

UNSEALED

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

MATTHEW LOMBARDO (1),
KONRAD PIEKOS (2),
RYAN GENETTI (3), and
DOBRILA “BeBe” MILOSAVLJEVIC (4),

Defendants.

Case No.: **21-MJ-2687**

COMPLAINT FOR VIOLATIONS OF:

Title 18, U.S.C., Sec. 1349 –
Conspiracy to Commit Wire Fraud;
Title 18, U.S.C., and Sec. 1028A –
Aggravated Identity Theft, Title 42
U.S.C. Sec. 1320d-6—Wrongful
Disclosure of Individually Identifiable
Health Information; and Title 18,
U.S.C., Sec 371—Conspiracy.

The undersigned complainant being duly sworn states:

COUNT ONE

Beginning on a date unknown and continuing up to and including October 22, 2020, within Southern District of California and elsewhere, defendants MATTHEW LOMBARDO, KONRAD PIEKOS, RYAN GENETTI, and DOBRILA “BeBe” MILOSAVLJEVIC and others known and unknown, did knowingly and intentionally conspire to devise and execute a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and to cause the interstate transmission of writings, signs, signals, and sounds for the purpose of executing that scheme, in violation of Title 18, United States Code, Section 1349.

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1 COUNT TWO

2 On or about the dates set forth below, in the Southern District of California and
3 elsewhere, during and in relation to a felony violation of Title 18, United States Code,
4 Section 1349 (Conspiracy to Commit Wire Fraud), defendants, MATTHEW LOMBARDO,
5 KONRAD PIEKOS, and RYAN GENETTI, knowingly transferred, possessed, and used,
6 without lawful authority, the means of identification of another person, Y.D., knowing that
7 the means of identification belonged to another actual person in violation of Title 18, United
8 States Code, Section 1028A.

9 COUNT THREE

10 On or about the dates set forth below, in the Southern District of California and
11 elsewhere, during and in relation to a felony violation of Title 18, United States Code,
12 Section 1349 (Conspiracy to Commit Wire Fraud), defendants, MATTHEW LOMBARDO,
13 KONRAD PIEKOS, and RYAN GENETTI, knowingly transferred, possessed, and used,
14 without lawful authority, the means of identification of another person, B.E., knowing that
15 the means of identification belonged to another actual person in violation of Title 18, United
16 States Code, Section 1028A.


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COUNT FOUR

On or about August 15, 2020, and continuing up to and including October 23, 2020, in the Southern District of California and elsewhere, defendant MATTHEW LOMBARDO, who was then an employee of a health care provider in the Southern District of California, did knowingly conspire and agree with others, both known and unknown, to disclose to another, in violation of the Health Insurance Portability and Accountability Act (“HIPAA”), individually identifiable health information related to an individual, maintained by an entity covered by the HIPAA privacy regulation, without authorization and with the intent to use that information for personal gain, all in violation of Title 42, United States Code, Section 1320d–6, a misdemeanor, in violation of Title 18, United States Code, Section 371.

The complainant further states that this complaint is based on the attached Statement of Facts incorporated herein by reference.

The complainant further states that this complaint is based on the attached Statement of Facts incorporated herein by reference.



ROGER PASSERO
Special Agent, DOL-OIG

Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone on this 6th day of July, 2021.



HON. ANDREW G. SCHOPLER
UNITED STATES MAGISTRATE JUDGE

PROBABLE CAUSE STATEMENT

A. A traffic stop leads to a search of PIEKOS' vehicle, residence, and phones used by PIEKOS and GENETTI.

1. On October 23, 2020, deputies with the San Diego Sherriff's Department ("SDSD") initiated a traffic stop on KONRAD PIEKOS ("PIEKOS") for driving without a license plate. PIEKOS was the driver and sole occupant of the vehicle. As the deputies approached the vehicle, they observed an assault rifle in plain view. Upon making contact with him, PIEKOS admitted to possessing an un-registered assault rifle. A subsequent search of the vehicle led deputies to find several loaded firearms, loaded magazines, and approximately \$40,000 in U.S. Currency.

2. Based on the items found during the traffic stop, Deputies obtained a warrant to search two of PIEKOS' properties located at 237 Yacon Circle and 2190 Primrose Avenue, both in Vista, California. Officers found PIEKOS to be the sole occupant at 237 Yacon Circle, where he was residing at the time. Officers later identified PIEKOS' associates Ryan GENETTI ("GENETTI") and M.G. (GENETTI's girlfriend) as the occupants of the 2190 Primrose property. During the search of PIEKOS' residence at 237 Yacon Cir., detectives located additional firearms and ammunition. Detectives also found heroin, a digital scale, and other drug paraphernalia. Detectives also located one cellular telephone which PIEKOS later identified as his own.

3. On the same day, SDSD detectives executed a warrant at PIEKOS's other residence, 2190 Primrose Avenue, GENETTI and M.G.'s residence, where they found another firearm, along with heroin and fentanyl. They also located two more phones believed to belong to GENETTI and M.G.

4. Detectives obtained state warrants to search all three cellular phones, including the phones used by PIEKOS and GENETTI. During a manual search of those phones, Deputies discovered text messages between PIEKOS, GENETTI, and MATTHEW LOMBARDO ("LOMBARDO") discussing the illicit distribution of narcotics, firearms, and a scheme to obtain unemployment benefits using other persons' personal identifying

1 information (PII).¹ Subsequently, a federal warrant was obtained to search those phones
2 as well as an additional phone used by M.G. for fraud-related evidence.

3 5. The search revealed that PIEKOS and GENETTI conspired together and with
4 others to fraudulently obtain Pandemic Unemployment Assistance (PUA) benefits
5 beginning in July 2020. Further, in or about August 2020 they reached an agreement with
6 LOMBARDO to join their scheme. The text messages reveal an agreement in which
7 LOMBARDO was to use, and did, in fact, use his position as a Patient Financial Service
8 Representative at S.H. to access confidential patient health care information through his
9 employer's information network and distribute this information to PIEKOS, GENETTI and
10 Dobrila "Bebe" MILOSAVLJEVIC ("MILOSAVLJEVIC") knowing that the purpose was
11 to improperly obtain PUA benefits. In exchange for providing patient health care
12 information, PIEKOS agreed to award LOMBARDO a share of the fraudulently obtained
13 PUA benefits. LOMBARDO explicitly referenced this deal on September 17, 2020 and
14 offered PIEKOS an opportunity to "buy" him "out of the deal" By that date, LOMBARDO
15 had already supplied PIEKOS with PII from dozens of patients and received
16 payment(s). LOMBARDO asked PIEKOS, "Did any of the names work yet? U can buy me
17 out of the deal early if u want that way u keep it all."

18 **B. Background: the CARES Act creates PUA funds**

19 4. In response to the COVID-19 pandemic and the massive unemployment that
20 resulted from the pandemic, on March 27, 2020, Congress Passed and the President signed
21 the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act
22 expanded unemployment benefits to include self-employed persons, independent
23 contractors, and part time workers previously excluded from such benefits. To qualify
24 for unemployment insurance, an applicant must complete an online application with the
25 applicant's name, date of birth, social security number, and other personal information
26 (PII). The applicant can then file for benefits by certifying online that he/she is

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28 ¹ PIEKOS is charged in 21-cr-01303-JLS for unlawful possession of firearms and controlled substances. GENETTI is charged in 21-cr-01226-WQH for unlawful possession of firearms.

1 unemployed and eligible for benefits. To be eligible, an applicant must have been
2 employed in a qualifying position immediately prior to the period being claimed.
3 Claims are commonly paid out through electronic debit cards that are sent to the
4 claimant through U.S. Mail to a physical address. In California, PUA benefits are
5 administered through the California Employment Development Department (EDD).

6 5. Based on my training and experience, obtaining valid PII is a crucial step
7 in the fraudulent acquisition of PUA benefits. To set up an EDD account, the most
8 process requires the entry of valid PII information into the online application portal.
9 For this reason, persons committing PUA fraud will often seek out PII from black
10 market databases that market stolen PII as well as seeking out PII from prisoners and
11 deceased persons who are not eligible to claim PUA benefits. Once an EDD account is
12 set up, a person can direct the benefits, distributed through an ATM debit card sent via
13 U.S. mail, to be sent to any address the person sets up. In my experience, persons who
14 are committing PUA fraud will often use the same address for several accounts.

15 **C. PIEKOS and GENETTI submit fraudulent PUA claims using PII**
16 **found on GENETTI's phone and directing the proceeds to**
17 **addresses that PIEKOS owns**

18 6. On July 28, 2020, EDD received a claim for PUA benefits for J.C. EDD paid
19 out \$8,100 on that claim. The claim represented that J.C. was a Dockperson who worked
20 from February 24, 2020 through July 25, 2020 and was laid off because of the pandemic.
21 The claim listed J.C.'s residence as an address controlled by PIEKOS. Agents found J.C.'s
22 PII on GENETTI's phone. Agents spoke with J.C. on February 5, 2021. J.C. stated that s/he
23 never applied for EDD benefits, has never been employed as a dockworker, and has no
24 association with the address where the EDD card for his claim was mailed. At all relevant
25 times, J.C. has been employed by a government agency in San Diego County.

26 7. On August 1, 2020, EDD received a claim for PUA benefits for A.S. The
27 application claimed that A.S. worked from March 1, 2020 through July 25, 2020 as a
28 Dockperson earning \$34,000 per year and was laid off due to the pandemic. EDD paid out
\$25,000 for that claim. Agents found the PII supporting that claim on GENETTI's phone.

1 The EDD card, loaded with \$25,000. was mailed to PIEKOS and MILOSAVLJEVIC's
2 home address on Yacon Circle in Vista, California. When deputies executed a search
3 warrant at GENETTI's residence, they found an EDD debit card bearing A.S.'s name. Since
4 June 2019 and throughout 2020, A.S. was incarcerated in a California state prison and was
5 ineligible to collect EDD PUA benefits.

6 8. On July 30, 2020, EDD received a claim for PUA benefits for P.F. EDD paid
7 out \$23,118 for that claim. The claim represented that P.F. worked as a Dockperson from
8 March 1, 2020 through July 25, 2020 and was laid off due to the pandemic. Agents found
9 P.F.'s PII on GENETTI's phone. P.F. has been incarcerated in a California state prison since
10 1966.

11 **D. LOMBARDO accesses confidential patient information and transmits**
12 **it to PIEKOS who, in turn, transmits the information to GENETTI and**
13 **MILOSAVLJEVIC**

14 9. S.H. is a health care provider in San Diego County that operates multiple
15 hospitals. EDD records indicate that LOMBARDO has been employed by S.H. since
16 approximately March 2019. LOMBARDO's Linked-in page identifies LOMBARDO as a
17 Patient Service Representative (PSR) for S.H. A job description posted on S.H.'s website
18 describes a PSR's duties to include meeting with patients to obtain identifying information
19 and verify health insurance. The information LOMBARDO collects in that capacity
20 includes name, age, date of birth, employment, and the reason the patient was seeking health
21 care services from S.H.

22 10. LOMBARDO and PIEKOS exchanged dozens of text messages discussing
23 PIEKOS' acquisition of S.H. patient PII from LOMBARDO. Agents identify PIEKOS as
24 the user of the phone based on: 1) the phone was taken from PIEKOS; 2) he self identifies
25 in numerous text messages ("This is Konrad"); 3) the phone contains hundreds of email
26 messages addressed to PIEKOS; and 4) the settings identify PIEKOS as the phone's owner
27 ("Konrad Pico"). Agents have identified LOMBARDO as the user of the phone attributed
28 to him based on: 1) LOMBARDO listed that phone number as his on a U.S. Passport card
application; 2) the phone is subscribed to the person LOMBARDO identified as his

1 girlfriend; and 3) text messages in PIEKOS' phone are addressed to LOMBARDO's first
2 name ("Matt's new cell").

3 11. Messages in PIEKOS' phone show that LOMBARDO began providing
4 PIEKOS with patient PII on or before August 15, 2020. LOMBARDO texted PIEKOS, "If
5 you need [a person's initials] social security numbers or anything I can pull that shit up at
6 work if bebe [MILOSAVLJEVIC]² needs it to look him up or whatever." PIEKOS replied,
7 "text it to me his social and birthday please . . . and [providing a female first name beginning
8 with R]." LOMBARDO answered, "Ok." LOMBARDO then texted PIEKOS the name,
9 date of birth, and social security number for C.S. and R.M. [the same first name, beginning
10 with "R" that PIEKOS requested]. PIEKOS immediately forwarded the PII for C.S. and
11 R.M. to MILOSAVLJEVIC and GENETTI.

12 12. Text messages indicate that LOMBARDO and PIEKOS met in person on
13 August 21, 2020.

14 13. On August 22, 2020 LOMBARDO texted PIEKOS the true name, date of birth,
15 social security number, and address of a patient, F.A., and wrote "This guy died a few hours
16 ago. How many names do we need? I'll check for more just got here." PIEKOS texted
17 back: "will have her [MILOSAVLJEVIC, PIEKOS' wife] put this one in asap, find me one
18 who is still alive....lol." LOMBARDO replied, "Lol ok lots of those. We want old people?"
19 PIEKOS replied, "no I mean someone 55 or younger who is on their way out... maybe a
20 couple days left or something." LOMBARDO answered, "Ok ill dig around n see what I
21 can find. Should be a few of them anyway." Based on my knowledge, training, experience
22 and familiarity with PUA matters, I believe that PIEKOS' instructions to LOMBARDO to
23 provide PII from persons who were alive but gravely ill reflect PIEKOS' awareness that a
24 deceased person's PII is quickly entered into a database that makes them ineligible for PUA
25 benefits.

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27 ² My interpretation of slang, nicknames, or coded language is set forth in brackets and is
28 based on my training and experience, my conversations with other agents, and my
knowledge of the context of this investigation.

1 14. A few hours later on August 22, 2020 LOMBARDO texted the name, date of
2 birth, social security number, and address of D.G., adding, "Maybe he too old. Likely on
3 way out soon." LOMBARDO then texted the name, date of birth, and address of M.B. [a
4 female first name] along with a description, "No address homeless. Mite be a good one."
5 PIEKOS replied, "let me try the female." About 40 minutes later, LOMBARDO texted the
6 name, date of birth, and address of T.L. and said, "This one just died if u wanna try."
7 PIEKOS asked, "how did he die . . . do u know if he was employed?" LOMBARDO
8 answered, "Heart attack. Lemme see . . . Looks like retired."

9 15. Later that same day, August 22, 2020, PIEKOS forwarded to
10 MILOSAVLJEVIC the PII for M.B.

11 16. The next morning, August 23, 2020, LOMBARDO texted PIEKOS, "Lemme
12 know bout thr names too im at work will look for more." PIEKOS replied, "ok well Bebe
13 [MILOSAVLJEVIC] entered 2 of them and they didn't get bounced so far so will see what
14 happens. send a few more if u want." LOMBARDO answered, "Ok ill dig up a few more."
15 Later that day LOMBARDO texted PIEKOS, "What about real old people like 98? Too.old
16 ?" LOMBARDO then texted the PII for patient C.C. and commented, "He not in good shape
17 mite not make it."

18 17. On August 24, 2020, after PIEKOS asked her for "proof," MILOSAVLJEVIC
19 sent PIEKOS a screen shot of an EDD confirmation that a claim was filed for an individual
20 named J.S.

21 18. On August 27, 2020, PIEKOS messaged LOMBARDO: "need to talk about
22 that other thing in person asap so we can enter a few more at least. so far 2 went in so will
23 see what happens."

24 19. LOMBARDO and PIEKOS resumed discussing the scheme on August 28,
25 2020. PIEKOS asked LOMBARDO what he was doing and LOMBARDO replied: "Jack
26 shit still dude. N get to work at 6am. What's the ideal age n stuff ill look for more if need
27 be." PIEKOS replied the next day, August 29, 2020, "under 60 try to see if they were
28 working prior to coming in.. if not its ok can try anyway." LOMBARDO answered, "Ok

1 ill get a few more today. I'll send a few n pick which ones look good.” LOMBARDO then
2 texted the PII for J.H. and said, “She just died but lil older . . . Looking for alive ones too
3 that look like they won't make it..” PIEKOS affirmed, “yes those would be a bit better..”
4 LOMBARDO then texted the PII for D.H. and R.D.

5 20. Almost immediately after receiving the PII for J.H., PIEKOS forwarded the
6 PII to MILOSAVLJEVIC along with the instruction: “try to enter this one as a handyman,
7 he retired from [company name] but worked for himself afterwards in Escondido love you.”
8 MILOSAVLJEVIC replied, “sounds good love you more.”

9 21. On September 6, 2020, LOMBARDO texted PIEKOS a photograph of a
10 computer screen containing PII for five individuals: Y.D.; G.C.; B.E.; J.H.; and L.K. Each
11 of those eleven admissions sheets has an entry for the patient’s name, date of birth, address,
12 phone number, email address, social security number, expected delivery date, obstetrician’s
13 name, spouse/emergency contact information, and insurance information.

14 22. After LOMBARDO texted PIEKOS the photo of the computer screen,
15 PIEKOS asked, “Does it show if they were working or not?” LOMBARDO said, “Let me
16 check them and see . . . [B.E.] works at [company name] The others I can’t tell for sure. I’ll
17 get some that show working.” LOMBARDO then added, referring to the patient admission
18 sheets, “theres a bunch of those that has all the info.” LOMBARDO added, “I took pics of
19 about 50 of those applications so if we need em lemme know I can email in a file.” PIEKOS
20 acknowledged, “Ok” and said he would call LOMBARDO later. LOMBARDO also sent
21 eleven photographs of handwritten patient admission sheets bearing the S.H.’s hospital logo
22 and the header “maternity pre-admission information.”

23 23. On September 11, 2020, PIEKOS texted Lombardo: “can u text me some more
24 of those files, my friend is going to try to get 3 to stick today. I will let u know when we
25 have 3 done so u know . . . thanks.” LOMBARDO responded: “Should i email them or just
26 text a few got like 50.” PIEKOS answered, “text like 10 for now.” LOMBARDO then sent
27 several photos to PIEKOS. PIEKOS, in turn, sent GENETTI the photo of the computer
28 screen containing PII for Y.D.; G.C.; B.E.; J.H.; and L.K.

1 24. On September 12, 2020, LOMBARDO texted PIEKOS that he was going to
2 “cruise by my work . . . I can get a stack of names n stuff if those guna work for anything.”
3 PIEKOS replied, “ok but print me a few stacks bc its more difficult to get one to stick bc
4 late in the game yo.. worth trying.” LOMBARDO said, “Ok” and added, “Lemme know if
5 ur guna come by the hospital.”

6 25. On September 17, 2020, LOMBARDO asked PIEKOS, “Did any of the names
7 work yet? U can buy me out of the deal early if u want that way u keep it all. Lol.” PIEKOS
8 said, “none man.”

9 26. On September 20, 2020, PIEKOS texted LOMBARDO, “hey I need an copy
10 of an ID of one girl.. can u retrieve it?” LOMBARDO answered, “Possibly. Depends if we
11 have it 50 50 chance.” PIEKOS replied, “ok text u name in a few.” A few minutes later,
12 PIEKOS texted the name, Y.D., and said “any id of hers will be cool and it will go through
13 bc she never filed.” LOMBARDO said he would check next time he was at work.

14 27. In mid-September, 2020, EDD deployed a new identity verification process in
15 response to numerous fraudulent PUA claims. The new verification process required some
16 applicants to submit a photo of an identification card along with their PUA claim.

17 **E. EDD confirms that PUA claims were filed for patients who were the**
18 **subject of LOMBARDO and PIEKOS’ texts, patients who in turn**
19 **confirm that they never applied for EDD**

20 28. Agents interviewed Y.D. on February 4, 2021. Y.D. confirmed that s/he was a
21 patient at S.H. and had undergone a procedure at S.H. on September 16, 2020. Y.D. said
22 s/he never authorized any person to apply for EDD benefits on his/her behalf. EDD records
23 indicate that an application for \$41,000 in PUA benefits was submitted in Y.D.’s name on
24 September 17, 2020. The claim listed an address at 1130 East Lincoln Ave., a residence
25 owned by PIEKOS. The claim was disqualified and rejected. Agents found Y.D.’s PII on
26 GENETTI’s phone.

27 29. Agents also interviewed B.E. on February 5, 2020. B.E. confirmed that s/he
28 was a patient at S.H. and that s/he underwent a medical procedure at S.H. on September 13,
2021. A PUA claim seeking \$41,000 in PUA benefits for B.E. was filed with EDD on

1 September 17, 2020. The claim listed 1130 East Lincoln Ave. as the claimant's address.
2 The claim was disqualified and rejected. Agents found B.E.'s PII on GENETTI's phone.

3 30. Based on the foregoing, I respectfully submit there is probable cause to support
4 the accompanying complaint and arrest warrants.

5 31. This is an ongoing investigation in which at least two of the defendants –
6 LOMBARDO and MILOSAVLJEVIC -- are not in custody and presumably are unaware of
7 the pendency of the charges herein. I therefore request that this probable case statement,
8 accompanying complaint, and arrest warrants be sealed until such time as the Court orders
9 otherwise. For the reasons set forth above, disclosure of this probable cause statement,
10 accompanying complaint, and arrest warrants at this time would seriously jeopardize the
11 ongoing investigation; as such disclosure may provide an opportunity to destroy evidence,
12 change patterns of behavior, or flight from prosecution thereby seriously jeopardizing the
13 success of the investigation.

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