

FILED
1. 31. 2018
CLERK, U. S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE, FLORIDA

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

UNITED STATES OF AMERICA

v.

Case No. 3:18-cr-21-J-320RK
Cts. 1-121: 18 U.S.C. §§ 1343
and 2

OSCAR ARNELSON RODRIGUEZ-CRUZ

INDICTMENT

The Grand Jury charges:

COUNT ONE

A. Introduction

At all times material to this Indictment:

1. Gedeon Multiservices, Inc. (“Gedeon”) was a corporation created on or about November 14, 2016, and registered with the Florida Department of State. Its principal place of business was in Orange County, in the Middle District of Florida. Records of the Florida Department of State reflect that the defendant, OSCAR ARNELSON RODRIGUEZ-CRUZ, was the registered agent and sole officer of the corporation.

2. Under Florida law, any contractor or subcontractor who engages in any public or private construction must secure and maintain workers’ compensation insurance. See Fla. Stat. §§ 440.10(1)(a) and 440.38(1). A

contractor must require a subcontractor to provide it with evidence that it has workers' compensation insurance for its workers. Fla. Stat. § 440.10(c). Failure to maintain workers' compensation insurance is a felony. Fla. Stat. § 440.105(4)(a) & (f).

3. Proof of workers' compensation insurance is generally provided in the form of a Certificate of Liability Insurance declaring that the subcontractor has the insurance coverage. The certificate states only that the subcontractor has workers' compensation insurance and does not include the number of workers or the amount of payroll covered by the insurance policy.

4. Pursuant to the scheme to defraud described below, the defendant, through Gedeon, facilitated the employment in the construction industry of undocumented aliens living and working illegally in the United States. Construction contractors and subcontractors entered into an agreement with Gedeon by which Gedeon provided workers, most of whom were undocumented aliens, for the contractors and subcontractors. By obtaining and paying the workers through Gedeon, which was a shell company, the contractors and subcontractors could disclaim responsibility for ensuring (1) that the workers were legally authorized to work in the United States, (2) that required state and federal payroll taxes were paid, and (3) that adequate workers' compensation insurance was provided.

B. Scheme and Artifice

From in or about November, 2016, through in or about November, 2017, in the Middle District of Florida, and elsewhere, the defendant

OSCAR ARNELSON RODRIGUEZ-CRUZ,

did knowingly devise and intend to devise, and participate in and aid and abet, a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, both oral and written, that is, a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent representations concerning workers' compensation insurance, as more fully described herein.

C. Manner and Means

The manner and means by which the defendant carried out the scheme and artifice to defraud included, but were not limited to, the following:

1. On or about November 28, 2016, the defendant, on behalf of Gedeon, caused to be submitted, by electronic mail ("e-mail") in interstate commerce, a Florida Workers Compensation Application to NorGUARD Insurance Company ("NorGUARD") through Select Insurance Group, an insurance agency located in Orlando, Florida. The application falsely represented that the workers' compensation insurance would cover five employees and an estimated annual payroll of \$121,000.

2. The submission of the workers' compensation insurance application caused NorGUARD to issue a workers' compensation insurance policy to Gedeon covering the period from November 29, 2016, through November 29, 2017. The annual premium for the policy was \$20,473.20, which was based on the information provided in the application, including the number of employees and estimated payroll to be covered.

3. Although the workers' compensation premium was based on the representation that Gedeon employed five people and had an estimated annual payroll of \$121,000, the defendant "rented" Gedeon's Certificate of Liability Insurance ("COI") to construction contractors and subcontractors located in the Middle District of Florida, including contractors and subcontractors located in Duval, Clay, St. Johns, Flagler, and Bradford Counties in the Jacksonville Division of this District.

4. On or about November 28, 2016, the defendant, on behalf of Gedeon, requested that COIs representing that Gedeon had workers' compensation insurance be sent to five contractors or subcontractors, which caused an e-mail setting forth the request to be transmitted in interstate commerce.

5. NorGUARD is a subsidiary of Berkshire Hathaway GUARD Insurance Companies ("GUARD"). GUARD maintains an on-line Policy

Service Center with servers located in Wilkes-Barre, Pennsylvania. Gedeon could directly access the GUARD Policy Service Center and request that COIs be generated and e-mailed by the GUARD system as directed by Gedeon.

6. From on or about December 1, 2016, through on or about October 3, 2017, the defendant requested, and caused to be requested, dozens of COIs through the GUARD Policy Service Center. The defendant provided the COIs, and caused them to be provided, to contractors and subcontractors. The purpose of providing the COIs to the contractors and subcontractors was to help carry out the scheme to defraud by falsely representing that Gedeon had sufficient workers' compensation insurance, as required by Florida law.

7. Although the insurance company believed it was providing coverage for the number of employees and amount of payroll reflected in the workers' compensation insurance application, the defendant's actions caused the insurance company to in fact provide coverage for hundreds of workers and millions of dollars in payroll. If the insurance company had known the number of employees and amount of payroll it was in fact covering, it would have charged a premium in excess of \$2,500,000.

8. The contractors and subcontractors wrote payroll checks to Gedeon for work performed during discrete pay periods. The defendant cashed the

payroll checks, and caused them to be cashed, at check cashing services and a federally insured financial institution.

9. During the period of the scheme, the defendant cashed and caused to be cashed payroll checks totaling approximately \$15,670,438. The defendant kept approximately 4% of the cash, a total of approximately \$626,817, as a fee.

10. After cashing the payroll checks, the defendant distributed the cash remaining after deduction of the fee, and caused it to be distributed, to construction crew leaders, who paid the workers in cash. Many of the workers were undocumented aliens living and working in the United States illegally.

11. Neither Gedeon nor the contractors and subcontractors deducted state or federal payroll taxes, such as for Medicare and Social Security, from the workers' pay, in violation of Florida and federal law.

12. Neither Gedeon nor the contractors and subcontractors provided adequate workers' compensation insurance for the workers, in violation of Florida law.

13. The contractors and subcontractors writing payroll checks to Gedeon and the defendant's cashing those checks and distributing the cash to the workers resulted in the concealment of the employment of undocumented aliens working illegally in the United States.

D. Execution of the Scheme

On or about November 28, 2016, in the Middle District of Florida, and elsewhere, the defendant

OSCAR ARNELSON RODRIGUEZ-CRUZ,

for the purpose of executing and attempting to execute, and aiding and abetting the execution of, the scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did knowingly and with intent to defraud transmit, cause to be transmitted, and aid and abet the transmission of, in interstate commerce, by means of a wire communication, certain signs, signals, and sounds, that is, an e-mail, with an attached application for workers' compensation insurance.

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

COUNTS TWO THROUGH ONE HUNDRED TWENTY-ONE

A. Introduction

Part A of Count One of this Indictment is realleged and incorporated herein.

B. Scheme and Artifice

Part B of Count One of this Indictment is realleged and incorporated herein.

C. Manner and Means

Part C of Count One of this Indictment is realleged and incorporated herein.

D. Execution of the Scheme

On or about the dates listed below, in the Middle District of Florida, and elsewhere, the defendant

OSCAR ARNELSON RODRIGUEZ-CRUZ,

for the purpose of executing and attempting to execute, and aiding and abetting the execution of, the scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, did knowingly and with intent to defraud transmit, cause to be transmitted, and aid and abet the transmission of, in interstate commerce, by means of a wire communication, certain signs, signals, and sounds, that is, electronic transmission of a request to the Berkshire Hathaway GUARD Insurance Companies for a Certificate of Liability Insurance for a contractor or subcontractor, as set forth below:

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|--------|-------------------|---|
| TWO | November 29, 2016 | H.C.C. Land O' Lakes, Pasco County |
| | | T.C.S. Brandon, Hillsborough County |
| | | C.I. Orange Park, Clay County |
| | | B.T.D.I. Jacksonville, Duval County |
| | | C.C.F.D.I. Ponte Vedra, St. Johns County |
| THREE | November 30, 2016 | C.C.T.S. Orlando, Orange County |
| FOUR | November 30, 2016 | A.C.I. Altamonte Springs, Seminole County |
| FIVE | December 1, 2016 | C.C.T.S. Orlando, Orange County |
| SIX | December 1, 2016 | A.B.S. Orlando, Orange County |
| SEVEN | December 1, 2016 | G.C.I. Winter Garden, Orange County |
| EIGHT | December 1, 2016 | O.C.L. Orlando, Orange County |
| NINE | December 1, 2016 | D.H.I. Oviedo, Seminole County |
| TEN | December 2, 2016 | C.M.S. Winter Garden, Orange County |
| ELEVEN | December 2, 2016 | A.C.I. Altamonte Springs, Seminole County |

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|--------------|-------------------|--|
| TWELVE | December 5, 2016 | C.D.C. Clermont, Lake County |
| THIRTEEN | December 5, 2016 | A.E.S.I. Dover, Hillsborough County |
| FOURTEEN | December 5, 2016 | A.D.C. Jacksonville, Duval County |
| FIFTEEN | December 5, 2016 | A.C.I. St. Augustine, St. Johns County |
| SIXTEEN | December 5, 2016 | C.I. Orange Park, Clay County |
| SEVENTEEN | December 5, 2016 | P.P.I. St. Johns, St. Johns County |
| EIGHTEEN | December 7, 2016 | R.B.S.I. Riverview, Hillsborough County |
| NINETEEN | December 7, 2016 | A.C.I. St. Augustine, St. Johns County |
| TWENTY | December 8, 2016 | V.I. Oviedo, Seminole County |
| TWENTY-ONE | December 8, 2016 | R.P.J. Orange Park, Clay County |
| TWENTY-TWO | December 8, 2016 | A.I.I.R.L. Orlando, Orange County |
| TWENTY-THREE | December 8, 2016 | K.B. Plant City, Hillsborough County |
| TWENTY-FOUR | December 9, 2016 | P.D. Holiday, Pasco County |
| TWENTY-FIVE | December 9, 2016 | R.A.B.I. Jacksonville, Duval County |
| TWENTY-SIX | December 13, 2016 | G.E. Orlando, Orange County |

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|--------------|-------------------|--|
| TWENTY-SEVEN | December 13, 2016 | R.E.A.C.D. St. Augustine, St. Johns County |
| TWENTY-EIGHT | December 13, 2016 | S.E.F.L. Jacksonville, Duval County |
| TWENTY-NINE | December 15, 2016 | L.F.I. Orlando, Orange County |
| THIRTY | December 15, 2016 | D.C. Valrico, Hillsborough County |
| THIRTY-ONE | December 15, 2016 | G.B.P. Inc. Kissimmee, Osceola County |
| THIRTY-TWO | December 15, 2016 | D.C.I. Wesley Chapel, Pasco County |
| THIRTY-THREE | December 16, 2016 | E.D. Palm Coast, Flagler County |
| THIRTY-FOUR | December 16, 2016 | G.C.L Winter Garden, Orange County |
| THIRTY-FIVE | December 20, 2016 | B.C.B.I. Jacksonville, Duval County |
| THIRTY-SIX | December 21, 2016 | E.D.J.P.L. Jacksonville, Duval County |
| THIRTY-SEVEN | December 21, 2016 | A.P. St. Cloud, Osceola County |
| THIRTY-EIGHT | December 22, 2016 | B.P.S. Orlando, Orange County |
| THIRTY-NINE | December 22, 2016 | O.C.L. Orlando, Orange County |
| FORTY | December 28, 2016 | B.P.C. Orlando, Orange County |
| FORTY-ONE | December 29, 2016 | O.C.S. Zellwood, Orange County |

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|--------------|-------------------|--|
| FORTY-TWO | December 30, 2016 | P.C.F.G. Middleburg, Clay County |
| FORTY-THREE | January 4, 2017 | E.F.P.C. Ocala, Marion County |
| FORTY-FOUR | January 4, 2017 | A.T.C. Apopka, Orange County |
| FORTY-FIVE | January 4, 2017 | B.C.B.C.I. Jacksonville, Duval County |
| FORTY-SIX | January 5, 2017 | I.T.I. Wesley Chapel, Pasco County |
| FORTY-SEVEN | January 9, 2017 | A.G.C. Jacksonville, Duval County |
| FORTY-EIGHT | January 9, 2017 | S.P.I. Clermont, Lake County |
| FORTY-NINE | January 10, 2017 | I.G.P.S.I. Jacksonville, Duval County |
| FIFTY | January 10, 2017 | P.S.C.C. Jacksonville, Duval County |
| FIFTY-ONE | January 10, 2017 | F.U.L. Lawtey, Bradford County |
| FIFTY-TWO | January 10, 2017 | R.A.B.I. Jacksonville, Duval County |
| FIFTY-THREE | January 11, 2017 | A.P.I. Jacksonville, Duval County |
| FIFTY-FOUR | January 11, 2017 | F.N.S.C.L. Jacksonville, Duval County |
| FIFTY-FIVE | January 12, 2017 | C.S.I. Kissimmee, Osceola County |
| FIFTY-SIX | January 13, 2017 | B.P.I. Middleburg, Clay County |

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|--------------|------------------|--|
| FIFTY-SEVEN | January 17, 2017 | H.C.C. Land O' Lakes, Pasco County |
| FIFTY-EIGHT | January 17, 2017 | I.H.C.I Auburndale, Polk County |
| FIFTY-NINE | January 19, 2017 | J.C.L. Orlando, Orange County |
| SIXTY | January 24, 2017 | S.S.S.I. Orlando, Orange County |
| SIXTY-ONE | January 24, 2017 | G.D. Jacksonville, Duval County |
| SIXTY-TWO | January 25, 2017 | K.P.C.I. St. Augustine, St. Johns County |
| SIXTY-THREE | January 27, 2017 | C.C.C. Orlando, Orange County |
| SIXTY-FOUR | January 31, 2017 | J.L.J.W.S.L. Altamonte Springs, Seminole County |
| SIXTY-FIVE | January 31, 2017 | D.B.L.D.I. Fleming Island, Clay County |
| SIXTY-SIX | January 31, 2017 | F.F.T.I. Weeki Wachee, Hernando County |
| SIXTY-SEVEN | January 31, 2017 | I.C. South Pasadena, Pinellas County |
| SIXTY-EIGHT | January 31, 2017 | T.R.G. Plant City, Hillsborough County |
| SIXTY-NINE | January 31, 2017 | C.C.C. Orlando, Orange County |
| SEVENTY | January 31, 2017 | T.S.D.C. Eustis, Lake County |
| SEVENTY-ONE | January 31, 2017 | S.H. Lakeland, Polk County |

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|---------------|-------------------|--|
| SEVENTY-TWO | February 3, 2017 | E.U.I. Wildwood, Sumter |
| SEVENTY-THREE | February 3, 2017 | A.F.I.C.I. Lakeland, Polk County |
| SEVENTY-FOUR | February 3, 2017 | B.D.I. Green Cove Springs, Clay County |
| SEVENTY-FIVE | February 6, 2017 | Q.C.M.L. St. Augustine, St. Johns County |
| SEVENTY-SIX | February 8, 2017 | R.Q.S.I. Jacksonville, Duval County |
| SEVENTY-SEVEN | February 9, 2017 | J.D.P.V.P. Jacksonville, Duval County |
| SEVENTY-EIGHT | February 9, 2017 | T.A.C.I. Jacksonville, Duval County |
| SEVENTY-NINE | February 9, 2017 | D.C.L. Plant City, Hillsborough County |
| EIGHTY | February 13, 2017 | E.D. Palm Coast, Flagler County |
| EIGHTY-ONE | February 17, 2017 | B.L.D.S.I. Kissimmee, Osceola County |
| EIGHTY-TWO | February 23, 2017 | C.M.I. Orange Park, Clay County |
| EIGHTY-THREE | February 28, 2017 | D.C.L. Jacksonville, Duval County |
| EIGHTY-FOUR | March 1, 2017 | B.O.P. Jacksonville, Duval County |
| EIGHTY-FIVE | March 1, 2017 | B.P.C.I. Middleburg, Clay County |
| EIGHTY-SIX | March 8, 2017 | L.R.A.S.L. Jacksonville, Duval County |

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|--------------------|----------------|--|
| EIGHTY-SEVEN | March 13, 2017 | A.C.I. St. Augustine, St. Johns |
| EIGHTY-EIGHT | March 27, 2017 | S.P.I. Clermont, Lake County |
| EIGHTY-NINE | March 28, 2017 | A.F.M. Dover, Hillsborough County |
| NINETY | March 28, 2017 | J.F.L. Jacksonville, Duval County |
| NINETY-ONE | April 18, 2017 | D.C.L. Jacksonville, Duval County |
| NINETY-TWO | May 2, 2017 | E.C.N.F. Middleburg, Clay County |
| NINETY-THREE | May 2, 2017 | D.A.R.F.L. Jacksonville, Duval County |
| NINETY-FOUR | May 2, 2017 | N.F.J. Jacksonville, Duval County |
| NINETY-FIVE | May 2, 2017 | K.C. Jacksonville, Duval County |
| NINETY-SIX | May 2, 2017 | R.E.L. Winter Haven, Polk County |
| NINETY-SEVEN | May 2, 2017 | S.P.S. Orange Park, Clay County |
| NINETY-EIGHT | May 2, 2017 | B.P.I. Middleburg, Clay County |
| NINETY-NINE | May 2, 2017 | S.C.G.I. Longwood, Seminole County |
| ONE HUNDRED | May 4, 2017 | L.R.A.S.L. Jacksonville, Duval County |
| ONE HUNDRED ONE | May 16, 2017 | D.R.C.S.I. Wesley Chapel, Pasco County |

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|-------------------------|--------------------|--|
| ONE HUNDRED TWO | May 16, 2017 | R.R.F.I. Jacksonville, Duval County |
| ONE HUNDRED THREE | May 25, 2017 | C.C.I. Orlando, Orange County |
| ONE HUNDRED FOUR | May 25, 2017 | A.P.S.C.F.I. Christmas, Orange County |
| ONE HUNDRED FIVE | May 26, 2017 | A.R. Satellite Beach, Brevard County |
| ONE HUNDRED SIX | June 8, 2017 | C.R.C.I. Orlando, Orange County |
| ONE HUNDRED SEVEN | June 8, 2017 | G.C.S.I. Palm Coast, Flagler County |
| ONE HUNDRED EIGHT | June 8, 2017 | S.N.D.L. Mulberry, Polk County |
| ONE HUNDRED NINE | June 26, 2017 | A.G.C. Jacksonville, Duval County |
| ONE HUNDRED TEN | June 26, 2017 | D.H.R.I. Orange Park, Clay County |
| ONE HUNDRED ELEVEN | June 30, 2017 | M.S.L. Tampa, Hillsborough County |
| ONE HUNDRED TWELVE | July 7, 2017 | P.C.F.G. Middleburg, Clay County |
| ONE HUNDRED THIRTEEN | August 22, 2017 | P.D.C.L. Kissimmee, Osceola County |
| ONE HUNDRED FOURTEEN | August 23, 2017 | I.G.P.S.I. Jacksonville, Duval County |
| ONE HUNDRED FIFTEEN | August 25, 2017 | G.C.I. Winter Garden, Orange County |
| ONE HUNDRED SIXTEEN | September 19, 2017 | A.B.S. Jacksonville, Duval County |

| COUNT | DATE | CONTRACTOR'S OR SUBCONTRACTOR'S INITIALS AND LOCATION |
|------------------------|--------------------|--|
| ONE HUNDRED SEVENTEEN | September 19, 2017 | M.C.B.I. Jacksonville, Duval County |
| ONE HUNDRED EIGHTEEN | September 20, 2017 | M.C.R.I. Jacksonville, Duval County |
| ONE HUNDRED NINETEEN | September 25, 2017 | A.B.S. Jacksonville, Duval County |
| ONE HUNDRED TWENTY | September 26, 2017 | S.C. Winter Garden, Orange County |
| ONE HUNDRED TWENTY-ONE | October 3, 2017 | O.O.D.C. Sanford, Seminole County |

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

FORFEITURES

1. The allegations contained in Counts One through One Hundred Twenty-One of this Indictment are incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. Upon conviction of a violation of 18 U.S.C. § 1343, the defendant, OSCAR ARNELSON RODRIGUEZ-CRUZ, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 18, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the violation.

3. The property to be forfeited includes, but is not limited to, the following:

- a. the sum of at least \$626,817.00 which represents the approximate amount of proceeds the defendant obtained as a result of the offense; and
- b. the sum of \$105,461.00 in U.S. currency seized from the defendant on October 11, 2017.

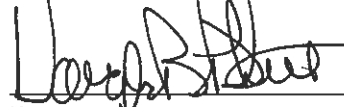
4. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property

pursuant to Title 21, United States Code, Section 853(p), as incorporated by
Title 28, United States Code, Section 2461(c).

A TRUE BILL



Foreperson


MARIA CHAPA LOPEZ
United States Attorney

By:



ARNOLD B. CORSMEIER
Assistant United States Attorney

By:



KELLY S. KARASE
Assistant United States Attorney
Deputy Chief, Jacksonville Division

FORM OBD-34
1/30/18 Revised

No.

UNITED STATES DISTRICT COURT
Middle District of Florida
Jacksonville Division

THE UNITED STATES OF AMERICA

vs.

OSCAR ARNELSON RODRIGUEZ-CRUZ

INDICTMENT

Violations: 18 U.S.C. § 1343

A true bill,



Foreperson

Filed in open court this 31st day

of January, 2018.



Clerk

Bail \$ _____
