

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 2:24-cr- **112-TPB-KCD**
18 U.S.C. § 371

CARLOS ALBERTO HERNANDEZ, and
ALEXIS GARCIA
a/k/a "Pedro"

INDICTMENT

FILED

AUG 21 2024

The Grand Jury charges:

COUNT ONE

Conspiracy to Defraud the United States

Clerk, US District Court
Middle District of Florida
Fort Myers, Florida

A. Introduction

At times material to this Indictment:

1. The defendant, Carlos Alberto Hernandez, was a resident of the Middle District of Florida. Hernandez was the President of Tape Drywall Services Inc. ("Tape Drywall"), a Florida Corporation created on or about January 18, 2017, with its principal place of business in Collier County, in the Middle District of Florida.
2. Co-conspirator Alexis Garcia managed and directed the operations of Tape Drywall.
3. Contractors would enter into agreements with Tape Drywall to provide construction workers because Tape Drywall had workers' compensation insurance, as required under Florida law.
4. By obtaining and paying the workers through Tape Drywall, the

contractors and subcontractors could disclaim responsibility for ensuring (1) that required state and federal payroll taxes were paid and (2) that adequate workers' compensation insurance was provided.

5. HERNANDEZ and GARCIA received checks from contractors that were cashed at a licensed money service business located in Collier County, in the Middle District of Florida, to pay the construction workers and other related expenses.

6. The significant majority of compensation was paid in cash. Tape Drywall provided proof of nominal payroll to obtain worker's compensation insurance but did not inform the insurance company of the significant cash compensation that was paid. As a result, the insurance cost was grossly and falsely understated.

B. The Conspiracy

7. From in or about February 2017, through in or about January 2019, in the Middle District of Florida, and elsewhere, the defendants,

CARLOS ALBERTO HERNANDEZ, and
ALEXIS GARCIA
a/k/a "Pedro",

did knowingly and willfully combine, conspire, confederate, and agree with each other and with other persons, known and unknown to the Grand Jury, to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service ("IRS"), an agency of the United States Department of the Treasury, in the ascertainment, computation,

assessment, and collection of federal payroll taxes, specifically Federal Insurance Contributions Act (“FICA”) taxes (Social Security tax and Medicare tax) and federal income tax.

C. Manner and Means

8. The manner and means by which the conspirators carried out the conspiracy and the scheme and artifice to defraud included, but were not limited to, the following:

a. It was part of the conspiracy that construction contractors and subcontractors would and did enter into agreements with Tape Drywall by which Tape Drywall provided workers for the contractors and subcontractors.

b. It was further part of the conspiracy that on or about February 21, 2017, HERNANDEZ entered into a contract with a professional employment organization (“PEO”) to provide payroll and worker’s compensation insurance for Tape. HERNANDEZ provided only nominal payroll information to the PEO and did not inform the PEO that Tape paid nearly all the workers in cash.

c. It was further part of the conspiracy that on or about February 27, 2017, HERNANDEZ, on behalf of Tape Drywall, would and did cause to be submitted a Florida Worker’s Compensation Application to a worker’s compensation insurance carrier that falsely represented that the workers’ compensation insurance would cover an estimated annual payroll of \$104,999.96. The cash compensation not disclosed to the PEO was far in excess of this nominal payroll.

d. It was further part of the conspiracy that when HERNANDEZ

submitted the workers' compensation insurance application, Tape Drywall would and did cause a worker's compensation insurance carrier to issue a workers' compensation insurance policy to Tape Drywall covering the period from February 27, 2017, until January 1, 2019. The annual premium for the policy was \$10,731.24, which was based on the information provided in the application, including the false estimated payroll.

e. It was further part of the conspiracy that from on or about March 3, 2017, through on or about September 21, 2018, the conspirators would and did request, and caused to be requested, by electronic transmission, Certificates of Liability Insurance ("COI"), and caused them to be provided, to contractors and subcontractors in the Middle District of Florida.

f. It was further part of the conspiracy that the conspirators would and did direct the contractors and subcontractors to write checks to Tape Drywall for work performed during pay periods.

g. It was further part of the conspiracy that, during the period of the conspiracy, the conspirators would and did cash and cause to be cashed checks totaling approximately \$29 million. The Conspirators kept approximately 3-5% of the amount, or a total of approximately \$870,000, as a fee.

h. It was further part of the conspiracy that, after cashing the checks, the conspirators would and did distribute the remaining cash as compensation to the construction workers.

i. It was further part of the conspiracy that neither Tape Drywall nor the

contractors and subcontractors paid or caused to be paid either the workers' portion or the employers' portion of state and federal payroll taxes, such as for Medicare and Social Security, to the appropriate government authorities.

j. It was further part of the conspiracy that Tape Drywall did not issue Forms W-2 or Forms 1099 to the construction workers detailing the compensation they earned in cash.

k. It was further part of the conspiracy that Tape Drywall did not file either Forms 1120 or Forms 1120S to report Tape Drywall's income and expenses each year.

l. It was further part of the conspiracy that the conspirators would and did perform acts and make statements to hide and conceal and cause to be hidden and concealed the purpose of the conspiracy and the acts committed in furtherance thereof.

D. Overt Acts

9. In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts, among others, were committed in the Middle District of Florida, and elsewhere:

a. On or about January 18, 2017, HERNANDEZ registered Tape Drywall Services Inc., and caused it to be registered, as a corporation with the Florida Department of State.

b. On or about February 21, 2017, HERNANDEZ entered into an agreement with a PEO to provide payroll services and workers' compensation

insurance for Tape Drywall.

c. On or about February 27, 2017, HERNANDEZ and GARCIA completed a check cashing application with a licensed money service business for Tape Drywall.

d. From in or about February 2017, through in or about January 2019, HERNANDEZ and GARCIA cashed and caused to be cashed payroll checks totaling approximately \$29 million.


All in violation of 18 U.S.C. § 371.

A TRUE BILL,



Foreperson

ROGER B. HANDBERG
United States Attorney

By:


Yolande G. Viacava
Assistant United States Attorney

By:


Jesus M. Casas
Assistant United States Attorney
Chief, Fort Myers Division

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Middle District of Florida

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THE UNITED STATES OF AMERICA

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ALEXIS GARCIA
a/k/a "Pedro"

INDICTMENT

Violations: 18 U.S.C. § 371

A true bill


Foreperson

Filed in open court this 21st day

of August, 2024.


Clerk

Bail \$ _____