

Department of Justice
U.S. Attorney's Office
Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

Wednesday, April 14, 2021

Labor Contractor Indicted for Operating Undocumented Worker Conspiracy and Extensive Tax Fraud

Quarryville Business Owner Supplied Hundreds of Workers to Mushroom Farms in Chester County

PHILADELPHIA – Acting United States Attorney Jennifer Arbittier Williams announced that Miguel Morales, 48, of Quarryville, PA; Jose Morales, 39, also of Quarryville, PA; Oscar Carrillo-Perez, 35, of West Grove, PA; and Santiago Garcia-Ramirez, 44, of Landenberg, PA; were arrested in a take-down operation conducted this morning following their Indictment on charges of conspiring to transport, and transporting, people who are not lawfully present in the United States. Additionally, Morales was charged with making false statements. In a separate Indictment, Miguel Morales and Lawrence Urena, 49, of Spring Lake, North Carolina (who was also arrested) were charged with conspiracy to defraud the United States and failure to collect and pay employment taxes.

According to the first Indictment, Miguel Morales, who owns and operates Morales Contractor based in Pennsylvania, provided a contracted labor force to various mushroom farms in Chester County, PA. These farms were businesses that were independent from Morales. Unbeknownst to these mushroom farms, the labor force Morales provided was comprised of hundreds of undocumented workers. Morales provided some of these workers with housing in 10 properties that he owns in Lancaster and Chester Counties, and with transportation to and from the farms where they worked – charging those workers for both rent and transportation. The Indictment alleges that, from at least 2018, Miguel Morales, Carrillo-Perez, Garcia-Ramirez, and Jose Morales conspired to transport these undocumented workers who were illegally in the United States. The Indictment also alleges that Miguel Morales hired people regardless of their immigration status, hired undocumented aliens who were not lawfully present in the United States, did not file Form W-2 Wage and Tax Statements, and failed to collect and pay over to the IRS employment taxes for his business.

Defendants Carrillo-Perez, Garcia-Ramirez, and Jose Morales allegedly participated in the conspiracy by driving vehicles registered to Miguel Morales to transport the undocumented workers between their residences and the farms where they worked for Morales Contractor, handing out paychecks to the workers, and driving them to La Latina International Market in Oxford, PA, where they could cash their paychecks and wire money to foreign countries. La Latina also was operated by Miguel Morales. The remaining counts of the Indictment charge all of the defendants with transporting undocumented people across state lines on various dates.

The second Indictment alleges that Miguel Morales and Lawrence Urena conspired to obstruct the IRS in its lawful assessment and collection of unemployment taxes. According to this Indictment, Urena operated Urena Accounting, which was a tax preparation business that handled accounting work for Morales, including weekly payroll. For calendar year 2020, Morales paid wages of \$3,644,142 to employees, many of whom earned \$10 per hour, which required him to withhold and pay over to the IRS approximately \$921,968 in employment taxes. However, Morales allegedly paid no employment taxes to the IRS in 2020. Further, the Indictment also alleges that from 2015 to 2018, Morales paid the IRS only a fraction of what he owed, resulting in a tax loss of approximately \$2 million.

“According to the Indictment, Miguel Morales and the other defendants knew they were employing undocumented workers as part of a years-long scheme to avoid paying their fair share of taxes to the United States,” said Acting U.S. Attorney Williams. “This case is about exploiting those less fortunate out of sheer greed. This type of fraud will not be tolerated in this District, and these defendants will now have to answer to these charges.”

If convicted, the defendants could face the following possible sentences: Miguel Morales faces a maximum possible sentence of 250 years of in prison, and a \$8,750,000 fine; Lawrence Urena faces a maximum possible sentence of five years in prison, and a \$250,000 fine; Carrillo-Perez faces a maximum possible sentence of 65 years of in prison, a \$1,750,000 fine; Garcia-Ramirez faces a maximum possible sentence of 85 years in prison, and a \$2,250,000 fine; and a Jose Morales faces a maximum possible sentence of 15 years of imprisonment, \$500,000 and a period of supervised release of 3 years.

The case was investigated by Internal Revenue Service Criminal Investigation, Homeland Security Investigations, Department of Labor Office of Inspector General, and the Chester County Detectives; and is being prosecuted by Assistant United States Attorney Karen Grigsby.

An indictment, information, or criminal complaint is an accusation. A defendant is presumed innocent unless and until proven guilty.

Topic(s):

Tax

Component(s):

[USAO - Pennsylvania, Eastern](#)

Contact:

UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT OF PENNSYLVANIA
615 Chestnut Street, Suite 1250
Philadelphia, PA 19106

JENNIFER CRANDALL

Media Contact

215-861-8300

If you have not done so already, follow @USAO_EDPA and @USAttyWilliams on Twitter to get the most up-to-date information about big cases and community news.