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Twenty-Five Individuals Indicted for Wire Fraud

Defendants Defrauded the U.S. Army National Guard Recruiting Assistance Program

Twenty-five individuals have been charged in 14 separate indictments for their alleged participation in a conspiracy to defraud the United States and the National Guard Bureau of money and property, wire fraud and aggravated identity theft, announced U.S. Attorney Rosa Emilia Rodríguez-Vélez of the District of Puerto Rico. The U.S. Secret Service is in charge of the investigation, with the collaboration of the U.S. Army Criminal Investigation Command, the U.S. Postal Service Office of Inspector General, the Department of Defense-Defense Criminal Investigative Service and the Puerto Rico Police Department. The indictments were unsealed today upon the arrest of the defendants.

A federal grand jury in the District of Puerto Rico returned the indictments yesterday, Oct. 21, 2015, which include the following individuals: recruiters Cristobal Colón-Colón, Ángel D. Rivera-Rodríguez, Enrique Costas-Torres, Gregorio Quiñones-Pacheco, Guillermo Cruz-García, Edwin Izquierdo-Montañez, Luis De Jesús-Negrón, Gabriel González-Franco, Gilberto Rivera-Quñones, Juan Rivera-Rivera and Héctor Rodríguez-Colón; and recruiter assistants Axel Aponte-García, Gilberto Gierbolini-Emanueli, Freddie García-Ruiz, Félix González-Rodríguez, Radamés Robles-Meléndez, Emilio Rivera-Maldonado, Carlos Meléndez-González, Natalio Soto-Rivera, José Rivera-Pereles, Félix Lasen-Nieves, Ángel Perales-Muñoz, Alexis Betancourt-Jiménez, José Velázquez-Lugo and Garby Ruiz-Rosado.

These charges stem from a scheme utilized by the defendants from 2007 through 2011. In or about September 2005, the National Guard Bureau, located in Arlington, Virginia, entered into a contract with Document and Packaging Broker Inc. (Docupak), located in Pelham, Alabama, to administer the Guard Recruiting Assistance Program (G-RAP). The G-RAP was a recruiting program designed to offer referral bonus payments to Army National Guard soldiers to recruit civilians to serve in the Army National Guard. As part of the G-RAP, the National Guard Bureau reimbursed Docupak for the recruiting referral bonus payments that Docupak paid to participating soldiers. The National Guard Bureau also paid Docupak an administrative fee for disbursing each of the referral bonus payments.

The program had two primary participants: recruiters, whose job it was to assist the Docupak subcontractors in enlisting new members into the Army National Guard; and recruiter assistants, who were Docupak subcontractors, whose job it was to identify and assist recruit new potential members into the Army National Guard and assist recruiters with other related duties. Under the contract specifications of the program, only recruiter assistants were eligible for recruiting referral bonuses.

The program required recruiter assistants to establish an online account in their name to record their referral and recruitment efforts. The recruiter assistant would input the personal identifying information of each recruit into the account. A recruiter assistant could receive a bonus between \$500 and \$1,000 for every referred soldier that enlisted in the Army National Guard, and an additional bonus between \$500 and

\$1,000 once the referred soldier was sent to basic training. If the referred soldier had previously served in a different military branch, did not need to attend basic training or joined the Army National Guard as an officer, the recruiter assistant could receive a bonus between \$2,000 and \$8,500. The recruiter assistant could receive the referral bonus payments either through direct deposit in a bank account or a VISA account.

It was the goal of the conspiracy for the recruiters to unlawfully enrich themselves by defrauding the United States and performing acts in violation of their official duties, in exchange for things of value. The recruiter assistants provided things of value to the recruiters in exchange for their assistance in defrauding the U.S. National Guard.

The defendants' scheme knowingly caused the transfer, possession and use without lawful authority of a means of identification of another person, which contained the name, date of birth and social security number of potential soldiers; and by submitting the personal identifying information (PII) for unauthorized purposes, they generated a fraudulent referral bonus of the G-RAP program that would then create an interstate wire transfer to the co-conspirator's different bank accounts.

An example of the scheme, as alleged in one of the indictments, is as follows: the defendants allegedly cheated the program, known as G-RAP, by having the recruiter assistants create a G-RAP account and or allow the recruiters to use the recruiter assistants' G-RAP account to enter all information necessary to claim recruiting bonuses that the recruiter assistants had not earned. The defendants applied for the G-RAP bonuses using PII given to the recruiters by enlistees who would go to the recruitment office seeking orientation to enlist in the Puerto Rico Army National Guard (PRANG). The recruiters would obtain the PII in their official capacity as a recruiter and would use the recruiter assistants' G-RAP accounts to apply for fraudulent recruiting bonuses. The recruiter assistants were paid bonuses that would be deposited by Docupak in their personal bank accounts or a VISA Card that was given to them by Docupak, based on the misrepresentations made by the defendants of the recruitment process. Some recruiter assistants withdrew a cash amount from each bonus and paid a kickback of approximately half of the bonus to the recruiters, and in some cases the recruiters kept the bonuses for themselves.

"These charges clearly demonstrate that we will take firm action against those who choose to exploit our military system for personal and criminal gain," said U.S. Attorney Rodríguez-Vélez. "We remain committed to investigating and apprehending those who cheat the system for personal gain, and will continue to work towards the eradication of this type of fraud in Puerto Rico."

"The U.S. Secret Service will continue to aggressively pursue those that commit fraud and identity theft for their own enrichment," said Resident Agent in Charge Carlos Colón of the U.S. Secret Service Office in Puerto Rico. "These crimes remain a top investigative priority for our agency."

"We should expect honesty and integrity from our military personnel," said Special Agent in Charge John F. Khin of the Defense Criminal Investigative Service. "This case demonstrates the commitment of DCIS, along with our investigative partners, to relentlessly pursue and bring to justice those who commit fraud and violate positions of trust for personal enrichment."

"The conduct alleged in the criminal Indictments is beyond disgraceful," said Special Agent in Charge Eileen Neff of the USPS Office of Inspector General (OIG). "The USPS-OIG, along with our law enforcement partners, will continue to aggressively investigate those who seek to defraud our government programs."

If found guilty, the defendants face a maximum penalty of 10 years in prison for the conspiracy, 20 years in prison for wire fraud and a mandatory two-year consecutive term in prison for aggravated identity theft.

The case is being investigated by the U.S. Secret Service. The case is being prosecuted by Assistant U.S. Attorney Olga B. Castellón-Miranda and Special Assistant U.S. Attorney Amanda C. Soto-Ortega of the District of Puerto Rico.

Indictments contain only charges and are not evidence of guilt. The defendants are presumed to be innocent unless and until proven guilty. The investigation is ongoing.

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