

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

Eight Accused of Raiding State’s Unclaimed Property Website and Stealing \$1.5 Million

***More than 300 checks cut to imposters;
Many of rightful recipients unaware money was owed to them- or stolen from them***

NEWS RELEASE SUMMARY – April 16, 2014

SAN DIEGO – Eight people are charged in an indictment unsealed yesterday with participating in an elaborate scheme to defraud hundreds of property owners of at least \$1.5 million in funds listed on the state of California’s Unclaimed Property website.

Defendants Ignacio Garcia Nunez and Cesar Alfonso Benitez, both of Calexico, California, and Alma Gurrola, of Agoura Hills, California, were taken into custody earlier this week. Nunez and Benitez made their first appearances in federal court in El Centro on Tuesday and Gurrola is expected to make her first appearance in the Central District of California today. Five defendants remain at large.

According to the indictment, the defendants carried out the scheme by searching the State’s Unclaimed Property website and locating property - such as life insurance payouts, business overcharges or refunds and unclaimed funds in escrow or bank accounts - that were never claimed by the rightful owners. The website is administered by California State Controller John Chiang. The website lists property by the name of the apparent owner, the value of the unclaimed property and the financial institution, business or other entity that is the “Holder,” of the unclaimed property.

To carry out their scheme, defendants allegedly posed as the owners of the unclaimed property and contacted businesses, insurance companies and financial institutions, who were the Holders of the unclaimed property. The indictment alleges that the defendants prepared and submitted fraudulent claims to the Holders of the unclaimed property by assuming the identities of the actual owners. In addition, the defendants used false notary stamps and forged signatures to enhance the claims they submitted to the Holders. The defendants directed Holders to send checks representing the unclaimed property to post office boxes they opened. Defendants also allegedly opened nominee bank accounts at a variety of banks in order to deposit and launder the funds that were fraudulently obtained.

The indictment alleges numerous examples of the defendants' criminal actions. For instance, defendants falsely claimed they were the rightful owners of \$41,963 due and owing from Presidential Life Insurance Company; and at another time defendants claimed they were the rightful owners of \$117,444 due and owing from Athene Annuity & Life Assurance Company. In both instances, the money was owed to unwitting third parties, one of whom was determined to be deceased. As part of the scheme, defendants opened bank accounts in names of unclaimed property owners or businesses and deposited the fraudulently obtained checks into these accounts they controlled. The defendants accessed their ill-gotten proceeds using debit cards and forged checks, draining the bank accounts in short order.

In addition to Benitez, Nunez and Alma Gurrola, the defendants include Stan Gurrola, Moises Y. Covarrubias, Claudia Griselda Stolp, Manuel Reyes Ornelas and Moises Covarrubias-Angulo. Benitez and Nunez were both taken into custody at the Port of Entry in Calexico, California. Both defendants were arraigned yesterday in federal court in El Centro and their next scheduled Court appearance is May 23, 2014, before U.S. District Judge Janis L. Sammartino. All eight defendants are charged in the conspiracy count and seven of the defendants are charged in the various substantive counts, which include mail fraud, money laundering, false statement to a federally insured financial institution and aggravated identity theft. The indictment also alleges criminal forfeiture.

By law, Holders of unclaimed property – such as business associations, banking and financial organizations, life insurance corporations and other entities – must review their records annually to determine if they hold any unclaimed property. Unclaimed property must be reported to the state after a certain period of time. That property is then listed for a finite period of time on the State's website, <http://www.sco.ca.gov/upd.html>, as unclaimed.

This investigation was led by the United States Postal Inspection Service and assisted by the California Department of Insurance, California Franchise Tax Board, California Department of Consumer Affairs, Homeland Security Investigations and the San Diego County C.A.T.C.H. Task Force.

DEFENDANTS

Stan Gurrola	44	Calexico, CA
Ignacio Garcia Nunez	52	Calexico, CA
Moises Y. Covarrubias	43	Calexico, CA
Claudia Griselda Stolp	49	Newbury Park, CA
Manuel Reyes Ornelas	63	Calexico, CA
Alma Gurrola	45	Agoura Hills, CA
Cesar Alfonso Benitez	45	Calexico, CA
Moises Covarrubias Angulo	51	Calexico, CA

CHARGES

Conspiracy, in violation of Title 18, U.S.C. Sec. 371

Maximum Penalties -5 years in custody, a fine based on the greater of twice the gross loss caused to persons by the offense or \$1,000,000, and term of supervised release of not more than 5 years.

Mail Fraud, in violation of Title 18, U.S.C. Sections. 1341 & 2

Maximum Penalties -20 years in custody, a fine of not more than \$250,000, and term of supervised release of not more than 5 years.

Money Laundering, in violation of Title 18, U.S.C. Sections 1956(a)(1)(B)(i) & 2

Maximum Penalties -20 years in custody, a fine based on the greater of twice the gross loss caused to persons by the offense or \$500,000, and term of supervised release of not more than 5 years.

False Statement to a Federally Insured Financial Inst., in violation of Title 18, U.S.C. Sections. 1014 & 2

Maximum Penalties -30 years in custody, a fine of not more than \$1,000,000, and term of supervised release of not more than 5 years.

Aggravated Identity Theft, in violation of Title 18, U.S.C. Sections. 1028A & 2

Maximum Penalties -15 years in custody, with a term of 2 years to run consecutive to any other sentence, and a fine of not more than \$250,000, and term of supervised release of not more than 5 years.

Criminal Forfeiture Allegation

INVESTIGATING AGENCIES

U.S. Postal Inspection Service

California Department of Insurance

California Franchise Tax Board

California Department of Consumer Affairs

Homeland Security Investigations

San Diego County C.A.T.C.H. Task Force