

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

**UNITED STATES OF AMERICA**

\*

**CRIMINAL NO. 18-233**

**v.**

\*

**SECTION: M**

**RYAN S. CORTEZ**

\*

**VIOLATION: 18 U.S.C. § 1711**

\* \* \*

**FACTUAL BASIS**

The above-named defendant, **RYAN S. CORTEZ** (“CORTEZ”), has agreed to plead guilty to Count One of the Bill of Information now pending against him. Should this matter have gone to trial, the United States of America would have proven beyond a reasonable doubt, through the introduction of relevant, competent, and admissible testimonial, physical and demonstrative evidence, the following facts to support the allegations against the defendant.

At all times material herein the defendant, **CORTEZ**, was employed by the United States Postal Service (“USPS”) and held the positions of Manager of Customer Service Operations and Supervisor of Customer Service Operations at the North Kenner Post Office, Kenner, Louisiana in the Eastern District of Louisiana. One of **CORTEZ**’s responsibilities was to order postage stamps from the USPS Stamp Fulfillment Center.

The case against **CORTEZ** began when PayPal corporate security contacted the Office of Inspector General for the U.S. Postal Service (“Postal OIG”). PayPal reported **CORTEZ** was selling substantial amounts of postage stamps on eBay and using PayPal to process the

AUSA BR  
Defendant RC  
Defense Counsel VWJ

transactions. A subsequent investigation by Postal OIG revealed that as manager, **CORTEZ** had a significant amount of access to USPS inventory such as U.S. postage stamps. According to USPS accounting records, the value of the reserve stamp stock held at the North Kenner Post Office rapidly increased from fluctuating in the \$50,000-\$70,000 range in 2016 to more than \$630,000 on September 19, 2018. Postal agents determined the growth of the unit's reserve was inconsistent with normal Post Office operations as it indicates ordering of large volume of stamps incommensurate with sales of those stamps. Accounting records show **CORTEZ** was frequently accountable for his Post Office's reserve stamp stock. In addition, because of his position as a manager, **CORTEZ** was able to enter data and fraudulent information in account systems without raising suspicion, in an attempt to avoid detection of his illicit activity.

PayPal records indicated **CORTEZ** sold large quantities of stamps at significantly less than their face value to several individuals. Initially, these stamp sales took place on eBay with buyers paying **CORTEZ** via PayPal. PayPal disabled **CORTEZ**'s account due to suspected fraudulent activity in or around May of 2018.

Subpoenaed records indicated **CORTEZ** was receiving checks for payment from three major sources when PayPal disabled his account. These checks varied in amount, but generally ranged from \$2,000 to \$4,900. Frequently, the checks listed "Inventory" or "Invoice...Forever Stamps" on the memo line. Between July 2018 and August 2018, **CORTEZ** deposited numerous checks, totaling \$58,730.57, into his Regions Bank account. Many of the checks deposited into **CORTEZ**'s Region's account indicated they were for payment of stamps based on the notations on the memo line of the check. For example, July 10, 2018, **CORTEZ** deposited a check into his account in the amount of \$3,868.75. The memo line indicated "Invoice 1021 10,000 Forever

Stamps.” USPS Forever Stamps currently sell for \$.50. Cortez sold 10,000 stamps for \$.38 per stamp.

During their investigation, Postal OIG agents determined **CORTEZ** withdrew thousands of dollars on a regular basis at the Harrah’s Casino in New Orleans. Subpoenaed Harrah’s records revealed **CORTEZ** lost over \$667,000 since 2011 and more than \$220,000 in 2017. Postal records indicate **CORTEZ** earned an annual salary of \$70,818 and the Louisiana Workforce Commission (LWC) confirmed **CORTEZ** had no other sources of income.

On October 10, 2018, Postal OIG special agents executed a federal search warrant at **CORTEZ**’s residence in Des Allemands and arrested Cortez at the North Kenner Post Office. Agents found evidence linking **CORTEZ** to the ordering of the stamps from the Stamp Fulfillment Center thus increasing the reserve stamp stock for the North Kenner Post Office. During the search of the Post Office, Postal OIG special agents advised **CORTEZ** of his *Miranda* rights and advised him that they wanted to discuss financial issues with the Post Office. **CORTEZ** admitted to Postal agents that he had stolen stamps from the North Kenner Post Office and sold them on eBay. When asked to estimate the dollar amount of stamp stock that had been stolen, **CORTEZ** responded, “Hundreds of thousands.” **CORTEZ** confirmed he mostly sold stamps to two buyers, one in Billings, MT and another in Chatham, NJ. **CORTEZ** claimed he began selling stamps on eBay in 2015. **CORTEZ** said he was addicted to gambling and the money obtained from the illegal sale of stamps was to support his gambling addiction. **CORTEZ** confirmed he manipulated stamp stock counts by using another supervisor’s password to access the computer system. As a result, existing internal controls failed to detect the theft of these stamps.

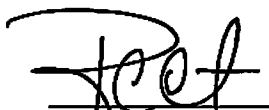
On October 10, 2018, USPS OIG agents performed an audit of the North Kenner Post Office's finances. Their audit confirmed the North Kenner Post Office Unit Reserve Stock was short \$636,475.35. In total, records reveal CORTEZ stole over \$630,000 in U.S. postage stamps and sold them on eBay.



The defendant, RYAN S. CORTEZ, further agrees that the information herein is not all the information known or known to him about his fraudulent conduct, but that facts contained in this Factual Basis are true and correct, and support the offense charged in Count 1 of the Bill of Information.

READ AND APPROVED:

  
\_\_\_\_\_  
VALERIE JUSSELIN      2/22/19  
Counsel for Defendant      DATE

  
\_\_\_\_\_  
BRIAN M. KLEBBA      2/22/19  
Assistant United States Attorney      DATE

  
\_\_\_\_\_  
RYAN S. CORTEZ      2/22/19  
Defendant      DATE

AUSA   
Defendant   
Defense Counsel 