

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon. Kevin McNulty
	:	
v.	:	Crim. No. 15- <u>576</u>
	:	
	:	18 U.S.C. §§ 1343, 1349 & 2
KEILA RAVELO	:	26 U.S.C. § 7201

INDICTMENT

COUNT ONE

(Conspiracy to Commit Wire Fraud)

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges:

BACKGROUND

1. At all times relevant to this Indictment:
 - a. Defendant KEILA RAVELO ("RAVELO") was a resident of New Jersey and an attorney who practiced law in New York. From at least on or about July 1, 2005 to on or about October 1, 2010, defendant RAVELO was a partner at "Law Firm 1," a law firm in New York. From on or about October 1, 2010 to on or about November 14, 2014, defendant RAVELO was a partner at "Law Firm 2," a law firm in New York.
 - b. Melvin Feliz ("Feliz") was a resident of New Jersey and defendant RAVELO's husband. Defendant RAVELO and Feliz maintained a joint bank account (the "Joint Bank Account") at a bank in New Jersey.

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c. “Client 1” was a client of Law Firm 1 during the time period when defendant RAVELO was a partner at Law Firm 1 and was a client of Law Firm 2 during the time period when defendant RAVELO was a partner at Law Firm 2.

d. “Vendor 1” was a limited liability company formed by defendant RAVELO and Feliz in or about January 2008. From at least as early as in or about March 2008 through in or about October 2013, Vendor 1 purportedly provided millions of dollars in litigation support services to Law Firm 1 and Law Firm 2 for the benefit of Client 1 and received payments of more than \$5,000,000 from Law Firm 1 and Law Firm 2 for these alleged services. Law Firm 1 and Law Firm 2, believing that Vendor 1 had provided the litigation support services, in turn, billed and were reimbursed by Client 1 in connection with these purported services. In reality, however, Vendor 1 provided no services to Law Firm 1 and Law Firm 2 for the benefit of Client 1 or otherwise. Moreover, the vast majority of the money that went into Vendor 1’s bank account from Law Firm 1 and Law Firm 2 was either: (i) used directly to pay for defendant RAVELO and Feliz’s personal expenses, or (ii) wire transferred into the Joint Bank Account and then used to pay for defendant RAVELO and Feliz’s personal expenses or investments. At no time, however, did defendant RAVELO disclose to Law Firm 1 or to Law Firm 2 that she and Feliz had a direct financial interest in Vendor 1.

e. “Vendor 2” was a limited liability company formed by defendant RAVELO and Feliz in or about April 2011. From at least as early as in or about July 2011 through in or about July 2014, Vendor 2 purportedly provided services to Law Firm 2 and received payments in excess of \$1,000,000 from Law Firm 2 for these alleged services. Law Firm 2, believing that Vendor 2 had provided the litigation support services, in turn, billed and was reimbursed by Client 1 in connection with these purported services. In reality, however, Vendor 2 provided no services to Law Firm 2 for the benefit of Client 1 or otherwise. Moreover, the vast majority of the money that went into Vendor 2’s bank account from Law Firm 2 was either: (i) used directly to pay for defendant RAVELO and Feliz’s personal expenses, or (ii) wire transferred into the Joint Bank Account and then used to pay for defendant RAVELO and Feliz’s personal expenses or investments. At no time, however, did defendant RAVELO disclose to Law Firm 1 or to Law Firm 2 that she and Feliz had a direct financial interest in Vendor 2.

THE CONSPIRACY

2. From at least as early as in or about 2008 through in or about July 2014, in Bergen County, in the District of New Jersey and elsewhere, defendant

KEILA RAVELO

did knowingly and intentionally conspire and agree with Feliz and others to devise a scheme and artifice to defraud Law Firm 1, Law Firm 2 and Client 1, and to obtain money and property from Law Firm 1, Law Firm 2 and Client 1 by

means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice to defraud, to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

OBJECT OF THE CONSPIRACY

3. It was the object of the conspiracy for defendant RAVELO and Feliz to enrich themselves by fraudulently obtaining money from Law Firm 1, Law Firm 2 and Client 1.

MANNER AND MEANS OF THE CONSPIRACY

4. It was part of the conspiracy that defendant RAVELO and Feliz formed Vendor 1 and Vendor 2.

5. It was further part of the conspiracy that defendant RAVELO and Feliz caused Vendor 1 and Vendor 2 to submit fraudulent invoices to Law Firm 1 and Law Firm 2, which invoices sought payment for work purportedly performed by Vendor 1 and Vendor 2, but which work defendant RAVELO and Feliz then and there well knew was never performed.

6. It was further part of the conspiracy that defendant RAVELO failed to disclose her financial interests in Vendor 1 and Vendor 2 to Law Firm 1 and Law Firm 2.

7. It was further part of the conspiracy that defendant RAVELO used her position as a partner at Law Firm 1 and Law Firm 2 to authorize payments

from Law Firm 1 and Law Firm 2 to Vendor 1 and Vendor 2, which authorizations falsely represented that Vendor 1 and Vendor 2 had provided the services for which they sought compensation.

8. It was further part of the conspiracy that defendant RAVELO's authorizations to pay the fraudulent invoices caused wire transfers of funds from outside of New Jersey to inside of New Jersey, including into the Joint Bank Account and Vendor 2's bank account.

9. It was further part of the conspiracy that defendant RAVELO and Feliz used the majority of the funds in the Joint Bank Account for their personal expenses or investments.

10. It was further part of the conspiracy that when questioned by Law Firm 2 about Vendor 2 invoices, defendant RAVELO, in order to cover up and enable the conspiracy to continue, provided Law Firm 2 with documents that defendant RAVELO claimed were produced by Vendor 2, but which in fact defendant RAVELO knew were not produced by Vendor 2 as defendant RAVELO had obtained many if not all of those documents from an attorney at another law firm.

11. It was further part of the conspiracy that using the manner and means described above, defendant RAVELO and Feliz fraudulently obtained approximately \$7,800,000 from Law Firm 1, Law Firm 2, and Client 1.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO THROUGH FIVE

(Wire Fraud)

1. The allegations set forth in paragraph 1 and paragraphs 3 through 11 of Count One of this Indictment are realleged and incorporated as though fully set forth in this paragraph.

2. From at least as early as in or about 2008 through in or about July 2014, in the District of New Jersey and elsewhere, defendant

KEILA RAVELO

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud Law Firm 1, Law Firm 2 and Client 1, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

3. On or about the dates set forth below, in the District of New Jersey and elsewhere, for the purpose of executing and attempting to execute such scheme and artifice to defraud, defendant RAVELO did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce to New Jersey, the following writings, signs, signals, and sounds, each constituting a separate count of this Indictment:

Count	Approximate Date	Description
2	November 27, 2012	A wire transfer of approximately \$361,050 from the bank account of an accounting firm hired by Law Firm 2, which bank account was located in California, to Vendor 2's bank account which was located in New Jersey

3	May 8, 2013	A wire transfer of approximately \$237,010 from the bank account of an accounting firm hired by Law Firm 2, which bank account was located in California, to Vendor 2's bank account which was located in New Jersey
4	April 28, 2014	A wire transfer of approximately \$119,125 from the bank account of an accounting firm hired by Law Firm 2, which bank account was located in California, to Vendor 2's bank account which was located in New Jersey
5	July 17, 2014	A wire transfer of approximately \$237,510 from the bank account of an accounting firm hired by Law Firm 2, which bank account was located in California, to Vendor 2's bank account which was located in New Jersey

In violation of Title 18, United States Code, Section 1343 and Section 2.

COUNTS SIX THROUGH NINE

(Tax Evasion)

1. The allegations set forth in paragraph 1 and paragraphs 3 through 11 of Count One of this Indictment are realleged and incorporated as though fully set forth in this paragraph.

2. During the tax years listed in the table below, defendant RAVELO and Feliz fraudulently obtained the approximate amounts listed in the table below through the conspiracy described in Count One of this Indictment.

3. Upon that income, there was owing to the United States an income tax in the approximate amounts listed in the table below by defendant RAVELO and Feliz.

4. On or about the dates listed below, defendant RAVELO and Feliz jointly filed and caused to be filed with the Internal Revenue Service Forms 1040, U.S. Individual Income Tax Returns, for the tax years listed in the table below, which tax returns did not list the income described in paragraph 2 above and the table below.

5. During each of the calendar years 2009 through 2013, defendant RAVELO engaged in numerous affirmative acts to conceal and attempt to conceal the income described in paragraph 2 above and the table below, in order to evade the assessment of a tax, including: (i) using nominees to control Vendor 1 and/or Vendor 2; (ii) causing income to be sent by Law Firm 1 and/or Law Firm 2 to Vendor 1 and/or Vendor 2; (iii) using Vendor 1 and/or Vendor 2's bank accounts

to pay for personal expenses; and (iv) not providing records reflecting this income to their accountant and filing and causing to be filed false tax returns.

6. On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

KEILA RAVELO

did knowingly and willfully attempt to evade and defeat a substantial part of the income tax due and owing to the United States for the tax years set forth below, in that she engaged in the acts described in paragraph 5 above and filed and caused to be filed with the Internal Revenue Service the tax returns, Forms 1040, listed in the table below, knowing them to be false and fraudulent in that the taxable income reported by defendant RAVELO did not include the income described in paragraphs 1(d), 1(e), and 11 of Count One and set forth in the chart below, each such return constituting a separate count of this Indictment:

Count	Tax Year	Approximate Undeclared Income	Approximate Tax Due	Approximate Date Filed	Approximate Dates of Offense
6	2009	\$1,310,000	\$457,000	November 23, 2010	January 1, 2009 – November 23, 2010
7	2010	\$530,000	\$185,000	November 4, 2011	January 1, 2010 – November 4, 2011
8	2011	\$1,390,000	\$422,000	January 7, 2013	January 1, 2011 – November 7, 2013

9	2012	\$2,360,000	\$801,000	November 22, 2013	January 1, 2012 – November 22, 2013
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In violation of Title 26, United States Code, Section 7201, and Title 18,
United States Code, Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in Counts One through Five of this Indictment are realleged and incorporated by reference as though set forth in full herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2), and Title 28, United States Code, Section 2461.

2. Upon conviction of one or more of the offenses charged in Counts One through Five of this Indictment, defendant RAVELO shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and 982(a)(2), and Title 28, United States Code, Section 2461(c), all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of to such conviction, and all property traceable to such property, including but not limited to a sum of money representing the proceeds of the offense, which for Count One is \$7,897,143; all of the defendant's right, title and interest in the following property; and all property traceable to such property:

a. the net proceeds from the sale of the lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, known as 465 Brickell Avenue, Apartment 4001, City of Miami, County of Miami-Dade, Florida;

b. the lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, known as 164 Chestnut Street, Englewood Cliffs, County of Bergen, New Jersey;

c. the lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, known as 1740 Taylor Avenue, City of New York, County of Bronx, New York;

d. the net proceeds from the sale of the lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, known as 465 Brickell Avenue, Apartment 4002, City of Miami, County of Miami-Dade, Florida; and

e. the lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, known as 5506 Inspiration Terrace, City of Bradenton, County of Manatee, Florida.

f. one 2009 Bentley Continental Flying Spur Sedan, VIN SCBBP93W39C061317

3. If by any act or omission of defendant RAVELO any of the property subject to forfeiture herein:

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 subdivided without difficulty, the United States shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by 18 U.S.C. § 982(a)(2) and 28 U.S.C. § 2461(c).

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

A TRUE BILL



FOREPERSON



PAUL J. FISHMAN
United States Attorney

CASE NUMBER: 15-576 (km)

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

KEILA RAVELO

INDICTMENT FOR

18 U.S.C. §§ 1343, 1349, & 2 and
26 U.S.C. § 7201

PAUL J. FISHMAN

UNITED STATES ATTORNEY, NEWARK, NEW JERSEY



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