



U. S. Department of Justice

News Release

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FORMER ARMY SERGEANT FIRST CLASS SENTENCED FOR
GOVERNMENT THEFT CHARGES

RALEIGH - United States Attorney Thomas G. Walker announced that in federal court today United States District Judge Louise Wood Flanagan sentenced **MAURICIO ESPINOZA**, 34, of Modesto, California, to 51 months of imprisonment and 3 years of supervised release. The Court further ordered **ESPINOZA** to pay \$114,034.80 in restitution and the forfeiture of criminal proceeds in the same amount.

After initially failing to appear for trial, **ESPINOZA** pled 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. **ESPINOZA** then failed to appear for his sentencing hearing originally scheduled for January 2014. He was subsequently arrested and placed in custody pending his hearing today.

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.

In a letter to the Court, Major General Edward M. Reeder, Jr., United States Army, reflected on the impact of the **ESPINOZA's** conduct on the Special Forces' mission overseas, noting that "The success of a Special Forces unit when dealing with the local Afghan populace is based on trust and respect. The majority of the Afghan population views the United States as one more in a long line of interlopers. When a person they regularly do business with, in this case Espinoza, is exposed as a thief and a liar, the established trust and respect is destroyed and can only be regained, if ever, through extraordinary efforts."

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, who provided significant cooperation during

the course of the investigation, was sentenced to 15 months imprisonment on October 3, 2013 for his role in this crime.

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, on detail from the Special Inspector General for Afghanistan Reconstruction (SIGAR).

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