

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
JOSEPH AUGHENBAUGH, a.k.a.,)
LORD JOSEPH HELAMAN MORMON)
AUGHENBAUGH, and)
TODD YURGIN)
)
Defendants.)

Criminal Action No. 10- 21-UNA

REDACTED

INDICTMENT

The Grand Jury for the District of Delaware charges that:

The Scheme and Artifice to Defraud

1. Beginning in or around March 2003, defendants Joseph Aughenbaugh and Todd Yurgin devised, and intended to devise, a scheme and artifice to defraud, and to obtain money and property by means of fraudulent pretenses, by obtaining personal identifying information from other individuals in order to use such information to obtain credit cards and to open bank accounts with various financial institutions.

2. In furtherance of the scheme, defendants Joseph Aughenbaugh and Todd Yurgin stole mail that had been deposited for delivery by the United States Postal Service. The defendants used the stolen mail to gain access to Social Security Numbers (SSNs) which they would use to apply for credit cards from various financial institutions. During the course of their scheme, defendants Joseph Aughenbaugh and Todd Yurgin stole at least thirty-six (36) pieces of mail.

3. In furtherance of the scheme, defendants Joseph Aughenbaugh and Todd Yurgin

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also used Internet Websites to verify the validity of certain SSNs. Once confirmed, the defendants created separate identities to assume the otherwise-valid SSNs. To this end, the defendants falsified driver's licenses and other identification cards by using a photo editing program. The defendants then transmitted these documents to financial institutions to bolster the identities that they created.

4. Throughout the course of the scheme and artifice to defraud, defendants Joseph Aughenbaugh and Todd Yurgin misappropriated the SSNs of at least ninety-three (93) individuals, including the SSNs of multiple minors.

5. The defendants used the new identities they created to apply for and receive at least three hundred forty-three (343) credit cards from multiple financial institutions. The defendants applied for the credit cards by sending applications through the United States Mail, as well as by applying online through the Internet from an address located in Newark, Delaware (the "Newark address"). The financial institutions mailed credit cards to at least twelve different addresses and/or Post Office Boxes under the direction and control of the defendants.

6. As the fraud scheme developed further, the defendants created two shell companies, "Cathouse" and "Restored," which they used in part to launder the proceeds of their scheme. Defendant Joseph Aughenbaugh obtained a business license with the State of Delaware to operate both businesses out of the Newark address. "Cathouse" was registered as a company that provides "Professional Services-Veterinarian," and "Restored" was registered as a company that provides "Professional Services - Occupational Therapist." The Newark address used to register the businesses, however, was not a commercial location. Rather, it was a single-wide trailer in a residential neighborhood. In addition, the businesses were not registered using defendant Aughenbaugh's actual SSN. "Cathouse" was registered using the SSN of a different adult male, and

“Restored” was registered using the SSN of a minor child.

7. On or about August 20, 2006, Defendant Aughenbaugh established bank account no. XX-XXXX-7432 with PNC Bank (“the PNC Bank Account”) in the name of “Joseph H. Aughenbaugh d.b.a. Restored.” PNC Bank is an insured depository institution as defined in Title 18, United States Code, Section 20(1). To facilitate the fraud scheme, the defendants obtained a Point of Sale Terminal (POST) machine, which is used by merchants to facilitate credit charges. The defendants used the POST machine to swipe the various credit cards that they obtained throughout the course of the fraud scheme to pay for services that were allegedly rendered by Cathouse and/or Restored. After the transactions occurred, the credit card companies and/or other merchant banks deposited Automated Clearing House (ACH) funds into the PNC Bank Account for the amount of the transactions. The defendants did not pay the credit card companies for the fraudulent transactions, thus leading to significant losses incurred by the financial institutions.

8. Defendants Aughenbaugh and Yurgin used the fraud proceeds deposited in the PNC Bank account in a variety of different ways, including: (1) to make payments to numerous financial institutions for other credit cards involved in the fraud scheme; (2) to transfer funds derived from the fraud scheme into other bank accounts under their direction and control; (3) to pay the land lease for the trailer at the Newark address; (4) to make payments for the purchase of several parcels of real property; (5) to purchase various types of goods and services; and (6) to make payments on three vehicles: a 2006 Mercury Mariner, a 2007 Ford F-150, and a 2009 Dodge Avenger.

9. On or about April 15, 2009, defendant Joseph Aughenbaugh deposited a check in the amount of \$40,000.00 into the PNC Bank Account. The check, which was deposited at an ATM machine in Philadelphia, was made payable to “Cathouse.” The check was issued from a GMAC

Bank Account, XX-XXXX-3820, in the name of "Helaman Mormon," a name utilized by defendant Aughenbaugh. Although a stop payment order was eventually placed on the check, several large checks and other debits were issued from the PNC Bank Account in the interim. For example:

- a. From in or around April 20, 2009, and continuing until on or about April 22, 2009, a total of five payments were issued from the PNC Bank Account toward the purchase of the 2009 Dodge Avenger from Performance Dodge, Inc. in New Castle, Delaware. Each of the payments was in the amount of \$4,250.00, and the total amount of the five payments was \$21,250.00.
- b. On or about April 21, 2009, a debit in the amount of \$5,000.00 was issued from the PNC Bank Account to Ford Motor Credit.
- c. On or about April 20, 2009, three checks in the total amount of \$10,024.00 were issued from the PNC Bank Account to purchase real property from a Website entitled Landauction.com.
- d. From in or around April 20, 2009, and continuing until on or about April 22, 2009, the defendants used the funds deposited in the PNC Bank Account to make ten cash withdrawals from ATM machines, each in the amount of \$500.00. The total amount of cash withdrawals from the ATM machines was ~~\$5~~⁵,000.00. *ZMG 2/24/10*

As a result of the scheme and artifice to defraud, PNC suffered losses of at least \$25,547.00 with respect to the PNC Bank Account.

10. It was further part of the scheme and artifice to defraud that Defendants Aughenbaugh and Yurgin used credit cards to pay for many different types of goods and services, including clothing, accessories, travel, vehicles, high-end jewelry, collectible items, gold coins, and

other merchandise. With respect to many of the credit card accounts, the defendants engaged in a scheme to make charges over the credit limits. That is, once the account approached the credit limit, an ostensible payment would be sent in for the card. Payments were often sent from invalid bank accounts, set up in fictitious names using misappropriated SSNs that did not have sufficient funds to cover the amount of the payment. Until such time that the banks deposited the false payments, the defendants made additional charges to the credit card accounts, which resulted in the credit card companies incurring losses that exceeded the available credit limits.

COUNT ONE

11. From on or about March 25, 2003, and continuing through on or about September 8, 2009, in the District of Delaware and elsewhere, Joseph Aughenbaugh and Todd Yurgin, defendants herein, did knowingly conspire with each other to commit mail fraud, in violation of Title 18, United States Code, Sections 1341 and 2; and bank fraud, in violation of Title 18, United States Code, Sections 1344 and 2; to wit, by devising and intending to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses and representations and promises, as set forth in paragraphs 1-10, above, and in so doing did deposit and cause to be deposited materials to be sent and delivered by the United States Postal Service and by private and commercial interstate carriers; and did defraud a financial institution and obtain the moneys, funds, credits, and other property owned by, or under the custody and control of, a financial institution.

All in violation of Title 18, United States Code, Sections 1349 and 2.

COUNT TWO

12. Paragraphs 1-11 are incorporated herein by reference.

13. At all times relevant hereto, Citigroup Management Corp. ("Citigroup"), was a financial services corporation located in Sioux Falls, South Dakota, that issued and serviced credit card accounts.

14. On or about July 29, 2008, defendants Joseph Aughenbaugh and Todd Yurgin submitted an account application via the Internet, in the name "Clyde Aughenjbaugh," for a Citibank Mastercard.

15. In connection with the account application, the defendants falsely represented that Clyde Aughenjbaugh was born on March 4, 1986; lived at the Newark address; was employed by the University of Pennsylvania, with an annual salary in the amount of \$56,000.00; and had the SSN XX-XXX-4911.

16. SSN XX-XXX-4911, however, belongs to a minor male, E.R., born in 1997.

17. On or about July 29, 2008, based upon the account information provided by the defendants, Citigroup approved a Citibank Mastercard in the name of Clyde Aughenjbaugh, with a credit limit of \$4,000.00.

18. On or about July 29, 2008, Citigroup placed the credit card in the United States Mail to be mailed to "Clyde Aughenjbaugh" at the Newark address.

19. The defendants made multiple charges on the account, including to "Cathouse" and for travel for Joseph Aughenbaugh and Todd Yurgin to Walt Disney World Resorts.

20. On or about September 19, 2008, the defendants purported to make three electronic payments to Citigroup in the total amount of \$3,996.00. On September 27, 2008, however, all of those payments were reversed because there were insufficient funds in the account from which the payments had been made. In the interim period, the defendants made additional charges to the credit

card account. As a result, Citigroup incurred losses of approximately \$7,971.03 on the account.

21. On or about July 29, 2008, in the District of Delaware and elsewhere, Joseph Aughenbaugh and Todd Yurgin, defendants herein, having devised and intending to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, as set forth in Paragraphs 1-20, incorporated herein by reference, and for the purposes of executing such scheme and artifice and attempting to do so, did knowingly cause to be sent, delivered, and moved by the United States Postal Service an item, to wit: a mailing from Citigroup in Sioux Falls, South Dakota, to “Clyde Aughenjbaugh” in Newark, Delaware, containing a Citibank Mastercard.

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT THREE

22. Paragraphs 1-21 are incorporated herein by reference.

23. In or around September 2007, defendants Todd Yurgin and Joseph Aughenbaugh purchased real property at a location in West Deptford, New Jersey (the “West Deptford property”).

24. To purchase the property, on or about September 14, 2007, the defendants submitted a Uniform Residential Loan Application (the “Loan Application”) to Cardinal Financial Co., Ltd. (“Cardinal Financial”) a private mortgage lending business with offices in Pennsylvania and New Jersey. On or about September 26, 2007, an official check for \$7,500.00 payable to “Congress Title,” the settlement agent for the West Deptford property, was drawn on the PNC Bank Account with the listed remitters as “T. Yurgin and J. Aughenbaugh.” In connection with the Loan Application, defendant Todd Yurgin submitted a pay stub purporting to be from Verizon Communications, Inc. The pay stub listed defendant Yurgin’s date of birth as August 23, 1980, his

SSN as XXX-XX-4577, and stated that he earned \$92,000.00 annually as a Verizon manager. Defendant Yurgin's actual birthday, however, is in 1968. The SSN that Yurgin used does not belong to him, rather it belongs to a male named D.H. born in 1964.

25. The defendants have used the same SSN that Todd Yurgin listed on the Loan Application in connection with obtaining at least twenty-five (25) credit cards from multiple financial institutions. Most of the credit cards were obtained in the name of Todd Yurgin, however, some credit cards were obtained in the names of "Tadd Yurgin," "Matthew Yurgin," and "Joshua Yurgin."

26. Although defendant Todd Yurgin used SSN XXX-XX-4577 in connection with the Loan Application, he used a different SSN to establish an account with Verizon for the West Deptford property itself. In the form submitted to Verizon to establish services for the West Deptford property, defendant Yurgin used SSN XXX-XX-4478, which belongs to a minor female, L.S., who was born in 2000. Defendant Yurgin further listed a different birth date on the form – September 4, 1986 – and stated that he worked as an aide at the University of Pennsylvania.

27. In or about September 2007, in the District of Delaware and elsewhere, defendants Joseph Aughenbaugh and Todd Yurgin, for the purpose of obtaining something of value and for other purposes, knowingly, willfully, and with the intent to deceive, made a materially false statement to Cardinal Financial, in a mortgage application for a Uniform Residential Loan Agreement, by falsely and fraudulently represented Todd Yurgin's Social Security Number to be XXX-XX-4577, when in fact such number is not the social security account number assigned by the Commissioner of Social Security to Todd Yurgin, but rather is the social security number assigned to D.H., a male born in 1964.

All in violation of Title 42, United States Code, Section 408(a)(7)(B), and Title 18, United States Code, Section 2.

COUNT FOUR

28. Paragraphs 1-27 are incorporated herein by reference.

29. In or about January 2006, in the District of Delaware and elsewhere, defendants Joseph Aughenbaugh and Todd Yurgin, for the purpose of obtaining something of value and for other purposes, knowingly, willfully, and with the intent to deceive, made a materially false statement to Citi Financial Corp. in an application for a credit card account, using the false name “Tristan Yurgin,” and falsely and fraudulently represented “Tristan Yurgin’s” Social Security Number to be XXX-XX-5009, when in fact such number is not the social security account number assigned by the Commissioner of Social Security to “Tristan Yurgin,” but rather is the social security number assigned to O.A., a minor child.

All in violation of Title 42, United States Code, Section 408(a)(7)(B), and Title 18, United States Code, Section 2.

COUNT FIVE

30. Paragraphs 1-29 are herein incorporated herein by reference.

31. On or about January 16, 2008, in the District of Delaware, defendants Joseph Aughenbaugh and Todd Yurgin, did knowingly engage and attempt to engage in a monetary transaction by, through, or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than \$10,000, that is a transfer of \$17,000 from the PNC Bank Account into a WSFS Bank Account number ending in 5066 under the control of the defendants, such property having been derived from a specified unlawful activity, that is, Conspiracy

to Commit Mail Fraud and Bank Fraud as set forth in Count One, in violation of Title 18, United States Code, Sections 1341, 1344, and 1349.

All in violation of Title 18, United States Code, Sections 1957 and 2.

COUNT SIX

32. Paragraphs 1-31 are incorporated herein by reference.

33. In or about January 2006, in the District of Delaware and elsewhere, the defendants, Joseph Aughenbaugh and Todd Yurgin, did knowingly possess and use, without lawful authority, a means of identification of another person during and in relation to Social Security Fraud, 42 U.S.C. § 408(a)(7)(B), as set forth in Count Four and incorporated herein, in violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT SEVEN

34. Paragraphs 1-33 are incorporated herein by reference.

35. On or about July 19, 2008, in the District of Delaware and elsewhere, defendants Joseph Aughenbaugh and Todd Yurgin for the purpose of obtaining something of value and for other purposes, knowingly, willfully, and with the intent to deceive, made a materially false statement to Citi Financial Corp., in an application for a credit card account, using the false name “Jonathan P. Aughenjbaugh,” and falsely and fraudulently represented “Jonathan P. Aughenjbaugh’s” social security number to be XXX-XX-0002, which in fact such number is not the social security number assigned by the Commissioner of the Social Security Administration to “Jonathan P. Aughenjbaugh,” but rather is the social security number assigned to M.W., a minor child.

All in violation of Title 42, United States Code, Section 408(a)(7)(B), and Title 18, United States Code, Section 2.

COUNT EIGHT

36. Paragraphs 1-35 are incorporated herein by reference.

37. On or about July 19, 2008, in the District of Delaware and elsewhere, the defendants, Joseph Aughenbaugh and Todd Yurgin, did knowingly possess and use, without lawful authority, a means of identification of another person during and in relation to Social Security Fraud, 42 U.S.C. § 408(a)(7)(B), as set forth in Count Seven and incorporated herein, in violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT NINE

38. Paragraphs 1-37 are incorporated herein by reference.

39. On or about September 1, 2009, in the District of Delaware, the defendant, Todd Yurgin, knowingly did forcibly assault, resist, oppose, impede, intimidate, and interfere with United States Social Security Administration, Office of Inspector General Special Agent Kevin Huse, and engaged in acts involving physical contact while Special Agent Huse was engaged in his official duties, in violation of Title 18, United States Code, Section 111.

NOTICE OF FORFEITURE

1. The allegations contained in Counts One through Eight of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(1) & (a)(2), and Title 28, United States Code, Section 2461.

2. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 1341, 1344, 1349, and 1957 set forth in Counts One, Two, and Five of this Indictment, the defendants, Joseph Aughenbaugh and Todd Yurgin, shall forfeit to the United States of America,

pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(1) & (a)(2)(A), and Title 28, United States Code, Section 2461, any property involved in such offense, or any property traceable to such property; and any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violations. The property to be forfeited includes, but is not limited to, the following:

- a. A Lt Tundra (Silver/Blue) in color 2006 Mercury Mariner, VIN # 4M2YU57Z36KJ00741;
- b. A Black in color 2009 Dodge Avenger, VIN # 1B3LC56D99N509825;
- c. One loose diamond, with the approximate weight of 2.1 carats;
- d. One 14kt white gold diamond ring, with the approximate weight of .5 carats;
- e. One three-stone ring with a blue center stone and two side stones;
- f. One 14kt white gold diamond ring, with the approximate weight of .96 carats;
- g. Ten 18kt gold coins minted under the "Presidential First Spouse Series";
- h. Five gift cards to Bailey, Banks & Biddle jewelry store;
- i. One Cannon Camera, model SD550 ELPH, serial no. 1128400430;
- j. Nine miscellaneous gift cards to various merchants;
- k. \$135 in United States currency and \$3.15 in coinage;
- l. 65 £ in British Currency;
- m. \$260 (AUD) in Australian Currency;
- n. One gift card to Sears;
- o. One Gucci Messenger handbag;

- p. One 14kt yellow gold link bracelet containing “flip-flop charms” and nine diamonds;
- q. One 14kt yellow gold rope chain, approximately 24" in length;
- r. One 14kt yellow white gold ring with 14 princess cut diamonds totaling approximately .70 carats, with 7 blue sapphires;
- s. One 14kt yellow white gold ring with a Solitaire diamond with the approximate weight of 1.80 carats;
- t. One Cartier Gentlemen’s 21 watch, which is stainless steel and 18 kt yellow gold;
- u. One pair of white gold diamond studded earrings with the approximate weight of .80 carats;
- v. One platinum 3 diamond ring center stone weighing approximately .50 carats, with two side diamonds each weighing .28 carats;
- w. One 14kt yellow gold chain, approximately 30" in length;
- x. One platinum bracelet with 7 bezel diamonds, each weighing .25 carats;
- y. One Queen Elizabeth series gold coin;
- z. One piece of Tumi Rollerbag luggage;
- aa. One Louis Vuitton bag;
- bb. One two-tone 14k ring with a solitaire setting (missing diamond);
- cc. One Reed & Barton jewelry box;
- dd. One Louis Vuitton blanket;
- ee. One Dell Dimension computer, model no. 9100, serial no. 8W5TC81;

- ff. One Canon Power Shot Camera, model no. SD30, serial no. 1121503312;
- gg. One Dell XPS notebook computer, model no. M1730, serial no. CN-0KM027701667BD0030;
- hh. One 24" LED Cinema Display monitor;
- ii. One Compaq Presario computer, model no. 600, serial no. MX31612319;
- jj. One Juicy Couture wristlet;
- kk. One Louis Vuitton purse;
- ll. One pair of Chanel sunglasses; and
- mm. Two gift cards to Hotel Del Coronado.

3. If any of the property described above, as a result of any act or omission of the defendant[s]:

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

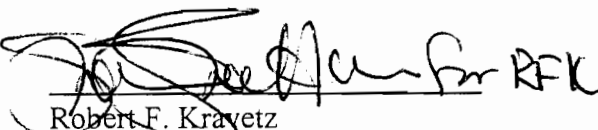
the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p) (as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c)).

All pursuant to Title 18, United States Code, §§ 981(a)(1)(C), 982(a)(1) & (a)(2) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

Foreperson

DAVID C. WEISS
United States Attorney

By: 
Robert F. Kravetz
Assistant U.S. Attorney

Dated: February 23, 2010