



U.S. Immigration
and Customs
Enforcement

Protecting National Security and Upholding Public Safety

News Releases

March 6, 2007

New Bedford Manufacturer and Managers Arrested on Charges of Conspiring *ICE to Process Hundreds for Removal*

BOSTON - Early this morning in an Immigration and Customs Enforcement-led investigation, federal authorities executed a search warrant at the New Bedford business Michael Bianco, Inc. (MBI). The owner of the company and three managers were arrested on charges in connection with alleged hiring of illegal aliens. Another individual was arrested on charges that he provided fraudulent identification documents to workers at the factory, announced United States Attorney Michael J. Sullivan, Assistant Secretary of the Department of Homeland Security Julie L. Myers, and Immigration and Customs Enforcement special agent in charge Bruce M. Foucart.

Following the arrests, criminal complaints were unsealed today charging MBI owner Francesco Insolia, 50, of 3 Country Club Circle, Pembroke, Massachusetts; payroll manager Ana Figueroa, 40, of 150 Thompson Street, New Bedford; plant manager, Dilia Costa, 55, of 43 Sherman Street, New Bedford; and office manager Gloria Melo, 41, of 135 Sprague Street, Fall River, with conspiring to encourage or induce illegal aliens to reside in the United States, and conspiring to hire illegal aliens. Luis Torres, 45, of 500 South Second Street, New Bedford, was charged in a separate complaint with the knowing transfer of fraudulent identification documents. The defendants will appear in federal court today before a U.S. Magistrate Judge.

As a result of today's arrests and search warrant, hundreds of MBI employees will be interviewed to determine their alienage and immigration status. Aliens who are unlawfully in the United States will be charged administratively and placed in removal proceedings.

"It is understandable that many from around the globe would want to come to live, work and raise families here in the greatest democracy in the world. However, this must be done in compliance with U.S. immigration laws - not in violation of them," commented U.S. Attorney Sullivan. "Employer accountability is essential to ensuring the integrity of the nation's immigration system and knowingly hiring illegal immigrants is a violation of law, plain and simple, and those responsible will be prosecuted."

"Unlawful employment is a powerful magnet driving illegal immigration," said Assistant Secretary

Myers. "Egregious hiring practices, widespread use of fraudulent documents, and blatant disregard for the rule of law made this case a priority for ICE."

According to affidavits filed in support of the complaints and search warrant, MBI, located at 89 West Rodney French Boulevard in New Bedford, was established by Insolia in 1985 and specializes in the manufacture of handbags and other fine leather goods. Between 2001 and 2003, MBI won a number of Department of Defense contracts worth a total of approximately \$10 million to manufacture certain products for the U.S. military. In 2004, MBI received another Defense contract worth approximately \$82 million. As a result of these Defense contracts, from 2001, MBI began to substantially increase its workforce. It is alleged that from 2001 through 2003, MBI had approximately 85 employees. In 2004, MBI nearly quadrupled its workforce to 325 employees. MBI has continued to expand and in 2005 had approximately 520 employees. According to the affidavits, it is alleged that MBI presently maintains a workforce of more than 500 employees.

Based on information provided to law enforcement by a cooperating witness as well as an undercover investigation in which an ICE agent posed as an illegal alien and obtained work at MBI, it is alleged that Insolia and other MBI employees working on his behalf have knowingly and actively been hiring illegal aliens to fill their expanding workforce. It is alleged that although MBI requires all prospective employees to produce proof of their identity and their eligibility to work, the company is aware that many employees have obtained fraudulent Alien Registration Cards, commonly known as "green cards," and Social Security Cards. It is alleged that MBI management has even instructed prospective employees, including the undercover ICE agent, on how to obtain such fraudulent documents.

According to the affidavits it is alleged that the undercover ICE agent informed several MBI management level employees, including Insolia, that she had come to the United States illegally from Mexico "without papers." It is alleged that Figueroa was one of two managers who informed the undercover ICE agent as to how she could purchase a fraudulent Social Security Card. According to the affidavits, one fraudulent document source to whom the undercover ICE agent was directed was Torres, who works at Aries Record Shop located at 971 Brock Avenue in New Bedford. It is alleged that Torres supplied the undercover ICE agent with a fraudulent Alien Registration Card and Social Security Card for a fee of \$120.

According to the affidavits, after beginning work at MBI the undercover ICE agent met separately with Melo and Insolia and explained that she had come from Mexico without papers and had no money to eat or a place to live. Insolia agreed to give her a \$150 advance on her pay despite understanding she had no papers.

According to the affidavits in December 2005, when word reached MBI that ICE officials were conducting an investigation at a nearby New Bedford company, Costa announced over the loud speaker that Insolia had stated all MBI employees were free to leave the building. After the announcement, approximately 75 employees ran and hid -some in their vehicles and others in boxes on the third floor at MBI.

It is alleged that Insolia continues to maintain a workforce of whom the majority are illegal aliens. It is further alleged that he intentionally seeks out illegal aliens because they are more desperate to find employment, and are thus more likely to endure severe workplace conditions he has imposed. It is alleged that these conditions include: docking of pay by 15 minutes for every minute an employee is late; fining employees \$20 for spending more than 2 minutes in the restroom and firing for a subsequent

infraction; providing one roll of toilet paper per restroom stall per day, typically resulting in the absence of toilet paper after only 40 minutes each day; fining employees \$20 for leaving work area before break bell sounds; and fining employees \$20 for talking while working and firing for a subsequent infraction.

According to the affidavits, since 2002 the Social Security Administration (SSA) has been sending MBI "no match" correspondence informing the company that many of the Social Security Numbers (SSNs) that MBI was supplying the SSA on employees' W-2s forms, were fraudulent or invalid - oftentimes belonging to adolescents born sometime between 1991 and the present or belonging to individuals who were deceased. Specifically, in 2002, the SSA notified MBI that 19 of the 83 employee SSNs (or 23% of the workforce) it had submitted were deficient in some manner; similarly in 2003, 11 of 85 SSNs (13%) submitted were deficient; and in 2004, 10 of the 85 SSNs (12%) were deficient. In 2005, MBI submitted SSNs on two occasions - after the first submission, MBI was notified by the SSA that 36 of the 151 SSNs (24%) were deficient, and following the second submission MBI was informed that 142 of the 326 SSNs (44%) were deficient.

In 2006, the SSA notified MBI that 301 of the 521 SSNs (58%) submitted were deficient. Most recently in 2007, MBI submitted 646 SSNs of which SSA has preliminarily determined that 428 (66%) of the SSNs are deficient. If convicted, Insolia, Figueroa, Costa and Melo each faces a maximum sentence of 6 months in prison, and a \$3,000 fine for each illegal alien hired by MBI on the conspiracy to hire illegal aliens charge; and 10 years in prison, to be followed by 3 years of supervised release and a \$250,000 fine on the conspiracy to encourage illegal aliens to reside in the United States charge. Torres faces a maximum sentence of 15 years in prison, to be followed by 3 years of supervised release, and a \$250,000 fine.

The investigation is continuing.

ICE has created a 24-hour toll-free hotline for family members of the illegal aliens who have been arrested to field questions about their locations and about the removal process. The phone number is: 866-341-3858.

The case is being investigated by Immigration and Customs Enforcement, with assistance from the Social Security Administration's Office of Inspector General, the Department of Defense's Criminal Investigative Service, the Massachusetts Insurance Fraud Bureau, and the U.S. Postal Inspection Service. The New Bedford Police Department and the U.S. Coast Guard provided public safety assistance. Assistant U.S. Attorney Donald Cabell in Sullivan's Criminal Division is prosecuting the case.

The details contained in the complaints are allegations. The defendants are presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

-- ICE --

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Last Modified: Thursday, March 8, 2007 Tuesday, March 6, 2007



U.S. Immigration
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Fact Sheets

February 22, 2007

Worksite Enforcement

Overview:

U.S. Immigration and Customs Enforcement (ICE) has dramatically enhanced its efforts to combat the unlawful employment of illegal aliens in the United States since its creation in March 2003. ICE's comprehensive strategy for effective worksite enforcement is aimed at promoting national security, protecting critical infrastructure and ensuring fair labor standards.

Under this new strategy, ICE is targeting unscrupulous employers of illegal aliens, seeking to initiate criminal prosecutions and cause asset forfeitures. ICE believes that the serious nature of these actions on culpable individuals will be a more sufficient deterrence to those who may not share the goal of fostering a sound and legal workforce.

Criminal Prosecutions vs. Administrative Fines:

In the past, administrative fines often proved to hold little deterrence value for violators. Many employers came to view these fines as simply the "cost of doing business." Administrative fines were ignored, not paid in a timely matter or mitigated down over several years.

In criminal cases, ICE is often pursuing charges of harboring illegal aliens, money laundering and/or knowingly hiring illegal aliens. Harboring illegal aliens is a felony with a potential 10-year prison sentence. Money laundering is a felony with a potential 20-year prison sentence. ICE has found these criminal sanctions to be a far greater deterrent to illegal employment schemes than administrative sanctions.

ICE Worksite Enforcement Statistics:

The best measure of this new strategy lies in the number of arrests ICE has made for criminal violations in worksite enforcement investigations. Arrests have increased from 25 in fiscal year (FY) 2002, the year before ICE was founded, to 716 during FY 2006.

It is important to note that those arrested include a variety of persons—corporate officers, employers, managers, contractors and facilitators. These arrests also include illegal aliens charged with criminal

violations. Aliens have been charged with possession and/or distribution of fraudulent documents, re-entry after deportation or entry without inspection.

Another measure of ICE's new strategy lies in the number of illegal aliens arrested on administrative immigration violations during worksite enforcement investigations. Administrative immigration arrests generally refer to illegal alien workers who are unlawfully present in the United States.

The number of individuals arrested on administrative immigration violations in worksite enforcement cases has increased from 485 in FY2002 to 3,667 during FY 2006.

National Security and Critical Infrastructure Worksites:

In accordance with ICE's homeland security mission, ICE agents prioritize worksite enforcement efforts by focusing on sites related to critical infrastructure and national security. Unauthorized workers employed at sensitive facilities such as nuclear power plants, chemical plants, military bases, defense facilities, airports and seaports pose serious homeland security threats.

These aliens are vulnerable to exploitation by terrorists and other criminals. ICE works with employers in these cases to identify and immediately remove illegal workers from sensitive facilities and locations where they are in a position to cause harm.

Traditional Worksite Investigations:

While worksites with a nexus to national security are priorities for ICE, agents continue to conduct robust investigations at other places of employment. These investigations often uncover egregious criminal violations and widespread abuses. Violations often involve money laundering, harboring aliens, smuggling aliens, document fraud or some form of worker exploitation.

Illegal workers frequently lack the employment protections afforded those with legal status and are less likely to report worksite safety violations and other concerns. Furthermore, their illegal status leaves them vulnerable to exploitation by unscrupulous employers who may pay them substandard wages or force them to endure intolerable working conditions.

ICE's IMAGE Program to Assist Employers:

ICE recognizes that the majority of employers in this country want to comply with the nation's immigration laws. Yet, every day employers are confronted with illegal aliens attempting to secure jobs through fraudulent means, including the use of counterfeit documents and stolen identities.

To assist employers in these situations, ICE unveiled the ICE Mutual Agreement between Government and Employers (IMAGE) program in July 2006. Through IMAGE, ICE seeks to build a cooperative relationship between government and businesses to strengthen hiring practices and reduce unlawful employment.

To qualify for this program, businesses must adhere to a series of best practices, including the use of the

Basic Pilot employment eligibility verification program, administered by U.S. Citizenship and Immigration Services (USCIS). In return, ICE will provide training and education to IMAGE partners on proper hiring procedures, fraudulent document detection and anti-discrimination laws.

ICE will also share data with employers on the latest illegal schemes used to circumvent legal hiring processes. Furthermore, ICE will review the hiring and employment practices of IMAGE partners and work collaboratively with them to correct isolated, minor compliance issues. Companies that comply with the terms of IMAGE will become IMAGE-certified, a distinction ICE believes will become an industry standard.

An IMAGE company can better protect the integrity of its workforce by helping ensure that employees are who they represent themselves to be. ICE encourages employers to review IMAGE program materials available at www.ice.gov.

Recent Major ICE Worksite Enforcement Criminal Cases:

- **Rosenbaum-Cunningham International**—On Feb. 21-22, 2007, three executives of Rosenbaum-Cunningham International (RCI), a Florida-based national janitorial services contractor, were charged with conspiracy to defraud the United States and to harbor illegal aliens for profit and evading payment of federal employment taxes. Richard M. Rosenbaum, 60, Edward Scott Cunningham, 43, and Christina A. Flocken, 59, were named in a 23-count indictment that charged they operated a cleaning and grounds-maintenance service that contracted with theme restaurant chains and hospitality venues throughout the United States and staffed the cleaning crews with illegal aliens. By failing to collect and pay federal income, Social Security, Medicare, and federal employment taxes on the wages paid to its workforce, RCI was allegedly able to evade payment of over \$18.6 million in employment taxes. RCI clients between 2001 and 2005 included House of Blues, Planet Hollywood, Hard Rock Café, Dave and Busters, Yardhouse, ESPN Zone, and China Grill. In this worksite enforcement, ICE agents made approximately 195 administrative arrests of illegal workers at more than 60 locations in 18 states and the District of Columbia.
- **Swift & Company**—On Dec. 12, 2006, more than 1,297 illegal aliens were arrested at Swift meat processing facilities in six states during an enforcement operation which was the result of an investigation of work-related identity theft. Of those arrested, 274 were charged criminally, 137 of them with federal crimes, the others with state crimes. The rest were charged as immigration status violators and were processed for removal from the United States. A review of the employment eligibility forms, or I-9s, at Swift facilities nationwide discovered that 30 percent of them were suspected of being fraudulent. A 10-month investigation culminated in search warrants executed at Swift facilities in Greeley, Colo., Grand Island, Neb., Cactus, Texas, Hyrum, Utah, Marshalltown, Iowa, and Worthington, Minn. The company has not been charged. The investigation is ongoing.
- **Garcia Labor Companies/ABX Air**—On Oct. 3, 2006, two temporary labor companies, as well as Maximino Garcia, the president of these companies, and two other corporate officers, pleaded guilty in Ohio to conspiring to provide hundreds of illegal aliens to work for ABX Air, a national air cargo company. The three individuals pleaded guilty to one count of conspiracy to induce, aid and abet illegal aliens to reside or remain in the United States for the purpose of commercial advantage or private financial gain. Garcia agreed to forfeit \$12 million as part of the plea agreement. They each face up to ten years in prison and a fine of \$250,000. The Social Security Administration issued a number of notices in 2002, 2003, and 2004 in which hundreds of Hispanic

workers employed by Garcia Labor were listed as using invalid Social Security numbers. Despite such notices, Garcia Labor continued to employ these workers and took no substantive action to determine whether they were authorized to work in the United States.

- **Kentucky Limited Liability Corporations**—On July 20, 2006, two corporations in Kentucky pleaded guilty to criminal charges of harboring illegal aliens and money laundering in connection with a scheme that provided illegal workers to Holiday Inn, Days Inn and other hotels in Kentucky. As part of the plea, Asha Ventures, LLC, and Narayan, LLC, agreed to pay \$1.5 million in lieu of forfeiture and to create internal compliance programs. Through their agents, the companies employed numerous illegal aliens at hotels in London, Ky., who were often paid by check made payable to fictitious cleaning companies. The checks were then negotiated at the hotel upon whose account the check was drawn so that the aliens were paid in cash. These payments were designed to disguise the nature, location, source or ownership of the proceeds.
- **Fischer Homes and subcontractors**—On July 7, 2006, Alfredo Medina-Mejia and Leopoldo Medina pleaded guilty to criminal charges of harboring illegal aliens. Both men worked as subcontractors who provided illegal workers to Fischer Homes construction sites in Kentucky. The guilty pleas resulted from operations conducted on May 9, 2006, in which ICE agents arrested four supervisors of Fischer Homes and 76 illegal alien workers at Fischer Homes construction sites in Kentucky. Fischer Homes is a leading builder of homes in Indiana, Kentucky and Ohio. The Fischer Homes managers are charged with aiding, abetting and harboring illegal aliens. On May 11, several contractors and contract firms that allegedly provided illegal workers for Fischer Homes construction sites were indicted on charges of harboring illegal aliens in connection with the scheme.
- **Stucco Design**—On May 2, 2006, Robert Porcisanu, the owner of an Indiana business that performed stucco-related services at construction sites in seven Midwest states, was charged with money laundering, harboring illegal aliens, transporting illegal aliens and making false statements in connection with an illegal employment scheme. Porcisanu faces 40 years in prison. ICE is also seeking the forfeiture of \$1.4 million. His firm was allegedly able to undercut the bids of contractors to perform work at construction sites by taking advantage of cheap labor costs from the use of illegal alien employees.
- **IFCO Systems North America**—On April 19, 2006, ICE agents arrested seven current and former managers of IFCO Systems North America in Albany, N.Y., charging them with harboring illegal aliens for financial gain. ICE agents also apprehended 1,187 of the firm's illegal alien employees with search warrants or in consent searches executed at more than 40 IFCO locations nationwide. The arrests were the result of a yearlong investigation, which found that more than half of IFCO's employees during 2005 had invalid or mismatched Social Security numbers. IFCO is the largest pallet services company in the United States, based in Houston, Texas.
- **Kawasaki Sushi**—On April 14, 2006, the operators of several sushi restaurants in Baltimore agreed to forfeit more than \$1 million and pleaded guilty to criminal charges of alien harboring and money laundering in connection with an illegal alien employment scheme. The investigation found that the operators of the three Kawasaki restaurants in Baltimore exploited cheap, illegal labor to maximize profits in order to purchase new homes and luxury vehicles for themselves.
- **HV Connect**—On April 11, 2006, a federal indictment was unsealed in Ohio charging two temporary employment agencies and nine individuals with hiring and harboring illegal aliens; mail and wire fraud; and laundering approximately \$5.3 million. The indictment alleged that HV Connect and TN Job Service provided hundreds of illegal alien employees to unwitting companies

in Ohio by falsely representing that they were legal. The indictment also alleged that the owners of these agencies used the profits from this scheme to build a new home and purchase jewelry for themselves.

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Last Modified: Thursday, March 8, 2007 Monday, March 5, 2007



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Fact Sheets

March 1, 2007

Document and Benefit Fraud Task Forces

Immigration fraud poses a severe threat to national security and public safety because it creates a vulnerability that may enable terrorists, criminals and illegal aliens to gain entry to and remain in the United States. ICE uproots the infrastructure of illegal immigration by detecting and deterring immigration fraud.

- Benefit fraud is the knowing and willful misrepresentation of material fact on a petition or application to gain an immigrant benefit.
- Document fraud is the manufacturing, counterfeiting, alternation, sale, and/or use of identity documents and other fraudulent documents to circumvent immigration laws or for other criminal activity.

Individuals and criminal enterprises often use fraudulent documents to obtain drivers' licenses and social security cards. Traffickers and alien smugglers use these documents to facilitate movement into and within the United States and they are also used to shield illegal aliens from detection within our society. Fraudulent documents may be used to obtain financial benefits and entitlements intended for US citizens or lawful permanent residents and to obtain unauthorized employment.

Document and Benefit Fraud Task Forces (DBFTFs) were created in March 2006, to target, seize illicit proceeds of and dismantle the criminal organizations that threaten national security and public safety and address the vulnerabilities that currently exist in the immigration process. Through DBFTFs, ICE partners with other agencies such as the Department of Labor, the Social Security Administration, U.S. Postal Service, U.S. Citizenship and Immigration Services, the Department of State and various state and local law enforcement agencies. These task forces focus their efforts on detecting, deterring and disrupting both benefit fraud and document fraud.

Based on a successful existing task force in the Washington, D.C./ Northern Virginia area, additional task forces are located in Atlanta, Boston, Dallas, Denver, Detroit, Los Angeles, New York, Newark, Philadelphia and St. Paul. Whether or not a formal DBFTF currently exists in an area, vigorous document and benefit fraud investigations are being conducted by ICE throughout the United States.

Recent successes include:

- ICE agents in Newark, together with the U.S. Department of Labor seized over \$5.7 million in a labor certification, immigration fraud investigation involving Indian and Pakistani nationals.
- ICE agents in Los Angeles, together with U.S. Citizenship and Immigration Services and state and local law enforcement partners criminally arrested 44 targets, seized over \$500,000 and dismantled a large-scale marriage fraud ring responsible for hundreds of fraudulent marriages involving Chinese and Vietnamese nationals.
- ICE agents in Baltimore, together with the U.S. Department of Labor arrested Irwin J. Fredman, a private immigration lawyer responsible for filing hundreds of fraudulent applications with the U.S. Department of Labor and U.S. Citizenship and Immigration Services. This case resulted in Fredman agreeing to forfeit \$200,000 to the government.

ICE agents in Denver dismantled the Castorena family organization, responsible for producing millions of fraudulent identification documents including resident alien cards, social security cards, driver's licenses and a host of other documents. This organization franchised their document producing facilities and documents produced by this organization have been seized in all 50 states.

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