



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY PREET BHARARA

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CONTACT: U.S. ATTORNEYS'S OFFICE
Herbert Hadad, Ellen Davis,
Carly Sullivan, Jerika Richardson
(914) 993-1900/ (212) 637-2600

U.S. SECRET SERVICE
Pedro Escandon
(718) 840-1144

**U.S. ATTORNEY CHARGES TWELVE PARTICIPANTS
IN \$250 MILLION CELL PHONE CLONING SCHEME**

Preet Bharara, the United States Attorney for the Southern District of New York, and Brian Parr, the Special Agent-in-Charge of the New York Field Office of the United States Secret Service ("USSS"), announced charges today against 12 defendants for participating in a conspiracy to commit wire fraud and aggravated identity theft for their roles in a \$250 million cell phone cloning scheme.

Manhattan U.S. Attorney Preet Bharara stated: "The defendants' sophisticated cell phone cloning operation allegedly stole information from the cell phone accounts of tens of thousands of people and used this information to run a lucrative black market in international calling. These charges show our commitment to protecting the privacy of consumers and safeguarding the integrity of international telecommunications networks."

USSS Special Agent-in-Charge Brian Parr stated: "Through the use of strong investigative techniques and practices, the Secret Service and its law enforcement partners in multiple jurisdictions successfully thwarted further criminal activity and brought these perpetrators to justice. Our agency continues to pursue those in the practice of committing fraud and identity theft."

According to the Complaint U.S. v. Miguel Jesurum, et al., unsealed today in White Plains federal court:

From at least 2009 through September 2011, MIGUEL JESURUM, SAUL PEREZ, JUEGERS VELOZ, SAYRA VERAS, RUBEN DARIO VASQUEZ, MOISES RONE, VICTOR MANUEL LEON-DURAN, ARIEL DE LOS SANTOS, CARLOS RAFAEL JESURUN TEJADA, ROSMIL ROSA, JOSHUA PAYNE, and RAUL SILVERIO agreed to use confidential customer information of at least two cell phone service providers to clone the customers' cell phones. The co-conspirators would clone the phones by emailing the phone numbers and associated codes to each other and then using these codes to reprogram new cell phones. The reprogrammed cell phones appeared on the cell phone service providers' networks as legitimate customer phones.

The co-conspirators attached hundreds of the cell phone clones to computers and used them to place international calls to Cuba, Jamaica, and other countries with high calling rates. The calls were made using Voice Over Internet Protocol ("VoIP") hardware, which enabled the defendants to place international calls over cell phone clones from callers whose voices were transmitted to the co-conspirators' computers over the internet.

The co-conspirators profited from these international calls by selling the right to place the calls at rates below those charged by the legitimate telephone service providers. For example, one invoice sent by PEREZ lists charges of \$0.50 per minute for calls to Cuba and \$0.14 per minute for calls to Haiti. During the time period those calls were placed, one of the defrauded cell phone service providers was charging \$2.10 per minute for calls to Cuba and \$1.96 per minute for calls to Haiti. Certain co-conspirators would receive payments for these black market calls from a Chinese telecommunications company. VELOZ, after being found in a Reading, Pennsylvania residence that contained VoIP hardware, stated that a Chinese national sent him computer equipment and modems and paid him to keep the internet and cell phones running.

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Some of the confidential customer information acquired by participants in this scheme was obtained by employees of one of these service providers. Nine such employees were previously charged by this Office and arrested by USSS: Luis Abad, Mathews Angel, Princetta Dorisma, Lesly Esquea, Francis Lopez, Luis Orriols, Pedro Rodriguez, Johnny Santana, and Jacklin Volny. All nine have pled guilty to charges relating to their participation in the scheme, and four have been sentenced: Angel received 60 months in prison; Santana received 51 months in prison; Volny received 41 months in prison; and Dorisma received 12 months and one day in prison. These defendants also were ordered to pay forfeiture and restitution. Abad, Lopez, and Orriols are scheduled to be sentenced Friday, February 3, 2012.

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Five of the defendants named in U.S. v. Miguel Jesurum, et al. were arrested today, and the rest remain at large. Each defendant is charged with one count of conspiracy to commit wire fraud, which carries a maximum penalty of 20 years in prison, and aggravated identity theft, which carries a mandatory minimum penalty of 2 years in prison, which must run consecutively to all other counts of conviction.

Mr. Bharara praised the USSS for its outstanding work in investigating this case and thanked the Federal Bureau of Investigation, Immigration and Customs Enforcement, the New York Police Department, Yonkers Police, the Village of Mount Pleasant Police, the Mount Vernon Police, the Boston Police, the Cambridge Police, the Berks County (Pa.) District Attorney's Office, the Reading (Pa.) Police, the Berks County Sheriff's Department, the Miami-Dade Police, the Lauderhill Police (Fl.) Police, the Florida Highway Patrol, and the Pembroke Pines (Fl.) Police for their assistance with this investigation and today's arrests.

Mr. Bharara said the investigation was continuing.

These prosecutions are being handled by the Office's White Plains Division. Assistant U.S. Attorneys Jeffrey Alberts is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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