

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
 :
 v. : Criminal No. 19-
 :
 RAMON HERRERA : 18 U.S.C. § 1343
 :

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey, charges:

1. At all times relevant to this Information:

a. Defendant Ramon Herrera (“HERRERA”) was a financial advisor and registered broker residing in Jersey City, New Jersey.

b. Financial Institution-1 was a multinational financial services company headquartered in San Francisco, California. Financial Institution-1 maintained branches across the United States, including in the District of New Jersey, that offered customers various banking, investment, mortgage, and financing services and products.

c. Clearing Services Company-1 was a clearing services company associated with Financial Institution-1 that provided account statements, trade confirmations, and other recordkeeping, operational, clearing, and custodial services to brokerage firms.

d. HERRERA was employed by Clearing Services Company-1 as a financial advisor/broker and worked primarily out of several Financial

Institution-1 branches in the Hudson County, New Jersey area. Among other responsibilities, HERRERA, a broker registered with the Financial Industry Regulatory Authority (FINRA), advised Financial Institution-1 customers regarding buying and selling securities and other financial instruments and executed transactions on their behalf. HERRERA was terminated from Clearing Services Company-1 in or around January 2018.

e. Financial Institution-1 used Automated Clearing House (“ACH”) payments, among other mechanisms, to transfer funds electronically from one account to another account. ACH payments were transmitted electronically through servers housed at different locations. Two such servers were located in Birmingham, Alabama and in Shoreview, Minnesota.

f. HERRERA and his family members maintained multiple personal accounts at Financial Institution-1. HERRERA, for his part, maintained a personal checking account (the “HERRERA Personal Checking Account”), a personal credit card (the “HERRERA Personal Credit Card Account”), and a personal line of credit (the “HERRERA Personal Line of Credit”) at Financial Institution-1. Additionally, HERRERA and an immediate relative (“Individual-1”) maintained a joint checking account at Financial Institution-1 (the “HERRERA Joint Checking Account”). Individual-1 also maintained their own personal line of credit at Financial Institution-1 (the “Individual-1 Personal Line of Credit”).

The Scheme to Defraud

2. From in or about May 2015 through in or about January 2018, in the District of New Jersey and elsewhere, the defendant,

RAMON HERRERA,

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud Financial Institution-1 customers in the District of New Jersey, for whom he provided financial advice and brokerage services, and others, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice to defraud, did knowingly and intentionally transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, as more fully set forth below.

Goal of the Scheme to Defraud

3. The goal of the scheme to defraud was for defendant HERRERA to obtain money and property by, among other things, withdrawing money from Financial Institution-1 customers' accounts and using the funds to pay down the HERRERA Personal Credit Card Account, the HERRERA Personal Line of Credit, and the Individual-1 Personal Line of Credit, without the customers' knowledge or authorization.

Manner and Means of the Scheme to Defraud

4. It was part of the scheme to defraud that:

a. HERRERA used his position as a broker/financial advisor at Clearing Services Company-1 to meet with and learn confidential information regarding Financial Institution-1 customers in the Hudson County, New Jersey area for whom he was ostensibly providing investment advice and brokerage services. Many of these customers were elderly and many communicated with HERRERA in Spanish.

b. HERRERA caused the Financial Institution-1 customers he was advising to sign blank Financial Institution-1 withdrawal slips (the "Withdrawal Slips"). The Withdrawal Slips contained various fields that customers were required to fill out before completing a withdrawal, including the customer's name, address, and account number as well as the date and total amount of the withdrawal. Many customers signed the blank Withdrawal Slips

without asking questions, believing that the forms were related to the financial advice/brokerage services HERRERA was supposedly providing to them.

c. HERRERA falsely informed customers on occasion that their signatures were required for a legitimate reason. In fact, HERRERA's true purpose in obtaining the customers' signatures was to divert money from the customers' accounts.

d. Having obtained the customers' signatures, HERRERA then completed the remaining fields on the Withdrawal Slips and presented them to bank tellers at Financial Institution-1 branches.

e. HERRERA then directed the bank tellers to withdraw the money in the form of cashier's checks made payable to Financial Institution-1, which enabled HERRERA to apply the checks against the various personal accounts HERRERA and Individual-1 maintained at Financial Institution-1.

f. HERRERA took the cashier's checks to Financial Institution-1 branches and directed bank tellers to apply the funds to pay down the HERRERA Personal Credit Card Account, the HERRERA Personal Line of Credit, or the Individual-1 Personal Line of Credit. HERRERA thereby used his customers' money to subsidize HERRERA's and Individual-1's personal expenditures, which included payments for food, gambling debts, auto loans, educational loans, and payments to other credit cards.

g. HERRERA and Individual-1 transferred money between the various personal accounts controlled by HERRERA and Individual-1, often

shortly before or shortly after HERRERA diverted money from customers' accounts to his and Individual-1's personal accounts. For example, days after HERRERA or Individual-1 had advanced money from the HERRERA Personal Line of Credit or the Individual-1 Personal Line of Credit to one of the related personal checking accounts, HERRERA would divert a comparable sum of money from a Financial Institution-1 customer's account and apply the stolen funds to pay down and replenish the lines of credit.

h. HERRERA and Individual-1 transmitted or caused to be transmitted ACH payments electronically to transfer funds to and between the various personal accounts controlled by HERRERA and Individual-1.

i. HERRERA did not inform the Financial Institution-1 customers from whom he stole money that he was diverting funds from their accounts and applying the funds towards personal accounts controlled by him or Individual-1, nor did any customers authorize such transfers.

j. HERRERA stole money from approximately forty Financial Institution-1 customers' accounts during the time period covered by this Information.

k. HERRERA stole a total of approximately \$452,822.89 from customers whose money he was entrusted to safeguard and augment.

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

1. The allegations contained in this Information are incorporated by reference as though set forth in full herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461.

2. Upon conviction of the offense charged in this Information, the government will seek forfeiture from defendant RAMON HERRERA, in accordance with Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 981(a)(1)(C), of any and all property, real or personal, that constitutes or is derived from proceeds traceable to the violation of Title 18, United States Code, Section 1343 alleged in this Information.

3. If by any act or omission of defendant RAMON HERRERA any of the property subject to forfeiture herein:

- 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 subdivided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c),

to seek forfeiture of any other property of defendant RAMON HERRERA up to the value of the property described in this forfeiture allegation.


CRAIG CARPENITO
United States Attorney

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RAMON HERRERA

INFORMATION FOR

18 U.S.C. § 1343

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