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8 IN THE UNITED STATES DISTRICT COURT  
9 EASTERN DISTRICT OF CALIFORNIA

10  
11 UNITED STATES OF AMERICA,  
12 Plaintiff,  
13 v.  
14 RAUL OROPEZA LOPEZ, and  
ANA MARIA OROPEZA,  
15  
16 Defendants.

CASE NO. 1:15 CR 00051 LJO SKO  
VIOLATIONS: 18 U.S.C. § 1349 – Conspiracy to  
Commit Mail Fraud ; 18 U.S.C. § 1341 – Mail Fraud  
(9 Counts); 18 U.S.C. § 981(a)(1)(c) and 28 U.S.C.  
§ 2461(c) - Criminal Forfeiture

17  
18 INDICTMENT

19 COUNT ONE: [18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud]

20 The Grand Jury charges:  
21 RAUL OROPEZA LOPEZ, and  
ANA MARIA OROPEZA,

22 defendants herein, as follows:

23 I. INTRODUCTION

24 At all times material to this Indictment:

25 1. RAUL OROPEZA LOPEZ (“R. OROPEZA”) is an individual who resided in Delano,  
26 California, in Kern County, State and Eastern District of California. R. OROPEZA worked as a foreman  
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1 at Celaya Contracting in Delano, California.

2 2. ANA MARIA OROPEZA (“A. OROPEZA”) is an individual who resided in Delano,  
3 California, in Kern County, State and Eastern District of California. R. OROPEZA and A. OROPEZA  
4 were husband and wife.

5 3. Under the Federal Immigration Reform and Control Act of 1986, new employees must  
6 present proof that they are legally authorized to work in the United States. When a person takes a new  
7 job, the person is required to fill out the employee’s section of U.S. Citizenship and Immigration  
8 Services, Department of Homeland Security, Form I-9 by the end of their first day on the job. The new  
9 worker then has three business days to present the new employer with documents proving that he is who  
10 he says he is, and that he is legally authorized to work in the United States. In addition, the new  
11 employee was required to present his Social Security number (“SSN”) so that his wages can be properly  
12 reported to federal and state taxing authorities. In his position as a foreman for Celaya Contracting, R.  
13 OROPEZA collected and presented documents he claimed to have received from potential employees to  
14 Celaya Contracting.

15 4. The Social Security Act of 1935 (the “Act”) created the Federal and State Unemployment  
16 Insurance System, which is designed to provide benefits to persons out-of-work through no fault of their  
17 own. The purpose of the Act is to lessen the effects of unemployment through payments made directly to  
18 laid-off workers, insuring that at least a significant portion of the necessities of life, most notably food,  
19 shelter, and clothing, can be met on a weekly basis while the worker seeks employment. In California,  
20 the Unemployment Insurance (“UI”) program is administered for the federal government by the  
21 California Employment Development Department (“EDD”).

22 5. In California, the amount of weekly UI benefits paid to a claimant is based on the earnings  
23 reported by the claimant’s employer for a specified time period, called the “base period.” To receive  
24 benefits, a claimant is required to provide information to the EDD, including name, mailing address,  
25 SSN, date of birth, last employer name and address, and last day worked.

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1           6.       Individuals can file for UI benefits using one of the following methods: (i) by using an  
2 online system called eApply4UI; (ii) by contacting EDD by telephone; or (iii) by completing a paper UI  
3 Application and then faxing or mailing it to an EDD office for processing. The same methods can also  
4 be used to reactivate an existing claim or file for extended benefits if they qualify. Extensions can be  
5 filed automatically by EDD. When a claim is made, the claimant is required to certify his  
6 unemployment status. Upon receipt of this certification, EDD will begin to make payments to the  
7 claimant, if no question of eligibility is raised.

8           7.       Pursuant to the California Unemployment Insurance Code and California Code of  
9 Regulations, individuals entitled to UI funds are those individuals that perform the work responsible for  
10 earning the wages and that have the legal right to work in the United States at the time the wages are  
11 earned.

12           8.       Before 2011, payment of benefits was made by checks issued by EDD to a claimant.  
13 These checks were all mailed from West Sacramento, California, which is located within the State and  
14 Eastern District of California.

15           9.       In or around July 2011, EDD began a phased implementation of the Electronic Benefit  
16 Program for UI benefits. Over a period of approximately six months, claimants of UI benefits were  
17 transitioned from receiving paper UI benefit checks to receiving UI Benefit payments through an EDD  
18 Benefit debit card issued by Bank of America. These EDD Benefit debit cards could be used by the  
19 beneficiaries to withdraw funds from the benefit accounts in the form of cash at an ATM or electronically  
20 anywhere VISA cards were accepted. The EDD Benefit debit cards were delivered to the claimant by  
21 U.S. mail at the address the claimant gave when the UI benefits claim was filed.

22 II.       CONSPIRACY/SCHEME TO DEFRAUD

23           10.       From a time unknown to the grand jury but no later than on or about January 1, 2008, and  
24 continuing thereafter until on or about November 30, 2014, in the County of Kern, State and Eastern  
25 District of California, and elsewhere, defendants R. OROPEZA and A. OROPEZA did unlawfully  
26 conspire and agree with each other and with other co-conspirators, both known and unknown to the grand  
27

1 jury to execute a scheme and artifice to defraud the State of California and California EDD  
2 unemployment insurance system and to obtain money and property from the State of California and  
3 California EDD unemployment insurance system by means of materially false and fraudulent pretenses,  
4 representations and promises, and to cause the United States mail and private and commercial interstate  
5 carriers to be used in execution of the scheme to defraud, in violation of Title 18, United States Code,  
6 Section 1341.

7 II. MANNER AND MEANS OF CONSPIRACY/SCHEME TO DEFRAUD

8 Among the manner and means by which the defendants carried out said conspiracy and scheme to  
9 defraud were the following:

10 11. The defendants and others obtained personal identifying information, including names,  
11 social security numbers, and dates of birth, of individuals who were eligible to work in the United States  
12 but were not currently working in the United States. In some cases, the individuals whose identities were  
13 obtained were willing to lend their personal identifying information to defendants in return for some  
14 benefit they believed they would get. In other cases, the individuals whose identities the defendants  
15 obtained had no knowledge their identities were being used by the defendants. Defendant R. OROPEZA  
16 fraudulently used the personal identifying information so obtained to enable undocumented workers to  
17 obtain employment in California under the assumed identities, primarily as seasonal farm laborers.

18 12. The wages paid to the undocumented workers were falsely reported by the employers to  
19 the state and federal government, including California EDD, under the false identities, thereby  
20 fraudulently purporting to qualify the workers for UI benefits.

21 13. When the undocumented worker was subsequently laid off and became unemployed, the  
22 defendants would obtain employer payroll information needed to prepare and present a false and  
23 fraudulent unemployment insurance claim in the name of the assumed identity, such as the employer's  
24 name, and the name, social security number, salary, last day of employment, and address of the assumed  
25 identity.

26 14. After obtaining this employee information, the defendants filed false and fraudulent  
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1 unemployment insurance claims with the EDD using the assumed identities. These claims were  
2 fraudulent because (i) they were being filed and signed by defendants, and not by the person who did the  
3 work or the person whose identity was being used; (ii) the persons whose names and identities were  
4 being used were not the persons who performed the work responsible for earning the wages that  
5 purportedly qualified that identity for UI benefits; and (iii) the persons who actually performed the work  
6 were ineligible to receive UI benefits because they did not have the legal right to work in the United  
7 States at the time the wages were earned.

8 15. After defendants submitted the fraudulent claims to EDD, UI checks were then sent out to  
9 addresses the defendants had given to EDD, including post office boxes, private postal boxes, and street  
10 addresses controlled by the defendants. Later in the scheme, benefits were paid to EDD Benefit debit  
11 cards mailed to addresses the defendants controlled. The defendants had control over, or access to, the  
12 addresses to which the UI benefit checks and EDD Benefit debit cards were being sent.

13 16. The defendants also opened and controlled bank accounts in the name of many of the  
14 assumed identities. When checks were received by the defendants, they would be deposited into bank  
15 accounts the defendants controlled under names that matched the UI beneficiary's name that appeared on  
16 the UI check. The defendants then caused checks from these accounts to be periodically made out to  
17 either R. OROPEZA or A. OROPEZA and subsequently deposited into bank accounts owned by R.  
18 OROPEZA or A. OROPEZA.

19 17. When EDD began paying benefits on EDD Benefit debit cards in or around 2011,  
20 defendants caused EDD Benefit debit cards to be mailed to addresses they controlled. R. OROPEZA  
21 would then withdraw the UI payments from the EDD Benefit debit cards in the form of cash at ATM  
22 machines. Around the time R. OROPEZA began withdrawing cash from ATM machines, there was a  
23 significant increase in the amount of cash deposits made into bank accounts owned by R. OROPEZA or  
24 A. OROPEZA.

25 18. Bank records show a consistent pattern of spending by the defendants on a variety of  
26 expenses that significantly exceeded their income from their legitimate employment. These expenses  
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1 included thousands of dollars spent each month on savings, investments, bills and other utilities,  
2 extensive home improvements, and various other lifestyle purchases. The defendants also spent  
3 thousands of dollars each month in credit card payments, increasing the total volume of purchases they  
4 made to sustain their fraudulently-elevated lifestyle.

5 19. Over the course of the conspiracy and scheme to defraud, the defendants submitted more  
6 than 520 fraudulent claims using the identities of over 70 individuals. From on or about January 1, 2008  
7 through November 30, 2014, the defendants fraudulently collected UI benefits in excess of \$1.8 million.  
8 In some cases, the fraudulently-obtained benefits were shared with the individuals who lent their personal  
9 identifying information to defendants. The defendants typically did not share any of the UI benefits with  
10 the individuals who actually performed the work responsible for earning the wages.

11 20. In carrying out the actions described above, the defendants acted at all times with the  
12 intent to defraud.

13 All in violation of Title 18, United States Code, Section 1349.

14 COUNTS TWO THROUGH TEN: [18 U.S.C. § 1341 – Mail Fraud]

15 The Grand Jury further charges:

16 RAUL OROPEZA LOPEZ, and  
17 ANA MARIA OROPEZA,

18 defendants herein, as follows:

19 21. Paragraphs 1 through and including 20, inclusive of Count One, above, are fully  
20 incorporated by reference as though fully set forth herein.

21 22. Beginning at a time unknown to the grand jury but no later than on or about January 1,  
22 2008, and continuing to on or about November 30, 2014, within the State and Eastern District of  
23 California, and elsewhere, the defendants and others known and unknown devised, and intended to  
24 devise, a scheme and artifice to defraud the State of California and the California EDD unemployment  
25 insurance system and others of money and property, and to obtain money and property from the State of  
26 California and the California EDD unemployment insurance system and others by means of materially  
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1 false and fraudulent pretenses, representations and promises.

2 23. On or about the dates set forth below, in the State and Eastern District of California, and  
 3 elsewhere, for the purpose of executing the scheme and artifice to defraud, and attempting to do so, the  
 4 defendants and others known and unknown to the grand jury, knowingly caused the following items to be  
 5 placed in an authorized depository for mail matter, to be sent and delivered by the U.S. Postal Service,  
 6 and knowingly caused them to be delivered by the United States Postal Service according to the  
 7 directions thereon.

<u>COUNT</u>	<u>DATE</u>	<u>DESCRIPTION AND ADDRESS</u>
TWO	August 23, 2011	EDD Benefit debit card in the name of T.E.D. mailed by Bank of America to P.O. Box 142, Delano, CA 93216
THREE	September 16, 2011	EDD Benefit debit card in the name of M.C.G.C. mailed by Bank of America to 336 Lincoln Lane, Delano, CA 93215
FOUR	October 4, 2011	EDD Benefit debit card in the name of H.F.O. mailed by Bank of America to P.O. Box 264, Delano, CA 93216
FIVE	October 18, 2011	EDD Benefit debit card in the name of N.A.M. mailed by Bank of America to P.O. Box 1603, Delano, CA 93216
SIX	November 29, 2011	EDD Benefit debit card in the name of R.L.G. mailed by Bank of America to P.O. Box 1095, Delano, CA 93216
SEVEN	December 13, 2011	EDD Benefit debit card in the name of J.S.N. mailed by Bank of America to P.O. Box 1484, Delano, CA 93216
EIGHT	April 10, 2012	EDD Benefit debit card in the name of M.A.B.M. mailed by Bank of America to P.O. Box 414, Delano, CA 93216
NINE	April 22, 2014	EDD Benefit debit card in the name of A.A.H. mailed by Bank of America to 1710 High Street, Apt. 103, Delano, CA 93215
TEN	June 13, 2014	EDD Benefit debit card in the name of A.L.V. mailed by Bank of America to P.O. Box 746, Delano, CA 93216

23 All in violation of Title 18, United States Code, Section 1341.

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1 FORFEITURE ALLEGATION: [18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) - Criminal  
2 Forfeiture]

3 24. Upon conviction of one or more of the offenses alleged in Counts One through Ten of  
4 this Indictment, defendants RAUL OROPEZA LOPEZ and ANA MARIA OROPEZA shall forfeit to the  
5 United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States  
6 Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds  
7 traceable to such violations.

8 25. If any of the property described above, as a result of any act or omission of the defendants:  
9 a. cannot be located upon the exercise of due diligence;  
10 b. has been transferred or sold to, or deposited with, a third party;  
11 c. has been placed beyond the jurisdiction of the court;  
12 d. has been substantially diminished in value; or  
13 e. has been commingled with other property which cannot be divided without difficulty,  
14 the United States of America shall be entitled to forfeiture of any other property of the defendants, up to  
15 the value of the property subject to forfeiture, including but not limited to a personal forfeiture money  
16 judgment, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United  
17 States Code, Section 2461(c) forfeiture.

18 A TRUE BILL

19 **/s/ Signature on file w/AUSA**

20 \_\_\_\_\_  
21 FOREPERSON

22  
23 BENJAMIN B. WAGNER  
United States Attorney

24 **Mark E. Cullers**

25 By: \_\_\_\_\_  
26 MARK E. CULLERS  
Assistant U.S. Attorney  
27 Chief, Fresno Office