees, and officers.

13
14 Signed and dated by me this 19th day of December, 2022.

15 
16

17 Christopher A. Fyall, WSBA #48025
18 Senior Deputy Prosecuting Attorney



Cause # _____

Case Number: **2022-140919**

Unit File Number:

Certification for Determination of Probable Cause

That Nicholas Kartes is a Detective with the Seattle Police Department (SPD) and has reviewed the investigation conducted in Seattle Police Department Case Number 2022-140919;

There is probable cause to believe that Ermenildo Valdez Castro (DOB: 06-09-1994) committed the crime(s) of Theft-1 in violation of RCW 9A.56.030 (multiple counts), within the City of Seattle, County of King, State of Washington, and the City of Covington, County of King, State of Washington.

This belief is predicated on the facts and circumstances detailed in this statement. The facts set forth in this statement are based on my own personal knowledge, information obtained from other individuals during my participation in this investigation, including other law enforcement officers, review of documents and records related to this investigation, communications with others who have personal knowledge of the events and circumstances described herein; and information gained through my training and experience. Because this statement is submitted for the limited purpose of establishing probable cause in support of criminal charges, it does not set forth each and every fact that I, or others, have learned during the course of this investigation.

Zulily is an e-commerce company headquartered in Seattle, Washington, with locations in Nevada, Ohio, and China. In August 2015, Zulily was purchased by Liberty Interactive's QVC Group for \$2.4 billion. Several corporate employees have assisted law enforcement, including Detective N. Kartes, with the following investigation including Steve Carney, Director of Cybersecurity for Qurate Retail Group. Zulily, LLC is a wholly owned subsidiary of Qurate Retail, Inc.

Overview

Ermenildo "Ernie" Valdez Castro was employed at Zulily from December 2018 until he was fired on June 9, 2022. While at Zulily, he was employed as a software engineer as part of Zulily's "Shopping Experience" team, and he had direct involvement in the coding of the customer checkout process of the Zulily website. Starting in the spring of 2022, Castro began editing Zulily's software code in ways that allowed him to steal from the company. Specifically, and at different times, he inserted three types of malicious code in the checkout process at Zulily: (1) an original code that diverted some customer shipping costs from Zulily's account to Castro's personal account beginning on February 28, 2022, through which Castro unlawfully obtained \$110,240.71 from Zulily; (2) after Zulily began investigating that first issue, a replacement code that double-charged a small percentage of Zulily customers for shipping, allowing Castro to route a 'full' shipping cost to both Zulily's accounts and his own account, through which Castro unlawfully obtained \$151,645.50 from customers; and (3) unrelated to the first two issues, by reducing the cost of expensive items that he was purchasing on Zulily.com to pennies per unit, a method by which he unlawfully obtained \$40,842.31 from Zulily. Through these three methods, Castro stole a combined \$302,278.52 before he was terminated in June 2022.

Price manipulations on Zulily.com



Case Number: **2022-140919**

Unit File Number:

Certification for Determination of Probable Cause

On or around May 27, 2022, the Zulily fraud team discovered a pattern of steep price adjustments on several products sold by Zulily that were ordered by Castro and shipped to his personal residence.

The first of several orders was placed on February 16, 2022. Zulily's team confirmed that Castro had placed several orders and, without being given authorization from anyone having the capacity to do so at Zulily, changed the prices of the items he ordered by using his employment status and access to the website's code. He had those items shipped to himself at his residence in Tacoma, Washington, and to a female identified as Tessa Sevenich in La Conner, Washington. The discrepancy between what the actual sale price of the total items Castro ordered compared to what he paid for those same items resulted in a theft of over \$40,000 from Zulily. On June 3, 2022, Castro was put on administrative leave. Castro was terminated on June 9, 2022.

A spreadsheet of the purchases Castro made with price manipulation was provided to law enforcement. The records produced in the spreadsheet revealed the following.

Between 3/1/2022 and 6/2/2022, Castro had ordered 1,294 items that he shipped to his residence, all at what equated to a heavily discounted rate. In total, Castro sold himself 1,294 items having a total value (website sale price) of \$41,096.20 at a discounted rate of only \$253.89 in total – a total loss (theft) of \$40,842.31.

Of those items, Castro discounted 1,041 items that have a website sale price between \$10.99 and \$79.94 each and sold them to himself for only \$0.08 each. Additionally, 34 of those items ranged in website sale price of \$115.99 to \$735.99 and were purchased by and sold to Castro at a discounted price of only \$0.25 to \$5.00 each.

Zulily's records included tracking information for each of the shipments for the items purchased by Castro. Confirmed by the assigned tracking numbers of the orders he placed, nearly all of the packages were successfully delivered to Castro's Tacoma address by various parcel companies, including UPS, USPS, FedEx, and others.

The bulk of the orders began on 3/11/2022 when Castro ordered 19 items. The items were then delivered to Castro's Tacoma residence between 3/15/2022 and 3/23/2022. Between 4/29/2022 and 5/9/2022, Castro ordered 1,249 items, 1,078 of which were delivered to Castro's Tacoma residence no later than 5/20/2022. Zulily corporate team confirmed that Castro made no effort to return any of the above detailed items to Zulily by this time.

Between 5/24/2022 and 6/2/2022, Castro then placed ordered 24 additional items at a discounted rate of \$0.20 to \$5.00 per item for items having a sale price between \$5.79 and \$411.99 each. These items totaled \$3,028.92 in product sold for a discounted amount of \$40.95, resulting in a theft of \$2,987.97 from Zulily.

During Zulily's internal investigation, on 6/3/2022, a member of their corporate security team arrived outside of Castro's Tacoma residence to where the above described packages had been sent to. The team member



Case Number: **2022-140919**

Unit File Number:

Certification for Determination of Probable Cause

found several Zulily labeled boxes piled outside of the home's front door and driveway. A photograph of this was captured via cell phone and provided to law enforcement as evidence.

Castro's employment with Zulily was terminated upon the discovery of the above facts and circumstances. At the time of his termination, Castro alleged that he was testing orders. He said he had to test an error by sending a large quantity in one order and that he forgot to cancel the items. As an engineer, it was part of Castro's job to test the integrity of the code. However, as detailed above, no effort was made by Castro to report and return any of the items delivered to his personal residence and, instead, placed additional orders in the same manner after having already received over 1,000 items at his residence.

Code edits to Zulily checkout code

Stripe, Inc. is a company that offers payment processing software and application programming interfaces (APIs) for e-commerce websites and mobile applications. Stripe is not an authorized Zulily payment processor.

A subsequent review of code written to Zulily's website by Castro, as well as email communications to and from eCastro@zulily.com to Stripe's customer support team, uncovered an account set up with payment processor Stripe to receive customer shipping payments by diverting payments off the total order amount that would normally be transmitted to Zulily's payment processor. These edits proceeded in two stages: an initial phase during which Castro's edits diverted all shipping charges for some customers to the Stripe account that Castro controlled, and a secondary phase during which Castro's edits double-charged some customers for shipping, allowing him to send 'full' shipping payments to both Zulily's payment processor and the Stripe account that Castro established. These malicious edits resulted in the theft of approximately \$260,000 in shipping fees from Zulily or its customers by Castro. This amount includes a few charges to some customers' bank cards for orders that were never fulfilled but still had shipping charges incurred.

Upon Castro's termination on June 9, 2022, he promptly returned, in-person, his Zulily issued laptop that he had been using for remote work. Zulily furthered their investigation into Castro which included an imaging of the laptop (i.e. made a copy of the contents of the hard drive(s)) and analysis of the data.

Steve Carney, Director of Cybersecurity has produced a series of statements relating to Zulily's own investigation. His statements and resulting supportive information have been given to law enforcement. Among the relevant findings:

1. There is a OneNote document on Castro's work laptop that outlined his scheme to steal shipping fees. In the document, Castro wrote that his scheme, which he called the 'OfficeSpace project', would "cause production traffic to be routed to Stripe." Among other things, the OneNote document text identifies a control to exclude any transactions originating from an IP address associated with Zulily; suggests a control to ensure that the card being sent to Stripe matches the card on file with Zulily that the customer would be using to make the purchase; describes the need to troubleshoot instances of



Case Number: 2022-140919

Unit File Number:

Certification for Determination of Probable Cause

customers being charged multiple times; and noted the need to “cleanup evidence” by updating certain audit logs and “disable alarm logging.

2. Zulily investigators were able to observe in their code specific edits that accomplished the tasks identified in the OneNote document, as described above. Those edits were done by internal Zulily user accounts directly associated with Castro. The code was introduced into the Zulily production code base on February 18, 2022.
3. By March 2022, Zulily had identified discrepancies between the amount that some Zulily customers were being billed and the amounts that were being charged to their cards by Zulily’s payment processor, Chase Paymentech. The missing shipping charges equaled the relevant discrepancies. Castro, as a member of Zulily’s e-commerce team, was part of the team that was asked to investigate.
4. On or about March 17, 2022, an internal Zulily user account directly associated with Castro made code modifications to prevent the discrepancy described above from continuing going forward.
5. On or about April 2, 2022, an internal Zulily user account directly associated with Castro made code modifications that resulted in affected customers paying a duplicate shipping and handling charge to both Zulily’s payment processor, Chase, and to Castro’s account at Stripe.
6. In an “OfficeSpace” entry on Castro’s OneNote, he identified the need to “Draft COE,” an acronym used by Zulily programmers to describe the “Cause of Error,” and further identified the need to “fudge exposure metrics; first week for wk/wk projection.” Later, the text explains the need to “[t]ackle issue 1 shipping investigation” because the “Auth/Capture amount” — i.e., the amount appearing in the Chase Paymentech transaction logs that Zulily receives — “is less than business expectations (see Friday, 4/22 update),” meaning the amount that Zulily’s records show the customer was invoiced.
7. There are a number of entries as well indicating that Castro may have made preparations to live “off-grid” in the event his OfficeSpace project is discovered. “Pre-prepare off-grid backup plan,” he wrote.

Of significant note is bullet point #1 above. Office Space was a movie produced in 1995, often referred to on various online outlets as a “cult classic.” IMBD.com (Internet Movie Database) provides the following synopsis of the movie:

“In the Initech office, the insecure Peter Gibbons hates his job... His best friends are two software engineers Michael Bolton and Samir Nagheenanajar, that also hate Initech... When he discovers that Michael and Samir will be downsized, they decide to plant a virus in the banking system to embezzle fraction of cents on each financial operation into Peter’s account. However[,] Michael commits a mistake in the software on the decimal place and they siphon off over \$300 thousand. The desperate trio tries to fix the problem, return the money and avoid going to prison.”

In a June 21, 2022, post-Miranda interview with me, Castro confirmed that he named his scheme to steal from Zulily after the movie.



Case Number: **2022-140919**

Unit File Number:

Certification for Determination of Probable Cause

Search Warrants Authorized And Executed

On June 22, 2022, King County Superior Court Judge Karen Donohue signed warrant number 22-0-61403-2A authorizing a search of Stripe, Inc. and search warrant number 22-0-61403-2C authorizing a search of Pacific Lutheran University (PLU) for records relating to Castro's email account Castroev@plu.edu. The warrants were served within 10 days of the issuance of the warrant.

On June 24, 2022, I received responsive data from Stripe pursuant to the warrant. The records included a spreadsheet for the account Stripe identified as being the only one associated with Castro's three email addresses detailed above. The summary of Castro's Stripe account was detailed as pictured below.

account_id	acct_1HULMIDdYZ1jKy75
business_dba	zulily
business_legal_name	Bezalel LLC
phone_number	[+12539057561]
address_line1	2601 Elliott Ave #200
address_line2	Seattle
state	WA
postal_code	[98121]
url	zulily.com
product_description	Zulily is the place for fashion, family finds,
company_rep_first	Ermenildo
company_rep_last	Castro
company_rep_dob	1994-06-09
owner_email	levitylink@gmail.com
account_opening_date	2020-09-22 23:57:47

The records detail a total of 30,198 transactions in which charges were made to Castro's Stripe account between the dates of 2/24/2022 and 6/15/2022. These charges totaled \$263,438.72. These charges were debit/credit cards from approximately 24,537 different email addresses (i.e. accounts/customers) that were impacted by Castro's unauthorized code. On 6/27/2022, the General Counsel for Zulily emailed me saying:

"Zulily has confirmed that the list of customers from the Stripe data are Zulily customers, with the exception of 46 entries where there is not enough data to confirm. This could happen if the customer is using Venmo, PayPal, or Apple pay and there is no card data or id associated with the transaction."

The records detail that a total of \$200,804.75 was transferred from Castro's Stripe account into two separate accounts as follows:

- Between 3/24/2022 and 5/27/2022, a total of \$183,270.93 was paid to routing # 101205681 / account # xxxxxxxxxxxx2072.



Case Number: **2022-140919**

Unit File Number:

Certification for Determination of Probable Cause

- Between 6/3/2022 and 6/17/2022, a total of \$60,758.59 was paid to: routing # 125000024 / account # xxxxxxxx4187

On July 11, 2022, PLU provided me responsive data pursuant to search warrant number 22-0-61403-2C. These records included the email contents of the above-described account, including over 3,700 emails sent to/from Castro. I have reviewed several of those emails and found that Castro received email notification from Fidelity (whose processing bank is UMB) on each date Stripe records show Castro having transferred funds from Stripe into a Fidelity/UMB account.

Tessa Sevenich

Starting May 27, 2022, Tessa Sevenich and Castro began exchanging emails. These emails consisted of Sevenich sending Castro URLs to online shopping carts via the site <http://share-a-cart.com> which link to a cart of Zulily products she had apparently saved as a "wish list" of sorts. She sent numerous carts of dozens of products to Castro, to which Castro would reply and confirm to her that he had placed an order, presumably for the items she wanted. One example is as follows.

Email sent from Sevenich to Castro on 5/31/2022:

<3 Shopping <3 <3 <3 <3

Subject: <3 Shopping <3 <3 <3 <3
From: Tessa Sevenich <tessa.m.sevenich@gmail.com>
Date: 5/31/2022, 2:23 PM
To: Ermenildo Castro <castroev@plu.edu>

<https://share-a-cart.com/get/A3SC7>

The above cart linked to several Zulily items. Castro replied to the above email showing her that he had placed an order for the items she requested:



Case Number: 2022-140919

Unit File Number:

Certification for Determination of Probable Cause

Re: <3 Shopping <3 <3 <3 <3

Subject: Re: <3 Shopping <3 <3 <3 <3
From: Ermenildo Castro <castroev@plu.edu>
Date: 5/31/2022, 2:34 PM
To: Tessa Sevenich <tessa.m.sevenich@gmail.com>

zulily New Today Ends Soon Shop by Category ▾ Discover Shops ▾ Search Basket

Order confirmed!

Tess Sevenich
 2N Klamath Dr
 La Conner, WA
 98257-9640

#3055416367
 35 items

To review or edit your order, go to [My Orders](#)

You unlocked SITEWIDE FREE SHIPPING!
 Add more items to your basket for no additional shipping charge. Sitewide free shipping expires at midnight PT tonight. [See details](#)

keep shopping

You May Also Like

Yellow Adjustable Length Jump Rope \$4.99	Cloth Jump Rope - Set of 12 \$9.99	Black Adjustable Jump Rope - Set of Four \$7.99	Pink Adjustable Jump Rope - Set of Four \$6.99	Pink Adjustable Jump Rope - Set of Two \$5.99	Black Adjustable Length Digital Counter Jump Rope \$6.98

On Tue, May 31, 2022 at 2:23 PM Tessa Sevenich <tessa.m.sevenich@gmail.com> wrote:
<https://share-a-cart.com/get/A3SC7>

Zulily confirmed to me that the above order, along with additional orders placed by Castro in response to Sevenich’s emails containing shopping carts, were placed by Castro in the same manner in which he placed the previously mentioned orders – by manipulating the sale price of each time to a significantly lower price, without authorization. The last few orders Castro placed using this deceptive procedure were flagged by Zulily’s fraud team and were never delivered to Sevenich’s address to which they were intended.

Castro’s email records for account castroev@plu.edu confirm that between 6/10/2022 and 6/20/2022 he received numerous emails from Stripe alerting him to disputed charges, given that this was the email address to which his Stripe account was associated as he fraudulently charged several victim’s bank cards. The body of



Case Number: **2022-140919**

Unit File Number:

Certification for Determination of Probable Cause

one of the many emails reads: "Unfortunately, a dispute initiated on June 11, 2022 for \$8.99 for account zulily was not resolved in your business's favor." This is one of many examples of notification he received regarding the fraudulent charges being disputed. Moreover, it shows that he registered his Stripe account under the business name of "zulily" in an apparent effort to conceal his fraud/theft by what likely would have resulted in the charges having appeared on the victims' bank card statements as being paid to "zulily" and not raise suspicion.

Arrest and Interview

On June 21, 2022, Castro was contacted by police and placed under arrest for having committed Theft in the First Degree. He was interviewed by Detective N. Kartes and Detective A. Topacio. The interview was audio recorded. Castro was advised of his Miranda rights, which he stated he understood. Castro waived his right to counsel and proceeded to speak with detectives.

Castro admitting to placing orders for over 1,000 items that were shipped to his house. He stated that the orders were part of a testing process that Zulily was aware about, but he claimed that there was a script that was to be run shortly thereafter that would essentially cancel the order and ensure the orders did not process. He said the test orders would have to be billed to a personal credit card, thus his changing of the items' prices, as to avoid incurring a large expense on his personal credit card. He said he forgot to run the script; therefore, the orders shipped. He admitted that he did not ever notify Zulily staff of the orders being delivered. When asked what he did with the items delivered, he stated that once he was fired, he threw many of the items away. When asked why he never returned the items to Zulily, he said that once they fired him, his opinion was, "Fuck 'em."

Castro stated that he met Tessa Sevenich via Tinder. He claimed they were dating for one month. He stated that Tessa would compile shopping carts of items for him to purchase, but, again, alleged that this was all part a testing process. As he stated regarding the previous orders he shipped himself, he stated that the orders for Tessa were never intended to be shipped. I asked him why, if the items were never intended to be shipped, her responses to his emails confirming he had ordered the items she sent him were of heart emojis and appreciation and were not representative of someone who was merely helping place test orders that were not going to be fulfilled. Castro was unable to provide an immediate answer, and ultimately said he placed the orders for her "peacock." According to the website <https://slang.net/meaning/peacocking>: "Peacocking is when a person shows off to impress someone. It comes from the colorful feathers an actual peacock displays to attract a mate." Castro that the orders were not to be shipped. Castro stated that the orders never got delivered because they got flagged by the Zulily fraud team.

Regarding the scheme to divert shipping fees to the payment processor Stripe, Castro admitted to editing the code of the Zulily website to divert shipping charges to the Stripe. He stated that Zulily knew about the code, as it was part of a testing process; however, Castro admitted that the Stripe account to which those shipping charges were routed were associated to a personal Stripe account he created two years ago. Only his personal banking information was associated with the account and not any account associated with Zulily. Castro stated



Case Number: **2022-140919**

Unit File Number:

Certification for Determination of Probable Cause

he received around \$100,000 from the shipping fees being diverted via Stripe. When asked if it could have been upwards of \$260,000, he stated it could have been. He went on to state that it was no more than \$500,000. When asked where the money now is, he stated it was "gone." He clarified that he had used the money to invest in stock options, particularly GameStop stock options, and reiterated that all the money was now gone. He denied purchasing any physical assets with that money.

Castro admitted that the money was automatically being transferred out of the Stripe account and into a Bank of America and Fidelity account that the funds were later transferred into an account he held with WSECU.

Residential Warrant

On July 21, 2022, officers executed a search of Castro's residence in Tacoma, Washington, where he shipped the more than 1,000 items he ordered at nearly no cost from Zulily. Throughout the residence, officers located an exorbitant number of those items, some still in their original packaging with shipping label attached. One of those items was a "Gray Linen Convertible Sofa Bed" that Castro ordered on 4/29/2022 having paid only \$1.00 for despite its actual price of \$565.99. The FedEx tracking number affixed to the box, #272670212452. This item and its tracking number match the record listed within the spreadsheet provided by Zulily containing the detailed, itemized list of items Castro ordered and shipped to himself, as shown in the image below.

Order #	Product ID	Product Description	Order Price	Website Price	Ship to Name	Ship to Street	Ship to City/ST/Zip	Tracking #	Carrier	Delivery Date
4054475484	Product ID: 103624625	Gray Linen Convertible Sofa Bed	\$1.00	\$565.99	Ermenildo Castro	5811 S Alaska St	Tacoma, WA 98408	272670212452	FedEx	5/7/2022

Summary

Theft 1st Degree – Count 1

In summary, Castro, using his employment at Zulily and access to the internal code of their online resale website, shipped himself over 1,000 items that he had, without being given authorization from anyone having the capacity to do so at Zulily, changed the sale price of those items to steal \$40,842.31 that otherwise would have been paid to Zulily had he paid the actual listed price of each item.

Theft 1st Degree – Count 2

Additionally, between approximately February 18, 2022, and March 17, 2022, and without being given authorization from anyone having the capacity to do so, Castro edited Zulily's internal code of the company's website to wrongfully obtain approximately \$110,240.71 by diverting shipping fees intended for Zulily into Castro's own account at Stripe.

Theft 1st Degree – Count 3

Additionally, between approximately April 2, 2022, and June 9, 2022, without being given authorization from anyone having the capacity to do so, Castro edited Zulily's internal code of the company's website to wrongfully obtain approximately \$151,645.50 in shipping costs by double-charging Zulily's retail customers.

Based on the foregoing, probable cause exists to support criminal charges against Ermenildo Valdez Castro (DOB: 06-09-1994) for Theft-1 in violation of RCW 9A.56.030 (multiple counts).



Case Number: **2022-140919**

Unit File Number:

Certification for Determination of Probable Cause

Under penalty of perjury under the laws of the State of Washington, I certify that the foregoing is true and correct to best of my knowledge and belief.

Signed and dated by me this 17th day of November 2022 at Seattle, Washington.

A handwritten signature in black ink, consisting of several loops and flourishes, positioned above a horizontal line.

AGENCY: Seattle Police Department	CASE NUMBER 2022-140919	FILE NUMBER	PCN NUMBER
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SUPERFORM

ARREST INFORMATION	
DATE & TIME OF VIOLATION 7/21/2022 1:18:00 PM	CRIMINAL TRAFFIC CITATION ATTACHED? <input type="checkbox"/> YES <input type="checkbox"/> NO
DATE OF ARREST/TIME 7/21/2022 10:00:00 AM	ARREST LOCATION 422 YALE AVE SEATTLE, WA
ACCOMPLICES	

SUSPECT INFORMATION			
NAME (LAST, FIRST, MIDDLE/JR, SR, 1st, 2nd) CASTRO, ERMENILDO VALDEZ		DOB 6/9/1994	ALIAS, NICKNAMES ERMENILDO VALDEZ CASTRO, ERNIE VALDEZ CASTRO
ARMED/DANGEROUS <input type="checkbox"/> YES <input type="checkbox"/> NO	IDENTITY IN DOUBT? <input type="checkbox"/> YES <input type="checkbox"/> NO	CITIZENSHIP	

PHYSICAL DETAILS							
SEX M	HEIGHT 5'07	WEIGHT 180	SKIN TONE	RACE H	EYE BRO	HAIR BLK	SCARS, MARKS, TATTOOS, DEFORMITIES

IDENTIFICATION DETAILS							
UCN 11974479	PRIOR BA #	AFIS #	FBI #	STATE ID # WA30225788	DRIVERS LICENSE # WDL4S767J53B	STATE	SSN
RESIDENCE				EMPLOYMENT / SCHOOL			
LAST KNOWN ADDRESS 5811 S ALASKA ST TACOMA, WA 98408				EMPLOYER, SCHOOL (ADDRESS, SHOP/UNION NUMBER)			
RESIDENCE PHONE (253) 905-7561				BUSINESS PHONE		OCCUPATION	
EMERGENCY CONTACT							
PERSON TO BE CONTACTED IN CASE OF EMERGENCY			RELATIONSHIP	ADDRESS			PHONE

CHARGE INFORMATION					
OFFENSE <input type="checkbox"/> DV <input type="checkbox"/> FUGITIVE	Theft In The First Degree		RCW / ORD#	COURT / CAUSE #	CITATION #
OFFENSE <input type="checkbox"/> DV <input type="checkbox"/> FUGITIVE			RCW / ORD#	COURT / CAUSE #	CITATION #

WARRANT / OTHER				
WARRANT DATE	WARRANT NUMBER	OFFENSE	AMOUNT OF BAIL \$999,999.00	WARRANT TYPE
ORIGINATING POLICY AGENCY		ISSUING AGENCY	WARRANT RELEASED TO: (SERIAL # / UNIT / DATE / TIME)	

PROPERTY INFORMATION		
LIST VALUABLE ITEMS OR PROPERTY LEFT FOR ARRESTEE AT JAIL		
LIST VALUABLE ITEMS OR PROPERTY ENTERED INTO EVIDENCE (SIMPLE DESCRIPTION, IDENTIFYING MARKS, SERIAL #)		
LIST ITEMS ENTERED INTO SAFEKEEPING		
TOTAL CASH OF ARRESTEE \$0.00	WAS CASH TAKEN INTO EVIDENCE? <input type="checkbox"/> YES <input type="checkbox"/> NO	SIGNATURE OF JAIL STAFF RECEIVING ITEMS / SERIAL #
AMOUNT: \$0.00		

OFFICER INFORMATION		
ARRESTING OFFICER / SERIAL # Kartes, Nicholas 7463	TRANSPORTING OFFICER / SERIAL #	SUPERVISOR SIGNATURE / SERIAL #
SUPERFORM COMPLETED BY (SIGNATURE/SERIAL #)		CONTACT PERSON FOR ADDITIONAL INFORMATION (NAME / SERIAL # / PHONE)

COURT FILE		
SUPERIOR COURT FILING INFO <input type="checkbox"/> IN CUSTODY <input type="checkbox"/> AT LARGE <input type="checkbox"/> OUT ON BOND	COURT CAUSE (STAMP OR WRITE)	
COURT/DIST. CT.NO.	DIST. CT. BONDS\$	SUP. CT. DATE

EXTRADITE				
PERSON APPROVING EXTRADITION	SEAKING-LOCAL ONLY WACIC-STATE WIDE <input type="checkbox"/>	NCIC-WILL EXTRADITE FROM ID & OR ONLY <input type="checkbox"/>	NCIC-WILL EXTRADITE FROM OR, ID, MT, WY, CA, NV, UT, CO, AZ, NM, HI, AK <input type="checkbox"/>	NCIC-WILL EXTRADITE FROM ALL 50 STATES <input type="checkbox"/>
E N T R Y	UCN 11974479	DOE _____	DOC _____	
	WAC _____	TOE _____	TOC _____	
	NCIC _____	OP _____	OP _____	