

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

|                          |   |                             |
|--------------------------|---|-----------------------------|
| UNITED STATES OF AMERICA | ) | Criminal No. 24-104         |
|                          | ) |                             |
| v.                       | ) | (15 U.S.C. §§ 78j(b) & 78ff |
|                          | ) | 17 C.F.R. § 240.10b-5       |
| FRANK T. POERIO, JR.     | ) | 18 U.S.C. § 2)              |

**INFORMATION**

The United States Attorney charges:

**Introduction and Relevant Entities and Individuals**

At all times material hereto:

1. Dick’s Sporting Goods Inc. (hereafter, Dick’s) was a sporting goods retail company with approximately 854 retail stores nationwide, and headquartered in Coraopolis, Pennsylvania. The company’s subsidiaries included Field & Stream, Golf Galaxy, and Public Lands. Dick’s traded its securities on the New York Stock Exchange (NYSE) under the ticker symbol “DKS.”

2. The Insider, a person whose identity is known to the United States Attorney, was an employee of Dick’s. The Insider was hired in August 2019 in the position of Data Scientist-Labor Planning and Analytics in Dick’s Coraopolis headquarters; the Insider later was promoted to Senior Product Specialist. The Insider’s job description included providing detailed analysis of in-store staffing and corresponding business results so as to “build or enhance labor forecast models [for Dick’s] to enable a stronger understanding of future trends in sales, wage rates, and other variables that influence staffing levels in stores.”

3. The defendant, FRANK T. POERIO, JR. (POERIO), was a resident of the Western District of Pennsylvania. Although POERIO was unaffiliated with Dick’s, he knew and was in regular contact with the Insider.

**Material Non-Public Information (MNPI) and Dick's Insider Trading Policy**

4. Critical to fulfilling the Insider's job requirements, the Insider maintained access to material, non-public information (MNPI) through Dick's business intelligence portal, which enabled the Insider to access sensitive data for any of Dick's retail stores nationwide, such as sales analyses, store inventory, monthly profit and loss figures, and daily consumer traffic volume, among other sensitive data. This MNPI enabled the Insider to create models for store staffing and sales trends, and likewise was material to Dick's publicly released quarterly earnings reports.

5. At the time of the Insider's employment, Dick's had an insider trading policy that prohibited employees in possession of MNPI, including the Insider, from trading in DKS and sharing investment advice with other persons. In and around August 2019, the Insider received training regarding Dick's insider trading policy. During the Insider's employment between in and around August 2019 and in and around May 2021, the Insider was continuously in possession of MNPI and therefore prohibited from trading in DKS securities and offering investment advice.

6. POERIO understood that the Insider was in possession of MNPI as part of the Insider's duties at Dick's, and due to his association with the Insider, was bound by a duty of trust and confidence to the Insider.

**The Insider Trading Scheme and Artifice to Defraud**

7. Beginning in and around August 2019, and continuing thereafter until in and around May 2021, POERIO employed a device, scheme, or artifice to defraud and, in connection with the purchase and sale of DKS securities, did use manipulative and deceptive

devices and did misappropriate MNPI that he gleaned and derived from the Insider.

8. It was a part of the scheme and artifice to defraud that POERIO knew that the Insider was in possession of MNPI that would be useful to POERIO in making investment decisions regarding DKS securities.

9. It was further a part of the scheme and artifice to defraud that between in and around August 2019 and in and around May 2021, POERIO regularly spoke with the Insider about the Insider's employment at Dick's, about personal their respective finances and investments, or both.

10. It was further a part of the scheme and artifice to defraud that in his conversations with the Insider, POERIO gleaned sufficient information from the Insider that a reasonable investor would determine to be useful in making investment decisions in DKS securities.

11. It was further a part of the scheme and artifice to defraud that despite the fact that POERIO understood that he was bound by a duty of confidentiality to the Insider not to trade in DKS securities based on MNPI, and despite the fact that he was also expressly advised by the Insider not to trade in DKS securities, POERIO nevertheless traded in DKS securities.

12. It was further a part of the scheme and artifice to defraud that the POERIO's trading in DKS securities intensified both before and after Dick's quarterly release of earnings reports and during "blackout" periods—i.e., the two weeks prior to the public release of Dick's quarterly earnings reports during which Dick's employees, including the Insider, were prohibited from trading in DKS securities.

13. It was further a part of the scheme and artifice to defraud that despite his

duty of trust to the Insider, POERIO misappropriated MNPI, and between in and around November 2019 and in and around May 2021, engaged in multiple transactions of DKS securities in the form of purchases and sales of options contracts or shares.

14. It was further a part of the scheme and artifice to defraud that POERIO held brokerage accounts at Royal Bank of Canada, TD Ameritrade, and Ally Invest, which POERIO used to engage in trading of DKS securities, and which accounts held POERIO's profits from the trading activity.

15. It was further a part of the scheme and artifice to defraud that based upon MNPI he gleaned from the Insider, POERIO frequently made purchases of DKS shares or option contracts during Dick's blackout periods in advance of the public release of Dick's quarterly earnings reports.

16. It was further a part of the scheme and artifice to defraud that POERIO tested the quality of the MNPI he gleaned from the Insider, and initially purchased smaller call option contracts and shares that produced smaller profits.

17. It was further a part of the scheme and artifice to defraud that as POERIO's confidence in the MNPI that he gleaned from the Insider increased, POERIO made larger, riskier investments in DKS securities, including the following examples, each of which trades resulted in a profit to POERIO:

a) Between on or about February 10 and on or about March 5, 2020, ahead of Dick's fourth quarter 2019 earnings release on or about March 10, 2020, POERIO purchased 254 DKS call option contracts for \$120,211.40, from which he later realized profits of \$2,275.27.

b) On or about August 19, 2020, shortly before Dick's second quarter earnings release on or about August 26, 2020, POERIO purchased 158 DKS call option contracts for \$113,865.37, from which he later realized profits of \$90,944.40.

c) Between on or about August 19, 2020, and on or about August 25, 2020, shortly before the second quarter 2020 Dick's earnings release on or about August 26, 2020, POERIO purchased 10,000 DKS shares for \$456,829.67, and 65 call option contracts for \$66,894.82, from which he later realized profits of \$119,428.08.

d) Between on or about November 10, 2020, and on or about November 17, 2020, shortly before the third quarter 2020 Dick's earnings release on or about November 24, 2020, POERIO purchased 8,000 shares of DKS shares for \$421,810.92, and 120 call option contracts for \$99,864.28, from which he later realized profits of \$210,038.31.

e) On or about May 25, 2021, one day before the first quarter 2021 Dick's earnings release on or about May 26, 2021, POERIO purchased 2,450 shares of DKS shares for \$206,534.19, which he later sold on the day of the earnings release, realizing profits of \$24,822.56.

18. It was further a part of the scheme and artifice to defraud that after the Insider resigned from Dick's on or about May 27, 2021, POERIO's trading activity in DKS securities substantially diminished when he no longer had the ability to obtain MNPI related to Dick's business operations.

19. It was further a part of the scheme and artifice to defraud that between in and around March 2020 and in and around March 2021, POERIO realized gains totaling approximately \$823,367 from the purchase and sale of DKS securities.

**COUNTS ONE THROUGH FOUR**

20. The United States incorporates by reference paragraphs 1-19 of this Information as though set forth fully herein.

21. On or about the dates set forth below, in the Western District of Pennsylvania, the Defendant, FRANK T. POERIO, JR., did knowingly and willfully, directly and indirectly, by the use of the means and instrumentalities of interstate commerce, the mails and the facilities of national securities exchanges, in connection with the purchase and sale of securities, use and employ manipulative and deceptive devices and contrivances in violation of Title 15, United States Code, §§ 78j(b) and 78ff, and Title 17, Code of Federal Regulations, § 240.10b-5, by (1) employing devices, schemes and artifices to defraud; (2) making and causing to be made untrue statements of material fact and omitting material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (3) engaging in acts, practices, and courses of business that operated and would operate as a fraud and deceit on persons, to wit, the Defendant, FRANK T. POERIO, JR., as set forth in the transactions below affecting interstate commerce and facilities of any national securities exchange, traded in Dick's securities based upon MNPI which he gleaned and derived from the Insider in violation of the duty of trust and confidence he owed to the Insider, each such transaction being a separate count herein:

| <b>COUNT</b> | <b>DATE</b>       | <b>DKS TRANSACTIONS</b>                  |
|--------------|-------------------|------------------------------------------|
| 1            | March 27, 2020    | Purchased 13,860 shares for \$293,120.74 |
| 2            | April 7, 2020     | Sold 10,000 shares for \$249,993.28      |
| 3            | November 10, 2020 | Purchased 4,740 shares for \$249,830.00  |

|   |                   |                                    |
|---|-------------------|------------------------------------|
| 4 | November 25, 2020 | Sold 8,000 shares for \$479,381.00 |
|---|-------------------|------------------------------------|

In violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5 and Title 18, United States Code, Section 2.



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GREGORY C. MELUCCI  
Assistant United States Attorney  
PA ID No. 56777

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT  
for the  
Western District of Pennsylvania

United States of America

v.

FRANK T. POERIO, JR.

*Defendant*

)  
)  
)  
)  
)

Case No. 24-104

**WAIVER OF AN INDICTMENT**

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Defendant's signature*

\_\_\_\_\_  
*Signature of defendant's attorney*

\_\_\_\_\_  
*Printed name of defendant's attorney*

\_\_\_\_\_  
*Judge's signature*

\_\_\_\_\_  
*Judge's printed name and title*



IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA

v.

FRANK T. POERIO, JR.

Criminal No. 2:24-cr-104

ARRAIGNMENT PLEA

Defendant FRANK T. POERIO, JR.

being arraigned, pleads \_\_\_\_\_

in open Court this \_\_\_\_\_ day of

\_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
(Defendant's Signature)

\_\_\_\_\_  
(Attorney for Defendant)

CRIMINAL CASE INFORMATION SHEET

Pittsburgh  X  Erie \_\_\_\_\_ Johnstown \_\_\_\_\_

Related to No. \_\_\_\_\_ Judge \_\_\_\_\_  
(All criminal prosecutions arising out of the same criminal transaction or series of transactions are deemed related).

- CATEGORY:
- 1. \_\_\_\_\_ Narcotics and Other Controlled Substances
    - 1a. \_\_\_\_\_ Narcotics and Other Controlled Substances  
(3 or more Defendants)
  - 2.  X  Fraud and Property Offenses
    - 2a. \_\_\_\_\_ Fraud and Property Offenses  
(3 or more Defendants)
  - 3. \_\_\_\_\_ Crimes of Violence
  - 4. \_\_\_\_\_ Sex Offenses
  - 5. \_\_\_\_\_ Firearms and Explosives
  - 6. \_\_\_\_\_ Immigration
  - 7. \_\_\_\_\_ All Others

Defendant's name:  FRANK T. POERIO, JR.

Is indictment waived:  X  Yes \_\_\_\_\_ No

Pretrial Diversion: \_\_\_\_\_ Yes  X  No

Juvenile proceeding: \_\_\_\_\_ Yes  X  No

Defendant is:  X  Male \_\_\_\_\_ Female

Superseding indictment or information \_\_\_\_\_ Yes  X  No

Previous case number: \_\_\_\_\_

If superseding, previous case was/will be:

- \_\_\_\_\_ Dismissed on defendant's motion
- \_\_\_\_\_ Dismissed on government's motion
- \_\_\_\_\_ After appellate action
- \_\_\_\_\_ Other (explain)

County in which first offense cited occurred:  ALLEGHENY

Previous proceedings before Magistrate Judge: \_\_\_\_\_

Case No.: \_\_\_\_\_

PLEASE INCORPORATE MAGISTRATE CASE WITH CRIMINAL CASE

Date arrested or date continuous U.S. custody began: N/A

Defendant:      is in custody   X   is not in custody

Name of Institution: \_\_\_\_\_

Custody is on:      this charge      another charge  
     another conviction

     State      Federal

Detainer filed:      yes      no

Date detainer filed: \_\_\_\_\_

Total defendants:   1  

Total counts:   4  

Data below applies to defendant No.:   1  

Defendant's name: FRANK T. POERIO, JR.

SUMMARY OF COUNTS

| <u>COUNT</u> | <u>U.S. CODE</u>                                                       | <u>OFFENSE</u>   | <u>FELONY</u> | <u>MISDEMEANOR</u> |
|--------------|------------------------------------------------------------------------|------------------|---------------|--------------------|
| 1-4          | 15 U.S.C. §§ 78j(b) and 78ff<br>17 C.F.R. § 240.10b-5<br>18 U.S.C. § 2 | Securities Fraud | X             |                    |

I certify that to the best of my knowledge the above entries are true and correct.

DATE: May 9, 2024

s/Gregory C. Melucci  
GREGORY C. MELUCCI  
Assistant U.S. Attorney  
PA ID No. 56777