

FILED

UNITED STATES DISTRICT COURT
ALBUQUERQUE, NEW MEXICO

IN THE UNITED STATES DISTRICT COURT

JUL 27 2017 ✓

FOR THE DISTRICT OF NEW MEXICO

MATTHEW J. DYKMAN
CLERK

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 vs.)
)
 SELMA MORALES,)
)
 Defendant.)

CRIM. NO. 17-2019 JCH
18 U.S.C. § 1343: Wire Fraud

INDICTMENT

The Grand Jury charges:

1. Between in or about May 18, 2009, and continuing through in or about May 2015, in Sandoval County and elsewhere, in the District of New Mexico and elsewhere, the defendant, **SELMA MORALES**, knowingly and intentionally devised a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and knowingly transmitted and caused to be transmitted by means of wire, radio and television communication in interstate commerce, certain writings, signs, signals and sounds for the purpose of executing said scheme and artifice, as described further below.

Introduction

2. At all relevant times, the defendant was an employee of Fadduol, Cluff, Hardy & Conaway, P.C., or its predecessor, (hereinafter "the Firm"), in Lubbock, Texas, where she worked as the Firm's Financial Manager and bookkeeper. Among other things, the defendant had access to the Firm's bank accounts, including lines of credit, and credit cards the Firm allowed to be used to make purchases and payments on behalf of the Firm. As part of her job responsibilities, the defendant traveled to the Firm's other office locations, including offices in

Albuquerque, Hobbs, and Las Cruces, New Mexico, in order to make such purchases and payments and to perform related duties.

The Scheme and Artifice

3. The defendant's scheme and artifice consisted of regularly and routinely using the Firm's funds to pay for unauthorized personal charges and expenditures.

4. As part of her scheme and artifice, the defendant used at least four credit cards to pay for personal charges and expenditures, including but not limited to payments for meals, groceries, car repairs, car and home insurance, property taxes, funeral expenses for a relative, clothing, sports apparel/equipment, designer products, jewelry, plastic surgery, family vacation/travel (including, trips to San Francisco, CA in 2012, to Seattle, WA in 2013, and to Las Vegas, NV in 2014), entertainment (including, season tickets to college athletic events and Paul McCartney concert tickets), apartment rental payments and college tuition payments. Some of these credit cards were in defendant's name, and at least one of them was in the name of S.F., a person known to the grand jury. The unauthorized personal charges and expenditures by the defendant exceeded \$550,000 in value.

5. As part of her scheme and artifice, the defendant regularly paid down unauthorized credit card charges and expenditures by making online funds transfers from the Firm's Operating Account at Plains Capital Bank (hereinafter "PCB Account") to the corresponding credit card company.

6. As part of her scheme and artifice, the defendant regularly caused checks, made payable to Wells Fargo, to be drawn on the Firm's PCB Account to pay for unauthorized credit card charges and expenditures on her personal Wells Fargo credit cards.

7. As part of her scheme and artifice, the defendant caused checks drawn on the Firm's PCB Account to be issued to herself for reimbursement of purported business expenses, when those purported business expenses previously were reimbursed to the defendant by way of check or online funds transfers from the Firm's PCB Account to the defendant's credit card company.

8. As part of her scheme and artifice, the defendant transferred money from the Firm's bank accounts at the Bank of the West in New Mexico to the Firm's PCB Account.

9. As part of her scheme and artifice, the defendant used her position, knowledge and access to the Firm's books and bank accounts, as well as information about her employer, to hide the payments of her unauthorized personal charges and expenditures by, among other things, failing accurately to record the payments or by misstating the true nature of the payments in the Firm's records.

The Wire

10. For the purpose of executing her scheme and artifice, on or about August 2, 2012, the defendant, **SELMA MORALES**, knowingly transmitted and caused to be transmitted by means of wire communications in interstate commerce, certain writings, signs, signals and sounds, to wit: a wire transfer of \$125,000 from the Firm's Bank of the West Operating Account (ending 6598) to the Firm's PCB Account (ending 2896).

In violation of 18 U.S.C. § 1343.

Forfeiture Allegation

Paragraphs 1 through 10 of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461.

Upon conviction of any offense in violation of 18 U.S.C. § 1343, the defendant, **SELMA MORALES**, shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, any property, which constitutes or is derived from proceeds traceable to the commission of the offense.

The property to be forfeited to the United States includes but is not limited to the following:

MONEY JUDGMENT:

A sum of money, representing all property constituting or derived from proceeds traceable to the commission of the offense.

SUBSTITUTE ASSETS:

If any of the above-described forfeitable property, as a result of any act or omission of the Defendant:

- A. Cannot be located upon exercise of due diligence;
- B. Has been transferred or sold to, or deposited with, a third person;
- C. Has been placed beyond the jurisdiction of the Court;
- D. Has been substantially diminished in value;
- E. Has been commingled with other property which cannot be subdivided 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), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

