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Approved: ALEX ROSSMILLER / JESSICA LONERGAN
Assistant United States Attorneys

Before: HONORABLE DEBRA FREEMAN
United States Magistrate Judge
Southern District of New York

- - - - -	x	<u>COMPLAINT</u>
	:	
UNITED STATES OF AMERICA	:	Violations of
	:	18 U.S.C. §§ 472, 924(c),
- v. -	:	1028A, 1029(a)(1), (a)(2),
	:	(a)(4), 1029(b)(1),
REYNALDO LOPEZ,	:	1029(b)(2), and 2, and
	:	21 U.S.C. § 846
Defendant.	:	
	:	COUNTY OF OFFENSE:
- - - - -	x	NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

DAVID RIVERA, being duly sworn, deposes and says that he is a Detective with the New York City Police Department ("NYPD") and a Special Deputy United States Marshal, designated as a Task Force Officer with the Federal Bureau of Investigation ("FBI"), and charges as follows:

COUNT ONE

(Conspiracy to Commit Access Device Fraud)

1. From at least in or about May 2017 up to and including the present, in the Southern District of New York and elsewhere, REYNALDO LOPEZ, the defendant, and others known and unknown, knowingly did combine, conspire, confederate, and agree, together and with each other, to violate Title 18, United States Code, Sections 1029(a)(1) and (a)(2).

2. It was a part and an object of the conspiracy that REYNALDO LOPEZ, the defendant, and others known and unknown, knowingly, and with the intent to defraud, and affecting interstate and foreign commerce, would and did produce, use, and traffic in one or more counterfeit access devices.

3. It was a part and an object of the conspiracy that REYNALDO LOPEZ, the defendant, and others known and unknown, knowingly, and with the intent to defraud, and

affecting interstate and foreign commerce, would and did traffic in and use one and more unauthorized access devices during a one-year period, and by such conduct obtain things of value aggregating \$1,000 and more during that period.

OVERT ACTS

4. In furtherance of said conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about September 23, 2017, REYNALDO LOPEZ, the defendant, made a purchase totaling more than \$1,000 at a retail store using a counterfeit and fraudulent access device, namely, a credit card encoded with fraudulent information.

b. On or about November 15, 2017, LOPEZ conveyed to an undercover NYPD officer ("UC-1") personal identifying information, namely, photographs of the New York State identification cards and credit cards of two individuals (the "Unauthorized ID Information"), sent previously to LOPEZ via text message by a co-conspirator ("CC-1"). The Unauthorized ID Information was intended by LOPEZ to be used in false and fraudulent access devices.

(Title 18, United States Code, Section 1029(b)(2).)

COUNT TWO

(Access Device Fraud)

5. From at least in or about May 2017 up to and including the present, in the Southern District of New York and elsewhere, REYNALDO LOPEZ, the defendant, knowingly and with intent to defraud, and affecting interstate and foreign commerce, did and attempted to (i) produce, use, or traffic in one or more counterfeit access devices; (ii) use one or more unauthorized access devices during any one year period, and by such conduct obtain anything of value aggregating \$1,000 or more during that period; and (iii) produce, traffic in, have control or custody of, or possess device-making equipment.

(Title 18, United States Code, Sections 1029(a)(1), (a)(2), (a)(4), 1029(b)(1), and 2)

COUNT THREE
(Aggravated Identity Theft)

6. From at least in or about May 2017 up to and including the present, in the Southern District of New York and elsewhere, REYNALDO LOPEZ, the defendant, knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit, LOPEZ used, transferred, and possessed the names and personal identifying information of other individuals in connection with the offense charged in Counts One and Two of this Complaint.

(Title 18, United States Code, Sections 1028A(a)(1) and 2.)

COUNT FOUR
(Passing Counterfeit Obligations)

7. From at least in or about October 2017 up to and including the present, in the Southern District of New York and elsewhere, REYNALDO LOPEZ, the defendant, knowingly, and with intent to defraud, would and did pass, utter, publish, and sell, and bring in to the United States and keep in possession and conceal a falsely made, forged, counterfeited, and altered obligation or other security of the United States.

(Title 18, United States Code, Section 472.)

COUNT FIVE
(Attempted Possession and Distribution of Narcotics)

8. In or about November 2017, in the Southern District of New York and elsewhere, REYNALDO LOPEZ, the defendant, intentionally and knowingly attempted to distribute and possess with the intent to distribute a controlled substance, in violation of Title 21, United States Code, Section 841(a)(1).

9. The controlled substance involved in the offense was one kilogram and more of mixtures and substances containing a detectable amount of heroin, in violation of Title 21, United States Code, Section 841(b)(1)(A).

(Title 21, United States Code, Section 846.)

COUNT SIX
(Firearms Use, Carrying, and Possession)

10. On or about November 29, 2017, in the Southern District of New York and elsewhere, REYNALDO LOPEZ, the defendant, during and in relation to a drug trafficking crime for which he may be prosecuted in a court of the United States, namely, the narcotics trafficking offense charged in Count Five of this Complaint, knowingly did use and carry a firearm, and, in furtherance of such crime, did possess a firearm.

(Title 18, United States Code, Section 924(c)(1)(A)(i).)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

11. I am a Detective with the NYPD, designated as a Task Force Officer with the FBI, and I have been personally involved in the investigation of this matter. This affidavit is based upon my own observations, conversations with other law enforcement officers and others, and my examination of reports and records prepared by others. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated

The Defendant

12. REYNALDO LOPEZ, the defendant, is a police officer with the NYPD. He is assigned to the Anti-Terrorism Unit in the Transit Bureau.

Access Device Fraud Overview

13. Based upon my training and experience, I am familiar with credit card fraud using bank cards. Bank cards typically bear a magnetic stripe on which account-related information has been electronically coded. The magnetic stripe contains two different "tracks" relevant to this investigation. One track bears, among other information, the account number, while another track may bear, among other information, the account holder's name. Criminals can use such information to manufacture counterfeit credit cards that bear the account information of other individuals on one track of the magnetic stripe, but may bear the counterfeit cardholder's name on the

other track of the magnetic stripe, causing the card to appear to be legitimate when used. Criminals can apply this information to "blank" bank cards including by devices known as "skimmers." Based on my training and experience, I have learned that a skimmer is a device that, among other things, may enable a user to apply electronic data to a physical credit card. Criminals then use those counterfeit and fraudulent cards to make purchases credited to, and steal money from, the true account holder's account.

The Access Device Fraud and Identity Theft Operation

Background to Fraud and Identity Theft Scheme

14. Since in or about 2017, members of the FBI and the NYPD have been investigating a counterfeit credit card ring based in and around New York City. As part of that investigation, law enforcement identified REYNALDO LOPEZ, the defendant, as a member of the counterfeit credit card fraud operation under investigation. In particular, based on the investigation, there is probable cause to believe that, from at least in or about May 2017 up to and including the present, LOPEZ participated in the scheme by, among other things, using stolen or otherwise obtaining without authorization personal identifying information to create fraudulent credit cards. The fraudulent credit cards then were used by LOPEZ and his co-conspirators to purchase merchandise for themselves. As further described below, the scheme generally worked as follows:

a. LOPEZ and his co-conspirators obtained stolen personal identifying information, including stolen credit card information, from various sources, including from a co-conspirator not named herein ("CC-1"), whom I believe had access to personal identifying information at CC-1's place of employment. The defendant also obtained information he believed was being conveyed by an employee of a credit card company ("Company-1") but was in fact provided by UC-1, an undercover NYPD officer. With the stolen and provided credit card information, LOPEZ and others then produced counterfeit credit cards that were encoded with that account information, including some that bore the names of certain of his co-conspirators. LOPEZ and his co-conspirators then used those counterfeit cards to make and attempt to make unauthorized purchases of merchandise, including but not limited to gift cards, electronics, clothing, movie tickets, and other merchandise at retail stores, restaurants, theaters, and other businesses in and around New York and New Jersey.

The Fraudulent Accounts and Purchases

15. Other law enforcement officers and I have spoken with representatives of Company-1.¹ Based on those conversations, my review of records, my review of audio and video surveillance recordings, and my participation in this investigation, I have learned, among other things, the following:

a. In or about spring 2017, representatives from Company-1 advised law enforcement officers that REYNALDO LOPEZ, the defendant, held credit card accounts with Company-1. The representatives further advised that purchases totaling more than approximately \$13,000 had been made using LOPEZ's card at luxury retail establishments, after which LOPEZ called Company-1 and claimed he was not responsible for the purchases.

b. Based on my review of surveillance video and transaction records from approximately seven of the relevant transactions at certain retail establishments, and my review of photographs of LOPEZ from his New York State Department of Motor Vehicles and NYPD records, an individual I believe is LOPEZ was recorded on surveillance video making certain purchases that LOPEZ subsequently claimed to Company-1 he did not make.

16. In addition to fraudulently claiming not to have made certain purchases using credit cards issued to LOPEZ by Company-1, I have learned from my participation in this investigation, including my review of surveillance video and transaction records from numerous businesses, that in May and June of 2017, LOPEZ and his co-conspirators used and attempted to use fraudulent credit cards at multiple businesses. For example:

a. On or about May 10, 2017, an individual used a fraudulent credit card at a movie theater located in or around Brooklyn, New York. Based on my review of surveillance video and transaction records for that purchase, and my review of photographs of LOPEZ as described above, I believe the person

¹ Based on my training and experience, my participation in this investigation, and my conversations with representatives of Company-1, I have learned that credit card companies generally incur the costs of fraudulent credit card activity on behalf of victimized customers. Additionally, to the extent this Complaint describes law enforcement officers supplying "track" or other credit card information to conspirators in the scheme, such information was not linked to any active individual accounts.

recorded on surveillance video making this fraudulent credit card purchase was LOPEZ.

b. On or about June 10, 2017, an individual used a fraudulent credit card to make a purchase at a clothing and outdoor gear retail establishment. Based on my review of surveillance video and transaction records for that purchase, and my review of photographs of LOPEZ as described above, I believe the person recorded on surveillance video making this fraudulent credit card purchase was LOPEZ.

c. Based on my conversations with representatives from Company-1 and my review of surveillance video and transaction records from businesses, I have learned that in or about June 2017, one of the fraudulent cards in particular was used or attempted to be used at approximately more than ten locations in and around New York City.

17. Based on my participation in this investigation, including discussions with UC-1 and other law enforcement officers, and my review of video and audio recordings made by UC-1, I have learned that REYNALDO LOPEZ, the defendant, first met with UC-1 in or about September 2017. UC-1 claimed to LOPEZ to be an employee of Company-1. At that meeting between UC-1 and LOPEZ, which was video and audio recorded, LOPEZ asked UC-1, in sum and substance, to provide him personal identifying information, or "track" information, to use in LOPEZ's production of counterfeit and fraudulent credit cards. In exchange, LOPEZ agreed, in sum and substance, to provide UC-1 with approximately 20 percent of the proceeds of the use of the resulting fraudulent credit cards.

18. Based on my review of surveillance video and transaction records from businesses, I have learned that in or about September 2017, REYNALDO LOPEZ, the defendant, and his co-conspirators used and attempted to use fraudulent credit cards encoded with track information supplied by UC-1 at multiple businesses. At one of those businesses, LOPEZ made a single purchase of more than \$1,000 of electronics equipment.

19. On or about October 13, 2017, UC-1 met with REYNALDO LOPEZ, the defendant, at a location in lower Manhattan (the "October 13 Meeting"). The portions of the meeting that occurred in the vehicle driven by UC-1 were recorded. Based on my participation in this investigation, my conversations with other law enforcement officers, and my review of audio and video recordings, I have learned that the following occurred:

a. Upon arriving at the October 13 Meeting, LOPEZ entered the vehicle driven and occupied by UC-1. LOPEZ stated to UC-1, in sum and substance, that LOPEZ had used a credit card with information provided by UC-1 to purchase a cellphone. LOPEZ also stated that he or one of his co-conspirators tried to use the credit card in another retail store, but the card was declined.

b. During the October 13 Meeting, LOPEZ asked UC-1, in sum and substance, to provide LOPEZ with a "101 card" rather than a "201 card". Based on my training and experience, I have learned that "101 card" is commonly used as a term for a credit card lacking a microchip used for security and authentication, and that "201 card" is commonly used as a term for a credit card with such a microchip. LOPEZ described 201 cards, in sum and substance, as being "too much trouble." LOPEZ further stated to UC-1 that he previously had a source who provided credit card numbers for LOPEZ and his "team."

c. Also during the October 13 Meeting, LOPEZ described himself to UC-1, in sum and substance, as a "cop" and stated that he relied on fraudulent credit cards for "cash flow," which, based on my review of the recording I believe means that LOPEZ informed UC-1 that he committed credit card fraud in order to supplement his salary as an NYPD officer.

d. LOPEZ generally discussed with UC-1 the continuation of the credit card scheme, including UC-1 providing LOPEZ with credit cards or credit card information in exchange for cash from LOPEZ. LOPEZ provided approximately \$3,000 in United States currency to UC-1 in exchange for information with which to encode fraudulent credit cards.

20. On or about November 10, 2017, UC-1 met with LOPEZ in Brooklyn, New York (the "November 10 Meeting"). The portions of the meeting that occurred in the vehicle driven by UC-1 were recorded. Based on my participation in this investigation, my conversations with other law enforcement officers, and my review of audio and video recordings, I have learned the following:

a. Upon arriving at the November 10 Meeting, LOPEZ entered the vehicle driven and occupied by UC-1, and then generally discussed with UC-1 the process of creating fraudulent credit cards.

b. During the November 10 Meeting, LOPEZ provided multiple gift cards to UC-1, and, as further described

below, LOPEZ also gave UC-1 a \$100 bill that LOPEZ identified as being counterfeit.

c. UC-1 then provided LOPEZ with credit card track information to be used in the creation of fraudulent credit cards. When LOPEZ was provided this information, he produced and showed to UC-1 a skimmer, which, as described above, may enable a user to apply electronic data to a physical credit card. UC-1 provided purportedly-stolen personal identifying information to LOPEZ, which LOPEZ appeared to enter into his phone, and then appeared to utilize the skimmer device to apply information to a physical card.

d. Also during the November 10 Meeting, LOPEZ stated to UC-1, in sum and substance, that CC-1 worked at a car dealership (the "Dealership") and provided LOPEZ with personal identifying information of customers from the Dealership. LOPEZ further stated, in sum and substance, that CC-1 would provide personal identifying information to LOPEZ for use in fraudulent credit cards.

21. Based on my participation in this investigation, my review of records, and my conversations with other law enforcement officers, I have learned that on or about November 15, 2017, REYNALDO LOPEZ, the defendant, forwarded to UC-1 a text message previously sent from CC-1 to LOPEZ. The text included personal identifying information of customers of the Dealership, namely, photographs of New York State identification cards and credit cards.

Possessing and Passing Counterfeit U.S. Currency

22. Based on my participation in this investigation, my review of records, my review of audio and video recordings, and my conversations with other law enforcement officers, I have learned the following:

a. During the October 13 Meeting, REYNALDO LOPEZ, the defendant, showed UC-1 what appeared to be United States currency, and stated, in sum and substance, that the currency was counterfeit.

b. Following the October 13 Meeting, in multiple recorded telephone conversations, LOPEZ and UC-1 generally discussed, in sum and substance, LOPEZ's possession of counterfeit currency and his ability to procure additional counterfeit U.S. currency.

c. During the November 10 Meeting, LOPEZ showed UC-1 a stack of what appeared to be United States currency and which LOPEZ informed UC-1 included counterfeit \$100 bills. LOPEZ further stated, in sum and substance, that he previously had successfully used some of the counterfeit money.

d. During this conversation, LOPEZ gave UC-1 a \$100 bill that LOPEZ identified as being counterfeit. Based on my participation in this investigation, including my discussion with other law enforcement officers, I have learned that the \$100 bill provided by LOPEZ to UC-1 is in fact counterfeit United States currency.

Narcotics Trafficking

23. Based on my participation in this investigation, my review of records, my review of audio and video recordings, and my conversations with other law enforcement officers, I have learned the following:

a. On or about November 29, 2017, REYNALDO LOPEZ, the defendant, traveled to a parking lot at a location in New Jersey (the "Pickup Location") for the purpose of transporting approximately three kilograms of heroin from New Jersey to a location in the Bronx, New York. The Pickup Location was surveilled by law enforcement officers including from the FBI and the NYPD.

b. LOPEZ arrived at the Pickup Location in a white sports utility vehicle (the "SUV"). Upon his arrival, LOPEZ exited the SUV and met and spoke with an undercover NYPD officer ("UC-2") who was posing as a participant in a drug-trafficking organization. That meeting was video and audio recorded.

c. LOPEZ and UC-2 then discussed LOPEZ's role in transporting the heroin. UC-2 stated, in sum and substance, "I got three keys [kilograms], three keys of heroin to be dropped down by my man in the Bronx." LOPEZ and UC-2 discussed that LOPEZ would be delivering the narcotics to an individual in the Bronx, New York, and LOPEZ stated, in sum and substance, that he was ready to go forward with the transaction. LOPEZ stated, in sum and substance, that he had previously trafficked narcotics, and that "with me it's guaranteed, they know for sure, they just send me out, do your thing, get a address, meet the person, do your thing, and I'm gone."

d. UC-2 further stated to LOPEZ: "My boy just came and gave me the [] three keys, and I was like, yo, I'm going to get rid of that [] real quick." LOPEZ discussed, in sum and substance, that he knew what to do, and he was willing to traffic narcotics again in the future. UC-2 stated to LOPEZ, in sum and substance, that LOPEZ would be paid \$2,000.

e. During the conversation, UC-2 opened a black zippered bag (the "Black Bag") and showed LOPEZ what UC-2 stated was "the three keys" inside. The Black Bag contained wrapped brick-shaped powder substances, which were in fact "sham," or mock narcotics. Upon showing this to LOPEZ, UC-2 stated, "That's three keys," and LOPEZ responded, in sum and substance, "I know." UC-2 also advised LOPEZ that he should deliver the Black Bag and its contents to an individual at a particular parking lot in the Bronx, New York (the "Dropoff Location"). At the conclusion of the conversation, LOPEZ took the Black Bag and its contents to the SUV and departed the Pickup Location.

f. Later on or about November 29, 2017, LOPEZ arrived in the SUV at the Dropoff Location. LOPEZ exited the SUV with the Black Bag and was arrested by law enforcement officers at the scene of the Dropoff Location.

g. During the time of the meeting at the Pickup Location and the arrest, LOPEZ was dressed in sweatpants and a sweatshirt, and was not wearing his NYPD police officer uniform. From my participation in the investigation and my discussions with other law enforcement officers, I know that LOPEZ was not on duty on or about November 29, 2017. Additionally, in a post-arrest statement to law enforcement, LOPEZ stated, in sum and substance, that he was not scheduled to report to work again until on or about December 4, 2017.

h. At the time of his arrest, LOPEZ was in possession of a firearm, identified as a Glock semi-automatic pistol (the "Firearm"). Based on my training and experience, my discussions with other law enforcement officers, and my review of records, I believe the Firearm is LOPEZ's personal, off-duty weapon, purchased by LOPEZ and privately owned by him.

WHEREFORE, the deponent prays that REYNALDO LOPEZ, the defendant, be arrested and imprisoned or bailed, as the case may be.

A handwritten signature in cursive script, reading "Det. David Rivera", written over a horizontal line.

DAVID RIVERA
Detective
New York City Police Department

Sworn to before me this
29th day of November 2017

THE HONORABLE DEBRA FREEMAN
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK