

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

v.

MARTHA AGUILAR,
a/k/a "Martha Manzur,"
a/k/a "Martha Sturma,"
a/k/a "Darlene Yuhás"

:
: Criminal. No. 18- 435 (FLW)
:
:
: 18 U.S.C. § 641
: 42 U.S.C. § 408(a)(3)
: 42 U.S.C. § 408(a)(4)
: 20 U.S.C. § 1097(a)
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INDICTMENT

The Grand Jury in and for the District of New Jersey sitting at Trenton,
charges that:

COUNT ONE
(Theft of Government Money)

INTRODUCTION

At all times relevant to the charges in this Indictment:

1. The Social Security Administration ("SSA") was an agency of the United States within the United States government which administered programs under the Social Security Act, Title 42, United States Code, Section 301, et seq. ("the Act").
2. The SSA, among other things, maintained the Disability Insurance Benefit ("DIB") program and Supplemental Security Income ("SSI") program

under Title II and Title XVI, respectively, of the Social Security Act, Title 42, United States Code, Section 401 et seq., for eligible individuals. Generally, to be eligible for the Title II DIB program and the Title XVI SSI program, an individual must have met the definition of disability: he/she was unable to perform past relevant work and could not perform any other type of work because of a physical or mental impairment which had lasted, or was expected to last, for at least 12 months, or which could be expected to result in death.

3. The object of the DIB program was to replace part of the earnings lost by workers under age sixty-five because of a physical or mental disability. DIB provided monthly payments to eligible disabled persons and their eligible auxiliary beneficiaries throughout the period of disability. To qualify for DIB, the disabled person was required to have paid sufficient Social Security taxes prior to becoming disabled. Child's Insurance Benefits ("CIB") were payments under the DIB program made to children of DIB claimants who were disabled and unable to work.

4. The object of the SSI program was to make monthly payments to people who had limited income and resources if they have a disability. Since SSI was a needs based program, an individual must have limited income and resources to qualify once they met the disability requirements. All income from all sources, including parents or spouse, were considered and could affect the amount of SSI benefits paid to an eligible person. Even though the SSA managed the SSI program, SSI was not funded by Social Security Taxes but

rather was funded by the U.S. Treasury's general fund.

THE SCHEME TO DEFRAUD

5. From in or about September 2004 through on or about January 2015, in Monmouth County in the District of New Jersey, and elsewhere, defendant

MARTHA AGUILAR,

did knowingly and willfully embezzle, steal, purloin and convert to her own use money of the United States and the SSA exceeding \$1,000, that is, approximately \$136,879.24 in SSA program benefits, namely DIB, SSI, CIB, and Economic Recovery Act Payments, to which she was not entitled.

6. The object of the scheme for defendant MARTHA AGUILAR ("AGUILAR") to defraud the SSA and to obtain money from the SSA and to fraudulently convert to her own use government disability insurance benefits she was not entitled to receive, including DIB, CIB, and SSI payments, by concealing and failing to accurately report to the SSA that she:

a. Received unemployment insurance benefits ("UIB"), even while employed, from the state of New Jersey from in or about November 1, 2008 to on or about September 18, 2010 and again from in or about June 4, 2011 to on or about January 5, 2013.

b. Received temporary disability insurance benefits, even while employed, from the state of New Jersey from May 5, 2008 to October 22, 2008; and

c. Earned income by working under the Social Security number (“SSN”) belonging to another individual, P.C., or by working under her own SSN but claiming the work activity reported on her SSN did not belong to her and having it removed from her record.

MANNER AND MEANS

DIB and CIB Applications

7. On or about June 19, 1997, defendant AGUILAR completed an application for DIB. AGUILAR claimed that she became unable to work as a result of a disabling condition in June 1996. By completing the application, AGUILAR agreed to: (1) notify the SSA if her medical condition improved so that she would be able to return to work, even if she had not yet returned to work; (2) notify the SSA if she went to work, whether as an employee or self-employed person; (3) notify the SSA if she applied for or received a decision on benefits under any workers’ compensation law or plan, or other public benefits based on disability; and (4) notify the SSA if she was imprisoned for conviction of a felony.

8. As a result of her submitted application, the SSA determined that AGUILAR was entitled to DIB payments, retroactive to December 1996.

9. On or about October 24, 1997, AGUILAR completed an Application for Child’s Insurance Benefits (“CIB”) on behalf of her son, A.M., for benefits payable based on AGUILAR’s disability. By completing the application, AGUILAR agreed that she could be held personally liable for the repayment of

benefits she received if she was found to be at fault with respect to an overpayment of benefits.

10. In or about November 2004, the State Disability Determination Service completed a Continuing Disability Review on behalf of the SSA and determined that AGUILAR was no longer disabled. Following the determination, AGUILAR elected payment continuation during the appeals process. AGUILAR was informed that if she lost her appeal, she would have to repay to SSA all payments received after she was found to be no longer disabled.

11. On various dates between November 2004 and June 2005, AGUILAR completed appeal-related documentation and represented that she had not worked during the time period when she was collecting DIB and CIB benefits.

12. At the administrative hearing for AGUILAR's appeal, AGUILAR testified that the work indicated on her earnings record for 2004 and 2005 was not performed by her and was the product of someone using her SSN.

13. On or about November 17, 2006, an Administrative Law Judge ("ALJ") issued an unfavorable decision and found that AGUILAR'S disability, within the meaning of the Social Security Act, ceased on September 1, 2004.

2007 DIB and SSI Applications

14. On or about January 18, 2007, AGUILAR completed applications for DIB and SSI. On the applications, she represented that she became

unable to work because of her disabling condition in June 1996. During the application process, she further represented that the earnings on her record for the years 2004 and 2005 did not belong to her. In SSA forms completed in support of her application, AGUILAR represented that she had not worked in the last 15 years. SSA denied AGUILAR's claim for disability and AGUILAR requested a reconsideration of her disability determination.

15. Upon reconsideration of her disability determination and following an administrative hearing, on or about September 30, 2009, an ALJ issued a partially favorable decision and concluded that AGUILAR was disabled as of June 13, 2007. As a result, AGUILAR's SSA benefits commenced in November 2009 and were paid retroactive to June 2007. The ALJ noted that AGUILAR had not engaged in any substantial gainful employment activity since November 18, 2006. During the hearing, AGUILAR testified that she had not worked in any capacity since 1996.

16. On or about October 2, 2009, AGUILAR filed an Application for CIB on behalf of her son, A.M. The claim was based on AGUILAR's entitlement to DIB as of September 2009.

17. In applying for DIB and CIB benefits in 2009, AGUILAR, alleged that she was disabled and unable to work.

AGUILAR's Employment

18. Since at least October 2004, AGUILAR has secured employment using either her own SSN or an SSN belonging to another individual with the

initials P.C.

19. For the approximate following time periods, AGUILAR was employed by and received wages from the following employers:

DATE	EMPLOYER
July 2004-November 2004	Omega Diner and Café
March 2005-November 2005	Linden House Diner
April 2006-July 2006	John Wiley, Jr., Esq.
September 2006	Kline and Gast, PA
October 2006-Novemeber 2006	Charles Brodsky, Esq.
October 2006-June 2008	Ritmo Latino
April 2008-August 2008	Sonnenblick, Parker, & Selvers
December 2008-March 2009	Zipp & Tannenbaum, LLC
December 2009-September 2010	Lawson Legal Recruiters LLC
January 2009-August 2009	Lawrence S. Reynolds, Esq.
April 2010-June 2011	Law Offices of Michael A. Grasson
September 2011	Baseil Association, Inc.
November 2011	Law Offices of Benjamin Kelsen
July 2013	Law Office of Piotr Rapciewicz
July 2013-May 2014	Law Offices of Kurt R. Kowalski
September 2013	Lehman Law Firm PC

20. Despite her continual employment from 2004 through 2013, AGUILAR applied for and received unemployment benefits from the state of New Jersey from in or about November 1, 2008 to on or about September 18, 2010 totaling approximately \$55,440. AGUILAR also received unemployment benefits from in or about June 4, 2011 to on or about January 5, 2013 totaling approximately \$48,298.

21. AGUILAR also applied for and received Temporary Disability Insurance Benefits in the amount of \$13,622 from the state of New Jersey from on or about May 5, 2008 to on or about October 22, 2008.

22. AGUILAR did not report this work activity, unemployment benefits, or temporary state disability benefits to the SSA. As a result, between approximately 2004 to 2014, AGUILAR received approximately \$470,870.07 in wages and benefits that she failed to report to the SSA.

23. Had AGUILAR truthfully reported her work activity and income, her application for Social Security benefits in January 2009 would not have been approved and she would not have been eligible for Disability Insurance Benefits, Child Insurance Benefits, or Supplemental Security Income from in or about September 2007 to in or about January 2015.

24. From in or about September 2004 to on or about January 2015, AGUILAR received approximately \$136,879.24 in Disability Insurance Benefits, Child Insurance Benefits, and Supplemental Security Income payments that she was not entitled to receive.

All in violation of Title 18, United States Code, Section 641.

COUNT TWO
(False Statements in Furtherance of Social Security Fraud)

25. Paragraphs 1 through 25 of Count One of this indictment are hereby repeated, re-alleged, and incorporated as if fully set forth herein.

26. On or about February 14, 2003, in submitting Form SSA-795 (Statement of Claimant or Other Person) to the SSA, AGUILAR claimed that earnings posted to her social security number did not belong to her and represented that she had not performed any work activity since she began receiving disability payments. AGUILAR further claimed that she last worked in the mid-1990s.

27. On or about December 10, 2014, AGUILAR went to the SSA office in Woodbridge, New Jersey and completed forms related to a continuing disability review. In those forms, AGUILAR represented that she had not worked since June 13, 2007 and that her only source of income was Social Security Disability.

28. On or about February 14, 2013 and December 10, 2014, in the District of New Jersey and elsewhere, defendant

MARTHA AGUILAR

knowingly and wilfully made and caused to be made false statements and representations of a material fact for use in determining rights to any payment under Subchapter II of Title 42, United States Code, to wit: the defendant falsely represented on Form SSA-795 (Statement of Claimant or Other Person) and again in her Continuing Disability Review forms that she had not worked

since her disability onset date, when in fact she had worked and continued to work after her alleged onset date.

In violation of Title 42, United States Code, Section 408(a)(3).

COUNT THREE
(Social Security Fraud)

29. Paragraphs 1 through 25 of Counts One and Two of this indictment are hereby repeated, re-alleged, and incorporated as if fully set forth herein.

30. Between in or about September 2004 to on or about January 2015, in Monmouth County, in the District of New Jersey and elsewhere, defendant

MARTHA AGUILAR

in a matter within the jurisdiction of the Social Security Administration, having knowledge of the occurrence of an event affecting her continued right to Social Security Disability Insurance Benefits, and Supplemental Security Income payments, more specifically, income she derived through employment and the use of an alternate social security number, did knowingly conceal and fail to disclose such events with the intent to fraudulently secure Disability Insurance Benefits, Child Insurance Benefits, and Supplemental Security Income payments in a greater amount than was due and when no payment was authorized.

In violation of Title 42, United States Code, Section 408(a)(4).

COUNT FOUR
(Student Loan Fraud)

31. Paragraphs 1 through 25 of Counts One through Three of this indictment are hereby repeated, re-alleged, and incorporated as if fully set forth herein.

At all times relevant to this Indictment:

32. The U.S. Department of Education (“DOE”) was an executive department of the United States Government that was established to ensure equal access to education and promote education throughout the United States. One of the primary responsibilities of the DOE was the oversight and administration of federal student aid (“FSA”) programs.

33. The Office of Federal Student Aid, a component of DOE, was responsible for managing FSA programs authorized under Title IV of the Higher Education Act of 1965 (20 U.S.C. Chp. 28, Subchapter IV, § 1070 et seq.). FSA programs provided grants, loans, and work-study funds from the federal government to eligible students attending college or career school.

34. The DOE offered a number of FSA programs to eligible students. The Federal Pell Grant Program provided need-based grants to low-income undergraduate and certain post baccalaureate students to promote access to postsecondary education. Federal Pell Grants were direct grants awarded through participating institutions to eligible students with financial need. A Federal Pell Grant, unlike a loan, did not have to be repaid. Participating institutions may credit the Federal Pell Grant funds to the student's school

account, pay the student directly, or combine these methods.

35. Federal student loans, unlike grants or work-study, were borrowed money that had to be repaid with interest. The DOE's largest federal student loan program was the William D. Ford Federal Direct Loan ("Direct Loan") Program. The DOE was the lender under the Direct Loan program, and the loans were funded by the federal government.

36. The Direct Loan Program offered several types of loans to eligible undergraduate, graduate, and professional students, including the following two types of loans that were sometimes referred to as "Stafford Loans" or "Stafford Direct Loans": (a) Direct Subsidized Loans, which required the borrower to demonstrate financial need to be eligible for the loan and for which the DOE subsidized the interest while the borrower was in an in-school, grace, or deferment period; and (b) Direct Unsubsidized Loans, which did not require the borrower to demonstrate financial need to be eligible for the loan, but the borrower was responsible for the payment of the interest that accrued during any period.

37. To be eligible to participate in an FSA program and receive FSA funds, among other prerequisites, students had to hold a high school diploma or pass related testing requirements; demonstrate financial need (except for some loan programs); be enrolled or accepted for enrollment as a regular student at an accredited school working toward a degree or certificate in an eligible program; and complete a Free Application for Federal Student Aid

("FAFSA").

38. The FAFSA can be completed on a DOE website and submitted electronically. The FAFSA required, among other information, the student's name, date of birth, social security number, and adjusted gross income from the previous tax year. The FAFSA also required the identification and signature of the preparer of the form if it was prepared by someone other than the student applicant. The FAFSA further required the student or preparer to certify that: (a) the information being supplied was true and correct; and (b) any FSA funds received would be used for authorized educational expenses only (i.e., tuition, fees, supplies, housing, and subsistence). The FAFSA contained written notice that a false statement or misrepresentation in the application was punishable as a crime.

39. To electronically sign a FAFSA that was completed on the DOE website, each student applicant was assigned a unique PIN by the DOE via e-mail or a United States mail address provided by the student.

40. The completed FAFSAs were received and processed by the DOE's Central Processing System ("CPS"). The CPS calculated the student's Expected Family Contribution ("EFC"), which was the amount the student applicant, or the student applicant's family, was expected to contribute toward a student's college costs. The CPS also performed data matching with various other federal agencies to confirm eligibility requirements, including a student's eligibility to receive Federal Pell Grants.

41. The EFC, and other information calculated by the CPS, was included in a report sent to the student (called a Student Aid Report ("SAR")) and each school listed by the student on the FAFSA (called an Institutional Student Information Record ("ISIR")). If the student applicant provided a valid e-mail address on the FAFSA, the CPS sent an e-mail with a link to the SAR for the student to review and make corrections, if necessary. The CPS also electronically submitted the ISIR to each school listed by the student on the FAFSA. Schools that received the ISIR determined the student's eligibility for federal-and, possibly, nonfederal-financial aid. The school then certified the student's eligibility, enrollment status, recommended loan amounts, and other information.

42. If a student was eligible to receive FSA loans, the student had to complete various school documents and a master promissory note. The master promissory note is a legal document in which the student promises to repay the loan(s) and any accrued interest and fees to the DOE. It also explains the terms and conditions of the loan(s).

43. To ensure the DOE funds were used for educational purposes, the FSA funds were sent from the DOE directly to the school(s) where the students were enrolled. The DOE funds were then held by the schools in trust for the benefit of the students. Schools had the authority to apply the federal loan and grant funds received from the DOE to a student's tuition account and to disburse any excess funds to the student. Funds in excess of the required

school expenses were forwarded or refunded to the student to be used for other authorized educational expenses, including books, supplies, housing, and subsistence. The refund amount is either mailed directly to the student's address of record in the form of a check, picked up in-person, direct deposited into an account specified by the student, or electronically disbursed to a designated, prepaid debit card.

44. Brookdale Community College ("Brookdale") was an accredited educational institution physically located in Lincroft, New Jersey. Brookdale utilized traditional classroom and online classroom formats to deliver instruction. Brookdale was approved by the DOE to administer FSA programs.

Financial Aid Fraud Scheme

45. In or about July 2016, the DOE's Office of Inspector ("OIG") began an investigation into AGUILAR and her dependent, A.M., regarding A.M.'s student loan applications. The investigation revealed that AGUILAR and A.M. submitted four FAFSAs containing false statements concerning AGUILAR's income. As a result, A.M. was awarded approximately \$23,195 in federal financial aid for his attendance at Brookdale that he was not entitled to receive. According to DOE databases, AGUILAR's assigned PIN number was 3223. It was created on May 23, 2006 and was used to electronically sign A.M.'s 2011-2012, 2012-2013 and 2013-2014 FAFSAs. Based on false information provided, A.M. was awarded the following federal aid:

ACADEMIC YEAR	LISTED INCOME	ACTUAL INCOME	PELL GRANT	DIRECT LOANS
2011-2012	\$0	\$50,565.72 in wages, SSA benefits and UIB	\$5,500	\$5,500
2012-2013	\$0	\$55,670.66 in wages, SSA benefits and UIB	\$0	\$0
2013-2014	\$0	\$44,950 in wages, SSA benefits and UIB	\$5,645	\$6,500

46. In August of 2013, A.M. was selected for verification at Brookdale, a process by which a college verifies the student's income information based on the student's FAFSA application. According to A.M.'s 2013-2014 Verification Worksheet, section 3 states: "Please explain why you have not included a W-2 Form." The answer written on the adjacent line stated: "SS Income nontaxable."

47. In section 4 of the 2013-2014 verification worksheet, there is a certification which stated: "By signing below, both student and parent(s) acknowledge and confirm that the above is complete and correct. If you purposely give false or misleading information on this worksheet, you may be fined, sentenced to jail, or both. If parent(s) income is included on this form, at least one parent must sign." The aforementioned certification was signed by AGUILAR and dated August 24, 2013.

48. From in or about June 2011 to in or about August 2013, in the


District of New Jersey and elsewhere, the defendant,

MARTHA AGUILAR,

did knowingly and willfully embezzle, misapply, steal, obtain by fraud, false statement, or forgery, or fail to refund any funds, assets, or property provided or insured under Subchapter IV of Chapter 28 of Title 20, United States Code, and part C of subchapter I of Chapter 34 of Title 42, United States Code, in an amount exceeding \$200, to wit, AGUILAR submitted fraudulent documents to a college in an effort to receive \$23,195 in federal financial aid.

In violation of Title 20, United States Code, section 1097(a).

A TRUE BILL


CRAIG CARPENITO
United States Attorney

CASE NUMBER: 18-

**United States District Court
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UNITED STATES OF AMERICA

v.

MARTHA AGUILAR

INDICTMENT FOR

**18 U.S.C. § 641
42 U.S.C. § 408(a)(3)
42 U.S.C. § 408(a)(4)
20 U.S.C. § 1097(a)**

A True Bill,

Foreperson

CRAIG CARPENITO
UNITED STATES ATTORNEY
NEWARK, NEW JERSEY

MERIAH H. RUSSELL
SPECIAL ASSISTANT U.S. ATTORNEY
609-989-0562
