
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Mag. No. 13-4152
v. :
REYES FLORES-PEREZ : Hon. Michael A. Hammer
: CRIMINAL COMPLAINT

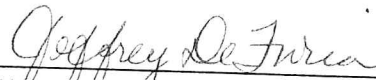
I, Jeffrey DeFuria, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Postal Inspector with the United States Postal Inspection Service and that this Complaint is based on the following facts:


SEE ATTACHMENT B

continued on the attached page and made a part hereof.



Jeffrey DeFuria, Postal Inspector
United States Postal Inspection Service

Sworn to before me and subscribed in my presence,
on July 22, 2013, at Newark, New Jersey



HONORABLE MICHAEL A. HAMMER
UNITED STATES MAGISTRATE JUDGE

ATTACHMENT A

On or about February 5, 2013, in Passaic County, in the District of New Jersey, and elsewhere, defendant

REYES FLORES-PEREZ

knowingly transferred identification documents, namely, Social Security cards and New Jersey drivers licenses, knowing that such documents were stolen and produced without lawful authority.

In violation of Title 18, United States Code, Sections 1028(a)(2) and 2.

ATTACHMENT B

1. I, Jeffrey DeFuria, am a Postal Inspector with the United States Postal Inspection Service. I have knowledge of the following facts based upon both my investigation and discussions with other law enforcement personnel and others. Because this affidavit is being submitted for the sole purpose of establishing probable cause to support the issuance of a complaint, I have not included each and every fact known to the government concerning this matter. Where statements of others are set forth herein, these statements are related in substance and in part. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

Background

2. At all times relevant to this Complaint:
- a. The standard form used by United States citizens to file individual federal income tax returns was the Individual Income Tax Return Form 1040 ("Form 1040").
 - b. On a Form 1040, taxpayers were required to report, among other things, their wages, withholdings, and applicable tax credits. Based on the information reported in Form 1040s, the United States Treasury Department ("U.S. Treasury") either required taxpayers to provide additional taxes or paid taxpayers with tax refunds.
 - c. The U.S. Treasury paid tax refunds in the form of checks, which were mailed to taxpayers (the "Treasury Checks"). The Treasury Checks were made payable to the taxpayers and included the mailing address provided by the taxpayer in his or her Form 1040.

3. From my training and experience, I know that one common type of fraud committed against the United States government involves the use of stolen identities to commit tax refund fraud. This type of scheme is often referred to as a "Stolen Identity Refund Fraud" (or "SIRF") scheme. SIRF schemes generally share a number of hallmarks:

- a. Perpetrators of SIRF schemes first obtain social security numbers and other personal identifying information from individuals, many of whom reside in the Commonwealth of Puerto Rico.¹

¹ Puerto Rican citizens are issued Social Security numbers, but are not required to pay federal income tax unless they derive income from United States-based companies or from the

- b. SIRF perpetrators then use the fraudulently obtained information to complete and file Form 1040s and Form W-2s containing falsified wages earned, taxes withheld, and other data (“Fraudulent Form 1040s” and “Fraudulent W-2s”), always ensuring that the Fraudulent Form 1040s generate a tax refund Treasury Check (“Fraudulent Treasury Check”).
- c. The Fraudulent Treasury Checks are mailed by the U.S. Treasury to locations that SIRF perpetrators control or can access. In some instances, SIRF perpetrators bribe mail carriers to divert the Fraudulent Treasury Checks from the mail stream before delivery.
- d. With the Fraudulent Treasury Checks now in hand, SIRF perpetrators generate cash proceeds. Certain SIRF perpetrators sell Fraudulent Treasury Checks at a discount to face value. In turn, the buyers then cash the Fraudulent Treasury Checks, either themselves or using straw account holders, by cashing checks at banks or check-cashing businesses, or by depositing checks into bank accounts. When cashing or depositing Fraudulent Treasury Checks, SIRF perpetrators often present false or fraudulent identification documents in the names of the “taxpayers” to ensure the checks are payable.

4. The multiple steps in a SIRF scheme often require the participation of numerous individuals, who usually occupy specific and distinct roles in the scheme.

Preparation of February 2013 False Documents

5. On or about February 4, 2013, an individual (“Individual-1”) telephoned defendant REYES FLORES-PEREZ. During that phone call, Individual-1 stated to REYES FLORES-PEREZ that he had recently obtained several Social Security numbers and several Treasury Checks. Individual-1 further stated that he wanted REYES FLORES-PEREZ to create identification documents that matched the names associated with the Social Security numbers and the Treasury Checks. REYES FLORES-PEREZ agreed to produce the fraudulent documents in exchange for a cash payment.

6. On the morning of February 5, 2013, REYES FLORES-PEREZ drove to a parking lot in Clifton, New Jersey. A woman, later identified as the wife of REYES FLORES-

United States government. Therefore, Social Security numbers assigned to Puerto Ricans are a valuable commodity for perpetrators of SIRFs because these Social Security numbers are normally not already associated with a Form 1040.

PEREZ, was a passenger inside the vehicle. REYES FLORES-PEREZ was met by Individual-1 and a brief conversation ensued.

7. During that conversation, Individual-1 provided REYES FLORES-PEREZ with two Treasury Checks. They agreed that REYES FLORES-PEREZ would create two New Jersey drivers licenses containing Individual-1's photograph but also including with the name and address printed on the Treasury Checks. In addition, Individual-1 provided REYES FLORES-PEREZ with the names of two other individuals and their Social Security numbers, and they agreed that REYES FLORES-PEREZ would create two Social Security cards matching that information. In exchange for these fraudulent documents, REYES FLORES-PEREZ would be paid \$800.00. REYES FLORES-PEREZ and Individual-1 then departed the area separately.

8. Approximately one hour later, Individual-1 and REYES FLORES-PEREZ met again in Clifton, New Jersey. REYES FLORES-PEREZ handed Individual-1 two fraudulent Social Security cards and two fraudulent New Jersey drivers licenses that contained information matching that which Individual-1 provided earlier in the day. Individual-1 then paid REYES FLORES-PEREZ the agreed amount of \$800.00 for the documents.

9. Law enforcement has confirmed with the Social Security Administration and the New Jersey Motor Vehicle Commission that at the time of the above-described transaction REYES FLORES-PEREZ did not have lawful authority to produce or prepare Social Security cards or New Jersey drivers licenses.