

SEALED BY ORDER OF THE COURT

FILED

United States District Court

OCT 23 2013

FOR THE NORTHERN DISTRICT OF CALIFORNIA

RICHARD W. WIEKING CLERK, U.S. DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA SAN JOSE

VENUE: SAN JOSE

CR13 00703 LHK

UNITED STATES OF AMERICA,

v.

HRL

ED/CA Case No. 1:13-MJ-00221-GSA

ADRIAN BALTAGA and GHEORGHE BALTAGA,

DEFENDANT(S).

INDICTMENT

VIOLATIONS: 18 U.S.C. § 1349 — Conspiracy to Commit Bank Fraud and Wire Fraud; 18 U.S.C. § 1344 — Bank Fraud; 18 U.S.C. § 1343 — Wire Fraud; 18 U.S.C. § 1028A — Aggravated Identity Theft; 18 U.S.C. § 2 — Aiding and Abetting; 18 U.S.C. § 982 (a)(2)(A) — Forfeiture of Fraud Proceeds.

A true bill.

[Handwritten signature]

Foreman

Filed in open court this 23rd day of

October, 2013

Clerk

[Handwritten signature]

PAUL S. CREWELL, U.S. MAGISTRATE JUDGE

Bail, \$

NO bail arrest warrants

as to both defendants

DOCUMENT NO. 1e CS&A INITIAL DISTRICT COURT CRIMINAL CASE PROCESSING

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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

1 MELINDA HAAG (CABN 132612)
United States Attorney

9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA

11 SAN JOSE DIVISION

CR 13 00703

**LHK
HBL**

12 UNITED STATES OF AMERICA,

13 v.

14 ADRIAN BALTAGA, and
15 GHEORGHE BALTAGA,

16 Defendants.

VIOLATIONS: 18 U.S.C. § 1349 — Conspiracy to
Commit Bank Fraud and Wire Fraud; 18 U.S.C. §
1344 — Bank Fraud; 18 U.S.C. § 1343 — Wire
Fraud; 18 U.S.C. § 1028A — Aggravated Identity
Theft; 18 U.S.C. § 2 — Aiding and Abetting;
18 U.S.C. § 982 (a)(2)(A) — Forfeiture of Fraud
Proceeds.

17 SAN JOSE VENUE

18 INDICTMENT

19 The Grand Jury charges:

20 At all times relevant to this indictment, unless otherwise stated, with all dates given being both
21 approximate and inclusive:

22 1. Fidelity Investments (Fidelity) was a financial institution pursuant to 18 U.S.C. § 20,
23 headquartered in Boston, Massachusetts, with offices and account holders within the Northern District
24 of California and worldwide.

25 2. The United States Postal Service (USPS) was a department of the United States
26 government. Among many other services, the USPS sold Postal Money Orders (PMOs) from Post Office
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1 locations within the Northern District of California and nationwide. When a PMO was deposited in
2 northern California, the bank of first deposit transmitted an electronic image of that PMO to the Federal
3 Reserve Bank (FRB) in San Francisco, California. The San Francisco FRB then transmitted a wire
4 communication consisting of the electronic image of the PMO, along with other information, to the FRB
5 in Atlanta, Georgia. The Atlanta FRB then released the funds for the PMO deposit.

6
7 The Scheme and Artifice to Defraud

8 3. Beginning no later than August 2011, and continuing through at least approximately
9 March 2013, the defendants ADRIAN BALTAGA and GHEORGHE BALTAGA, and others known
10 and unknown to the Grand Jury, obtained the online banking log-in credentials for numerous customers
11 of Fidelity. Using these credentials, the defendants set up ACH (Automated Clearing House) links
12 between those victim accounts and destination accounts that they controlled.

13
14 4. Prior to setting up the ACH links, the defendants purchased and registered prepaid debit
15 cards, at times using the identities of the account holders whose accounts they planned to take over, and
16 other times using the identity of an unrelated individual. After a period of time, the defendants initiated
17 fraudulent wire transfers without authorization from the victim accounts into the debit card accounts
18 they controlled.

19 5. The defendants caused Fidelity to wire transfer funds to accounts they controlled at
20 prepaid debit card providers, and then used those debit cards to purchase PMOs from various Post
21 Office locations in northern California. *CHS 10/23/13* They defendants also used the prepaid debit cards to purchase
22 MoneyGram money orders.
23

24 6. The defendants then deposited the PMOs and MoneyGram money orders into bank
25 accounts they controlled. At times, the defendants withdrew funds directly from the prepaid debit cards
26 at ATMs.

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1 COUNT ONE: (18 U.S.C. § 1349 — Conspiracy to Commit Bank Fraud and Wire Fraud)

2 7. Paragraphs 1 through 6 are re-alleged and incorporated as if fully set forth here.

3 8. Beginning at a time unknown to the Grand Jury, but no later than in or about 2011, and
4 continuing through approximately March 2013, in the Northern District of California and elsewhere, the
5 defendants,

6 ADRIAN BALTAGA, and
7 GHEORGHE BALTAGA,

8 and others, conspired to devise and did devise a scheme and artifice (A) to defraud Fidelity as to a
9 material matter, and (B) to obtain any of the moneys, funds, credits, and assets owned by, and under the
10 custody and control of, Fidelity, by means of materially false and fraudulent pretenses, representations,
11 and promises, and material omissions.

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

13 COUNTS TWO THROUGH FIVE: (18 U.S.C. § 1344 — Bank Fraud; 18 U.S.C. § 2 — Aiding and
14 Abetting)

15 9. Paragraphs 1 through 6 are realleged and incorporated as if fully set forth here.

16 10. On or about the dates set forth, in the Northern District of California and elsewhere, the
17 defendants,

18 ADRIAN BALTAGA, and
19 GHEORGHE BALTAGA,

20 did execute, and attempt to execute, a scheme and artifice (A) to defraud Fidelity as to a material matter,
21 and (B) to obtain any of the moneys, funds, credits, and assets owned by, and under the custody and
22 control of, Fidelity, by means of materially false and fraudulent pretenses, representations, and promises,
23 and material omissions, that is, falsely using the identity of the account holder to control the Fidelity

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Investments account of that account holder and cause the unauthorized transfer of funds, as follows:

Count	Date	Account Holder
2	August 31, 2011, to September 15, 2011	M.R.
3	February 4, 2013, to February 15, 2013	R.S.
4	February 11, 2013, to February 26, 2013	J.S.
5	March 6, 2013, to March 28, 2013	K.R.

All in violation of Title 18, United States Code, Sections 1344 and 2.

COUNTS SIX THROUGH EIGHT: (18 U.S.C. § 1343 — Wire Fraud; 18 U.S.C. § 2 — Aiding and Abetting)

11. Paragraphs 1 through 6 are realleged and incorporated as if fully set forth here.

12. On or about the dates set forth in the separate counts below, in the Northern District of California, and elsewhere, for the purpose of executing the material scheme to defraud Fidelity, and to obtain money by means of materially false and fraudulent pretenses, representations, promises, and statements containing material omissions, the defendants,

ADRIAN BALTAGA, and
GHEORGHE BALTAGA,

did knowingly transmit and cause to be transmitted the following wire communications in interstate and foreign commerce:

Count	Date	Description of Wire	From	To
6	September 13, 2011	Electronic copy of M.R. PMO	FRB, San Francisco, CA	FRB, Atlanta, GA
7	February 20, 2013	Electronic copy of R.S. PMO	FRB, San Francisco, CA	FRB, Atlanta, GA
8	February 28, 2013	Electronic copy of J.S. PMO	FRB, San Francisco, CA	FRB, Atlanta, GA

All in violation of Title 18, United States Code, Sections 1343 and 2.

1 COUNTS NINE THROUGH THIRTEEN: (18 U.S.C. § 1028A — Aggravated Identity Theft; 18
 2 U.S.C. § 2 — Aiding and Abetting)

3 13. Paragraphs 1 through 6 are realleged and incorporated as if fully set forth here.

4 14. On or about dates set forth in the separate counts below, in the Northern District of
 5 California, and elsewhere, the defendants,

6 ADRIAN BALTAGA, and
 7 GHEORGHE BALTAGA,

8 did knowingly transfer, possess, and use, without lawful authority, a means of identification of another
 9 person during and in relation to violations of 18 U.S.C. § 1344 — Bank Fraud, and 18 U.S.C. § 1343 —
 10 Wire Fraud.

Count	Date	Person
9	August 31, 2011, to September 15, 2011	M.R.
10	September 13, 2011	A.M.
11	February 4, 2013, to February 15, 2013	R.S.
12	February 11, 2013, to February 26, 2013	J.S.
13	March 6, 2013, to March 28, 2013	K.R.

17
 18 All in violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

19 **FORFEITURE ALLEGATION:** (18 U.S.C. § 982(a)(2)(A) — Forfeiture of Bank Fraud Proceeds)

20 15. The factual allegations contained in Paragraphs 1 through 6 and in Counts One through
 21 Five of this Indictment are hereby realleged and by this reference fully incorporated here for the purpose
 22 of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)(A).

23 16. Upon a conviction of any of the offenses alleged in Counts One through Five above, the
 24 defendants,

25 ADRIAN BALTAGA, and
 26 GHEORGHE BALTAGA,

27 shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2)(A) any
 28

1 property constituting, or derived from, proceeds the defendants obtained directly or indirectly, as a result
2 of said violations, including but not limited to the following:

3 (a) Money Judgment: a sum of money equal to the total gross proceeds obtained as a result of the
4 offenses.

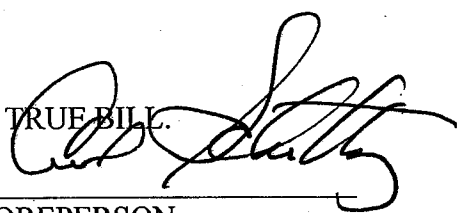
5 (b) Real Property: Real property and improvements, including those located at 10667 N. Medinah
6 Circle, Fresno, CA 93730, further identified with APN 577-020-05S.

7 If any of said property, as a result of any act or omission of the defendants:

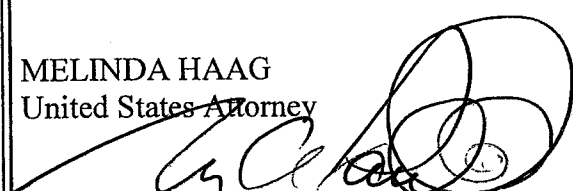
- 8 (a) cannot be located upon the exercise of due diligence;
- 9 (b) has been transferred or sold to or deposited with, a third person;
- 10 (c) has been placed beyond the jurisdiction of the Court;
- 11 (d) has been substantially diminished in value; or
- 12 (e) has been commingled with other property which cannot be divided without difficulty;

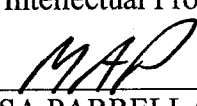
13 any and all interest defendants have in any other property, up to value of the property described in
14 paragraph 42 above, shall be forfeited to the United States, pursuant to Title 21, United States Code,
15 Section 853(p), as incorporated by Title 18, United States Code, Section 982(b) and Rule 32.2 of the
16 Federal Rules of Criminal Procedure.

17
18 DATED: 10/1

19
20 A TRUE BILL.

21
22 FOREPERSON

20 MELINDA HAAG
21 United States Attorney

22 
23 MATTHEW A. PARRELLA
24 Chief, Computer Hacking/Intellectual Property Unit

24 (Approved as to form: )
25 AUSA PARRELLA