

NEWS

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Former Social Security Administration Employee
Indicted in Scheme to Defraud Aliens

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NEWARK – A former Social Security Administration employee was indicted today on charges that he used his position to defraud approximately 26 aliens of approximately \$103,350 by enticing them with false promises of student visas to study massage therapy, U.S. Attorney Christopher J. Christie announced.

A federal grand jury indicted Waldo Luis Miranda, 53, of Plainsboro, on two counts of wire fraud, three counts of bribery and one count of using of a computer to further a fraud. Miranda, who was charged in a criminal Complaint in September 2006, remains free on a \$25,000 bond. It is expected that Miranda will be arraigned on the charges contained in the Indictment in the coming weeks.

The Indictment describes a scheme whereby Miranda used his position as a claims representative for the Social Security Administration (“SSA”) Elizabeth and Parsippany district offices to identify aliens, or friends and family members of aliens, and then promised to secure student visas to study massage therapy for them in exchange for payment of several thousand dollars.

According to the Indictment, between September 2005 and August 2006, Miranda purported to be the president of a non-profit organization called Eco-Health, Inc. The Indictment alleges that Miranda made numerous misrepresentations to his victims which included statements that Eco-Health was registered as a 501(c)(3) non-profit organization under the U.S. Internal Revenue Code; that Eco-Health had numerous health care professionals who were committed to working for it; and that Eco-Health had received endorsements from health care professionals in the fields of medicine, biochemistry and nutrition. The Indictment alleges that none of these statements were true.

Miranda allegedly made false promises to the aliens and/or their family members, who were interested in obtaining legal status in the U.S., that he would help them secure student visas to study at a massage school in New Jersey. The Indictment alleges that after Miranda would receive payments of several thousands of dollars from a victim, he would stop returning their phone calls and never rendered the services promised. In one instance, according to the Indictment, a victim identified as E.B. paid Miranda \$80,000 based on Miranda’s false promises to obtain student visas for E.B. and 15 family members in Ecuador.

The indictment alleges that Miranda deposited the payments from his victims into an account in the name of Eco-Health and then spend the money on personal expenses such as restaurant meals, haircuts, gasoline and dental work.

Miranda was placed on indefinite suspension from the SSA in October 2006.

The Indictment also charges Miranda with taking bribes from three individuals in exchange for issuing them social security cards and numbers. The Indictment alleges that Miranda

knew the individuals were not eligible to receive social security cards and numbers and nonetheless processed their applications in exchange for cash payments.

Miranda is also charged with illegally accessed his SSA computer to increase Supplemental Security Income benefits to the disabled child of one victim identified as S.G., so that S.G. could pay him \$3,400 in connection with the scheme.

“While the vast majority of the 65,000 Social Security employees are dedicated, honest and hardworking, there are a few unscrupulous individuals who attempt to abuse their position of trust and defraud Social Security and its programs,” said Special Agent in Charge Edward J. Ryan of the Social Security Administration Office of Inspector General. “We vigorously investigate instances of potential fraud involving Social Security employees,” added Ryan.

Counts One and Two, which charge wire fraud, each carry a maximum statutory penalty of 20 years in prison and a fine of \$250,000, or twice the gross loss to any victim, or twice the gross gain to himself. Each of the three counts of bribery carries a maximum statutory penalty of 15 years in prison and a fine of three times the value of the bribes. Count Six, which charges use of computers in furtherance of a fraud, carries a statutory maximum of 5 years imprisonment and a fine of \$250,000.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Despite indictment, all defendants are presumed innocent unless proven guilty beyond a reasonable doubt.

Christie credited Special Agents of the Social Security Administration Office of Inspector General, under the direction of Special Agent in Charge Edward J. Ryan, for their work in the investigation.

The case is being prosecuted by Assistant U.S. Attorney Bradley A. Harsch of the Government Fraud Unit.

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