

UNITED STATES DISTRICT COURT

for the

District of Puerto Rico

United States of America
v.
MANUEL BURGOS-ORTIZ

Case No.

24-261 (M)

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of 7/1/2021 - 1/31/2024 in the county of in the District of PUERTO RICO, the defendant(s) violated:

Table with 2 columns: Code Section and Offense Description. Rows include 18 U.S.C. § 1344 (BANK FRAUD), 18 U.S.C. § 1028A (AGGRAVATED IDENTITY THEFT), 18 U.S.C. § 1957 (ENGAGING IN MONETARY TRANSACTIONS IN PROPERTY DERIVED FROM SPECIFIED UNLAWFUL ACTIVITY), and 18 U.S.C. § 1343 (WIRE FRAUD).

This criminal complaint is based on these facts:

See attached affidavit.
The United States requests that defendant be detained.
Approved by AUSA Manuel Muniz-Lorenzi

Continued on the attached sheet.

Complainant's signature

Special Agent Kenneth Quiles
Printed name and title

Sworn in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone at 9:53 AM

Date: 3/19/24

Judge's signature

City and state: San Juan, PR

Hon. Marshal D. Morgan U.S. Magistrate Judge
Printed name and title

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

I, Kenneth Quiles, being first a duly sworn Special Agent with the United States Secret Service (USSS), hereby depose and state as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I am a Special Agent of the USSS and have been employed as such since June 2019. I am currently assigned to the San Juan Resident Office in Puerto Rico. Previously, I was a Uniformed Division Police Officer with the USSS from March 2016 until June 2019. I have received extensive training in financial crimes investigations as well as investigative techniques related to the investigation of electronic crimes, identity theft, wire fraud, bank fraud and other financial crimes against the government. During my employment with the USSS, I have investigated financial crimes related to violations of Title 18 of the United States Code and allegations of criminal fraud involving the financial infrastructure of the United States of America among other crimes. I have worked and assisted in several white collar and financial fraud investigations which have resulted in seizures, searches, and arrest warrants.
2. In my current assignment as a Special Agent, your Affiant has developed expertise in the review and analysis of financial information, including the analysis of bank records and money instruments. I possess extensive experience in other investigative matters such as interviewing witnesses, informants, and victims, and the execution of search warrants to collect a variety of different types of evidence pertinent to state and federal

investigations.

3. The facts in this affidavit are derived from my personal observations during this investigation, my training and experience, and information obtained from other state and federal agents, witnesses, computer scientists, and analysts, with whom I have worked and have found to be credible and reliable. This affidavit is intended to show merely that there is sufficient **probable cause** for the requested arrest warrant and does not set forth all my knowledge about the discussed matter.
4. Based on my training, experience and the facts set forth in this affidavit, there is probable cause to believe that violations of Title 18, United States Code, Sections 1028A (Aggravated Identity Theft), 1343 (Wire Fraud), 1344 (Bank Fraud), and 1957 (Money Laundering) have been committed by Manuel David BURGOS-ORTIZ. Therefore, I respectfully request the Court approve the complaint and issue an arrest warrant for Manuel David BURGOS-ORTIZ (BURGOS-ORTIZ).

BACKGROUND

5. Since 2023, the USSS has been investigating a scheme where a business' Point-Of-Sale (POS) systems were fraudulently used to generate refunds with the intent to defraud a financial institution located in Puerto Rico (BANK-1).
6. BANK-1 is a Federal Deposit Insurance Corporation (FDIC) insured depository institution. During the time relevant to the facts of this investigation, BANK-1 was a financial institution as defined by Title 18, United States Code, Section 20.
7. Point of sale is a term used for all applicable retail, store, checkout, or cashier systems that process the electronic transfer of payments (i.e., credit cards/debit cards, mobile payments) for goods or services. POS hardware includes cash registers, credit card

swiping devices, contactless payment readers and chip card readers that interface with an online computer system to process credit card payment information.

8. The Cooperativas (COOPs) mentioned in this affidavit provide financial services to their members in Puerto Rico, such as savings and checking accounts, among others.

PROBABLE CAUSE

SCHEME I

9. On January 26, 2020, Global Marketing PR LLC, a domestic limited liability company, located at CARR 831 KM 2 S8 BO MINILLAS, BAYAMON PR, 00959, with Register Number 439712, was organized under the laws of Puerto Rico. According to its certificate of formation, Global Marketing PR LLC was a marketing and digital publishing agency. Additionally, according to the certificate of formation, BURGOS-ORTIZ was the President, Treasurer and Resident Agent for Global Marketing PR LLC.

10. On or about March 3, 2021, BURGOS-ORTIZ opened Commercial Checking Account XXXXXX6184 (ACC6184) as the representative of Global Marketing PR LLC in BANK-1¹. A review of BANK-1's records revealed that two (2) debit cards were associated with this account:

a. Visa Debit Card: XXXXXXXXXXXXX4868 (VISA4868)

b. Mastercard: XXXXXXXXXXXXX9971 (MC9971)

¹ Note: BANK-1 acquired another financial institution (ACQUIRED BANK) in the year 2020, assuming the rights and obligations related to the commercial deposit accounts. As part of the conversion process, the integration of branches, accounts and deposit services, including commercial accounts, certificates of deposit and electronic commercial banking services was programed to occur from July 9, 2021, to July 11, 2021. Effective July 12, 2021, the accounts, branches and services of ACQUIRED BANK were integrated to BANK-1's systems.

11. Additionally, a review of Global Marketing PR LLC's Commercial Checking ACC6184 opening records showed BURGOS-ORTIZ as the owner of Global Marketing PR LLC, and the authorized signer and beneficiary of the account. The records also showed an address for Global Marketing PR LLC in CARR 831 KM 2 S8 BO MINILLAS, BAYAMON, PR 00959, and a different address for BURGOS-ORTIZ also in BAYAMON, PR 00959.
12. The document submitted as Global Marketing PR LLC's Conditional Use Permit from the Permit Office of the Municipality of Bayamon provided a physical address for Global Marketing PR LLC in LAUREL 2 U 5 EXT L VERDES, BAYAMON, PR 00959. Furthermore, the document submitted as Global Marketing PR LLC's lease agreement was for a property located in 2U5 AVE LAUREL, URB LOMAS VERDES, BAYAMON PR.
13. On or about July 7, 2021, BURGOS-ORTIZ submitted a Merchant Processing Application and Agreement to a financial technology and electronic payment processing company located in Puerto Rico (COMPANY-1) to acquire POS systems for a business named Sublimation Print Puerto Rico with a business address in LOMAS VERDES 2G5 BAYAMON PR 00956.
14. COMPANY-1 provides financial transaction products and services to businesses. Those products and services include payment processing and additional payment solution products and services.
15. On or about February 22, 2024, and February 23, 2024, the USSS interviewed the landlord of the property located at 2U5 AVE LAUREL, URB LOMAS VERDES, BAYAMON, PR (INTERVIEWEE-1). INTERVIEWEE-1 stated that in or about

June of 2020, the business venue was rented to Global Marketing PR LLC, whose representative was BURGOS-ORTIZ. When asked if he recognized a LOMAS VERDES 2G5 address in Bayamon, INTERVIEWEE-1 stated that the address should be 2U-5 and not 2G-5. To INTERVIEWEE-1, address 2G5 does not exist.

16. The investigation revealed that BURGOS-ORTIZ was able to obtain POS systems registered to Sublimation Print Puerto Rico with Merchant Identification XXXXXXXXXXXX1658 (MERCH ID 1658). The investigation further revealed that the Merchant Processing Application and Agreement submitted to COMPANY-1 was submitted in the name of another individual, hereinafter referred to as J.P.C., as the owner of Sublimation Print Puerto Rico, and not BURGOS-ORTIZ. The Merchant Processing Application and Agreement contained the personal identifiers of J.P.C. including the social security number, date of birth, and copy of driver license. However, the contact information included telephone number (XXX) XXX-2469, and email address XXXXXXXXXXXX09@gmail.com. Phone number (XXX) XXX-2469 was associated to BURGOS-ORTIZ and was provided to BANK-1 to open the Global Marketing PR LLC Commercial Checking ACC6184 on March 3, 2021.
17. On January 11, 2024, J.P.C. was interviewed regarding the POS system registered to Sublimation Print Puerto Rico with MERCH ID 1658. J.P.C. mentioned not knowing what a POS was or what it was used for. Additionally, J.P.C. did not recognize the signature on the Merchant Processing Application and Agreement as his own. Furthermore, J.P.C. stated that he never registered a company or had a business. J.P.C. recognized email address XXXXXXXXXXXXXXX09@gmail.com as being associated to BURGOS-ORTIZ.

18. Furthermore, a review of COMPANY-1's records revealed that documentation submitted as part of the Merchant Processing Application and Agreement contained false information. For instance, a letter from a Cooperativa located in Puerto Rico (COOP-1), dated May 19, 2020, made reference to Sublimation Print PR LLC's business account: X6363. However, records obtained from the COOP-1 revealed that the account X6363 was in fact a personal account held by BURGOS-ORTIZ and not a business account for Sublimation Print PR LLC or J.P.C. Additionally, the document submitted as Sublimation Print Puerto Rico's Certificate of Formation with Register Number 439712 also contained false information, since Register Number 439712 belonged to Global Marketing PR LLC and not Sublimation Print Puerto Rico. Furthermore, the Internal Revenue Service letter assigning Employer Identification Number (EIN) XX-XXX9108 (EIN- 9108) that was submitted as part of Sublimation Print Puerto Rico's Merchant Processing Application also contained false information. Per the investigation, EIN-9108 belonged to SMOOTH.CORP and not Sublimation Print Puerto Rico.
19. The investigation revealed that before acquiring the POS registered to Sublimation Print Puerto Rico (MERCH ID 1658), Global Marketing PR LLC's Commercial Checking ACC6184 maintained a relatively low balance. Moreover, on July 8, 2023, Global Marketing PR LLC's Commercial Checking ACC6184 had an available balance of \$3.62.
20. A review of the records of Global Marketing PR LLC's Commercial Checking ACC6184, revealed the following:

a. From March 2, 2021, to March 31, 2021:

Initial Balance:	\$0.00
Deposits and Other Credits:	\$14,257.81 ²
Checks Paid and Other Withdrawals	<u>(-) \$14,253.09</u>
Ending Balance	\$4.72

b. From March 31, 2021, to April 30, 2021:

Initial Balance:	\$4.72
Deposits and Other Credits:	\$1,450.00
Checks Paid and Other Withdrawals	<u>(-) \$1,449.87</u>
Ending Balance	\$4.85

c. From April 30, 2021, to May 28, 2021:

Initial Balance:	\$4.85
Deposits and Other Credits:	\$3,791.95
Checks Paid and Other Withdrawals	<u>(-) \$3,537.21</u>
Ending Balance	\$259.59

d. From May 28, 2021, to June 30, 2021:

Initial Balance:	\$259.59
Deposits and Other Credits:	\$11,888.70
Checks Paid and Other Withdrawals	<u>(-) \$8,074.89</u>
Ending Balance	\$4,073.40

e. From June 30, 2021, to July 9, 2021:

Initial Balance:	\$4,073.40
Deposits and Other Credits:	\$80.00
Checks Paid and Other Withdrawals	<u>(-) \$4,149.78</u>
Ending Balance	\$3.62

f. From July 8, 2021, to July 30, 2021³:

² Note: Including a returned check for \$5,350.00.

³ Note: BANK-1's integration period was programed from July 9, 2021, to July 12, 2021. Effective July 12, 2021, the accounts, branches and services from ACQUIRED BANK were integrated to BANK-1's systems.

Initial Balance:	\$3.62
Deposits and Other Credits:	\$5,163.98
Checks Paid and Other Debits	<u>(-) \$184,820.60</u>
Ending Balance	\$179,653.00 (in Overdraft)

g. From July 31, 2021, to August 31, 2021:

Initial Balance:	\$179,653.00 (in Overdraft)
Deposits and Other Credits:	\$3,661.62
Checks Paid and Other Debits	<u>(-) \$100,848.51</u>
Ending Balance	\$276,849.89 (in Overdraft)

h. From July 19, 2021, to August 25, 2021, BURGOS-ORTIZ conducted and attempted to conduct more than 70 fraudulent refund transactions using the VISA4868 and MC9971 debits cards associated with Global Marketing PR LLC's Commercial Checking ACC6184 through the POS registered to Sublimation Print Puerto Rico (MERCH ID 1658).

i. There were no previous POS purchases or debits associated with Sublimation Print Puerto Rico (MERCH ID 1658) corresponding to the amounts of the fraudulent refund transactions entering Global Marketing PR LLC's Commercial Checking ACC6184.

j. BURGOS-ORTIZ conducted and attempted to conduct fraudulent refund transactions for more than \$5,000,000.00.

21. Before September 2022, and prior to BANK-1 becoming aware of BURGOS-ORTIZ's fraudulent refund scheme, the funds of a refund transaction generated using a debit card linked to an account at BANK-1 were credited to the account immediately. The account holder had access to the funds right after the refund transaction took place. However, the processing of POS transactions, including the clearing and settlement of

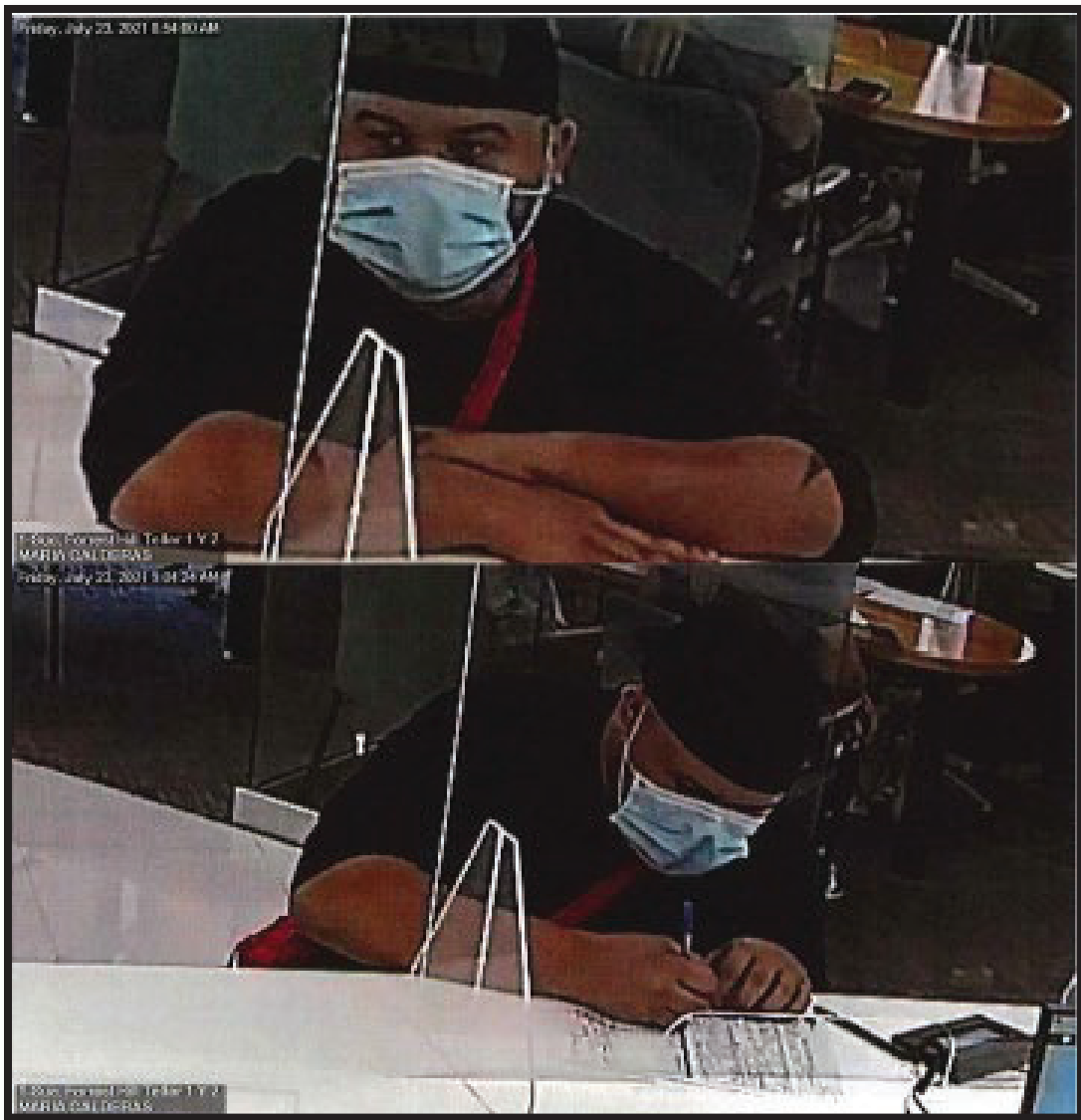
funds, could take several days. If for example, a fraudulent POS refund transaction was conducted and approved, this would create a temporary false balance in the account, and the funds would be immediately available to the account holder until the next batch processing or next nightly processing. The next batch processing or next nightly processing normally takes place at night and only runs on business days.

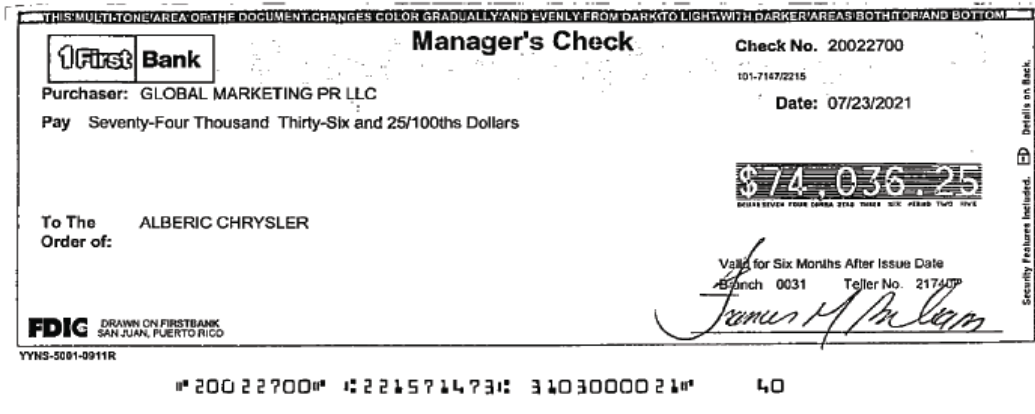
22. The approved fraudulent refund transactions conducted by BURGOS-ORTIZ created a temporary false balance in Global Marketing PR LLC's Commercial Checking ACC6184, that allowed BURGOS-ORTIZ access to funds to which he was not entitled to.

23. Per the investigation, BURGOS-ORTIZ took advantage of the transaction validation process to access the funds to which he was not entitled to and in spending funds that did not belong to him, created an overdraft in Global Marketing PR LLC's Commercial Checking ACC6184. As a sample, from July 21, 2021, to July 23, 2021, the following fraudulent refunds were conducted:

- On Friday, July 23, 2021, at 8:37 a.m., a \$57,238.53 POS refund from MERCH ID 1658 using VISA48681 debit card was approved.
- On Friday, July 23, 2021, at 8:37 a.m., a \$92,156.98 POS refund from MERCH ID 1658 using VISA48681 debit card was approved.

24. The investigation revealed that on or about July 23, 2021, at approximately 8:54AM, BURGOS-ORTIZ went in person to a branch of BANK-1 located in Bayamon, PR, and made a purchase of manager's check XXXX2700 (CHECK2700) for \$74,036.25. The funds were taken out of Global Marketing PR LLC' Commercial Checking ACC6184. CHECK2700 was payable to a Alberic Chrisler dealership located in San Juan. Two images of BURGOS-ORTIZ purchasing CHECK2700 and a copy of CHECK2700 are provided below.





25. The records revealed that BURGOS-ORTIZ used CHECK2700 of \$74,036.25 to purchase a new 2021 Black Dodge Rebel 1500 on July 23, 2021. BURGOS-ORTIZ provided his Puerto Rico driver license and additional information for the purchase order. A photograph of BURGOS-ORTIZ was provided as part of the records of transaction for CHECK2700. The photograph of BURGOS-ORTIZ and the 2021 Black Dodge Rebel he purchased is provided below.



26. Furthermore, Global Marketing PR LLC' Commercial Checking ACC6184 records revealed that on July 23, 2021, BURGOS-ORTIZ used VISA4868 for an additional transaction of \$4,908.65 at Alberic Chrysler. The investigation revealed that BURGOS-ORTIZ had provided Alberic Chrysler with VISA4868 as proof of bank account.
27. Moreover, during the period of the fraudulent POS refunds, from on or about July 19, 2021, through August 25, 2021, BURGOS-ORTIZ managed to use the funds originated by the fraudulent POS refund transactions, and temporarily available in his account, to conduct numerous purchases, cash withdrawals and ATH Movil transfers, resulting in an overdraft of more than \$270,000.00 in Global Marketing PR LLC' Commercial Checking ACC6184.
28. On January 25, 2024, a representative of COMPANY-1 (INTERVIEWEE-2) was interviewed regarding Sublimation Print Puerto Rico's POS (MERCH ID 1658) issued by their company. INTERVIEWEE-2 mentioned that COMPANY-1 decided to cancel the POS contract with Sublimation Print Puerto Rico and put a stop to the use of the POS after receiving multiple alerts of fraudulent refund transactions, that included approved transactions and attempts, totaling millions of dollars. INTERVIEWEE-2 added that the POS was never used for a legitimate transaction since there was no record of a batch "*closeout*"⁴. INTERVIEWEE-2 added that the POS transaction report did not show any legitimate transactions since there was never

⁴ Note: Usually, a merchant's or business' card transactions are bundled together into an open batch. The batch will remain open until a closeout event occurs, typically at the end of each day. When a closeout event occurs, the batch closes and the card transactions are submitted for clearing, settlement, and then deposited. The deposit should reflect each batch's card transactions total, minus processing fees and adjustments.

a sale or previous debit performed. When asked about the difference in using a debit card instead of a credit card for the purposes of refund transactions and how long it would take for the funds to be available, INTERVIEWEE-2 clarified that by using a debit card the refund funds could be more rapidly available. Particularly, INTERVIEWEE-2 added that for the funds to be rapidly available the card would have to be present to be able to enter the Personal Identification Number (PIN) into the POS to complete the transaction. On the other hand, INTERVIEWEE-2 stated that by utilizing a credit card, the refund funds would not show up immediately in the account since it could take a couple days for the refund to be posted. INTERVIEWEE-2 also mentioned that a previous purchase was not required to conduct a refund transaction using the POS if a debit card was present. Additionally, COMPANY-1 was never able to recover the POS systems issued to Sublimation Print Puerto Rico.

29. According to COMPANY-1, the transaction report for MERCH ID 1658 from July 19, 2021, to August 25, 2021, showed more than 70 fraudulent refund transactions totaling more than \$5,000,000.00 in approved and declined fraudulent refund transactions. All refund transactions were done using MC9971 and VISA4868.
30. Furthermore, COMPANY-1 provided a phone call recording for July 13, 2021. The caller identified himself as “Mr. Burgos” (BURGOS-ORTIZ) from Sublimation Print Puerto Rico. In the call, BURGOS-ORTIZ confirmed MERCH ID 1658 as the purpose of the call.
31. COMPANY-1 also provided a phone call recording for August 26, 2021. The person calling identified themselves as J.P.C. from Sublimation Print Puerto Rico and stated he was calling due to the MERCH ID 1658 not working. The caller stated he could be

reached back at (XXX) XXX-2469, which was provided to COMPANY-1 for Sublimation Print Puerto Rico's Merchant Processing Application and Agreement and was also provided to BANK-1 to open Commercial Checking ACC6184 on March 3, 2021. The teller explained to the caller that the POS was not working due to fraudulent refunds identified in the account.

32. The investigation revealed that BURGOS-ORTIZ used Sublimation Puerto Rico's MERCH ID 1658 and two debit cards, MC9971 and VISA4868, linked to Global Marketing PR LLC's commercial account ACC6184 as part of his scheme to defraud BANK-1 that resulted in an overdraft of more than \$270,000.00 in Global Marketing PR LLC' Commercial Checking ACC6184.

SCHEME II

33. On December 1, 2023, the USSS interviewed BURGOS-ORTIZ regarding numerous fraudulent refunds in Global Marketing PR LLC's commercial account ACC6184. However, despite being approached by the USSS, BURGOS-ORTIZ continued conducting fraudulent activity after December 1, 2023.

34. On or about January 2024, a transaction processing company with offices in Puerto Rico (COMPANY-2) informed the USSS of a scheme where an individual, identifying himself as an employee of their company, had accessed numerous POS systems of small businesses in the San Juan and nearby municipalities from approximately November 2023 through January 2024.

35. COMPANY-2 is a full-service transaction processing business with offices in Puerto Rico, the Caribbean and Latin America, that provides merchant acquiring, payment services and business process management services. In addition, COMPANY-2

processes over six billion transactions annually and manages a system of electronic payment networks in Puerto Rico and Latin America and offers a comprehensive suite of services for core banking, cash processing, and fulfillment in Puerto Rico. COMPANY-2 has servers in Puerto Rico and Arizona, USA.

36. POS transactions processed by COMPANY-2 are sent to COMPANY-2's Switch. COMPANY-2's Switch receives, validates, and routes the transactions to the applicable issuing financial institution. The issuing financial institution approves or declines the transaction and provides a response to COMPANY-2's Switch. After receiving the response from the issuing financial institution, COMPANY-2's Switch routes it back to the POS. The POS then produces the response to the merchant. After the completion of the transaction, COMPANY-2's Switch located in Puerto Rico, replicates the transaction, in near real time, to the Switch Backup located in Arizona. COMPANY-2's Switch located in Puerto Rico produces a transactions file and stores it in the Backup Mainframes located in Puerto Rico and Arizona.

37. The POS systems of the small businesses were linked to the businesses accounts in financial institutions including BANK-1 and another bank located in Puerto Rico (BANK-2).

38. COMPANY-2 had identified three (3) bank cards used for the fraudulent refunds:

- XXXXXXXXXXXXXXXXXXXX3521 (BANK CARD 3521) from a Cooperativa located in Puerto Rico (COOP-2) and associated with COOP-2 account ending in 0201 and registered to BURGOS-ORTIZ.
- XXXXXXXXXXXXXXXXXXXX5901(BANK CARD 5901) from another Cooperativa located in Puerto Rico (COOP-3) associated with COOP-3

account ending in 5859 and registered to an individual, hereinafter referred to as F.M.S.V.

- Bank Card XXXXXXXXXXXXX7837 (BANK CARD 7837) from BANK-2 associated with BANK-2 account ending in 9821 and registered to an individual, hereinafter referred to as N.R.M.

39. BANK-2 is an FDIC insured depository institution. During the time relevant to the facts of this investigation, BANK-2 was a financial institution as defined by Title 18, United States Code, Section 20.

BUSINESS 1

40. On or about November 20, 2023, a business (BUSINESS-1), located in Bayamon, had a fraudulent refund debited from their POS account for approximately \$2,377.00. Per the interview conducted of the owner of BUSINESS-1, a male subject presented an identification card with COMPANY-2's information and was wearing a shirt with the logo of COMPANY-2. The male subject informed the owner of BUSINESS-1 that he was going to make a sales transaction for \$1.00 and subsequently refund \$1.00 to validate that the POS system was working properly. The owner of BUSINESS-1 mentioned that the male subject visited BUSINESS-1 the following day for the same issue with the equipment, and the owner of BUSINESS-1 again, gave the male subject access to the POS. The owner of BUSINESS-1 identified two unauthorized refunds on their POS account. The owner of BUSINESS-1 stated that during the first visit of the male subject there was a refund for \$1,992.00 and \$300.00 on the following day. According to COMPANY-2, the bank card used for the fraudulent refunds was BANK CARD 3521 from COOP-2.

41. Records obtained from COOP-2 showed the refund entering COOP-2 account ending in 0201, associated with BANK CARD 3521 and registered to BURGOS-ORTIZ.

BUSINESS 2

42. On or about November 22, 2023, another business (BUSINESS-2), also located in Bayamon had a fraudulent refund debited from their POS account for approximately \$12,506.00. Per the interview of an employee of BUSINESS-2, they greeted a male subject on the outside premises of BUSINESS-2. The employee of BUSINESS-2 stated that the male subject informed that he needed to work on the credit card system. The male subject was allowed inside BUSINESS-2's premises to work on the POS. The employee of BUSINESS-2 stated that the male subject identified himself as an employee of COMPANY-2 and informed the employee of BUSINESS-2 that he was going to reset the equipment so it could communicate correctly with COMPANY-2. According to COMPANY-2, the bank card used for the fraudulent refund was BANK CARD 3521 from COOP-2.

43. Records obtained from COOP-2 showed the fraudulent refund entering COOP-2 account ending in 0201, associated with BANK CARD 3521 and registered to BURGOS-ORTIZ.

BUSINESS 3

44. On or about November 27, 2023, another business (BUSINESS-3) located in San Juan, had a fraudulent refund debited from their POS account for approximately \$12,756.00. Per the interview conducted of the employee of BUSINESS-3, a tall male subject of heavy set, with no hair, wearing a black shirt with a long sleeve on his left arm arrived

at BUSINESS-3 stating he will be working with the credit card equipment because it was running slow. The employee of BUSINESS-3 stated that the male subject reached inside his shirt, in his chest area, and showed an identification card that he immediately put back in. The employee of BUSINESS-3 informed they gave the male subject access to the register area and the credit card equipment. The employee of BUSINESS-3 stated that the male subject was at BUSINESS-3 for around 10 minutes. The employee of BUSINESS-3 stated that the male subject was carrying a laptop during his visit. The employee of BUSINESS-3 was shown a photo lineup. The employee of BUSINESS-3 identified photo #5 as the male subject that accessed to the POS system at BUSINESS-3. The individual in photo #5 was identified as BURGOS-ORTIZ. Photo #5 is provided below.



45. According to COMPANY-2, the bank card used for the fraudulent refund was BANK CARD 3521 from COOP-2. Bank records obtained from COOP-2 showed the fraudulent refund entering COOP-2 account ending in 0201, associated with BANK CARD 3521 and registered to BURGOS-ORTIZ.

BUSINESS 4

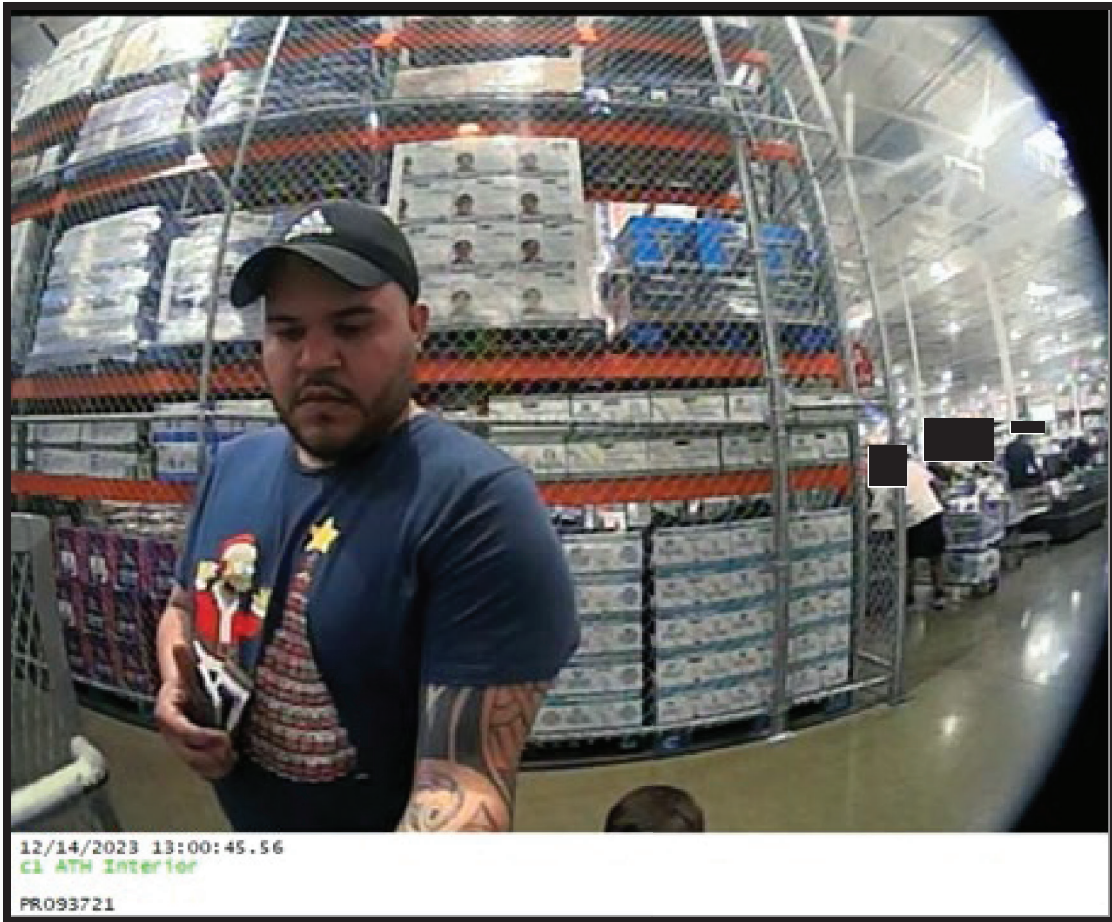
46. On or about December 13, 2023, another business (BUSINESS-4) located in Bayamon, had a fraudulent refund debited from their POS account for approximately \$6,150.00. Per the interview conducted of the owner of BUSINESS-4, at first, they were unaware of the fraudulent refund but went in person to their bank where they confirmed the unauthorized transaction. According to COMPANY-2, the bank card used for the fraudulent refund was BANK CARD 5901, associated with COOP-3 account ending in 5859 and registered to F.M.S.V.

47. Bank records obtained from COOP-3 showed the fraudulent refund of approximately \$6,150.00 entering COOP-3 account ending in 5859.

48. F.M.S.V. and BURGOS-ORTIZ are acquaintances and per security footage from November 29, 2023, obtained from COOP-3, F.M.S.V. was accompanied by BURGOS-ORTIZ the day the account ending in 5859 was opened. An image of BURGOS-ORTIZ accompanying F.M.S.V. the day COOP-3 account ending in 5859 was opened is provided below.



49. Furthermore, following the fraudulent refund of approximately \$6,150.00 entering COOP-3 account ending in 5859 and registered to F.M.S.V., several transactions at WALMART STORES totaling approximately \$3,007.31 and a cash withdrawal at an ATM from BANK-2 took place. The security footage obtained and reviewed by the USSS for BANK-2 revealed that on December 14, 2023, BURGOS-ORTIZ had access to BANK CARD 5901, associated with COOP-3 account ending in 5859 and registered to F.M.S.V. A photograph of BURGOS-ORTIZ utilizing BANK CARD 5901 to withdraw \$502.00 on December 14, 2023, is included below.



BUSINESS 5

50. On or about December 15, 2023, another business (BUSINESS-5) located in Dorado had a fraudulent refund debited from their POS account for approximately \$15,002.50. Per the interview conducted of the owner of BUSINESS-5, a male subject with an embroidered long sleeve shirt arrived at BUSINESS-5 and introduced himself as an employee of COMPANY-2. The male subject informed that he needed to restart the credit card system because it was encountering problems with the communication to the servers. The owner of BUSINESS-5 stated that they saw the male subject working on the POS. The owner of BUSINESS-5 described the male subject as dark skin, of

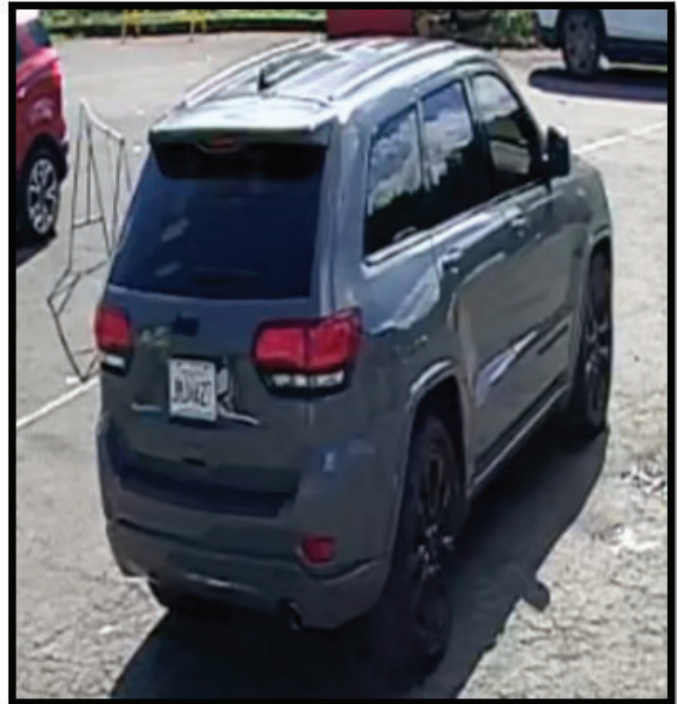
heavy set, wearing long sleeve shirt. A photo lineup was presented to the owner of BUSINESS-5, identifying subject #5 as the male subject. The individual in photo #5 was BURGOS-ORTIZ.

51. Records obtained from COOP-3 showed the fraudulent refund of approximately \$15,002.50 entering the account ending in 5859.
52. Additionally, following the fraudulent refund entering COOP-3 account ending in 5859, several transactions at WALMART STORES totaling approximately \$2,561.27 took place on December 15, 2023, among others. The USSS reviewed the video footage for WALMART STORES. The security footage revealed that on December 15, 2023, BURGOS-ORTIZ had access to BANK CARD 5901, associated with COOP-3 account ending in 5859 and registered to F.M.S.V.

BUSINESS 6

53. On or about January 8, 2023, another business (BUSINESS-6) located in Bayamon had a fraudulent refund debited from their POS account for approximately \$6,500.50. Per the interview conducted of the employee of BUSINESS-6, a male subject of dark skin, wearing a blue shirt with the COMPANY-2's logo embroidered, arrived at the location. The male subject informed the employee of BUSINESS-6 that he was there to work on the credit card equipment because they were having communication issues with their servers. The employee of BUSINESS-6 stated that they witnessed the male subject manipulating the POS equipment including when the male subject swiped a device card. The USSS obtained video footage of the location. BURGOS-ORTIZ is seen arriving at the location of BUSINESS-6 in a Grey Jeep Grand Cherokee with license plate JML-427 registered to his name. Images of BURGOS-ORTIZ and his

vehicle at BUSINESS-6's location are provided below.



54. Records obtained from COOP-3 showed the fraudulent refund of approximately \$6,500.50 entering COO-3 account ending in 5859, associated with BANK CARD 5901 and registered to F.M.S.V.

BUSINESS 7

55. On or about January 28, 2023, another business (BUSINESS-7) located in San Juan had a fraudulent refund debited from their POS account for approximately \$6,500.00. Per the interview conducted of the employee of BUSINESS-7, an individual showed up to the business indicating he was a technician from COMPANY-2 and that he was there to fix the issue with the POS. The alleged technician also said that he was going

to “reset” the POS system. The employee of BUSINESS-7 stated the individual was wearing a navy-blue shirt. After finishing the “reset”, BURGOS-ORTIZ informed the employee of BUSINESS-7 that he had to call COMPANY-2, from outside the store due to the loud music, to make sure the POS system was communicating properly with company’s servers. The individual never returned. Images of BURGOS-ORTIZ at BUSINESS-7 are provided below.



56. The USSS obtained video footage of the location. BURGOS-ORTIZ is seen arriving at the location of BUSINESS-7 in a Grey Jeep Grand Cherokee.

57. Records obtained from BANK-2 showed the fraudulent refund of \$6,500.00 entering

BANK-2 account ending in 9821.

58. Furthermore, following the fraudulent refund, a cash withdrawal at an ATM from BANK-2 took place. The USSS reviewed the video footage provided by BANK-2. The security footage revealed that on January 29, 2024, BURGOS-ORTIZ had access to BANK CARD 7837, associated with BANK-2 account ending in 9821 and registered to N.R.M. (Image provided below).



BUSINESS 8

59. On or about January 31, 2023, another business (BUSINESS-8) located in Loiza, PR had a fraudulent refund debited from their POS account for approximately \$4,500.00. Per the interview conducted of the employee of BUSINESS-8, a male subject described as of heavy set, dark skin, with little to no hair, and wearing a blue shirt, identifies himself as an employee for COMPANY-2. The employee of BUSINESS-8 was shown with a photo lineup. The employee of BUSINESS-8 identified photo #5 as the individual that arrived at the business identifying himself as an employee of COMPANY-2. The individual in photo #5 was identified as BURGOS-ORTIZ.


CONCLUSION

Based on the forgoing, there is probable cause to believe that:

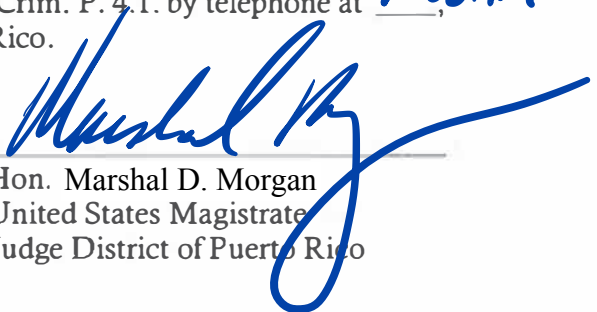
- a. From on or about the July 2021 to on or about September 2021, BURGOS-ORTIZ knowingly executed and attempt to execute a scheme and artifice to defraud BANK-1, a federally insured financial institution, and to obtain moneys, funds, credits, and property owned by and under the custody and control of said institution, by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1344;
- b. On or about July 7, 2021, BURGOS-ORTIZ, did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person, that is the social security number, name, date of birth and driver's license of another person, referenced in this document as J.P.C., during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), that is, a violation of Title 18 United States Code, Section 1344 (bank fraud). In violation of Title 18 United States Code, Section 1028A.
- c. On or about July 23, 2021, BURGOS-ORTIZ, did knowingly engage and attempt to engage in a monetary transaction in criminally derived property of a value greater than \$10,000, that is a \$74,036.25 purchase of a new 2021 Black Dodge Rebel 1500 via CHECK2700, and was derived from specified unlawful activity, that is, a violation of Title 18 United States Code, Section 1344, in violation of Title 18 United States Code, Section 1957.
- d. From on or about November 2023, to on or about February 2024, BURGOS-ORTIZ, devised and intended to devise a scheme to defraud multiple small businesses and their

owners, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises. As part of the scheme to defraud, BURGOS-ORTIZ deceitfully identified himself as an employee of COMPANY-2 and by false and fraudulent pretenses, representations and promises gained access to multiple POS systems of small businesses to perform the fraudulent refunds and for the purpose of executing the scheme, and attempting to do so, caused the transmission of any writing, signal, or sound of some kind by means of a wire, radio, or television communication in interstate commerce, in violation of Title 18 United States Code, Section 1343.

I hereby declare, under penalty of perjury and in good faith that the foregoing statements are true and correct to the best of my knowledge.


Kenneth Quiles
Special Agent
United States Secret Service

Sworn in accordance with the requirements of Fed. R. Crim. P. 4.1. by telephone at 9:53 AM,
on this 19th day of March 2024, in San Juan, Puerto Rico.


Hon. Marshal D. Morgan
United States Magistrate
Judge District of Puerto Rico