

2023R00035/FMC

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FILED

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JAN 11 2024

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CLERK, U.S. DISTRICT COURT - DNJ

UNITED STATES OF AMERICA : Hon. Robert Kirsch
:
v. : Crim. No. 24-0025
:
JOSE TAVARES : 18 U.S.C. § 1349

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark charges as follows:

1. At all times relevant to this Indictment:

- a. Defendant Jose Tavares (TAVARES) resided in the Bronx, New York.
- b. Christopher Valerio ("Valerio") resided in Perth Amboy, New Jersey and Woodbridge, New Jersey, and is a co-conspirator not charged in this Indictment.
- c. Yanira Abreu ("Abreu") resided in Keasbey, New Jersey and is a co-conspirator not charged in this Indictment.
- d. Lender-1 was a financial institution headquartered in Cleveland, Ohio and insured by the Federal Deposit Insurance Corporation. Lender-1 facilitated the issuance of debit cards on behalf of the New York Department of Labor (the "NYDOL") for unemployment benefits.
- e. Individual-1 resided and worked outside of New York and New Jersey. Individual-1 did not file for unemployment benefits in New York, nor did Individual-1 ask anyone to file on his or her behalf.

f. Individual-2 resided and worked in Puerto Rico. Individual-2 did not file for unemployment benefits in New York, nor did Individual-2 ask anyone to file on his or her behalf.

Background on Federal Unemployment Insurance Benefits

2. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed into law. The CARES Act created a new temporary federal unemployment insurance program called Pandemic Unemployment Assistance, which provided unemployment benefits (“Unemployment Benefits”) for individuals who were not eligible for other types of unemployment assistance (*e.g.*, self-employed, independent contractors, or gig economy workers). The CARES Act also created a new temporary federal program called Federal Pandemic Unemployment Assistance that provided an additional weekly benefit to those eligible for Pandemic Unemployment Assistance and regular Unemployment Benefits.

3. The NYDOL offered an online website (the “NYDOL Website”) through which applicants could apply for Unemployment Benefits and verify the applicant’s unemployment status. Applicants had to complete and submit an online application that included, among other things, the applicant’s name, date of birth, social security number, and address. In addition, the applicant could direct that the NYDOL send any approved funds to a specific bank account or debit card. Lender-1 issued debit cards in connection with Unemployment Benefits from the NYDOL.

4. When an individual filed an Unemployment Benefits claim online, the NYDOL typically maintained certain information regarding the filing of the claim,

including the date and time the claim was submitted; the name of the person for whom the claim was filed; and the Internet Protocol (“IP”) address of the computer or internet service provider account used to file the claim. An IP address consisted of a unique numerical label that identified each device (*e.g.*, computer or smartphone) that used the IP to communicate via the internet or computer network.

The Conspiracy to Defraud

5. From in or around July 2020, through in or around February 2021, in Middlesex County, in the District of New Jersey and elsewhere, the defendant,

JOSE TAVARES,

did knowingly and intentionally conspire and agree with others to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such a scheme and artifice to defraud, to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain signs, signals, and sounds, for the purpose of executing such scheme and artifice, contrary to Title 18, United States Code, Section 1343.

Goal of the Conspiracy

6. The goal of the conspiracy was for TAVARES, together with his co-conspirators, including Valerio, Abreu, and others, to enrich themselves by fraudulently applying for and securing unemployment insurance benefits from the NYDOL by using the personal identifying information (“PII”) of various individuals without their permission to unlawfully receive approximately \$444,738 in benefits.

Manner and Means of the Conspiracy to Defraud

7. It was part of the conspiracy that:

a. TAVARES and his co-conspirators fraudulently applied for and secured Unemployment Benefits from the NYDOL through fictitious online profiles that they created using other people's PII without their permission. The PII included names, dates of birth, and social security numbers. The co-conspirators also created fictitious email accounts and other false information related to the individuals' occupations and identities. Both Abreu and Valerio electronically submitted fraudulent applications from IP addresses associated with their New Jersey residences to the NYDOL's website, causing the disbursement of unemployment benefit funds via interstate wire from the NYDOL to Lender-1 via debit cards.

b. For example, on or about August 18, 2020, TAVARES, Valerio, Abreu, and other co-conspirators caused a falsified application (the "Application") to be submitted through the NYDOL's website requesting Unemployment Benefits in Individual-1's name, using Individual-1's PII. The Application, which was submitted without Individual-1's knowledge or consent, falsely stated, among other things, that Individual-1 resided in New York and was previously self-employed in New York as a babysitter. Based on these and other material misrepresentations, the NYDOL processed and approved the Application, causing Lender-1 to issue a debit card to TAVARES and his co-conspirators in Individual-1's name (the "Debit Card").

c. TAVARES, Valerio, and Abreu, and other co-conspirators communicated via voice memos and texts about filing the Application and using the

Debit Card, which they used to fraudulently withdraw approximately \$14,986 in cash.

d. On or about September 11, 2020, TAVARES and Valerio communicated via text messages regarding Individual-2's PII, including about Individual-2's full name, date of birth, and social security number. On or about September 14, 2020, a falsified application was submitted to the NYDOL on behalf of Individual-2 listing TAVARES's residence in the Bronx, New York as the mailing address. As a result, TAVARES and his co-conspirators fraudulently obtained a debit card in the mail in Individual-2's name, which they used to withdraw approximately \$12,768 in cash.

e. In total, TAVARES, Valerio, Abreu, and other co-conspirators used the PII of at least ten individuals, causing losses to the NYDOL of at least approximately \$444,738.

In violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATION

1. As a result of committing the offense alleged in the Indictment, TAVARES shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2), any property constituting or derived from proceeds obtained directly or indirectly as a result of such offense.

SUBSTITUTE ASSETS PROVISION

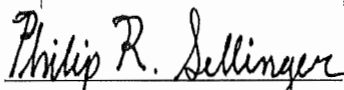
2. If by any act or omission of the defendant, any of the property subject to forfeiture:

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

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of such defendant up to the value of the forfeitable property described above.

A TRUE BILL


FOREPERSON


PHILIP R. SELLINGER
United States Attorney

CASE NUMBER: 24-0025 (RK)

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

JOSE TAVARES

INDICTMENT FOR

18 U.S.C. § 1349

A True Bill,



Foreperson

**PHILIP R. SELLINGER
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FOR THE DISTRICT OF NEW JERSEY**

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