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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA	)	Criminal No.	1:25-CR-411 (AJB)
	)		
v.	)	Third Superseding Indictment	
	)		
JAEI WATTS and LUIS PINO-	)	Violations:	18 U.S.C. § 1001(a)(2) [False
COPETE,	)		Statement]
	)		
Defendants.	)		18 U.S.C. § 1343 [Wire Fraud]
	)		
	)		18 U.S.C. § 1028A [Aggravated
	)		Identity Theft]
	)		
	)		18 U.S.C. § 1349 [Conspiracy to
	)		Commit Wire Fraud]
	)		
	)		18 U.S.C. § 1001(a)(3) [False
	)		Document]
	)		
	)	10 Counts	
	)		
	)	County of Offenses:	Albany

THE GRAND JURY CHARGES:

Background

At times relevant to the second superseding indictment:

1. The defendants, **JAEI WATTS** and **LUIS PINO-COPETE**, resided together in the State of New Jersey.
2. **WATTS** operated a not-for-profit company, Pearl Transit Corp. ("Pearl Transit"), that claimed to provide transportation services, street outreach services, and charitable dental services to the elderly, disabled, and economically disadvantaged in numerous states, including New York, Georgia, and California.

Section 5310 Program

3. The Federal Transit Administration ("FTA"), part of the United States Department of Transportation ("USDOT"), operated a program that provided funding to states and designated

recipients to meet the transportation needs of older adults and people with disabilities when a needed transportation service was otherwise not available or insufficient (the “Section 5310 Program”). *See generally* 49 U.S.C. § 5301, *et seq.*

4. The New York State Department of Transportation (“NYSDOT”), based in Albany, New York, the City of Raleigh, North Carolina, and the Los Angeles County Metropolitan Transportation Authority, based in Los Angeles, California, were recipients and administrators of Section 5310 Program funds from USDOT.

5. New York State Office of General Services’ (“NYSOGS”) Business Service Center (“BSC”), based in Albany, hosted accounts payable processes for various state agencies, including NYSDOT. A vendor seeking payment from New York could send invoices to the BSC electronically, including by email. The BSC used the Application to enter an electronic invoice into the Statewide Financial System (“SFS”) and routed the electronic invoice to the agency, in this case NYSDOT, to confirm the invoice was appropriate to pay. If the agency deemed the invoice appropriate to pay, the agency would convert the electronic invoice into a voucher in the SFS. In certain situations, the BSC submitted the voucher to the Office of the New York State Comptroller (“OSC”), based in Albany, for audit and payment.

Community Development Block Grant and Emergency Services Grant Programs

6. The United States Department of Housing and Urban Development (“HUD”) operated the Community Development Block Grant Program (“CDBG Program”) that provided annual grants to states, cities, and counties to develop urban communities by providing housing and a suitable living environment, and by expanding economic opportunities, primarily for low- and moderate-income persons. Gwinnett County, Georgia and the City of San Bernadino, California were recipients and administrators of CDBG funds from HUD.

7. HUD also operated the Emergency Solutions Grants Program (“ESG Program”) that

provided funding to states, cities, urban counties and territories to alleviate the burden of homelessness, including through street outreach and improving the number and quality of emergency shelters for homeless individuals and families. Kern County, California, was a recipient and administrator of ESG funds from HUD.

COUNT 1
[False Statement]

8. Paragraphs 1 through 7 are hereby realleged and incorporated as if fully set forth herein.

9. On or about March 21, 2022, in the Northern District of New York, and elsewhere, the defendant, **JAEL WATTS**, in a matter within the jurisdiction of the executive, legislative, and judicial branch of the Government of the United States, knowingly and willfully made any materially false, fictitious, and fraudulent statement and representation, that is, **WATTS** submitted a 2022 FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program Application to the NYSDOT falsely bearing the affirmation of an attorney with the initials A.J.F. when, as **WATTS** then well knew, A.J.F. had not reviewed or signed the document, in violation of 18 U.S.C. § 1001(a)(2).

COUNT 2
[Aggravated Identity Theft]

10. Paragraphs 1 through 9 are hereby realleged and incorporated as if fully set forth herein.

11. On or about March 21, 2022, in the Northern District of New York, and elsewhere, the defendant, **JAEL WATTS**, during and in relation to a felony violation contained in Chapter 47 of Title 18 of the United States Code relating to fraud and false statements, that is, the violation of 18 U.S.C. § 1001(a)(2) charged in Count 1, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person, that is, the name of A.J.F., in violation

of 18 U.S.C. § 1028A(a)(1).

COUNTS 3 – 7
[Wire Fraud]

12. Paragraphs 1 through 11 are hereby realleged and incorporated as if fully set forth herein.

13. From in or around July 2019 to at least in or around October 2025, in the Northern District of New York, and elsewhere, the defendant, **JAEL WATTS**, devised and intended to devise a scheme and artifice to defraud, and to obtain money, by means of materially false and fraudulent pretenses, representations, and promises, and transmitting and causing to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, and signals for the purpose of executing such scheme and artifice. As part of the scheme and artifice to defraud, **WATTS** fraudulently obtained and attempted to fraudulently obtain federal funds payable to Pearl Transit, including funds sourced from the Section 5310 Program, the CDBG Program, and the ESG Program, by means of materially false and fraudulent statements and representations to state, county, and municipal administrators of these federal programs.

14. On or about the following dates, for the purpose of executing the scheme and artifice to defraud, **WATTS** knowingly transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce the following writings, signs, and signals, each of which was an email with one or more attachments **WATTS** knowingly sent or caused to be sent through interstate and foreign commerce to a New York State agency in the Northern District of New York, seeking fraudulent reimbursement for operating costs Pearl Transit had not incurred, each email and attached contents constituting a separate count:

Count	Date	Email Recipient	Email Title
3	September 25, 2024	NYSOGS	Reimbursement Request: Pearl Transit Corp., Invoices No. 1, 2, and 3
4	October 2, 2024	NYSOGS	FW: Reimbursement Request: Pearl Transit Corp., Invoice 1
5	October 2, 2024	NYSOGS	FW: Reimbursement Request: Pearl Transit Corp., Invoice 2
6	October 2, 2024	NYSOGS	FW: Reimbursement Request: Pearl Transit Corp., Invoice 3
7	October 25, 2024	NYSDOT	Re: [Incident: 241024-000485]

All in violation of 18 U.S.C. § 1343.

COUNT 8
[Conspiracy to Commit Wire Fraud]

15. Paragraphs 1 through 14 are hereby realleged and incorporated as if fully set forth herein.

16. Between in or around January 2024 and in or around October 2025, in the Northern District of New York, and elsewhere, the defendants, **JAEL WATTS** and **LUIS PINO-COPETE**, conspired to commit wire fraud by devising and intending to device a scheme and artifice to defraud, and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, and transmitting and causing to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, and signals for the purpose of executing such scheme and artifice, in violation of 18 U.S.C. § 1343.

Object of the Conspiracy

17. The object of the conspiracy was to fraudulently obtain payment of federal funds to Pearl Transit.

Manner and Means

18. In furtherance of the conspiracy and to accomplish its illegal object, **WATTS** and **PINO-COPETE** used the following manners and means, among others:

a. **WATTS** and **PINO-COPETE** obtained, without lawful authority, the personal identifying information, including names, addresses, dates of birth, and driver license numbers of numerous individuals, which they used to create fake documents purporting to establish that these individuals were employees or customers of Pearl Transit, when they were not.

b. **WATTS** and **PINO-COPETE** submitted and caused to be submitted false and fraudulent documents, including employment and client records, to states and municipalities in support of fraudulent claims for reimbursement of federal funds, including funds sourced from the Section 5310 Program and the CDBG Program.

c. **WATTS** and **PINO-COPETE** made and caused to be made materially false statements and representations about the operations, employees, and customers of Pearl Transit.

d. **WATTS** and **PINO-COPETE** made and caused to be made materially false statements and representations in an effort to conceal the fact that, in connection with her operation of Pearl Transit, **WATTS** had been charged with wire fraud and was detained.

e. For example, on or about January 10, 2025, **WATTS** sent **PINO-COPETE** a screenshot of a request from the OSC for supporting documentation needed to verify Pearl Transit's claim for reimbursement under the Section 5310 Program. The request sought, among other information, "Drivers' licenses for all drivers Pearl Transit employed during Q1 2022" and "Client applications for all riders Pearl Transit transported during Q1 2022."

f. On or about January 14, 2025, **PINO-COPETE** created a username with TransUnion Risk and Alternative Data Solutions ("TRADS") under a pre-existing contract with Pearl Transit, which allowed him to search for, among other things, individuals' dates of birth. That same day, **PINO-COPETE** used the account to obtain the dates of birth of numerous individuals, including an individual with the initials S.C. and an individual with the initials Z.B.

g. On or about January 14, 2025, **WATTS** sent **PINO-COPETE** the names and New

York State driver's license numbers for A.W., J.R., and R.S., which **WATTS** had previously obtained under her own username at TRADS.

h. On or about January 15, 2025, **WATTS** sent an email to OSC in response to the demand for supporting documentation, stating: "Sir, Please find the demanded records attached. I am not aware of what supporting records could be supplied to further prove our 2022 personnel expenses. I am hoping for your feedback." **WATTS** attached to the email a false Pearl Transit Corp. Driver Applicant Report listing A.W., J.R., and R.S. and their New York State driver license numbers, despite the fact that A.W., J.R., and R.S. had never applied for or worked as drivers for Pearl Transit. **WATTS** also attached to the email a false Pearl Transit Corp. E Rides Application Detail Report listing the names and dates of birth of numerous individuals, including S.C. and Z.B., even though the individuals had never sought or obtained rides from Pearl Transit.

i. On or about February 10, 2025, **WATTS** sent **PINO-COPETE** a screenshot of a request from the OSC for additional supporting documentation verifying Pearl Transit's claim for reimbursement under the Section 5310 Program. The OSC requested, among other things, for **WATTS** to provide "the name of the third-party provider Pearl Transit uses to check the Drivers' licenses" and "copies of the full reports from the third-party provider for" purported drivers with the initials M.B., J.R., R.S., and S.W. **WATTS** told **PINO-COPETE**, "I think this is good news . . . It means they haven't found anything wrong . . . I will make up a report . . . and a provider as well . . . I have driving history reports for each of those ppl I just have to add a company logo to it." **PINO-COPETE** responded, "I love you." Thereafter, **PINO-COPETE** agreed to allow **WATTS** to use his credit card to "create a url on lucky register get a phony number and pay someone in India to copy another places site."

j. Between on or about February 10, 2025 and on or about February 11, 2025, **WATTS** used a third-party freelancing company to create a fake internet domain, logo, and voicemail for a

fictitious company called “Actual Check” and paid for the services with **PINO-COPETE**’s credit card.

k. On or about February 12, 2025, **WATTS** sent an email to OSC responding to its demand for supporting documentation and wrote: “Sir, Please find the reports attached.” **WATTS** attached to the email four false “Actual Check Motor Vehicle Reports” for individuals with the initials M.B., J.R., R.S., and S.W.

l. On or about February 18, 2025, **WATTS** was asked by OSC employees during a phone call to provide additional documentation in support of her claim for reimbursement to Pearl Transit under the Section 5310 Program. The documentation requested included bank records showing payments to employees of Pearl Transit and an insurance record evidencing coverage for vehicles not owned by Pearl Transit that were used by drivers for Pearl Transit.

m. After the call with OSC, **WATTS** messaged **PINO-COPETE** a list of items requested by OSC, including the bank statements and insurance record, and asked him to send her a bank statement and a Colombian insurance policy. In response, **PINO-COPETE** sent **WATTS** a Bancolombia monthly statement for an account in his name for the month ending January 31, 2025 and a Colombian insurance policy in his name from 2015.

n. Over the next several days, **WATTS** used the documents supplied by **PINO-COPETE** to create fake bank records that falsely reflected that Pearl Transit paid drivers through an account at Bancolombia and a fake insurance record that falsely reflected that Pearl Transit maintained an insurance policy on a vehicle in Colombia.

o. On or about March 7, 2025, **WATTS** sent an email to OSC and purported to include the information requested by OSC in the February 18, 2025 call. Attached to the email were fake Bancolombia monthly statements purporting to show that Pearl Transit paid its New York State drivers from an account with Bancolombia and a fake insurance record from Colombia purporting

to show that Pearl Transit had a Mercedes Sprinter van insured in Colombia.

p. On or about September 16, 2025, from the Albany County Correctional Facility in Albany, New York, **WATTS** instructed **PINO-COPETE** to lie to the City of San Bernadino, from which **WATTS** was attempting to obtain CDBG Program funds paid to Pearl Transit, and to conceal that **WATTS** had been charged with wire fraud in connection with the purported operation of Pearl Transit and was detained, by sending an email as if he were **WATTS** stating, “i apologize for the delay in sending the attached. i was out of the office all last week, due to the sudden death of an immediate family member. please contact me in the event that there is any further action required from me. thank you.” Thereafter, **PINO-COPETE**, pretending to be **WATTS**, sent that language in an email to the City of San Bernadino.

q. On or about October 3, 2025, from the Albany County Correctional Facility in Albany, New York, to conceal that **WATTS** was charged with wire fraud and detained, **WATTS** instructed **PINO-COPETE** to digitally sign a contract for CDBG Program funding between Pearl Transit and the City of San Bernadino in **WATTS**’ name. As instructed, **PINO-COPETE** signed the contract in **WATTS**’ name and submitted it to the City of San Bernadino.

All in violation of 18 U.S.C. § 1349.

COUNT 9
[False Document]

19. Paragraphs 1 through 18 are hereby realleged and incorporated as if fully set forth herein.

20. On or about January 15, 2025, in the Northern District of New York, and elsewhere, the defendants, **JAEL WATTS** and **LUIS PINO-COPETE**, in a matter within the jurisdiction of the executive, legislative, and judicial branch of the Government of the United States, knowingly and willfully made and used a false writing and document knowing the same to contain any materially false, fictitious, and fraudulent statement and entry, that is, **WATTS** and **PINO-**

COPETE submitted a document to the OSC listing the names and dates of birth of purported clients of Pearl Transit in the first quarter of 2022, when the individuals were never clients of Pearl Transit, in violation of 18 U.S.C. § 1001(a)(3).

COUNT 10
[Aggravated Identity Theft]

21. Paragraphs 1 through 20 are hereby realleged and incorporated as if fully set forth herein.

22. On or about January 15, 2025, in the Northern District of New York, and elsewhere, the defendants, **JAEL WATTS** and **LUIS PINO-COPETE**, during and in relation to a felony violation contained in Chapter 47 of Title 18 of the United States Code relating to fraud and false statements, that is, the violation of 18 U.S.C. § 1001(a)(3) charged in Count 9, knowingly transferred, possessed, and used, without lawful authority, the name and date of birth of an individual whose initials are S.C., in violation of 18 U.S.C. § 1028A(a)(1).

Dated: September 10, 2026

A TRUE BILL,

*Name Redacted


Grand Jury Foreperson

TODD BLANCHE
Attorney General

JOHN A. SARCONI III
First Assistant United States Attorney

By:


Benjamin S. Clark
Assistant United States Attorney
Bar Roll No. 703519