

United States District Court

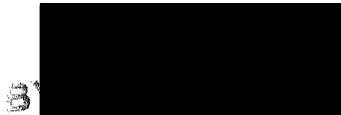
FOR THE
NORTHERN DISTRICT OF CALIFORNIA

VENUE: Oakland

CR13-00555 JST

UNITED STATES OF AMERICA,

v.



KYLE EDWARD MOORE, (a/k/a "Cal"),
CORTIO DETRICE WADE, (a/k/a "Tea"),
MARCEL DEVON BRIDGES, (a/k/a "Cell"),
DERRICKA LYNN FLUKER,

FILED

AUG 15 2013

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

DEFENDANT.

INDICTMENT

18 U.S.C. § 371 – Conspiracy to Commit Financial Aid Fraud
(2 Counts); 18 U.S.C. § 1343 – Wire Fraud (19 Counts);
18 U.S.C. § 2 – Aiding and Abetting;
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Wire
Fraud Forfeiture

A true bill.

Foreman

Filed in open court this 15 day of August, 2013

Clerk

Bail, \$ no bail warrants for all 4

1 MELINDA HAAG (CABN 132612)
United States Attorney

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6 **SEALED
BY COURT ORDER**

FILED

AUG 15 2013

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

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10 UNITED STATES DISTRICT COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 OAKLAND DIVISION

13 UNITED STATES OF AMERICA,
14 Plaintiff,

15 v.

16 KYLE EDWARD MOORE, (a/k/a "Cal"),
17 CORTIO DETRICE WADE, (a/k/a "Tea"),
18 MARCEL DEVON BRIDGES, (a/k/a "Cell"),
DERRICKA LYNN FLUKER,

19 Defendants.

NO.

CR13-00555

JST

) VIOLATIONS: 18 U.S.C. § 371 – Conspiracy to
) Commit Financial Aid Fraud (2 Counts); 18 U.S.C. §
) 1343 – Wire Fraud (19 Counts); 18 U.S.C. § 2 –
) Aiding and Abetting; 18 U.S.C. § 981(a)(1)(C) and
) 28 U.S.C. § 2461(c) – Wire Fraud Forfeiture

) OAKLAND VENUE
)
)

20
21 INDICTMENT

22 The Grand Jury charges:

23 INTRODUCTORY ALLEGATIONS

24 At all times relevant to this Indictment:

25 1. The United States Department of Education (Education) was a department of the United
26 States Government with a mission to promote student achievement and preparation for global
27 competitiveness by fostering educational excellence and ensuring equal access to education. One of the
28 primary functions of Education was oversight of the administration of Title IV Federal Student

Handwritten signature/initials

1 depended on, among other things, the student's financial need, costs to attend school, status as a full-
2 time or part-time student, and intent to attend school for a full academic year or less. A Federal Pell
3 Grant, unlike a loan, did not have to be repaid by the student unless the student failed to attend, or
4 withdrew from, school.

5 FSA APPLICATION PROCESS

6 5. In order to be eligible to receive Title IV funds, a student applicant completed and
7 submitted a Free Application for Federal Student Aid (FAFSA) via the "FAFSA on the Web" website
8 (www.fafsa.ed.gov). In order to electronically sign the FAFSA, each student applied online for, and
9 received via email, a unique PIN number via the "Federal Student Aid PIN" website (www.pin.ed.gov).
10 By applying for the PIN number, the student certified that he or she was the person who was submitting
11 the application. In turn, by signing the FAFSA, the student certified that he or she would use the
12 financial aid only to pay the cost of attending an institution of higher education, among other things. A
13 student's completed FAFSA would be electronically transmitted by the student to the Central Processing
14 System (CPS) in Plano, Texas.

15 6. The CPS analyzed the student applicant's submitted FAFSA application information
16 using the appropriate federal methodology to calculate the Estimated Family Contribution and also
17 performed data matching with various other federal agencies to confirm eligibility for FSA Programs,
18 including Stafford Loans and Pell Grants. Using the FAFSA application information, the CPS
19 electronically transmitted an Institutional Student Information Record from Plano, Texas, to the schools
20 the student listed on the FAFSA. The CPS also electronically transmitted a Student Aid Report from
21 Plano, Texas to the email account provided by the student applicant.

22 7. To apply for a Stafford Loan, the student applicant had to complete a Master Promissory
23 Note (MPN). By signing the MPN, the student certified that he or she would use the loan proceeds for
24 authorized educational expenses.

25 8. To apply for a Pell Grant, the student applicant did not have to complete an MPN, but
26 instead only needed to complete the FAFSA and meet Title IV fund eligibility pre-requisites.

27 9. In an attempt to ensure that Title IV funds were used for educational purposes, the funds
28 were sent from Education, or from the commercial lender, directly to the academic institution where the

1 student was enrolled. The academic institution held the funds in trust for the benefit of the student and
2 had the authority first, to apply the funds to the student's tuition balance, and second, to refund excess
3 funds to the student for other educational expenses incurred while attending school.

4 10. Academic institutions generally disbursed excess funds to the student in the form of a
5 check, a debit card, or an electronic fund transfer. Check and debit cards would either be mailed to the
6 student or picked up in person, depending on the academic institution's internal procedures.

7 CALIFORNIA COMMUNITY COLLEGES

8 11. The California Community College (CCC) was a system of public academic institutions
9 whose admitted students were eligible to apply to receive Title IV funds. The CCC system allowed
10 prospective students to apply for admission to CCC institutions online via the "CCCApply" website
11 (www.cccapply.org).

12 12. XAP Corporation hosted and operated the "CCCApply" website. In order to apply for
13 online admission to a CCC institution, a prospective student created a personalized online account by
14 providing basic application information, including name, residence address, email address, telephone
15 number, Social Security Number, and an account password. The online account allowed a prospective
16 student to apply to multiple CCC institutions without reentering application information, and to create
17 an individual CCCApply email account.

18 13. Ohlone College (Ohlone) is a CCC located in Fremont, in the Northern District of
19 California. Ohlone generally disbursed excess Title IV funds by check directly to the student after
20 verifying the student's photo identification.

21 14. Chabot College (Chabot) is a CCC located in Hayward, in the Northern District of
22 California. Chabot generally disbursed excess FSA loan funds by check directly to the student after
23 verifying the student's photo identification. Chabot generally disbursed Pell Grant funds on a third-
24 party vendor bank debit card. Chabot students could obtain their Pell Grant funds from third party
25 vendors in three ways: (1) via a bank debit card mailed to the student; (2) via an electronic fund transfer
26 to a bank account; or (3) via a check mailed to the student.

27 15. City College of San Francisco (CCSF) is a CCC located in San Francisco, in the Northern
28 District of California. CCSF generally disbursed excess Title IV funds by check or electronic fund

1 transfer for the first disbursement of the school year. For subsequent disbursements during the school
2 year, CCSF disbursed funds either in person to the student or via electronic fund transfer to a bank debit
3 card.

4 THE SCHEME TO DEFRAUD

5 16. From on or about July 7, 2007, through on or about March 1, 2011, in the Northern
6 District of California and elsewhere, defendants

7 KYLE MOORE (a/k/a "Cal"),
8 CORTIO WADE (a/k/a "T"),
9 MARCEL BRIDGES, (a/k/a "Cell"), and
DERRICKA FLUKER,

10 and others devised and engaged in a scheme and artifice to defraud Education, Ohlone, Chabot, and
11 CCSF out of money and property, namely Title IV funds, by means of fraudulent pretenses,
12 representations, and promises.

13 17. In furtherance of the scheme to defraud, defendants and others knowingly and
14 intentionally prepared, signed, and transmitted false and fraudulent student applications, MPNs, and
15 FAFSAs. In doing so, defendants and others made false representations about the purported student
16 applicants' eligibility to obtain Title IV funds, including that: (1) the student applicants held high school
17 diplomas or its recognized equivalent; (2) the student applicants intended to be regular students enrolled,
18 or accepted for enrollment, in an eligible program at an eligible academic institution; (3) the student
19 applicants were the actual individuals who were applying for the funds; and (4) the student applicants
20 intended to use the funds for authorized educational expenses and to only use the funds to pay the costs
21 of attending an institution of higher education.

22 18. As a further part of the scheme to defraud, defendants and others recruited third-parties to
23 serve as "straw students." Defendants and others assisted the straw students in preparing, signing, and
24 transmitting fraudulent student applications, MPNs, and FAFSAs knowing that many of the straw
25 students were not eligible to obtain Title IV funds because, among other things, the straw students had
26 no intention of attending school or using the funds for their intended purpose. In other instances,
27 defendants and others used the straw students' personal information to prepare, sign, and submit false
28 and fraudulent student applications, MPNs, and FAFSAs on behalf of the straw students.

1 19. As a further part of the scheme, upon receipt of the Title IV funds, defendants and others,
2 including straw students, would sometimes share the fraudulently obtained Title IV funds.

3 COUNT ONE: (18 U.S.C. § 371 – Conspiracy to Commit Financial Aid Fraud)

4 20. Paragraphs 1 through 19 of this Indictment are hereby re-alleged and incorporated by
5 reference as if set forth in full herein.

6 21. Beginning on or about July 7, 2007, through on or about March 1, 2011, in the Northern
7 District of California and elsewhere, defendants

8 KYLE MOORE (a/k/a “Cal”) and
9 CORTIO WADE (a/k/a “T”),

10 and others did knowingly and willfully conspire to execute and attempt to execute a material scheme to
11 commit offenses against the United States, namely to steal, and to obtain by fraud, false statements, and
12 forgery, Title IV funds provided or insured under subchapter IV of Chapter 28 of Title 20, United States
13 Code, and part C of subchapter I of Chapter 34 of Title 42, United States Code in violation of Title 20,
14 United States Code, Section 1097(a).

15 OVERT ACTS

16 22. In furtherance of the conspiracy and to effect the objects of that conspiracy, in the
17 Northern District of California and elsewhere, defendants and others committed the acts alleged in
18 Paragraphs 1 through 19 of this Indictment, and the following additional overt acts, among others:

19 a. Between on or about July 7, 2007, and on or about January 5, 2011, MOORE and
20 others created, and caused to be created, approximately 104 CCCApply accounts, including accounts
21 with similar passwords such as “maubert” or “maubert2” and with similar home addresses.

22 b. Between on or about July 7, 2007, and on or about January 5, 2011, MOORE,
23 WADE, and others used CCCApply accounts, as a means to submit admission applications for straw
24 students to CCCs, including Ohlone, Chabot, and CCSF.

25 c. Between on or about July 7, 2007, and on or about January 5, 2011, MOORE,
26 WADE, and others transmitted, and caused to be transmitted, FAFSAs to Education for straw students.

27 d. Between on or about July 7, 2007, and on or about January 5, 2011, MOORE,
28 WADE, and others created, and caused to be created, online PIN numbers for straw students on

1 Education's website.

2 e. On or about May 11, 2010, MOORE, WADE, and others created, and caused to
3 be created, an online CCCApply account for student L.J. with a password of "maubert" and a home
4 address on 84th Avenue in Oakland, California (hereafter, "the 84th Avenue residence").

5 f. On or about May 11, 2010, MOORE, WADE, and others transmitted, and caused
6 to be transmitted, a FAFSA for purported student L.J. with a home address at the 84th Avenue
7 residence.

8 g. On or about May 11, 2010, MOORE, WADE, and others created, and caused to
9 be created, an online CCCApply account for student C.W. with a password of "maubert" and a home
10 address at the 84th Avenue residence.

11 h. On or about May 11, 2010, MOORE, WADE, and others transmitted, and caused
12 to be transmitted, a FAFSA for purported student C.W. with a home address at the 84th Avenue
13 residence.

14 i. On or about February 1, 2010, MOORE, WADE, and others created, and caused
15 to be created, an online CCCApply account for student K.J. with a password of "maubert" and a home
16 address at the 84th Avenue residence.

17 j. On or about July 8, 2010, MOORE, WADE, and others transmitted, and caused to
18 be transmitted, a FAFSA for purported student K.J.

19 k. On or about May 11, 2010, MOORE, WADE, and others created, and caused to
20 be created, an online CCCApply account for student Ca.W. with a password of "maubert" and a home
21 address at the 84th Avenue residence.

22 l. On or about May 11, 2010, MOORE, WADE, and others transmitted, and caused
23 to be transmitted, a FAFSA for purported student Ca.W. with a home address at the 84th Avenue
24 residence.

25 m. On or about February 1, 2010, MOORE, WADE, and others created, and caused
26 to be created, an online CCCApply account for student E.J. with a password of "maubert."

27 n. On or about February 1, 2010, MOORE, WADE, and others transmitted, and
28 caused to be transmitted, a FAFSA for purported student E.J.

1 All in violation of Title 18, United States Code, Section 371.

2 COUNT TWO: (18 U.S.C. § 371 – Conspiracy to Commit Financial Aid Fraud)

3 23. Paragraphs 1 through 19 of this Indictment are hereby re-alleged and incorporated by
4 reference as if set forth in full herein.

5 24. Beginning in or about July 2007, through on or about March 1, 2011, in the Northern
6 District of California and elsewhere, defendants

7 KYLE MOORE (a/k/a “Cal”),
8 MARCEL BRIDGES (a/k/a “Cell”), and
9 DERRICKA FLUKER,

10 and others did knowingly and willfully conspire to execute and attempt to execute a material scheme to
11 commit offenses against the United States, namely, to steal and to obtain by fraud, false statements, and
12 forgery, Title IV funds provided or insured under subchapter IV of Chapter 28 of Title 20, United States
13 Code and part C of subchapter I of Chapter 34 of Title 42, United States Code, in violation of Title 20,
14 United States Code, Section 1097(a).

15 OVERT ACTS

16 25. In furtherance of the conspiracy and to effect the objects of that conspiracy, in the
17 Northern District of California and elsewhere, defendants and others committed the acts alleged in
18 Paragraphs 1 through 19 of this Indictment, and the following additional overt acts, among others:

19 a. Between on or about July 7, 2007, and on or about January 5, 2011, BRIDGES,
20 FLUKER, and others created, and caused to be created, multiple CCCApply accounts, including
21 accounts with similar passwords and the same home address in Hayward, California (hereafter, “the
22 Hayward, California residence”).

23 b. Between on or about July 7, 2007, and on or about January 5, 2011, BRIDGES,
24 FLUKER, and others used CCCApply accounts, as a means to submit admission applications for straw
25 students to CCCs, including Ohlone, Chabot, and CCSF.

26 c. Between on or about July 7, 2007, and on or about January 5, 2011, BRIDGES,
27 FLUKER, and others transmitted, and caused to be transmitted, FAFSAs to Education for straw
28 students.

1 d. Between on or about July 7, 2007, and on or about January 5, 2011, BRIDGES,
2 FLUKER, and others created, and caused to be created, online PIN numbers for straw students on
3 Education's website.

4 e. On or about November 19, 2010, BRIDGES, FLUKER, and others created, and
5 caused to be created, an online CCCApply account for student FLUKER with a home address at the
6 Hayward, California residence.

7 f. On or about November 19, 2010, BRIDGES, FLUKER, and others transmitted,
8 and caused to be transmitted, a FAFSA for purported student FLUKER with a home address at the
9 Hayward, California residence.

10 g. On or about November 23, 2010, BRIDGES, FLUKER, and others created, and
11 caused to be created, an online CCCApply account for student F.F. with a password of "maubert" and a
12 home address at the Hayward, California residence.

13 h. On or about November 23, 2010, BRIDGES, FLUKER, and others transmitted,
14 and caused to be transmitted, a FAFSA for purported student F.F. with a home address at the Hayward,
15 California residence.

16 i. On or about November 23, 2010, BRIDGES, FLUKER, and others created, and
17 caused to be created, an online CCCApply account for student E.B. with a password of "maubert" and a
18 home address at the Hayward, California residence.

19 j. On or about November 23, 2010, BRIDGES, FLUKER, and others transmitted,
20 and caused to be transmitted, a FAFSA for purported student E.B. with a home address at the Hayward,
21 California residence.

22 k. On or about November 23, 2010, BRIDGES, FLUKER, and others created, and
23 caused to be created, an online CCCApply account for student N.K. with a home address at the
24 Hayward, California residence.

25 l. On or about November 23, 2010, BRIDGES, FLUKER, and others transmitted,
26 and caused to be transmitted, a FAFSA for purported student N.K. with a home address at the Hayward,
27 California residence.

28 m. On or about November 23, 2010, BRIDGES, FLUKER, and others created, and

1 caused to be created, an online CCCApply account for student C.W. with a password of "maubert" and a
2 home address at the Hayward, California residence.

3 n. On or about November 23, 2010, BRIDGES, FLUKER, and others transmitted,
4 and caused to be transmitted, a FAFSA for purported student C.W. with a home address at the Hayward,
5 California residence.

6 o. On or about November 23, 2010, BRIDGES, FLUKER, and others created, and
7 caused to be created, an online CCCApply account for student S.W. with a password of "maubert."

8 p. On or about January 4, 2011, BRIDGES, FLUKER, and others transmitted, and
9 caused to be transmitted, a FAFSA for purported student S.W.

10 All in violation of Title 18 United States Code, Section 371.

11 COUNTS THREE THROUGH TWENTY ONE: (18 U.S.C. §§ 1343 & 2 – Wire Fraud; Aiding and
12 Abetting)

13 26. Paragraphs 1 through 19 of this Indictment are hereby re-alleged and incorporated by
14 reference as if set forth in full herein.

15 27. Beginning in or about July 2007 through on or about March 1, 2011, in the Northern
16 District of California and elsewhere, defendants

17 KYLE MOORE (a/k/a "Cal"),
18 CORTIO WADE (a/k/a "T"),
19 MARCEL BRIDGES (a/k/a "Cell"), and
DERRICKA FLUKER,

20 for the purpose of executing a scheme and artifice to defraud as to a material matter, and for obtaining
21 money and property by means of materially false and fraudulent pretenses, representations, promises,
22 and omissions, did knowingly transmit and cause to be transmitted the following wire communications

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1 in interstate commerce from the Northern District of California to Plano, Texas:

COUNT	DEFENDANT	DATE OF WIRE	WIRE DESCRIPTION
3	BRIDGES	August 15, 2008	FAFSA for purported student BRIDGES
4	MOORE	February 19, 2009	FAFSA for purported student B.B.
5	BRIDGES	March 30, 2009	FAFSA for purported student BRIDGES
6	MOORE	June 21, 2009	FAFSA for purported student P.B.
7	MOORE	January 5, 2010	FAFSA for purported student C.N.
8	MOORE and WADE	February 1, 2010	FAFSA for purported student E.J.
9	MOORE	March 24, 2010	FAFSA for purported student C.N.
10	BRIDGES	May 7, 2010	FAFSA for purported student BRIDGES
11	MOORE and WADE	May 11, 2010	FAFSA for purported student L.J.
12	MOORE and WADE	May 11, 2010	FAFSA for purported student Ca.W.
13	MOORE and WADE	May 11, 2010	FAFSA for purported student Cl.W.
14	MOORE	May 12, 2010	FAFSA for purported student P.M.
15	MOORE and WADE	July 8, 2010	FAFSA for purported student K.J.
16	BRIDGES and FLUKER	November 19, 2010	FAFSA for purported student FLUKER
17	BRIDGES and FLUKER	November 23, 2010	FAFSA for purported student F.F.
18	BRIDGES and FLUKER	November 23, 2010	FAFSA for purported student E.B.
19	BRIDGES and FLUKER	November 23, 2010	FAFSA for purported student N.K.
20	BRIDGES and FLUKER	November 23, 2010	FAFSA for purported student C.W
21	BRIDGES and FLUKER	January 4, 2011	FAFSA for purported student S.W.

25 All in violation of Title 18, United States Code, Sections 1343 and 2.

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1 FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Wire Fraud
2 Forfeiture)

3 28. Paragraphs 1 through 27 of this Indictment are hereby realleged and incorporated by
4 reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section
5 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

6 29. Upon a conviction of any of the offenses alleged in Counts Three through Twenty One,
7 the defendants

8 KYLE MOORE (a/k/a “Cal”),
9 CORTIO WADE (a/k/a “T”),
10 MARCEL BRIDGES (a/k/a “Cell”), and
DERRICKA FLUKER,

11 shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and
12 Title 28, United States Code, Section 2461(c), all right, title, and interest in property, real and personal,
13 constituting, derived from, or traceable to the proceeds that defendant obtained directly or indirectly as a
14 result of the offenses.

15 30. If, as a result of any act or omission of any defendant, any of said property

- 16 a. cannot be located upon the exercise of due diligence;
17 b. has been transferred or sold to, or deposited with, a third person;
18 c. has been placed beyond the jurisdiction of the Court;
19 d. has been substantially diminished in value; or
20 e. has been commingled with other property which cannot be divided without
21 difficulty;

22 any and all interest any defendant has in any other property, up to value of the property described above,

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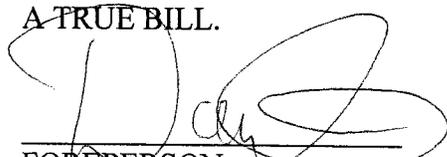
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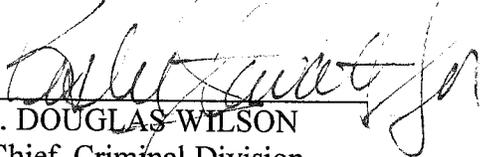
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1 shall be forfeited to the United States, pursuant to Title 21, United States Code, Section 853(p), as
2 incorporated by Title 18, United States Code, Section 982(b)(1).

4 DATED: August 15, 2013

A TRUE BILL.

FOREPERSON

7 MELINDA HAAG
8 United States Attorney

9 
10 J. DOUGLAS WILSON
11 Chief, Criminal Division

12 (Approved as to form: 
13 AUSA WADE M. RHYNE