



*United States Attorney
District of New Jersey*

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**RINGLEADER OF LARGE-SCALE STOLEN IDENTITY REFUND FRAUD SCHEME
SENTENCED TO SEVEN YEARS IN PRISON**

NEWARK, N.J. – The leader of an extensive scheme to obtain millions of dollars through fraudulently obtained tax refund checks issued by the U.S. Treasury was sentenced today to 84 months in prison, U.S. Attorney Paul J. Fishman announced.

Julio C. Concepcion, 50, of Passaic, New Jersey, previously pleaded guilty before U.S. District Judge Kevin McNulty to an information charging him with one count of conspiracy to steal government funds and one count of theft of government funds. Concepcion also pleaded guilty to a separate information charging him with one count of conspiracy to commit wire fraud in connection with his involvement in a separate mortgage fraud scheme. Judge McNulty imposed the sentence today in Newark federal court.

Concerning the Stolen Identity Refund Fraud (SIRF) scheme, according to documents filed in this case and statements made in court:

Members of the conspiracy, from at least October 2009 through May 2013, obtained the personal identifying information, including the names and Social Security numbers, of other individuals, including residents of Puerto Rico. Conspirators filed with the IRS false and fraudulent income tax returns using the stolen identity information, which generated income tax refund checks to which the members of the conspiracy were not entitled. The funds from these refund checks were then routinely transferred between bank accounts controlled by members of the conspiracy. The SIRF scheme resulted in more than \$2.5 million in losses to the U.S. Treasury.

Julio C. Concepcion admitted to obtaining these fraudulent refund checks and recruiting others to open bank accounts and deposit the checks, sometimes providing them with false identification in order to do so. Concepcion's two sons, Angel Concepcion-Vasquez, 31, and Julio Concepcion-Vasquez, 32, both of Passaic, and two other defendants, Jose Zapata, 67, of Passaic, and Romy Quezada, 24, of Paterson, New Jersey, each admitted to opening bank accounts into which these fraudulently obtained refund checks were deposited. Reyes Flores-Perez, 33, of Passaic, provided fraudulent identification documents to members of the scheme to further the conspiracy.

Angel Concepcion-Vasquez and Julio Concepcion-Vasquez were each sentenced to 16 months in prison on June 24, 2015. Zapata and Quezada were sentenced to three and two years of probation, respectively, on June 25, 2015. Flores-Perez was sentenced to 26 months in prison on June 29, 2015.

Concerning the mortgage fraud information, according to filed documents and statement made in court:

From January 2008 through March 2010, Concepcion conspired with others to commit wire fraud, specifically mortgage fraud. Once a conspirator purchased properties in New Jersey, Concepcion and others caused people to purchase the homes and receive mortgages for the homes either by using false identification documents or without the intent to live in the homes or pay off the mortgages.

Concepcion and others were able to cause parties to issue mortgages for the properties in reliance on fraudulent documents and material misrepresentations. The Federal Housing Administration (FHA) insured some of these mortgages.

As a result of these actions, the FHA and parties who approved the mortgages have lost more than \$2.5 million.

In addition to the prison term, Judge McNulty ordered Concepcion to serve three years of supervised release and pay restitution of \$5,643,695.46.

U.S. Attorney Fishman credited special agents of the IRS-Criminal Investigation, under the direction of Special Agent in Charge Jonathan D. Larsen; postal inspectors of the U.S. Postal Inspection Service, under the direction of Inspector in Charge Maria L. Kelokates; special agents of the U.S. Department of Housing and Urban Development, Office of Inspector General, under the direction of Special Agent in Charge Christina Scaringi; special agents of the U.S. Secret Service, under the direction of Special Agent in Charge Carl Agnelli; and the Passaic County Prosecutor's Office, under the direction of Prosecutor Camelia M. Valdes, with the investigations leading to today's sentencing.

The government is represented by Assistant U.S. Attorneys Andrew Kogan of the Economic Crimes Unit and Cari Fais and Melissa Wangenheim of the General Crimes Unit.

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Defense counsel: Genesis Peduto Esq. North Bergen, North Jersey.