

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon.
: :
v. : Crim. No.
: :
VENANCIO DIAZ : 18 U.S.C. § 666(a)(1)(A)

INFORMATION

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 VENANCIO DIAZ (“DIAZ”) was employed by the Newark Housing Authority (“NHA”) as its Director of Information Technology.
 - b. NHA was a local government agency that operated approximately 45 public housing developments and other housing programs throughout the city of Newark, New Jersey. From at least on or about December 18, 2013, through on or about August 10, 2021, NHA received benefits in excess of \$10,000 per year under Federal programs involving grants, contracts, subsidies, loans, guaranties, insurance, or other forms of Federal assistance within the meaning of Title 18, United States Code, Sections 666(b) and 666(d)(5).
 - c. The United States Department of Housing and Urban Development (“HUD”) was a department of the Executive Branch of the United States Government. HUD’s mission was to create strong, sustainable, inclusive communities and quality affordable homes for low and moderate-income residents. HUD provided NHA benefits well in excess of \$10,000 through

multiple programs. For example, through HUD’s Public Housing Operating Capital Fund (“PHOCF”), which provides funds for capital and management activities, HUD disbursed over \$157 million dollars to NHA from 2013 to 2021. The lowest disbursement from PHOCF to NHA, in a single calendar year, was at least \$7 million.

d. “Company-1” was a telecommunications company that sold cellular telephones and other electronic devices and provided cellular telephone and internet service.

e. “Online Marketplace-1” was an online marketplace for used electronic devices that was headquartered in or around Sanford, Florida.

f. “Online Marketplace-2” was an online marketplace for used electronic devices that was headquartered in or around San Diego, California.

2. Between in or about December 2013 and on or about August 10, 2021, while in New Jersey, through his role as Director of Information Technology for NHA, defendant DIAZ purchased, on behalf of NHA and using NHA funds, at least approximately 1,509 electronic devices, primarily cellular telephones and tablets (the “Devices”) from Company-1. Defendant DIAZ then caused the Devices to be activated on NHA’s account on Company-1’s network for a short period of time – often only days or weeks. After the brief period of activation ended, defendant DIAZ sold the Devices to Online Marketplace-1 and Online Marketplace-2, representing himself to be the owner of the Devices. Defendant DIAZ directed all the proceeds of the sales – a total of approximately

\$594,425 – to his personal bank accounts and retained the money for his own personal use.

3. For example, on or about December 29, 2020, using NHA funds, defendant DIAZ purchased an iPhone 12 Pro Max with 256 gigabytes of storage (“Device-1”) from Company-1 for use on NHA’s account. Defendant DIAZ then caused Device-1 to be activated on NHA’s account on Company-1’s network from on or about January 2, 2021, through on or about January 23, 2021. On or about February 10, 2021, defendant DIAZ sold Device-1 to Online Marketplace-1 for approximately \$474. Online Marketplace-1 sent payment for Device-1 to a bank account controlled by Defendant DIAZ. At approximately the time defendant DIAZ sold Device-1 to Online Marketplace-1, Apple was selling iPhone 12 Pro Max devices for the Sprint network with 256 gigabytes of storage for approximately \$1,199 each.

4. On or about December 17, 2020, defendant DIAZ, using NHA funds, purchased an iPhone 12 Pro Max with 256 gigabytes of storage (“Device-2”) from Company-1 for use on NHA’s account. Defendant DIAZ then caused Device-2 to be activated on NHA’s account on Company-1’s network from on or about January 1, 2021 through on or about January 10, 2021. On or about January 26, 2021, defendant DIAZ sold Device-2 to Online Marketplace-1 for approximately \$474. Online Marketplace-1 sent payment for Device-2 to a bank account controlled by defendant DIAZ.

5. On or about May 26, 2020, defendant DIAZ, using NHA funds, purchased an iPhone 11 Pro Max with 512 GB of storage (“Device-3”) from

Company-1 for use on NHA's account. Defendant DIAZ then caused Device-3 to be activated on NHA's account on Company-1's network from on or about May 28, 2020 through on or about July 19, 2020. On or about August 3, 2020, defendant DIAZ sold Device-3 to Online Marketplace-1 for approximately \$723. Online Marketplace-1 sent payment for Device-3 to a bank account controlled by defendant DIAZ. At approximately the time defendant DIAZ sold Device-3 to Online Marketplace-1, Apple was selling iPhone 11 Pro Max devices for the Sprint network with 512 gigabytes of storage for approximately \$1,449 each.

6. In total, between on or about December 18, 2013, and on or about August 10, 2021, defendant DIAZ sold to Online Marketplace-1 and Online Marketplace-2, a total of approximately 1,509 Devices (including those detailed above), all of which defendant DIAZ had purchased on behalf of NHA and caused to be activated on NHA's network, using NHA's funds. By doing so, defendant DIAZ received a total of approximately \$594,425 from Online Marketplace-1 and Online Marketplace-2, all of which defendant DIAZ directed to be deposited into bank accounts under defendant DIAZ's own control and thereafter maintained for personal use.

7. Between on or about December 18, 2013, and on or about August 10, 2021, in Essex and Hudson Counties, in the District of New Jersey and elsewhere, defendant

VENANCIO DIAZ,

being an agent of the Newark Housing Authority ("NHA"), which received in excess of \$10,000 in federal benefits within the relevant one-year periods,

embezzled, stole, obtained by fraud, and otherwise without authority converted to the use of any person other than the rightful owner and intentionally misappropriated property valued at \$5,000 and more that was owned by, and was under the care, custody, and control of NHA.

In violation of Title 18, United States Code, Section 666(a)(1)(A).


PHILIP R. SELLINGER
United States Attorney