



Department of Justice

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FORMER ARMY SERGEANT FIRST CLASS PLEADS GUILTY TO GOVERNMENT THEFT CHARGES

WASHINGTON – Today in the Eastern District of North Carolina, Mauricio Espinoza, 34, plead guilty to conspiring to commit mail fraud and wire fraud, to steal and convert monies belonging to the U.S. Government, and to smuggle currency into the United States as well as to theft and conversion of government property.

According to the Indictment and information in the public record, between July, 2009 and January, 2010, while deployed to Afghanistan, former Sergeant First Class Espinoza, 34, and former-Staff Sergeant Philip Wooten, 36, (who previously pled guilty to the same offenses) stole federal monies entrusted to them and which were earmarked for operational and reconstruction efforts.

Espinoza deployed to Afghanistan from July 2009 through July 2010 with a small detachment from the United States Army 7th Special Forces Group. Espinoza's duties included that of Paying Agent. Wooten, who was assigned to the same detachment, was the Field Ordering Officer (FOO). As the FOO, Wooten was responsible for contracting with local vendors for various operational and reconstruction efforts in Afghanistan. As the Paying Agent, Espinoza was responsible for making payments to the local vendors to whom Wooten awarded contracts and for properly accounting for the expenditure of federal funds under his control. Together, as the Paying Agent and the Field Ordering Officer, Espinoza and Wooten were entrusted with U.S. funds allocated for military operations and reconstruction efforts in Afghanistan. Before their deployment and thereafter, the two soldiers planned how they would steal those funds.

Beginning in or about July 2009, Espinoza signed for and withdrew U.S. funds in the form of Afghani currency from the U.S. Finance Office on the military installation known as Kandahar Air Field (KAF). The funds were meant to finance purchases (such as provisions for the Special Forces Team) and construction projects near the team's forward operating base. Espinoza knew that he would have to periodically return to the United States Finance Office at KAF in Kandahar, Afghanistan, to review the status of the funds that he withdrew. In advance of each trip to the Finance Office, Espinoza and Wooten falsified receipts from Afghani vendors to reflect greater amounts than were actually paid for goods and services that the Afghans had provided. Espinoza then handed in the falsified, inflated receipts to the Finance Office and kept for himself and his co-conspirator the difference between the inflated numbers and the amounts

actually paid. Thereafter, and while still at the military base in Kandahar, the conspirators arranged with an Afghani national to have the stolen funds converted into U.S. dollars.

Once in possession of the U.S. dollars, Espinoza and his co-conspirator then converted a portion of the stolen funds into U.S. postal money orders, \$30,000 of which Espinoza shipped to the United States via an international carrier. Espinoza also purchased a Harley-Davidson motorcycle with some of the stolen funds.

In addition, Espinoza wired and caused to be wired some of the money electronically through Western Union to various locations in the United States and Peru. Espinoza directed at least one recipient of the wired money to transfer funds to his own bank account.

The total loss to the government exceeded \$200,000.

“The greed exhibited by this former Army NCO and his co-conspirator subvert the actions of our brave service members putting their lives on the line each day in Afghanistan. This Office will continue to vigorously prosecute those who steal from the American taxpayer,” commented United States Attorney for the Eastern District of North Carolina Thomas G. Walker.

"Mauricio Espinoza disgraced his country, the Army, and his Special Forces brothers, said John Strong, Special Agent in Charge of the Charlotte Division of the FBI. “Not only did he steal from funds earmarked for use by his Operational Detachment in the Afghanistan war effort, he submitted false paperwork to try and hide his crimes. He violated the essential trust our Special Forces leaders must have in these elite warriors when operating in combat conditions in a foreign land. The results of this joint investigation prove those that violate this sacred trust will be held accountable.”

“This guilty plea by a former senior non-commissioned officer in the Army’s Special Forces demonstrates the effectiveness of joint investigations by the Defense Criminal Investigative Service and other law enforcement partners,” stated Special Agent in Charge John F. Khin, Southeast Field Office, DCIS. “Former Sergeant First Class Espinoza was held accountable for conspiring with others to steal Government funds intended for our Warfighters and military operations in Afghanistan, and using the money for personal benefit. DCIS continues to aggressively combat corruption and fraud that waste precious American taxpayer dollars, especially in these times of reduced Defense spending.”

"SIGAR's agents work relentlessly to protect the American taxpayer and the reconstruction efforts in Afghanistan,” stated Special Inspector General for Afghanistan Reconstruction John F. Sopko. The Espinoza case demonstrates their outstanding work and the success of working joint investigations.”

At sentencing, set for November 7, 2013, Espinoza faces up to 5 years imprisonment for the conspiracy charge and up to 10 years imprisonment for the theft charge.

Wooten plead guilty to a criminal information on Dec. 13, 2011, which charged conspiring to commit mail fraud and wire fraud, to steal and convert monies belonging to the

U.S. Government and to smuggle currency into the United States along with aiding and abetting theft and conversion of government property. Wooten is set to be sentenced on Oct. 2, 2013.

The case was investigated by the Defense Criminal Investigation Service, United States Postal Inspection Service, Office of the Special Inspector General for Afghanistan Reconstruction, United States Army Criminal Investigation Command, and the FBI from Fayetteville, NC; Fort Walton Beach, FL; and Panama City, FL. Special assistance was provided by the U.S. Immigration and Customs Enforcement – Homeland Security Investigation. The case was prosecuted by Assistant U.S. Attorney Banumathi Rangarajan of the Eastern District of North Carolina and Fraud Section Trial Attorney Wade Weems of the Justice Department's Criminal Fraud Section.

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