

Magistrate Judge Mary Alice Theiler

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JUN 16 2010

AT SEATTLE  
CLERK U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
DEPUTY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

ISRAEL VELASCO DIAZ, and  
LACY JONES JR.,

Defendants.

MAGISTRATE'S DOCKET NO.  
CASE NO.

MS 10-256

COMPLAINT for Violation  
Title 18 United States Code  
Sections 371 and 1028(a)(1)

BEFORE Mary Alice Theiler, United States Magistrate Judge, Seattle, Washington.

**COUNT 1**

**(Conspiracy to Commit Unlawful Production of Identification Documents)**

**A. The Offense**

1. Beginning at a date uncertain, but within the last five years, and continuing through in or around September 2009, within the Western District of Washington and elsewhere, ISRAEL VELASCO DIAZ, LACY JONES JR., and others known and unknown, did knowingly and willfully combine, conspire, confederate and agree together to knowingly and without lawful authority produce identification documents in violation of Title 18, United States Code, Sections 1028(a)(1), 1028(b)(1)(A)(ii) and (B) and 2.

**B. The Object of the Conspiracy**

2. The object of the conspiracy was to obtain genuine Washington driver's licenses and personal identification cards for individuals who were not legally qualified to obtain a Washington driver's license or personal identification card.

1 **C. Background**

2 3. Washington state law provides that to apply for a driver's license or identification  
3 card, an applicant must provide his or her: 1) name of record as established by proof of identity;  
4 2) date of birth as established by satisfactory evidence of age; 3) sex; 4) Washington residence  
5 address; 5) description; 6) driving licensing history, and; 7) any additional information required  
6 by the department.

7 4. Washington state law further provides that for purposes of obtaining a valid  
8 driver's license or identification card, a resident is a person who manifests an intent to live or be  
9 located in the state on more than a temporary or transient basis. Evidence of residency includes:  
10 1) becoming a registered voter in the state; 2) receiving benefits under one of the Washington  
11 public assistance programs; 3) or declaring residency for purpose of obtaining a state license or  
12 tuition fees at resident rates.

13 5. Washington state law does not authorize a licensing service representative to issue  
14 a driver's license or identification card to an applicant who does not satisfy all of the criteria  
15 listed above.

16 **D. Manner and Means of the Conspiracy**

17 6. It was part of the conspiracy that ISRAEL VELASCO DIAZ offered to obtain  
18 Washington State drivers' licenses or personal identification cards for individuals who were not  
19 legally qualified to obtain such documents.

20 7. It was further part of the conspiracy that ISRAEL VELASCO DIAZ would charge  
21 a fee to assist individuals in obtaining Washington State drivers' licenses or personal  
22 identification cards knowing those individuals were not legally qualified to obtain such  
23 documents.

24 8. It was further part of the conspiracy that LACY JONES JR. would process the  
25 individuals' drivers' license applications or personal identification card applications knowing  
26 those individuals were not legally qualified to obtain such documents.

27 9. It was further part of the conspiracy that ISRAEL VELASCO DIAZ would pay  
28 LACY JONES JR. a portion of the fee so that he would issue drivers' licenses and personal

1 identification cards to individuals who were not legally qualified to obtain such documents.

2 **E. Overt Acts**

3 10. Counts 2 and 3 of this Complaint are incorporated by reference herein and alleged  
4 as separate overt acts in furtherance of the conspiracy and to accomplish one or more of its  
5 objects as if fully set forth herein.

6 All in violation of Title 18, United States Code, Section 371 and Section 2.

7 **COUNT 2**

8 **(Unlawful Production of an Identification Document)**

9 On or about April 29, 2009, at Federal Way, within the Western District of Washington,  
10 ISRAEL VELASCO DIAZ and LACY JONES JR., knowingly and without lawful authority,  
11 caused the Washington State Department of Licensing to produce and transport in the mail, an  
12 identification card in the name D.A.V.V., number \*\*\*\*\*15701, and such production was in  
13 and affecting interstate commerce.

14 All in violation of Title 18 United States Code, Sections 1028(a)(1), 1028(b)(1)(A)(ii)  
15 and 2.

16 **COUNT 3**

17 **(Unlawful Production of an Identification Document)**

18 On or about July 21, 2009, at Federal Way, within the Western District of Washington,  
19 ISRAEL VELASCO DIAZ and LACY JONES JR., knowingly and without lawful authority,  
20 caused the Washington State Department of Licensing to produce and transport in the mail, an  
21 identification card in the name S.C.L., number \*\*\*\*\*277MZ, and such production was in and  
22 affecting interstate commerce.

23 All in violation of Title 18 United States Code, Sections 1028(a)(1), 1028(b)(1)(A)(ii)  
24 and 2.

25 The undersigned complainant being duly sworn states:

26 I, DANIEL BENNETT, Affiant, being first duly sworn, state as follows:

27 1. I am a Special Agent with the Federal Bureau of Investigation (FBI), United States  
28 Department of Justice and have been so employed for approximately eight years. As a Special

1 Agent, I have participated in numerous investigations involving Public Corruption and White  
2 Collar Crime. During the course of my work as a Special Agent, I have conducted numerous  
3 investigations involving public corruption, white collar crime and false identification documents.  
4 I have investigated numerous individuals who have assumed false or stolen identities in order to  
5 evade detection by law enforcement or to commit fraud. As a result, I am familiar with schemes  
6 involving the production of identification documents. I am currently assigned to the Seattle  
7 office of the FBI.

8 2. I make this affidavit in support of a Complaint charging ISRAEL VELASCO  
9 DIAZ and LACY JONES JR. with Conspiracy to Commit Unlawful Production of Identification  
10 Documents in violation of Title 18, United States Code, Section 371, and Unlawful Production  
11 of Identification Documents, in violation of Title 18, United States Code Section 1028(a)(1) and  
12 1028(b)(1)(A)(ii) and (B). This affidavit is submitted solely for the purpose of establishing  
13 probable cause for the complaint and does not purport to set forth all of my knowledge of, or  
14 investigation into, the offense.

15 3. In March 2009, a confidential human source (CHS) reported that ISRAEL  
16 VELASCO DIAZ, a Mexican citizen living in Mexico, was fraudulently obtaining Washington  
17 State Driver's Licenses and/or Personal Identification Cards for individuals who did not meet  
18 Washington residency requirements or were otherwise unqualified to obtain Washington  
19 identification documents. According to the CHS, VELASCO DIAZ worked with an  
20 unidentified Washington Department of Licensing employee who worked at the Federal Way,  
21 Washington DOL office. The CHS told me that VELASCO DIAZ would charge \$500.00 to  
22 arrange for a personal identification card and \$1,500.00 to arrange for a driver's license.

23 4. The CHS is an undocumented immigrant who was reimbursed for his assistance  
24 with law enforcement. The FBI began the process of obtaining authorization for the CHS to  
25 work in the United States in exchange for his assistance. However, prior to obtaining  
26 authorization, the CHS returned to his country of origin voluntarily.

27 5. The CHS provided me with two names of individuals who had recently obtained  
28 fraudulent driver's licenses through VELASCO DIAZ. Agents checked with the Washington

1 State Department of Licensing, Special Driver's Investigations Unit director Fred Bjornberg,  
2 who confirmed that both driver's licenses had been issued by the same DOL Licensing Service  
3 Representative (LSR), LACY JONES, JR, who worked at the Federal Way Office. A criminal  
4 check of JONES indicated two felony convictions for theft and robbery and numerous  
5 misdemeanor convictions over the past twenty-five years.

6 6. On April 22, 2009, at the direction of the FBI, the CHS made a recorded telephone  
7 call in an attempt to arrange the purchase of a fraudulent identification document. The call was  
8 answered by an associate of VELASCO-DIAZ who instructed the CHS to meet a contact on the  
9 morning of April 24, 2009, at a McDonalds's restaurant in Federal Way. The associate advised  
10 that the CHS would be contacted with further instructions at that time.

11 7. On April 24, 2009, FBI Special Agents outfitted the CHS with covert audio and  
12 video recording equipment. The CHS was also carrying identification documents in a false  
13 name to include a diploma, a birth certificate and a juvenile identification card from the country  
14 of El Salvador. At approximately 8:45 a.m., while waiting in the parking lot of the McDonalds  
15 restaurant, the CHS made contact with JONES in his vehicle, a purple 2005 Mazda sedan. In the  
16 vehicle, JONES asked to see the CHS's documents. Upon being shown the documents, JONES  
17 stated that the documents were insufficient and told the CHS to call VELASCO-DIAZ and  
18 instruct him that the CHS does not have enough documentation. After an unsuccessful attempt  
19 to call VELASCO DIAZ, JONES instructed the CHS to stay at the McDonalds.

20 8. JONES told the CHS that VELASCO-DIAZ would call JONES in approximately  
21 thirty minutes and then he would call the CHS and tell him what time to go to the Department of  
22 Licensing. JONES also stated that "I have to go and try to get you some papers, man...so that  
23 when you come you have more than that. You couldn't come to me like that. That's not enough.  
24 The people who work next to me...they see and they are familiar. I've got to put some paperwork  
25 together for you." JONES ended the meeting and left for work at the DOL.

26 9. FBI agents followed JONES to the Federal Way, Washington office of the DOL,  
27 located at 1617 South 324th Street, Federal Way, where they observed him park and enter the  
28 building. At approximately 10:52 a.m., the CHS made a recorded telephone call with

1 VELASCO-DIAZ. During the call, VELASCO DIAZ stated that he had spoken with the DOL  
2 contact, who said the CHS did not have adequate identification, but for an additional \$100.00,  
3 the DOL contact would issue the identification today. The CHS agreed and VELASCO DIAZ  
4 instructed him to pay JONES \$400.00 today and VELASCO DIAZ would get the rest to him  
5 later. VELASCO DIAZ instructed the CHS to stay near the McDonalds restaurant and the DOL  
6 contact would meet him there at around noon.

7 10. At approximately 11:47 am, JONES returned to the McDonald's parking lot. The  
8 CHS again made contact with JONES in the vehicle. JONES immediately asked for the CHS's  
9 name, date of birth and an address for the identification to be mailed. I know from my training  
10 and experience that the Washington State Department of Licensing mails each completed drivers  
11 license or personal identification card to the address listed on the application. JONES then  
12 provided documents including a utility bill, a mortgage statement, a British Columbia driver's  
13 license and a "Certificado De Estudios" to the CHS. JONES then instructed the CHS how to  
14 present the documents to JONES when he enters the DOL office. These four documents, in  
15 three different names, were copied by the FBI and these copies were retained as evidence.

16 11. JONES also instructed the CHS to not take a number once he enters the DOL, but  
17 to wait for JONES to motion for him to approach. JONES told the CHS to come to the DOL at  
18 2:00 pm. At the end of the meeting, the CHS paid JONES \$400.00 in cash and asked for  
19 JONES's name. JONES paused before answering and then replied "L.J."

20 12. At approximately 12:30 pm, the CHS was contacted by telephone by VELASCO  
21 DIAZ and was instructed to deposit \$600.00 cash into a Bank of America account and call him  
22 when this was completed. FBI Agents accompanied the CHS to a nearby Bank of America  
23 Branch and made the deposit as instructed. Afterwards, the CHS placed a recorded call to  
24 VELASCO DIAZ and informed him of this fact. I later obtained records for the bank account  
25 into which the CHS deposited the funds and learned that the account is in the name of Delgadina  
26 Gonzales Garcia with an address in Seaside, California.

27 13. At approximately 1:56 pm, the CHS entered the DOL building. FBI agent Patrick  
28 Garry was inside the DOL office at the time and observed the CHS enter, but not take a number.

1 After waiting approximately 20 minutes, the CHS approached JONES at the counter and handed  
2 documents to JONES. The CHS filled out an application at the counter with JONES and then  
3 had his photograph taken by another DOL employee before receiving a temporary identification  
4 card. The Special Investigations Unit provided me with a copy of the Department of Licensing  
5 Record of Application for the CHS dated April 24, 2009. The application contained an LSR  
6 identification number of "224," which, according to the DOL, is the LSR identification number  
7 belonging to JONES.

8 14. On July 21, 2009 FBI Special Agents outfitted a second CHS (CHS #2) with  
9 covert audio and video recording equipment. CHS #2 is a documented immigrant with work  
10 authorization in the United States. He was paid to work for the FBI. CHS #2 was given two  
11 pieces of photo identification in a fictitious name. As before, CHS #2 waited in the parking lot  
12 of the Federal Way McDonald's restaurant. At approximately 8:41 a.m., the purple sedan  
13 registered to JONES entered the McDonalds parking lot. JONES was observed by FBI agents  
14 driving and making contact with CHS #2 inside his vehicle. During the meeting between CHS  
15 #2 and JONES, the video equipment failed to operate. However, the audio equipment recorded  
16 their conversation. On tape JONES can be heard telling CHS #2 "Oh man, you don't have no  
17 good ID at all." JONES, who apparently believed CHS #2 did not speak English, then placed a  
18 telephone call to VELASCO DIAZ in which JONES states "He don't have no ID at all... they  
19 need an envelope with some phoney paper or something in it...So tell him he needs to go to the  
20 store and get a brown envelope and put some phoney paper so I can make it up. Even the two  
21 ID's he has, they are not good...but I'll make it work for him." JONES told VELASCO DIAZ to  
22 instruct CHS #2, that once he arrived at the DOL, he should wait until a number is called and no  
23 one responds. JONES instructed VELASCO DIAZ to tell CHS #2 that when nobody responds,  
24 he should approach JONES at his work station. After JONES ends the call with VELASCO  
25 DIAZ, JONES tells the CHS #2 to get a brown envelope and put some "phony papers" in the  
26 envelope. CHS #2 then pays JONES \$600.00 at which time JONES tells CHS #2 that he will  
27 also need \$20.00 dollars for the ID. JONES tells CHS #2 that he will see him shortly.

28 15. JONES departed the McDonalds parking lot at 8:45 a.m. Special Agents of the

1 FBI followed JONES to the DOL office where they observed him park and enter the building at  
2 8:51 a.m. FBI Agents procured a brown envelope and placed various documents inside, including  
3 a expired vehicle registration document, a vehicle inspection report, a "Les Schwab" receipt and  
4 an empty credit card envelope. The envelope and documents were given to CHS #2.

5 16. At approximately 9:47 a.m., CHS #2 entered the DOL building. At 9:56 a.m.,  
6 CHS #2 approached JONES at his work station. While processing CHS #2's application, JONES  
7 can be heard on tape telling CHS #2 "The people you're dealing with, I trust...Israel...and his  
8 friend....after this, you don't know me. That goes without saying." CHS #2 was issued a  
9 Washington State personal identification card under the false name provided. The Special  
10 Investigations Unit provided me with a copy of the Department of Licensing Record of  
11 Application for CHS #2 dated July 21, 2009, with the LSR identification number of "224"  
12 belonging to JONES.

13 17. On September 30, 2009, I interviewed JONES at his residence. During the  
14 interview, JONES admitted to selling at least five identification documents over the previous  
15 year in cooperation with VELASCO DIAZ. He admitted to issuing the ID card to CHS#1  
16 without sufficient proof of identity or residency in return for monetary compensation.

17 18. With the assistance of Special Investigations Unit, the FBI received the  
18 identification cards which had been mailed out to an address controlled by the FBI.

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1 **CONCLUSION**

2 19. Based on the forgoing, I submit that ISRAEL VELASCO DIAZ and LACY  
3 JONES JR. have committed the crimes of Conspiracy to Commit Unlawful Production of  
4 Identification Documents in violation of Title 18, United States Code, Section 371 and Unlawful  
5 Production of Identification Documents in violation of Title 18, United States Code, Sections  
6 1028(a)(1), 1028(b)(1)(A)(ii) and 2.

7   
8 DANIEL BENNETT, Affiant  
9 Federal Bureau of Investigation

10 SUBSCRIBED and SWORN TO before me this 16th day of June, 2010 by Special Agent  
11 Daniel Bennett.

12   
13 MARY ALICE THEILER  
14 United States Magistrate Judge