



22 alleged members of sophisticated, violent fraudulent document ring indicted

RICHMOND, Va. – A federal grand jury in Richmond has indicted 22 members of an allegedly highly sophisticated and violent fraudulent document trafficking organization based in Mexico with cells in 19 cities and 11 states, including three cells in Virginia. Discovered through an ongoing investigation dubbed "Operation Phalanx," the organization is accused of kidnapping, beating and – at least on one occasion – murdering competitors and using violence to discipline its own members. The indictment is the result of an investigation conducted by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI).

ICE Director John Morton, along with U.S. Attorney for the Eastern District of Virginia Neil H. MacBride, made the announcement after a superseding indictment was made public.

"Document fraud doesn't just involve paperwork. The business of document fraud, which can be ugly and involve violence and the use of deadly weapons warrants the attention of Homeland Security Investigations," said Director Morton. "Fraudulent documents give people the appearance of lawful status and provide them a ticket to access and opportunities to which they are not entitled."

"The indictment portrays a deadly criminal organization that uses brutal violence to eliminate rivals, protect its turf and enforce discipline against its own members," said U.S. Attorney MacBride. "Thanks to the tremendous effort of ICE agents here in our District and throughout the country, we were able to bring these charges, expose the brutality behind this document cartel, and dismantle the organization."

According to the 12-count indictment, Israel Cruz Millan, a/k/a "El Muerto," 28, of Raleigh, N.C., managed the organization's operations in the United States, overseeing cells in nearly a dozen states that produced high-quality false identification cards to illegal aliens. He allegedly placed a manager in each city, each of whom supervised a number of "runners" who distributed business cards advertising the organization's services and helped facilitate transactions with customers. The cost of fraudulent documents varied depending on the location, with counterfeit resident alien and social security cards typically selling from \$150 to \$200. Each cell maintained detailed sales records and divided the proceeds between the runner, the cell manager, and the upper level managers in Mexico. The indictment states that from January 2008 through November 2010, members of the organization wired more than \$1 million to Mexico.

The indictment alleges that Cruz Millan's organization sought to drive competitors from their territory by posing as customers and attacking them when they arrived to make a sale. These attacks allegedly included binding the victims' hands, feet and mouth; repeatedly beating them; and threatening them with death if they continued to sell false identification documents in the area. The victims were allegedly left bound at the scene of the attack, and the indictment states that at least one victim died from the beatings.

Cruz Millan is accused of tightly controlling the organization's activities, keeping in regular contact with cell managers about inventory, bi-weekly sales reports and competition. The indictment alleges that members who violated internal rules within the operation were subject to discipline, including shaving eyebrows, wearing weights, beatings, and other violent acts.

Twenty-eight members of the organization were arrested on Nov. 18, 2010, on conspiracy to produce and transfer false identification documents and conspiracy to commit money laundering, which carry a maximum

penalty of 15 and 20 years in prison, respectively. To date, five individuals arrested on Nov. 18 have pled guilty to conspiracy to produce and transfer false identification documents.

On Feb. 23, 2011, twenty-two of the 28 were also charged with racketeering conspiracy, which carries a maximum penalty of 20 years to life, depending on the racketeering activity. The following additional charges were added in yesterday's superseding indictment:

- Christian Martinez-Arellano, a/k/a "Chachito," 27, of Richmond, Va., and Erik Martinez-Ortiz, a/k/a "Perruchi," 21, of Virginia Beach, Va., were charged with assaulting two rival document vendors in and around Richmond on June 16, 2009, including allegedly placing the barrel of a semi-automatic handgun in a victim's mouth and warning him about selling false identification documents in Richmond. The assault in aid of racketeering charge carries a maximum penalty of 20 years in prison, and the possession of a firearm in furtherance of a crime of violence carries a mandatory minimum of five years and a maximum of life in prison.
- Edy Oliverez-Jimenez, a/k/a "Daniel," "Erasmus," "Ulysses," and "Jesus," 24, of Virginia Beach, Va., was charged with murder, kidnapping, and assault of a rival document vendor on July 6, 2010, in Little Rock, Ark. Oliverez-Jimenez and others allegedly bound the victim's hands, feet, mouth, and eyes with duct tape and repeatedly beat him, which ultimately caused his death. The victim and an associate, who was also bound, were left bound on the floor and the victim was pronounced dead when they were found. Soon afterward, Oliverez-Jimenez allegedly relocated to Virginia to avoid the law enforcement investigation surrounding the murder, and he established a new cell in Norfolk and Virginia Beach, Va. He faces a maximum penalty of life in prison for murder in aid of racketeering, 10 years each for two counts of kidnapping in aid of racketeering, 20 years each for two counts of assault with a dangerous weapon in aid of racketeering. He also faces a mandatory minimum sentence of five years in prison, with a maximum of life in prison, for two counts of possessing a firearm in furtherance of a crime of violence.

The investigation was centered in the Norfolk office of ICE HSI, which falls under the Washington, D.C., office. ICE HSI received assistance from the Virginia State Police and Chesterfield County Police Department.

Assistant U.S. Attorneys Michael Gill and Angela Miller and Trial Attorney Addison Thompson, of the Criminal Division's Human Rights and Special Prosecutions Section, are prosecuting the case on behalf of the United States.

