

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

FILED

AUG - 3 2010

CLERK, U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA  
BY [Signature] DEPUTY CLERK

UNITED STATES OF AMERICA

v.

MICHAEL DAVID GARCIA  
c/o TUOLUMNE COUNTY JAIL  
175 YANEY AVENUE  
SONORA, CALIFORNIA

(Name and Address of Defendant)

CRIMINAL COMPLAINT

CASE NUMBER: 2:10 - MJ - 0227

DAD

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. On or about **October 2009 through on or about January 2010**, in **Sacramento** County, in the Eastern District of California defendant(s) did, (Track Statutory Language of Offense)

> **SEE AFFIDAVIT OF SPECIAL AGENT MARK E. LUCAS, ATTACHED HERETO AND INCORPORATED BY REFERENCE**

in violation of Title **18**, United States Code, Section **1344(2), 1030(a)(4), 1028(a)(3), and 1029(a)(3)**. I further state that I am a(n) Special Agent with the Federal Bureau of Investigation and that this complaint is based on the following facts:

> **SEE AFFIDAVIT OF SPECIAL AGENT MARK E. LUCAS, ATTACHED HERETO AND INCORPORATED BY REFERENCE**

Continued on the attached sheet and made a part hereof.

[Signature]  
\_\_\_\_\_  
Signature of Complainant MARK E. LUCAS  
FEDERAL BUREAU OF INVESTIGATION

Sworn to before me, and subscribed in my presence

AUGUST 3, 2010

Date

DALE A. DROZD  
UNITED STATES MAGISTRATE JUDGE

Name and Title of Judicial Officer

at SACRAMENTO, CALIFORNIA

City and State

[Signature]  
\_\_\_\_\_  
Signature of Judicial Officer

AFFIDAVIT IN SUPPORT OF ARREST WARRANT AND CRIMINAL COMPLAINT

1. I, Mark E. Lucas, Special Agent of the Federal Bureau of Investigation, being duly sworn, hereby declare as follows:

I. INTRODUCTION

2. I am a Special Agent of the Federal Bureau of Investigation ("FBI") and have been so employed since September 2008. Currently, I am assigned to the Joint Terrorism Task Force at the Modesto Resident Agency, Sacramento Division, where my responsibilities involve the investigation of terrorism and general criminal matters. Prior to my career in the FBI, I was a U.S. Coast Guard Law Enforcement Officer in charge of law enforcement missions throughout the West Coast of Florida and Gulf of Mexico for eleven years. I have drawn on the experiences of other FBI Agents experienced in executing cases relating to identity theft and computer intrusion. As a federal agent, I am authorized to investigate violations of laws of the United States and am a law enforcement officer with authority to execute warrants issued under the authority of the United States.

II. PURPOSE OF THIS AFFIDAVIT

3. This affidavit is being submitted in support of a criminal complaint charging MICHAEL EDWARD GARCIA with unauthorized computer accesses, identity theft, manufactured counterfeit checks, manufactured counterfeit identification cards, manufactured counterfeit U.S. currency, and submission of fraudulent IRS tax returns. This affidavit is also being submitted in support of a request for an arrest warrant in connection with the same criminal complaint.

4. Because this affidavit is being submitted for the limited purpose of securing a criminal complaint and arrest warrant, I have not included each and every fact known to me concerning this investigation. I have set forth only those facts that I believe are necessary to establish probable cause to believe that, from October 2009 through January 2010, in violation of Title 18, United States Code, Section 1344(2) (Bank Fraud), 1030(a)(4) (Computer Fraud), 1028(a)(3) (Document Fraud), and 1029(a)(3) (Access Device Fraud). The statements contained in this affidavit are based on information provided to me by law enforcement officers as well as my training, experience, and personal knowledge of this investigation.

III. PROBABLE CAUSE

5. Michael GARCIA was an information technology Technician employed by a technology firm based in Modesto, CA. While employed there, GARCIA was the contracted IT tech for a CPA firm and a law firm, known to your affiant, in Stockton, CA. While acting as the I.T. Technician, Garcia accessed the computer servers of both companies without authorization and downloaded the personal information of over 1,450 clients and employees in addition to over 60 business accounts. The files accessed contained the personal information of the clients to include their full name, address, date of birth, social security account number, occupation, and

relatives. Garcia accessed this information by remotely accessing the servers and downloading the information. The known losses exceed \$5,000, and are approximated to be \$112,000.

6. Garcia used this information to manufacture fraudulent California drivers license cards and U.S. Armed Forces dependent identification cards using his computer and printers. Garcia and one of his accomplices, Shawna Coleman, used the stolen identities to open bank accounts and cash checks they manufactured using the same computer and printers. Garcia used several women to cash checks for him in San Joaquin, Calaveras, Stanislaus, Tuolumne, Amador, and Sacramento Counties. Garcia provided methamphetamine and cash to these women in exchange for cashing the checks.

7. A cooperating witness (CW), whom cashed manufactured checks for Garcia, told your affiant that she went to Bobby Shaw's residence in Valley Springs, CA, where s/he witnessed Garcia and Shaw manufacture both California and U.S. Armed Forces identification cards in addition to printing counterfeit U.S. currency and counterfeit checks. The CW is not receiving any benefits and is not currently a target of this investigation. The CW described in detail the process they used to manufacture the cards and explained that Garcia got the identification information used on the cards from his computer. A U.S. Armed Forces ID was made for the CW and he/she used the card to cash checks Garcia and Shaw manufactured on their computer. The CW further stated Shawna Coleman entered the Umpqua Bank located in Valley Springs with Garcia to open a bank account with a stolen identity. The two returned to the bank approximately two days later on 10/19/2009 and Coleman withdrew a \$5,000 credit advance in cash. Coleman wore a U.S. Customs and Border Protection uniform during the transaction to lend her credibility as a law enforcement officer. According to the CW, Garcia thought up the scheme and instructed Coleman on how to carry it out. As explained herein, evidence of this misconduct was also found on Garcia's computer.

8. The CW further explained that Garcia and Coleman drove in Garcia's Dodge Durango to Jackson Rancheria Casino where Coleman again used the same fraudulent identification cards to cash checks manufactured by Garcia and Shaw. On 10/19/2009 Coleman cashed approximately \$1,500 worth of checks in one evening at the Jackson Rancheria Casino using the identity of J.S. During her last attempt to cash a check that evening the staff at Jackson Rancheria seized her fraudulent U.S. Armed Forces identification card. Garcia and Coleman fled the Casino in Garcia's Dodge Durango, which was captured on video surveillance by the casino. Jackson Police Department responded and recovered the identification documents.

9. On 11/04/2009 Garcia was found parked on a back road in San Joaquin County with an expired license plate. As deputies approached, they noticed Garcia sleeping in the driver position of the vehicle. During questioning, deputies noticed a San Joaquin Sheriff's Office law enforcement "badge" on the dashboard of the vehicle. After Garcia was identified, deputies found that Garcia had an outstanding arrest warrant for passing a fraudulent check in July 2009. Garcia was arrested, and further search of the vehicle found Garcia was in possession of seven U.S. Customs and Border Protection uniforms along with five counterfeit checks and multiple credit cards. The checks were in the name of K.H. and J.S., both attorneys for the victim law firm. Garcia was the IT technician for that law firm.



10. Garcia also cashed fraudulent checks using assumed identities on several occasions. On 01/17/2010, Garcia cashed two checks at a Target department store in San Joaquin County using the identity of T.A.. Garcia got the identity information from the CPA firm's client list. Based upon banking records, video surveillance, and a copy of the cancelled check, Michael Garcia entered the Oak Valley Community Bank in Stockton, California on 1/14/2010 and produced a fraudulent check bearing the name Stanislaus Multi Cultural Community Health Coalition and made out to B.F.A. 2010. The check had the correct account number for Stanislaus Multi Cultural Community Health Coalition. The check was in the amount of \$6,500 and was deposited into T.B.'s account. As stated below, T.B. is an elected office and did not authorize this deposit. Video surveillance from the bank clearly shows Garcia depositing the counterfeit check and the deposit slip for that transaction was later recovered inside his Dodge Durango. Further review of T.B.'s account revealed approximately \$2,700 in fraudulent checks had been written on that account.

11. Your affiant interviewed T.B. He confirmed that GARCIA was not authorized to deposit funds into or out of T.B.'s campaign account and has never met GARCIA. Members of the CPA firm, who managed T.B.'s campaign fund, further confirmed GARCIA was not authorized to access or deposit funds into T.B.'s account. Further, GARCIA was not authorized to write checks or make deposits on behalf of Stanislaus Multi Cultural Community Health Coalition.

12. Garcia was arrested on 1/26/2010 by the San Joaquin Sheriff's Department while he was the passenger in a vehicle with expired tags. Garcia had a warrant for writing fraudulent checks out of San Joaquin County and failed to report to jail on 1/25/2010. In the vehicle was a stolen laptop computer, 31 credit cards, banking paperwork with various names, and fraudulent identification cards, and a credit card scanning device, which were found in a computer bag where Garcia was sitting in the vehicle. Later analysis of the computer found multiple fraudulent identification card templates, previously produced identification cards, fraudulent checks, and the CPA firm client database on an excel spreadsheet.

13. Also found on the computer was a fraudulent 2009 tax return in the name of J.B., another of the CPA firm's client. The tax return had been electronically filed and a check for \$10,044 was mailed from the IRS to J.B.. The return was intended to be electronically deposited into fraudulent bank accounts Garcia set up previously, but due to the refund being over \$10,000 a paper check was produced and mailed to J.B.

14. Banking statements and other paperwork from ING Direct was found in Garcia's laptop bag in the name of R.B., another of the CPA firm's client. Investigators contacted ING Direct and found that Bailey's mailing address had been changed to 2417 Telegraph Ave, Stockton, CA. ING searched their database and found over 30 of their clients recently had their mailing addresses changed to the same address. San Joaquin County Sheriff's Office obtained a search warrant for 2417 Telegraph Ave on 02/09/2010 and found extensive documents with stolen identification information. Multiple fraudulent checks, stolen checks, stolen U.S. mail, and personal information of the CPA firm's clients were recovered. Additionally, a piece of paper with victim J.B., T.B., T.A., R.B., and others was found with fraudulent email addresses

and passwords that Garcia set up for the purpose of identity theft. Those email addresses were used to set up accounts with PayPal, Full Tilt Poker, and several online banking institutions to launder money gained through cashing fraudulent checks.

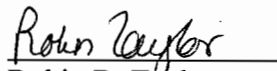
15. On 03/30/2010 your affiant executed a search warrant issued by the Eastern District of California on 534 Brookline Ct, Valley Springs, CA. This house was a location where Garcia slept on occasion. During the search, agents found multiple fraudulent checks, counterfeit U.S. Armed Forces identification cards, California driver's license cards, templates for the production of identification cards, and multiple identification cards belonging to other individuals to include a stolen Department of Homeland Security Transportation Worker Identification Card (TWIC) issued by the Port of Oakland, CA. Among the checks recovered were checks in the name of J.S., the same identity used to manufacture checks by Garcia and the identity used by Garcia's accomplice, Shawna Coleman. A resident of the home, and one Garcia's accomplices, Bobby Shaw, admitted that he helped Garcia produce checks and identification cards. They made the contraband in his home using computer equipment owned by Shaw and equipment owned by Garcia. Shaw further explained in detail the procedure he used to manufacture counterfeit U.S. currency to include how he manufactured the paper. Shaw further explained that Garcia took counterfeit bills to the Jackson Rancheria Casino where he exchanged it for authentic currency. Additionally, Shaw admitted that he and Garcia printed checks using identity information Garcia pulled from his computer. Also recovered from the residence was a U.S. Customs and Border Protection uniform. According to Shaw, Shawna Coleman wore the uniform into the Umpqua bank in Valley Springs and withdrew a large sum of cash while Garcia was with her.

#### IV. CONCLUSION

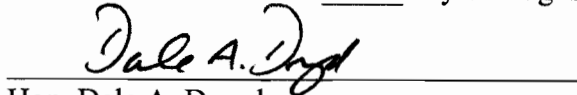
16. For the reasons stated above, I believe there is probable cause to believe that, on or about October 2009 through January 2010, MICHAEL EDWARD GARCIA committed violations of Title 18, United States Code, Section 1344(2) (Bank Fraud), 1030(a)(4) (Computer Fraud), 1028(a)(3) (Document Fraud), and 1029(a)(3) (Access Device Fraud). Thus, I respectfully request that the Court issue the requested criminal complaint and arrest warrant.

  
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Mark E. Lucas  
Special Agent, Federal Bureau of Investigation

Approved as to Form

  
\_\_\_\_\_  
Robin R. Taylor

Sworn to before me this 3rd day of August 2010.

  
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Hon. Dale A. Drozd  
UNITED STATES MAGISTRATE JUDGE