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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

| | | |
|--------------------------|---|----------------------------|
| UNITED STATES OF AMERICA | : | Criminal No. 15- 214 (MCA) |
| | : | |
| v. | : | 18 U.S.C. § 371 |
| | : | 18 U.S.C. § 641 |
| WELLINGTON FELIZ and | : | 18 U.S.C. § 1028A |
| ISAIAS HERNANDEZ | : | 18 U.S.C. § 2 |

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges:

Background

1. At all times relevant to this Indictment:
 - a. Persons born in the Commonwealth of Puerto Rico are, upon birth, automatically granted United States citizenship.
 - b. United States citizens born in the Commonwealth of Puerto Rico are, upon application, issued social security numbers by the Social Security Administration.
 - c. United States citizens born in the Commonwealth of Puerto Rico who reside in Puerto Rico are not required to file tax returns with the Internal Revenue Service ("IRS") as long as all of their income is derived from sources in Puerto Rico.

COUNT ONE

(Conspiracy to Commit Theft of Government Property)

2. From in or about October 2011 through in or about May 2012, in Essex County, in the District of New Jersey, and elsewhere, defendants

WELLINGTON FELIZ and
ISAIAS HERNANDEZ

did knowingly and intentionally conspire and agree with each other and others to commit an offense against the United States, that is, to embezzle, steal, purloin, and knowingly convert to their own use and the use of others, money of the United States, specifically United States Treasury checks in the approximate amount of \$1,763,618.96, contrary to Title 18, United States Code, Section 641.

Object of the Conspiracy

3. The object of the conspiracy was for defendants WELLINGTON FELIZ, ISAIAS HERNANDEZ, and their co-conspirators to obtain and ultimately cash income tax refund checks that were generated through the filing of materially false and fraudulent individual income tax returns with the IRS, and to use the resulting illicit cash proceeds for their personal benefit.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that beginning in or about November 2010, members of the conspiracy obtained personally identifiable information, including the names and social security numbers of certain individuals, including residents of Puerto Rico.

5. It was further part of the conspiracy that members of the conspiracy filed with the IRS false and fraudulent U.S. Individual Income Tax Returns, using the identity information of others, including the names and social security numbers of Puerto Rican residents, as set forth above, and seeking federal income tax refunds (collectively, the “Fraudulent Tax Returns”) to which the members of the conspiracy were not entitled. The objective in doing so was to generate false and fraudulent income tax refund checks issued by the United States Department of the Treasury (the “Fraudulent Tax Refund Checks”).

6. It was further part of the conspiracy that, while members of the conspiracy used the personally identifiable information of certain individuals, including Puerto Rican residents, to generate the Fraudulent Tax Refund Checks, they had the Fraudulent Tax Refund Checks issued and sent to different addresses in and around the District of New Jersey and elsewhere that were controlled by members of the conspiracy, in order for members of the conspiracy to retrieve them.

7. It was further part of the conspiracy that, once the Fraudulent Tax Refund Checks were retrieved, members of the conspiracy would sell or otherwise provide the Fraudulent Tax Refund Checks to other members of the conspiracy including defendants WELLINGTON FELIZ and ISAIAS HERNANDEZ who then deposited the Fraudulent Tax Refund Checks at banks and at businesses controlled by members of the conspiracy and others.

8. It was further part of the conspiracy that members of the conspiracy, including defendants WELLINGTON FELIZ and ISAIAS HERNANDEZ, then withdrew proceeds from the cashed Fraudulent Tax Refund Checks and, in some instances, provided other co-conspirators with a portion of those proceeds.

Overt Acts

9. In furtherance of the conspiracy and to effect the unlawful object thereof, defendants WELLINGTON FELIZ, ISAIAS HERNANDEZ, and their co-conspirators committed and caused to be committed the following overt acts in the District of New Jersey and elsewhere:

a. From in or about November 2010 through in or about October 2012, co-conspirator Raymundo Hernandez recruited and maintained a network of co-conspirators in and around Newark, New Jersey and Bronx, New York that included defendants WELLINGTON FELIZ and ISAIAS HERNANDEZ.

b. From in or about November 2010 through in or about October 2012, the Fraudulent Tax Refund Checks were deposited by members of the conspiracy, including defendants WELLINGTON FELIZ and ISAIAS HERNANDEZ, into bank accounts that members of the conspiracy controlled.

c. From in or about November 2010 through in or about October 2012, the co-conspirators, including defendants WELLINGTON FELIZ and ISAIAS HERNANDEZ, then shuttled certain of the proceeds generated by the Fraudulent Tax Refund Checks between the co-conspirators' bank

accounts by writing checks to each others' businesses and depositing those checks.

d. From in or about October 2011 through in or about May 2012, defendant WELLINGTON FELIZ and his co-conspirators deposited Fraudulent Tax Refund Checks totaling approximately \$1,334,914.05 into bank accounts under defendant WELLINGTON FELIZ's direct control with defendant WELLINGTON FELIZ's knowledge. Some of those deposits include the following:

| Name | Deposit Date (on or about) | Deposit Location | Approximate Deposit Amount | Purported City of Residence of Victim |
|--------------|-----------------------------------|-------------------------|-----------------------------------|--|
| Victim One | February 8, 2012 | Newark, New Jersey | \$7,617.13 | Bronx, New York |
| Victim Two | April 23, 2012 | Newark, New Jersey | \$6,204.00 | Corona, New York |
| Victim Three | April 27, 2012 | Newark, New Jersey | \$5,306.00 | New York, New York |

e. From in or about January 2012 through in or about February 2012, defendant WELLINGTON FELIZ and his co-conspirators deposited Fraudulent Tax Refund Checks totaling approximately \$86,114.77 into a bank account under co-conspirator Raymundo Hernandez's direct control. Some of those deposits include the following:

| Name | Deposit Date (on or about) | Deposit Location | Approximate Deposit Amount | Purported City of Residence of Victim |
|-------------|-----------------------------------|-------------------------|-----------------------------------|--|
| Victim Four | February 21, 2012 | East Orange, New Jersey | \$4,450.00 | Bronx, New York |
| Victim Five | February 21, 2012 | East Orange, New Jersey | \$7,539.00 | North Andover, Massachusetts |

f. During in or about March 2012, defendant WELLINGTON FELIZ deposited Fraudulent Tax Refund Checks into a bank account that was under the direct control of defendant ISAIAS HERNANDEZ, as specified below:

| Name | Deposit Date (on or about) | Deposit Location | Approximate Deposit Amount | Purported City of Residence of Victim |
|-------------|-----------------------------------|-------------------------|-----------------------------------|--|
| Victim Six | March 23, 2012 | Hamilton, New Jersey | \$6,163.00 | Bronx, New York |

g. From in or about January 2012 through in or about May 2012, defendant ISAIAS HERNANDEZ and his co-conspirators deposited Fraudulent Tax Refund Checks totaling approximately \$342,590.14 into a bank account under defendant ISAIAS HERNANDEZ's direct control with defendant ISAIAS HERNANDEZ's knowledge. Some of those deposits include the following:

| Name | Deposit Date (on or about) | Deposit Location | Approximate Deposit Amount | Purported City of Residence of Victim |
|---------------|-----------------------------------|-------------------------|-----------------------------------|--|
| Victim Seven | April 2, 2012 | Bronx, New York | \$7,586.22 | Bronx, New York |
| Victim Eight | April 2, 2012 | Bronx, New York | \$7,970.39 | Flushing, New York |
| Victim Nine | April 2, 2012 | Bronx, New York | \$7,208.00 | Bronx, New York |
| Victim Ten | April 27, 2012 | Hamilton, New Jersey | \$7,302.00 | Paterson, New Jersey |
| Victim Eleven | April 27, 2012 | Hamilton, New Jersey | \$7,416.55 | Flushing, New York |

h. From in or about October 2011 through in or about May 2012, defendants WELLINGTON FELIZ, ISAIAS HERNANDEZ, and their co-conspirators withdrew large amounts of the proceeds in cash and spent portions of the proceeds for their own personal benefit.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

(Theft of Government Property – Wellington Feliz)

1. The allegations set forth in paragraphs 1 and 3 through 9 of Count One of this Indictment are realleged and incorporated by reference as if set out in full herein.

2. From in or about October 2011 through in or about May 2012, in Essex County, in the District of New Jersey and elsewhere, defendant

WELLINGTON FELIZ

did knowingly and intentionally embezzle, steal, purloin, and convert to his own use and the use of others, money and things of value of the United States, namely, United States Treasury Checks in the approximate amount of \$1,334,914.05.

In violation of Title 18, United States Code, Section 641 and Section 2.

COUNT THREE

(Theft of Government Property – Isaias Hernandez)

1. The allegations set forth in paragraphs 1 and 3 through 9 of Count One of this Indictment are realleged and incorporated by reference as if set out in full herein.

2. From in or about January 2012 through in or about May 2012, in Mercer County, in the District of New Jersey and elsewhere, defendant

ISAIAS HERNANDEZ

did knowingly and intentionally embezzle, steal, purloin, and convert to his own use and the use of others, money and things of value of the United States, namely, United States Treasury Checks in the approximate amount of \$342,590.14.

In violation of Title 18, United States Code, Section 641 and Section 2.

COUNTS FOUR THROUGH SIX

(Aggravated Identity Theft – Wellington Feliz)

1. The allegations set forth in paragraphs 1 and 3 through 9 of Count One of this Indictment are realleged and incorporated by reference as if set out in full herein.

2. From in or about February 2012 through in or about March 2012, in Essex County, in the District of New Jersey and elsewhere, defendant

WELLINGTON FELIZ

during and in relation to a felony violation, namely, theft of government property, in violation of Title 18, United States Code, Section 641, as charged in Count Two of this Indictment, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another, as specified below:

| Count | Person | Means of Identification |
|--------------|---------------|--|
| FOUR | Victim Four | Name and social security number of Victim Four on a Fraudulent Tax Refund Check in the amount of approximately \$4,450.00, deposited on or about February 21, 2012 into a bank account controlled by co-conspirator Raymundo Hernandez |
| FIVE | Victim Five | Name and social security number of Victim Five on a Fraudulent Tax Refund Check in the amount of approximately \$7,539.00, deposited on or about February 21, 2012 into a bank account controlled by co-conspirator Raymundo Hernandez |
| SIX | Victim Six | Name and social security number of Victim Six on a Fraudulent Tax Refund Check in the amount of approximately \$6,163.00, deposited on or about March 23, 2012 into a bank account controlled by defendant ISAIAS HERNANDEZ |

All in violation of Title 18, United States Code, Section 1028A(a)(1) and Section 2.

COUNTS SEVEN THROUGH ELEVEN
(Aggravated Identity Theft – Isaias Hernandez)

1. The allegations set forth in paragraphs 1 and 3 through 9 of Count One of this Indictment are realleged and incorporated by reference as if set out in full herein.

2. In or about April 2012, in Mercer County, in the District of New Jersey, and elsewhere, defendant

ISAIAS HERNANDEZ

during and in relation to a felony violation, namely, theft of government property, in violation of Title 18, United States Code, Section 641, as charged in Count Three of this Indictment, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another, as specified below:

| <u>Count</u> | <u>Person</u> | <u>Means of Identification</u> |
|---------------------|----------------------|--|
| SEVEN | Victim Seven | Name and social security number of Victim Seven on a Fraudulent Tax Refund Check in the amount of approximately \$7,586.22, deposited on or about April 2, 2012 into a bank account controlled by defendant ISAIAS HERNANDEZ |
| EIGHT | Victim Eight | Name and social security number of Victim Eight on a Fraudulent Tax Refund Check in the amount of approximately \$7,970.39, deposited on or about April 2, 2012 into a bank account controlled by defendant ISAIAS HERNANDEZ |
| NINE | Victim Nine | Name and social security number of Victim Nine on a Fraudulent Tax Refund Check in the amount of approximately \$7,208.00, deposited on or about April 2, 2012 into a bank account controlled by defendant ISAIAS HERNANDEZ |

| | | |
|---------------|---------------|--|
| TEN | Victim Ten | Name and social security number of Victim Ten on a Fraudulent Tax Refund Check in the amount of approximately \$7,302.00, deposited on or about April 27, 2012 into a bank account controlled by defendant ISAIAS HERNANDEZ |
| ELEVEN | Victim Eleven | Name and social security number of Victim Eleven on a Fraudulent Tax Refund Check in the amount of approximately \$7,416.55, deposited on or about April 27, 2012 into a bank account controlled by defendant ISAIAS HERNANDEZ |

All in violation of Title 18, United States Code, Section 1028A(a)(1) and Section 2.

FORFEITURE ALLEGATIONS

1. The allegations contained in Counts One through Three of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), upon conviction of any of the offenses in Counts One through Three of this Indictment, defendants

WELLINGTON FELIZ and
ISAIAS HERNANDEZ

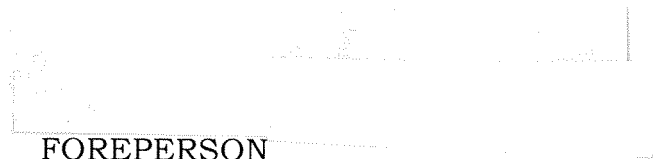
shall forfeit to the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to said violations. The property to be forfeited includes, but is not limited to, the sum of \$1,763,618.96.

3. If any of the property described above, as a result of any act or omission of the defendants:


- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property.

All pursuant to Title 21, United States Code, Sections 853(p), 981(a)(1)(C), and 982(a)(2)(B), as incorporated by Title 28, United States Code, Section 2461(c).

A TRUE BILL



FOREPERSON



PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBER: 15-214 (MCA)

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

**WELLINGTON FELIZ and
ISAIAS HERNANDEZ**

INDICTMENT FOR

18 U.S.C. § 371
18 U.S.C. § 641
18 U.S.C. § 1028A
18 U.S.C. § 2

A True Bill,



Foreperson

PAUL J. FISHMAN
UNITED STATES ATTORNEY
NEWARK, NEW JERSEY

SARA F. MERIN
ASSISTANT U.S. ATTORNEY
973-645-2738

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