

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 6:25-cr-107-JA-UAM
18 U.S.C. § 371
18 U.S.C. § 1349
26 U.S.C. § 7206(1)

IRIS YANETH VILLAFRANCA

a/k/a Iris Yaneth Oseguera

a/k/a Iris Rodriguez

MARIO LISANDRO FLORES MORADEL

OSMAN DONALDO ZAPATA

CRISTOFER ALFREDO OSEGUERA GIRON

INDICTMENT

The Grand Jury Charges:

At all times relevant to this Indictment:

Introduction

1. As alleged herein, the defendants, and others known and unknown to the Grand Jury, engaged in a scheme to create an off-the-books payroll. This scheme included, among other things, (1) cashing checks and transporting cash for subcontractors working in the construction industry without the required licenses for money transmitters, (2) defrauding workers' compensation insurance companies, and (3) defrauding the Internal Revenue Service.

The Defendants

2. Defendant IRIS YANETH VILLAFRANCA ("VILLAFRANCA"), a Honduran national, resided in Orange County, Seminole County, or Lake County within the Middle District of Florida, from at least October 2015 through at least August 2022.

3. Conspirator M.Z.A., a Honduran national, resided in Orange County or Seminole County within the Middle District of Florida, from at least October 2015 through at least August 2022.

4. Defendant MARIO LISANDRO FLORES MORADEL ("FLORES"), a Honduran national, resided in Orange County, Seminole County, or Osceola County, within the Middle District of Florida, from at least October 2015 through at least August 2022.

5. Conspirator F.A. resided in Orange County or Seminole County within the Middle District of Florida, from at least October 2015 through at least August 2022.

6. Conspirator E.A.Z.M., a Honduran national, resided in Orange County, within the Middle District of Florida, from at least October 2015 through at least August 2022.

7. Defendant OSMAN DONALDO ZAPATA (O. ZAPATA), a Honduran national, resided in Orange County, within the Middle District of Florida, from at least October 2015 through at least August 2022.

8. Defendant CRISTOFER ALFREDO OSEGUERA GIRON ("OSEGUERA"), a Honduran national, resided in Orange County or Seminole County, within the Middle District of Florida, from at least October 2015 through at least August 2022.

9. Conspirator M.M. provided accounting and tax preparation services within the Middle District of Florida and elsewhere from at least October 2015

through at least August 2022. VILLAFRANCA referred FLORES, F.A., E.A.Z.M., O. ZAPATA, and OSEGUERA to M.M.

The Shell Companies

10. MZA Construction Inc. (“MZA”) was a corporation registered with the Florida Department of State on or about October 30, 2015. The letters “MZA” signified conspirator M.Z.A. VILLAFRANCA and M.Z.A. registered, and caused the registration of MZA Construction Inc. VILLAFRANCA and M.Z.A. caused a federal employer identification number to be issued for the company.

11. ADD Remodeling Services, Inc. (“ADD”) was a corporation registered with the Florida Department of State on or about October 3, 2017. VILLAFRANCA and FLORES registered, and caused the registration of ADD Remodeling Service, Inc. VILLAFRANCA and FLORES caused a federal employer identification number to be issued for the company.

12. FAR Remodeling Services, Inc. (“FAR”) was a corporation registered with the Florida Department of State on or about June 10, 2017. The letters “FAR” signified conspirator F.A. VILLAFRANCA and F.A. registered, and caused the registration of FAR Remodeling Service, Inc. VILLAFRANCA and F.A. caused a federal employer identification number to be issued for the company.

13. EZM Remodeling Services, Inc. (“EZM”) was a corporation registered with the Florida Department of State on or about May 29, 2017. The letters “EZM” signified conspirator E.A.Z.M. VILLAFRANCA and E.A.Z.M. registered, and caused the registration of EZM Remodeling Services, Inc. VILLAFRANCA and

E.A.Z.M. caused a federal employer identification number to be issued for the company.

14. ODZ Renovations, Inc. (“ODZ”) was a corporation registered with the Florida Department of State on or about November 23, 2019. The letters “ODZ” signified “OSMAN DONALDO ZAPATA.” VILLAFRANCA and O. ZAPATA registered, and caused the registration of ODZ Renovations, Inc. VILLAFRANCA and O. ZAPATA caused a federal employer identification number to be obtained for the company.

15. CAO Remodeling Services, Inc. (“CAO”) was a corporation registered with the Florida Department of State on or about November 23, 2019. The letters “CAO” signified “CRISTOFER ALFREDO OSEGUERA.” VILLAFRANCA and OSEGUERA registered, and caused the registration of CAO Remodeling Services, Inc. VILLAFRANCA and OSEGUERA caused a federal employer identification number to be obtained for the company.

16. MZA, ADD, FAR, EZM, ODZ, and CAO (“the shell companies”) operated in furtherance of the scheme, in or about the years set forth below:

Approximate Years	Shell Company Name	Purported Owner
2016–2018	MZA	M.Z.A.
2017–2018	ADD	FLORES
2018–2019	FAR	F.A.
2019–2020	EZM	E.A.Z.M.
2020–2021	ODZ	O. ZAPATA
2020–2022	CAO	OSEGUERA

The Scheme

17. VILLAFRANCA and her conspirators used the shell companies' names and identifying information to, among other things, (1) run an unlicensed check cashing and cash courier service business that unlawfully cashed approximately \$89 million for subcontractors working in the construction industry; (2) defraud the Internal Revenue Service out of millions of dollars of income and employment taxes by creating an off-the-books cash payroll for the subcontractors, making it look like the required federal taxes were being paid, and concealing the scheme; (3) defraud workers' compensation insurance providers by providing them with false and fraudulent information about, among other things, the number of workers being covered by the workers' compensation insurance and the amount workers would be paid. Through this scheme, the conspirators facilitated the employment of undocumented aliens working illegally in the United States.

18. The conspirators, led by VILLAFRANCA, entered into agreements with individuals running construction businesses and supervising day laborers in the construction industry, or "subcontractors." VILLAFRANCA and her conspirators charged the construction subcontractors a fee to participate in this scheme.

Unlicensed Check Cashing and Cash Courier Services

19. A "money transmitting business" was a business that, among other things, cashed checks and transported cash. To legally operate as a money transmitting business, the business was required to register with the appropriate state and federal authorities.

20. The laws of the State of Florida required that a person or a business have a license to conduct a money transmitting business. Florida law punished as a felony the unlicensed operation of a money transmitting business involving currency, or payment instruments of a value totaling or exceeding \$300 in any twelve-month period.

21. Title 31, United States Code, Section 5330(a), and regulations promulgated pursuant to that statute, required individuals who owned or controlled a money transmitting business to register the business with the Secretary of the Treasury no later than 180 days after the date on which the business was established.

22. The conspirators did not have a license from the State of Florida to operate a money transmitting business, nor did they register any money transmitting businesses with the Secretary of the Treasury.

23. Bank 1, Bank 2, Bank 3, Bank 4, and Bank 5 each had branch locations in the Middle District of Florida and elsewhere that operated in interstate commerce. The conspirators used these banks to operate their unlicensed money transmitting business.

Taxes and the Internal Revenue Service

24. The Internal Revenue Service (“IRS”) was an agency of the U.S. Department of Treasury responsible for administering the tax laws of the United States and collecting taxes owed to the United States.

25. In addition, employers were required to file an IRS Form 941, Employer’s Quarterly Federal Tax Return (“Form 941”), which was used to report

all wages paid to employees and all federal employment taxes withheld from those wages. Most employers were required to file Forms 941 four times per year—one Form 941 for each quarter ending March 31; June 30; September 30; and December 31.

26. IRS Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return ("Form 940"), was used by employers to report their annual Federal Unemployment Tax.

27. IRS Form 1120-S, U.S. Income Tax Returns for an S Corporation ("Form 1120-S"), was used by companies to report the income, gains, losses, deductions, credits, etc. of a domestic corporation or other entity for any tax year covered by an election to be treated an "S corporation" for tax purposes.

28. IRS Form 1099-MISC, Miscellaneous Income ("Form 1099"), was used to report, among other things, certain payments made to individuals in connection with a trade or business.

29. IRS Form 1096, Annual Summary and Transmittal of U.S. Information Returns ("Form 1096"), was used to transmit certain paper forms, including Forms 1099, to the IRS. Form 1096 was signed under penalties of perjury.

30. IRS Form 1040, U.S. Individual Income Tax Return, ("Form 1040"), was used by U.S. taxpayers to file an annual income tax return.

31. The Electronic Federal Tax Payment System ("EFTPS") was a U.S. Department of Treasury system used to pay federal taxes.

Workers' Compensation Insurance

32. Company 1 was an insurance agency that operated in Florida. Company 1 secured workers' compensation insurance policies from nationwide insurance companies.

33. Company 2 was an insurance agency that operated in Florida. Company 2 secured workers' compensation insurance policies from nationwide insurance companies.

34. Company 3 was an insurance agency that operated in Florida. Company 3 secured workers' compensation insurance policies from nationwide insurance companies.

35. A business that provided construction services in the State of Florida was required by Florida law to possess workers' compensation insurance for its workers. Florida law also required all contractors to provide evidence that all subcontractors possessed workers' compensation insurance before any work began on a construction project.

36. A construction company typically could not work in the State of Florida without first providing proof of workers' compensation insurance in the form of a Certificate of Liability Insurance ("COI"). The COI would declare that the subcontractor had the requisite insurance coverage, but did not usually include the number of workers or the amount of payroll covered by the insurance policy.

COUNT ONE
Conspiracy to Operate
Unlicensed Money Transmitting Businesses
(18 U.S.C. § 371)

37. The allegations in paragraphs 1 through 36 are realleged and incorporated by reference as though fully set forth herein.

38. Beginning in or around October 2015 and continuing through at least August 2022, within the Middle District of Florida and elsewhere, the defendants,

(1) IRIS YANETH VILLAFRANCA
a/k/a Iris Yaneth Oseguera
a/k/a Iris Rodriguez,
(2) MARIO LISANDRO FLORES MORADEL,
(3) OSMAN DONALDO ZAPATA,
(4) CRISTOFER ALFREDO OSEGUERA GIRON,

M.Z.A, E.A.Z.M., F.A., M.M., and others, both known and unknown to the Grand Jury, did knowingly and voluntarily combine, conspire, confederate, and agree to operate, conduct, control, manage, supervise, direct, and own a series of unlicensed money transmitting businesses, all in violation of 18 U.S.C. §§ 1960(b)(1)(A), 1960(b)(1)(B), and 1960(b)(1)(C).

Overview of the Conspiracy

39. The conspirators ran an unlicensed check cashing and cash courier service business that unlawfully cashed and transported approximately \$89 million for the construction subcontractors. The conspirators, led by VILLAFRANCA, charged fees for their check cashing and cash courier services that was a percent of the amount of the checks being cashed.

40. VILLAFRANCA and M.Z.A., and others known and unknown to the Grand Jury, directed the construction subcontractors to cause contractors to draft checks in the names of the shell companies. VILLAFRANCA and M.Z.A. also caused the construction subcontractors to wire money to shell company bank accounts. These funds were usually payments issued by a contractor for work performed by the subcontractors. The conspirators then generally had the checks cashed and delivered the cash to the subcontractors, less the conspirators' fee.

41. The conspirators operated their money transmitting businesses without obtaining the required licenses from the State of Florida, without registering federally with the Secretary of the Treasury, and intending that the funds that were transported and transmitted be used to promote and support unlawful activity.

42. As a part of the check cashing and cash courier service business, VILLAFRANCA, and others known and unknown to the Grand Jury, provided the construction subcontractors or caused the construction subcontractors to be provided with certificates of insurance, or proof of workers' compensation insurance. VILLAFRANCA, and others known and unknown to the Grand Jury, helped construction subcontractors to obtain work that they otherwise would have been unable to obtain.

Manner and Means of the Conspiracy

43. The manner and means by which VILLAFRANCA, M.Z.A., FLORES, F.A., E.A.Z.M., O. ZAPATA, OSEGUERA, and their conspirators carried out their conspiracy included the following:

44. VILLAFRANCA instructed and caused M.Z.A., FLORES, F.A., E.A.Z.M., O. ZAPATA, and OSEGUERA to open bank accounts in the names of the shell companies at Bank 1, Bank 2, Bank 3, Bank 4, and Bank 5. M.Z.A., FLORES, F.A., E.A.Z.M., O. ZAPATA, and OSEGUERA, and others known and unknown to the Grand Jury, were authorized to deposit checks and withdraw cash from the shell company bank accounts.

45. FLORES, F.A., E.A.Z.M., O. ZAPATA, and OSEGUERA, and others known and unknown to the Grand Jury, sometimes went to physical branch locations owned by Bank 1, Bank 2, Bank 3 and Bank 4, and deposited and caused checks to be deposited in person into bank accounts held in the names of the shell companies.

46. After the checks had posted, FLORES, F.A., E.A.Z.M., O. ZAPATA, and OSEGUERA, and others known and unknown to the Grand Jury, drove back to the bank to withdraw cash and caused cash to be withdrawn from the shell company bank accounts.

47. FLORES, F.A., E.A.Z.M., O. ZAPATA, OSEGUERA and others known and unknown to the Grand Jury, caused the cash to be transported from the bank to VILLAFRANCA and M.Z.A. VILLAFRANCA and M.Z.A. and others known and unknown to the Grand Jury, typically counted the cash, divided it into envelopes, and provided the envelopes to FLORES, F.A., E.A.Z.M., O. ZAPATA, and OSEGUERA.

48. After VILLAFRANCA, M.Z.A., and others known and unknown to the Grand Jury, counted the cash and organized it, FLORES, F.A., E.A.Z.M., O. ZAPATA, OSEGUERA, and others known and unknown to the Grand Jury picked up the cash from VILLAFRANCA and/or M.Z.A., and delivered it to the subcontractors.

49. FLORES, F.A., E.A.Z.M., O. ZAPATA, OSEGUERA, and others known and unknown to the Grand Jury, met the subcontractors in different parking lots across the Middle District of Florida and gave them the cash; the subcontractors then used the money to pay their workers. VILLAFRANCA, M.Z.A., FLORES, F.A., E.A.Z.M., O. ZAPATA, OSEGUERA, and their conspirators knew that the subcontractors were using the cash they received to pay the wages of undocumented workers.

50. VILLAFRANCA, M.Z.A., FLORES, F.A., E.A.Z.M., O. ZAPATA, OSEGUERA, and their conspirators sometimes transferred and caused the transfer of money from shell company to shell company to make sure there were sufficient funds in the shell company bank accounts to withdraw cash.

51. VILLAFRANCA and M.Z.A., and others known and unknown to the Grand Jury, would manage the flow of checks and cash from the subcontractors to the shell companies' bank accounts, and back to the subcontractors.

VILLAFRANCA and M.Z.A. maintained books and records that both recorded the cash and kept track of the money and the fees they charged for their services.

52. VILLAFRANCA, and others known and unknown to the Grand Jury, would cause certificates of insurance to be provided to contractors on behalf of the subcontractors. By funneling payroll through the shell companies, the contractors and the subcontractors could disclaim responsibility for ensuring (1) that adequate workers' compensation insurance was provided, and (2) that the workers were legally authorized to work in the United States.

Overt Acts in Furtherance of the Conspiracy

53. In furtherance of the conspiracy and to achieve the object thereof, at least one of the defendants and their conspirators committed, and caused to be committed, in the Middle District of Florida and elsewhere, at least one of the following overt acts, among others:

Overt Acts Related to MZA

54. M.Z.A. opened bank accounts at Bank 1, Bank 2, Bank 3, Bank 4, and elsewhere, in the name of MZA.

55. M.Z.A., VILLAFRANCA, and their conspirators deposited and caused the deposit of funds and withdrew and caused the withdrawal of cash in the following amounts, among other deposits and withdrawals:

Approximate Date	Bank	Account Number	Amount	Withdrawal or Deposit
August 5, 2016	Bank 1	x2678	\$102,165	Deposit
August 26, 2016	Bank 1	x2678	\$120,000	Cash Withdrawal
September 8, 2016	Bank 2	x7882	\$15,600	Wire Deposit
September 23, 2016	Bank 1	x2678	\$170,000	Cash Withdrawal
November 18, 2016	Bank 4	x1125	\$73,020	Deposit
November 18, 2016	Bank 4	x1125	\$80,000	Cash Withdrawal

Approximate Date	Bank	Account Number	Amount	Withdrawal or Deposit
November 23, 2016	Bank 4	x1125	\$15,292	Deposit
November 23, 2016	Bank 4	x1125	\$23,151	Deposit
November 28, 2016	Bank 2	x7882	\$63,000	Wire Deposit
November 29, 2016	Bank 1	x2678	\$354,014	Cashier's Check Withdrawal
December 6, 2016	Bank 4	x1125	\$354,014	Cashier's Check Deposit

56. From 2016 through 2019, M.Z.A., VILLAFRANCA, and their conspirators cashed and caused to be cashed approximately \$25,594,671 through MZA bank accounts and other check cashing businesses. VILLAFRANCA, M.Z.A., and their conspirators caused the delivery of cash back to the subcontractors.

Overt Acts Related to ADD

57. FLORES opened bank accounts at Bank 1, Bank 2, Bank 3, and Bank 4 in the name of ADD.

58. FLORES, VILLAFRANCA, and their conspirators deposited and caused the deposit of funds and withdrew and caused the withdrawal of cash in the following amounts, among other deposits and withdrawals:

Approximate Date	Bank	Account Number	Amount	Withdrawal or Deposit
January 2, 2018	Bank 1	x0796	\$50,000	Cash Withdrawal
January 11, 2018	Bank 1	x0796	\$77,872	Deposit
January 11, 2018	Bank 1	x0796	\$14,713	Deposit
January 18, 2018	Bank 1	x0796	\$40,000	Cash Withdrawal
May 3, 2018	Bank 1	x0796	\$77,286	Deposits
May 4, 2018	Bank 1	x0796	\$50,000	Cash Withdrawal
May 11, 2018	Bank 1	x0796	\$42,941	Deposit

Approximate Date	Bank	Account Number	Amount	Withdrawal or Deposit
May 11, 2018	Bank 1	x0796	\$50,000	Cash Withdrawal
May 21, 2018	Bank 1	x0796	\$136,198	Withdrawal

59. From 2017 through 2018, FLORES, VILLAFRANCA, and their conspirators cashed and caused to be cashed approximately \$15,702,665 through ADD bank accounts and other check cashing businesses. VILLAFRANCA, M.Z.A., and their conspirators caused the delivery of cash back to the subcontractors.

Overt Acts Related to FAR

60. F.A. opened bank accounts at Bank 1, Bank 2, Bank 3, and Bank 4 in the name of FAR.

61. F.A., VILLAFRANCA, and their conspirators deposited and caused the deposit of funds and withdrew and caused the withdrawal of cash in the following amounts, among other deposits and withdrawals:

Approximate Date	Bank	Account Number	Amount	Withdrawal or Deposit
April 5, 2019	Bank 4	x0971	\$33,880	Deposit
April 10, 2019	Bank 4	x0971	\$20,000	Cash Withdrawal

62. From 2018 through 2019, F.A., VILLAFRANCA, and their conspirators cashed and caused to be cashed approximately \$11,304,045 through FAR bank accounts. VILLAFRANCA and M.Z.A. caused the cash to be counted into envelopes and provided back to the subcontractors.

Overt Acts Related to EZM

63. E.A.Z.M. opened bank accounts at Bank 1, Bank 2, Bank 3, and Bank 4 in the name of EZM.

64. E.A.Z.M., VILLAFRANCA, and their conspirators deposited and caused the deposit of funds and withdrew and caused the withdrawal of cash in the following amounts, among other deposits and withdrawals:

Approximate Date	Bank	Account Number	Amount	Cash Withdrawal or Deposit
February 7, 2019	Bank 3	x1204	\$51,416	Deposit
February 11, 2019	Bank 3	x1204	\$30,000	Cash Withdrawal
February 15, 2019	Bank 3	x1204	\$70,054	Deposit
February 20, 2019	Bank 3	x1204	\$50,000	Cash Withdrawal
March 8, 2019	Bank 3	x1204	\$47,047	Cash Deposit
March 11, 2019	Bank 3	x1204	\$40,000	Cash Withdrawal
March 14, 2019	Bank 3	x1204	\$42,578	Deposit
March 18, 2019	Bank 3	x1204	\$80,000	Deposit

65. From 2019 through 2020, E.A.Z.M., VILLAFRANCA, and their conspirators cashed and caused to be cashed approximately \$23,050,688 through EZM bank accounts. VILLAFRANCA, M.Z.A., and their conspirators caused the delivery of cash back to the subcontractors.

Overt Acts Related to ODZ

66. O. ZAPATA opened bank accounts at Bank 2, Bank 3, and Bank 5 in the name of ODZ.

67. O. ZAPATA, VILLAFRANCA, and their conspirators deposited and caused the deposit of funds and withdrew and caused the withdrawal of cash in the following amounts, among other deposits and withdrawals:

Approximate Date	Bank	Account Number	Amount	Cash Withdrawal or Deposit
September 3, 2020	Bank 3	x0628	\$160,244	Deposit
September 4, 2020	Bank 3	x0628	\$80,000	Cash Withdrawal
September 8, 2020	Bank 3	x0628	\$60,600	Cash Withdrawal

From 2020 through 2021, O. ZAPATA, VILLAFRANCA, and their conspirators cashed and caused to be cashed approximately \$10,244,822 through ODZ bank accounts. VILLAFRANCA, M.Z.A., and their conspirators caused the delivery of cash back to the subcontractors.

Overt Acts Related to CAO

68. OSEGUERA opened bank accounts at Bank 1, Bank 2, and Bank 3 in the name of CAO.

69. OSEGUERA, VILLAFRANCA, and their conspirators deposited and caused the deposit of funds and withdrew and caused the withdrawal of cash in the following amounts, among other deposits and withdrawals:

Approximate Date	Bank	Account Number	Amount	Cash Withdrawal or Deposit
December 4, 2020	Bank 3	x1405	\$50,000	Deposit
December 7, 2020	Bank 3	x1405	\$81,500	Deposit
December 10, 2020	Bank 3	x1405	\$10,000	Cash Withdrawal
December 11, 2020	Bank 3	x1405	\$50,000	Cash Withdrawal
December 12, 2020	Bank 3	x1405	\$15,000	Cash Withdrawal
February 19, 2021	Bank 3	x1405	\$40,000	Cash Withdrawal
March 12, 2021	Bank 3	x1405	\$20,000	Cash Withdrawal
September 3, 2021	Bank 3	x1405	\$30,000	Cash Withdrawal
November 13, 2021	Bank 3	x1405	\$25,000	Cash Withdrawal
November 19, 2021	Bank 3	x1405	\$40,000	Cash Withdrawal

70. From 2020 through 2022, OSEGUERA, VILLAFRANCA, and their conspirators cashed and caused to be cashed approximately \$3,800,537 through CAO bank accounts and other check cashing businesses. VILLAFRANCA, M.Z.A., and their conspirators caused the delivery of cash back to the subcontractors.

All in violation of 18 U.S.C. § 371.

COUNT TWO
Conspiracy to Defraud the United States
(18 U.S.C. § 371)

71. The allegations in paragraphs 1 through 36 and 39 through 70 are realleged and incorporated by reference as though fully set forth herein.

72. Beginning in or around October 2015 and continuing through at least August 2022, within the Middle District of Florida and elsewhere, the defendants,

(1) IRIS YANETH VILLAFRANCA
a/k/a Iris Yaneth Oseguera
a/k/a Iris Rodriguez,
(2) MARIO LISANDRO FLORES MORADEL,
(3) OSMAN DONALDO ZAPATA,
(4) CRISTOFER ALFREDO OSEGUERA GIRON,

M.Z.A, E.A.Z.M., F.A., M.M., and others, both known and unknown to the Grand Jury, did knowingly and voluntarily combine, conspire, confederate, and agree to defraud the United States by impeding, impairing, obstructing, and defeating the lawful government functions of the IRS in the ascertainment, computation, assessment, and collection of federal income and employment taxes.

Overview of the Conspiracy

73. The conspirators, and others known and unknown to the Grand Jury, concealed their scheme and defrauded the IRS by creating an off-the-books cash payroll.

Manner and Means of the Conspiracy

74. The manner and means by which VILLAFRANCA, M.Z.A., FLORES, F.A., E.A.Z.M., O. ZAPATA, OSEGUERA, M.M., and their conspirators carried out their conspiracy included the following:

75. M.Z.A., FLORES, F.A., E.A.Z.M., O. ZAPATA, and OSEGUERA agreed to act as owners of the shell companies and cause the filing of false tax documents with the IRS to conceal the off-the-books payroll scheme, as set forth below:

- a. VILLAFRANCA caused M.Z.A., FLORES, F.A., E.A.Z.M., O. ZAPATA, and OSEGUERA to have M.M. prepare the shell companies' tax returns and tax-related documents.
- b. M.M. provided bookkeeping services to the shell companies and used the records he created to prepare and cause the filing of false tax documents with the IRS.
- c. The conspirators made minimal employment tax deposits to create the appearance that the shell companies were operating legitimately and conceal their fraud scheme from the IRS.

- d. The conspirators filed and caused the filing of false individual income tax returns with the IRS to create the appearance that the shell companies were operating legitimately and conceal their fraud scheme from the IRS.

76. The conspirators met to discuss grand jury subpoenas issued in conjunction with an ongoing criminal investigation and then created false documents and provided those false documents to the grand jury in response to the subpoenas.

Overt Acts in Furtherance of the Conspiracy

77. In furtherance of the conspiracy and to achieve the object thereof, at least one of the conspirators committed, and caused to be committed, in the Middle District of Florida and elsewhere, at least one of the following overt acts, among others:

78. The conspirators set up EFTPS accounts for each of the shell companies. Using this system, the conspirators made minimal employment tax payments to the IRS on behalf of the shell companies.

79. On or about February 12, 2019, VILLAFRANCA, M.M., and F.A. filed and caused the filing of a false 2018 Form 1096 on behalf of FAR. This form reported the issuance of twenty-one Forms 1099-MISC by FAR to construction businesses totaling \$12,405,321. This Form 1096 was false, as were the Forms 1099-MISC attached to the Form 1096. FAR never paid the construction businesses it claimed to have paid on the Forms 1099-MISC.

80. On or about February 27, 2019, VILLAFRANCA, M.M., and FLORES filed and caused the filing of a false 2018 Form 1096 on behalf of ADD. This form falsely reported the issuance of twelve Forms 1099-MISC by ADD to subcontractors totaling \$12,334,216. This Form 1096 was false, as were the Forms 1099-MISC attached to the Form 1096. ADD never paid the construction businesses it claimed to have paid on the Forms 1099-MISC.

81. On or about the approximate dates listed below, the conspirators filed and caused the filing the following false and misleading returns for the year and quarters as follows, each filing constituting a separate overt act:

Overt Act	Approximate Date Filed	Shell Company	Return	Year/Quarter Ending
(a)	10/31/2016	MZA	Form 941	09/30/2016
(b)	4/15/2017	MZA	Form 1120-S	2016
(c)	4/30/2017	MZA	Form 941	03/31/2017
(d)	1/31/2018	MZA	Form 940	2017
(e)	4/03/2018	MZA	Form 1120-S	2017
(f)	4/03/2018	ADD	Form 1120-S	2017
(g)	8/20/2018	ADD	Form 941	06/30/2018
(h)	10/31/2018	FAR	Form 941	09/30/2018
(i)	1/31/2019	FAR	Form 941	12/31/2018
(j)	1/31/2019	FAR	Form 940	2018
(k)	1/31/2019	ADD	Form 940	2018
(l)	3/18/2019	FAR	Form 1120-S	2018
(m)	4/16/2019	MZA	Form 1120-S	2018
(n)	4/22/2019	ADD	Form 1120-S	2018
(o)	9/10/2019	EZM	Form 941	6/30/19
(p)	10/31/2019	EZM	Form 941	9/30/19
(q)	1/31/2020	EZM	Form 940	12/31/2019
(r)	1/31/2020	EZM	Form 941	12/31/2019
(s)	4/30/2020	EZM	Form 941	03/31/2020
(t)	5/27/2020	EZM	Form 1120-S	2019

Overt Act	Approximate Date Filed	Shell Company	Return	Year/Quarter Ending
(u)	7/31/2020	EZM	Form 941	06/30/2020
(v)	10/31/2020	ODZ	Form 941	09/30/2020
(w)	3/02/2021	ODZ	Form 940	2020
(x)	3/01/2021	ODZ	Form 941	12/31/2020
(y)	3/30/2021	ODZ	Form 1120-S	2020
(z)	10/13/2021	CAO	Form 1120-S	2020

82. After the service of grand jury subpoenas on ADD, FAR, EZM, and M.M., the conspirators met at the home of VILLAFRANCA to coordinate how to further conceal the conspiracy and decide what to create and produce in response to the grand jury subpoenas.

83. In response to the grand jury subpoenas, the conspirators created and caused the creation of false documents and produced those false documents to the grand jury. These false documents purported to support the false 2018 Forms 1096 and associated Forms 1099 filed by ADD and FAR.

84. After the service of a grand jury subpoena on ADD, FLORES made false statements to a Special Agent of the IRS to further conceal the conspiracy.

All in violation of 18 U.S.C. § 371.

COUNT THREE
Wire Fraud Conspiracy
(18 U.S.C. § 1349)

85. The allegations in 1 through 36, 39 through 70, and 73 through 84 are realleged and incorporated by reference as though fully set forth herein.

86. Beginning in or around October 2015 and continuing through at least August 2022, within the Middle District of Florida and elsewhere, the defendant,

(1) IRIS YANETH VILLAFRANCA
a/k/a Iris Yaneth Oseguera
a/k/a Iris Rodriguez,

conspired with M.M., an unindicted conspirator, and others, both known and unknown to the Grand Jury, to knowingly and willfully execute and attempt to execute a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises in connection with the obtaining and renting of workers' compensation insurance, by transmitting or causing to be transmitted by means of wire communication in interstate commerce communications, signals, and writings, in violation of 18 U.S.C. § 1343.

Overview of the Conspiracy

87. VILLAFRANCA, M.M., and others promoted and carried out a scheme to defraud workers' compensation insurance companies with, among other things, policy premiums. VILLAFRANCA and her conspirators rented workers' compensation coverage—through policies fraudulently obtained in the name of the shell companies with false representations regarding the scope of coverage—to

subcontractors in the construction industry. The subcontractors used the policies to represent that they maintained the appropriate insurance coverage required for a particular construction project. VILLAFRANCA and her conspirators charged the subcontractors a fee to rent the workers' compensation insurance.

88. By renting workers' compensation coverage from VILLAFRANCA and her conspirators, the subcontractors were (1) able to get jobs that they were otherwise unable to get from contractors, (2) pay less for workers' compensation insurance, and (3) disclaim responsibility for ensuring adequate workers' compensation insurance had been obtained.

89. As part of the workers' compensation insurance rental scheme, the subcontractors and their laborers would usually work under whatever shell company name that VILLAFRANCA and her conspirators told them to use. VILLAFRANCA and her conspirators typically provided the paperwork associated with MZA, ADD, FAR, EZM, ODZ, and CAO for one year, which was generally how long a policy could be in force before an audit took place.

Manner and Means of the Conspiracy

90. The manner and means by which VILLAFRANCA and her conspirators carried out their conspiracy included the following:

91. VILLAFRANCA caused the shell companies to open email accounts in their names, including, but not limited to ADDRemodeling[at]aol.com, FARRemodelingServiceInc [at]outlook.com, EZARemodelingService[at]gmail.com, odzrenovationinc[at]yahoo.com and CAOREMODELINGINC[at]gmail.com.

VILLAFRANCA caused these email addresses to be used to communicate with the workers' compensation insurance companies.

92. VILLAFRANCA, on behalf of the shell companies, submitted and caused to be submitted, workers' compensation insurance applications. The applications falsely represented that the workers' compensation insurance would cover the estimated annual payroll amount.

93. VILLAFRANCA caused Company 1, Company 2, and Company 3 to issue workers' compensation insurance policies to the shell companies. The annual workers' compensation insurance premium was based on the information provided in the applications, including the estimated payroll to be covered by the policy. VILLAFRANCA and her conspirators secured lower annual premiums by misreporting the amount of payroll that was reasonably foreseeable during the coverage period.

94. VILLAFRANCA and her conspirators generally paid the nominal estimated annual premiums using the associated shell company bank accounts. If Company 1, Company 2, and Company 3 had known the amount of payroll that was actually paid under the policy, they would have charged a higher annual workers' compensation insurance premium.

95. Company 1, Company 2, and Company 3 issued policies underwritten by nationwide insurance companies that generally prohibited the transfer of rights under the policies. Despite this provision, the conspirators "rented" the certificates of insurance ("COI") — proofs of insurance — to the construction subcontractors in

exchange for a fee. The purpose of renting the COIs to the subcontractors was to help the subcontractors falsely represent to contractors that they had sufficient workers' compensation insurance, as required by Florida law.

96. The conspirators requested, and caused to be requested, COIs from the workers' compensation insurance companies. The workers' compensation insurance companies provided COIs by electronic transmission in interstate commerce. The conspirators provided and caused the COIs to be provided to contractors, as proof of the subcontractors' workers' compensation insurance coverage. The COIs falsely represented to contractors that the subcontractors had sufficient workers' compensation insurance, as required by Florida law.

97. If a shell company was audited by a workers' compensation insurance company, M.M., at VILLAFRANCA's behest, responded to questions from the auditors, and typically provided false and misleading information to the auditors.

98. ADD was audited by a workers' compensation insurance auditor in or about September 2019. VILLAFRANCA, Flores, M.M., and their conspirators, acting in furtherance of the conspiracy, caused the auditor to be provided with a false profit and loss statement that stated that ADD's gross sales were \$526,961. During this same period, ADD withdrew over \$15 million in cash from its bank accounts.

99. EZM was audited by a workers' compensation insurance auditor in or about July 2019 and June 2020. VILLAFRANCA, E.A.Z.M., M.M., and their conspirators, acting in furtherance of the conspiracy, caused the auditor to be provided with false and misleading information.

100. On or about June 28, 2021, VILLAFRANCA, Oseguera, and their conspirators caused CAO to receive a wire from a construction company in the amount of \$4,268, into x9546, a bank account CAO held with Bank 2.

101. On or about August 23, 2022, VILLAFRANCA, Oseguera, and their conspirators caused CAO to pay approximately \$1,044 towards the workers' compensation insurance it had fraudulently obtained.

102. Neither the shell companies nor the subcontractors provided adequate workers' compensation insurance for the workers, in violation of Florida law.

All in violation of 18 U.S.C. § 1349.

COUNTS FOUR THROUGH SEVEN

Filing a False Tax Return
(26 U.S.C. § 7206(1))

103. The allegations in 1 through 36, 39 through 70, and 73 through 84, and 87 through 102 are realleged and incorporated by reference as though fully set forth herein.

104. On or about the dates specified below, in the Middle District of Florida and elsewhere, the defendant,

(1) IRIS YANETH VILLAFRANCA
a/k/a Iris Yaneth Oseguera
a/k/a Iris Rodriguez,

willfully made and subscribed and filed and caused to be filed with the Internal Revenue Service, U.S. Individual Income Tax Returns, Forms 1040, for each of the tax years set forth below, which were verified by a written declaration that they were made under the penalties of perjury and which VILLAFRANCA did not believe to

be true and correct as to every material matter. Specifically, among other falsities, VILLAFRANCA did not report all her income, including rental income and the income she earned through the check cashing and cash courier service scheme, and falsely declared under penalty of perjury that the return and accompanying schedules and statements were true, correct, and complete, as set forth below:

Count	Approximate Date Filed	Tax Year	False Material Matters
4	05/28/2020	2019	Schedule E Omitted Schedule 1, Line 5, Rental real estate, etc. Line 7b, Total income
5	5/21/2021	2020	Schedule E Omitted Schedule 1, Line 5, Rental real estate, etc. Line 9, Total income
6	4/26/2022	2021	Schedule E Omitted Schedule 1, Line 5, Rental real estate, etc. Line 9, Total income
7	4/18/2023	2022	Schedule E Omitted Schedule 1, Line 5, Rental real estate, etc. Line 9, Total income

All in violation of 26 U.S.C. § 7206(1).

FORFEITURE

105. The allegations contained in Counts One and Three are incorporated by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

106. Upon conviction of: 1) conspiracy to violate 18 U.S.C. § 1960, in violation of 18 U.S.C. § 371; and/or 2) conspiracy to violate 18 U.S.C. § 1343, in violation of 18 U.S.C. § 1349, the defendants shall forfeit to the United States,

pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses.

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

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

the United States shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).



KAREN E. KELLY
CHIEF, DELEGATED DEPUTY ASSISTANT ATTORNEY GENERAL FOR
CRIMINAL MATTERS
U.S. Department of Justice, Tax Division

A handwritten signature in cursive script, appearing to read "Sean Beaty", written over a horizontal line.

SEAN P. BEATY
Senior Litigation Counsel
KAVITHA BONDADA
REBECCA A. CARUSO
Trial Attorneys
U.S. Department of Justice, Tax Division

April 25

No.

UNITED STATES DISTRICT COURT
Middle District of Florida
Orlando Division

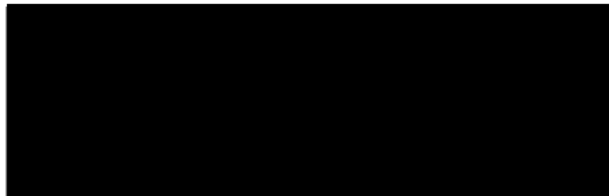
THE UNITED STATES OF AMERICA

vs.

IRIS YANETH VILLAFRANCA
a/k/a Iris Yaneth Oseguera
a/k/a Iris Rodriguez
MARIO LISANDRO FLORES MORADEL
OSMAN DONALDO ZAPATA
CRISTOFER ALFREDO OSEGUERA GIRON

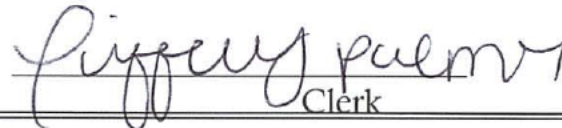
INDICTMENT

Violations: 18 U.S.C. § 371
18 U.S.C. § 1349
26 U.S.C. § 7206(1)



Filed in open court this 23rd day

of April 2025.


Clerk

Bail \$ _____
