

ORIGINAL FILED

UNITED STATES DISTRICT COURT

for the

District of New Jersey

AUG - 9 2011

WILLIAM T. WALSH, CLERK

United States of America)

v.)

Richard Rufo)

Case No. 11-MJ-1027 (AMD)

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of September 2008 through May 2011 in the county of Burlington in the District of New Jersey, the defendant(s) violated:

Code Section
18 U.S.C. § 1001.

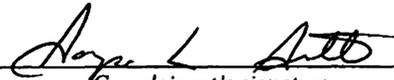
See Attachment A.

Offense Description

This criminal complaint is based on these facts:

See Attachment B.

Continued on the attached sheet.


Complainant's signature

Sonja L. Scott, Special Agent
Printed name and title

Sworn to before me and signed in my presence.

Date: 08/09/2011


Judge's signature

City and state: Camden, New Jersey

Honorable Ann Marie Donio - U.S.M.J.
Printed name and title

**CONTENTS APPROVED
UNITED STATES ATTORNEY**

By: 
STEVEN D'AGUANNO, Assistant U.S. Attorney
Date: August 9, 2011

ATTACHMENT A

From at least in or around September 11, 2008, through at least in or about May, 2011, RICHARD RUFO, d/b/a USS, has, in a matter within the jurisdiction of the executive branch of the United States, namely, the United States Department of Labor, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations, made and used false writings and documents knowing them to contain materially false, fictitious, and fraudulent statements and entries, and falsified, concealed, and covered up by trick, scheme, and device, certain material facts, for the purpose of obtaining tax-free FECA benefits to which he was not entitled - in violation of Title 18 USC Section 1001.

ATTACHMENT B

I, Sonja L. Scott, am a Special Agent (hereinafter "Your Affiant") with the Department of Treasury, Office of Inspector (TOIG) General, and I am assigned to the Special Agent in Charge in Washington, DC. I have been a Special Agent with TOIG since April 2008. I was previously with the US Government Printing Office, Office of Inspector General from 2002 to 2008. My duties and responsibilities include the investigation of criminal violations related to the fraudulent receipt of Federal Workers' Compensation benefits, which benefits are governed by the Federal Employees' Compensation Act (hereinafter "FECA"), Title 5, United States Code, Section 8101 et. seq. and administered by the United States Department of Labor, Office of Workers' Compensation Programs (hereinafter "OWCP"), a federal agency of the Executive Branch.

Introduction

1. Defendant Richard Rufo (hereinafter "Rufo") is a federal employee with the United States Mint (hereinafter "Mint"), in Philadelphia, Pennsylvania. He is, in actuality, a presently employed Mint Police Officer, and his duties and responsibilities include, among other things, the protection of Mint property and personnel. His salary is approximately \$69,000 per annum. Rufo, however, is also presently on "full disability" with the U.S. Mint due to an existing injury occurring on the job. As a result of this injury, he was subject to filing specific forms in order to obtain said FECA benefits. He is restricted in the earning of income outside his FECA benefits.

2. On or about September 11, 2008, Rufo reported that he injured his back closing a gate at his place of employment, the Philadelphia Mint. He alleges that he has not recovered from said injury. From on or about September 11, 2008, until the date of this Complaint, Rufo has not reported to work because of this injury. Mr. Rufo has been offered a more sedentary position at the Mint where he would only be required to answer phones and use a computer. He refused this offer as too strenuous. During the periods referenced above, Rufo sought and received federal workers' compensation benefits under the Federal Employees' Compensation Act (hereinafter "FECA"), Title 5, United States Code, Section 8101 et. seq.

Overview of FECA

3. Under FECA, benefits are available to federal employees who sustain work-related injuries or occupational diseases. These benefits include compensation for lost wages and the payment of medical expenses. The United States Department of Labor, Office of Workers' Compensation Programs (hereinafter "OWCP") administers the FECA program.

4. As a condition of receiving FECA benefits, OWCP requires claimants to truthfully complete a "Claim for Compensation" [CA 7 Form] which seeks wages lost for each claimed (brief) period, and then a Form 1032 when disability is for an extended period or for "full disability". These forms, in pertinent part, require the claimant to truthfully disclose the following information:

(a) whether the claimant had worked for any employer during the prior fifteen months for which the claimant received a salary, wages, income, sales commissions, piecework, or payment of any kind;

(b) whether the claimant was self-employed or involved in any business enterprise during the prior fifteen months, including operating a business or providing services in exchange for money, goods, or other services, to include activities such as contracting work, mechanical work, and "odd jobs,";

(c) [the form 1032 requires disclosure] if the claimant was self-employed or involved in a business enterprise during the prior fifteen months, then the claimant is required to report the dates of such self-employment, a description of the work performed, the claimant's rate of pay (including meals and reimbursed expenses) and actual earnings, among other things; and,

(d) whether the claimant performed any work or had an ownership interest in any business enterprise during the prior fifteen months, even if the business lost money, the profits were reinvested, or the profits were paid to others.

5. The Form 1032 advises claimants that the fraudulent concealment of material information or the making of false statements could result in criminal penalties.

Rufo's False and Fraudulent Forms 1032

6. Mr. Rufo is the Owner of United Safety Supply (hereinafter "USS"), a for-profit company located at his

residence in Mount Laurel, New Jersey. USS sells law enforcement badges, pins, patches, coins and other police memorabilia bearing badges, such as on T-shirts and jackets. Mr. Rufo takes orders from his internet website and from his business telephone. He then purchases these items through vendors in Taiwan and the Virgin Islands.

7. On or about April 22, 2009, OWCP received a Form 1032 that Rufo had signed on or about April 16, 2009. The OWCP form had been previously mailed to Rufo at his residence. On this Form 1032, Rufo indicated that he had been involved in a "part-time" home sales business from in or around February 2008 through on or about April 2009 (hereinafter "the prior fifteen months"). He indicated that he had not worked for any other employer during the prior fifteen months. Rufo falsely reported on this Form 1032 that he had earned NO income, sales commissions, or rates of pay.

8. On or about May 17, 2010, OWCP received a Form 1032 that Rufo had signed on or about May 10, 2009. The OWCP form had been previously mailed to Rufo at his residence. On this Form 1032, Rufo indicated that he was involved in no employment of any kind. Indeed, he specifically eliminated reference to USS during "the prior fifteen months". Again, Rufo reported that he had earned NO income, sales commissions, or rates of pay of any kind on this Form 1032.

9. On or about May 24, 2011, OWCP received a Form 1032 that Rufo had signed on or about May 17, 2011. The OWCP form had been previously mailed to Rufo at his residence. On this Form 1032, Rufo restated his association with USS for the period of January 2010 until May 17, 2011. He again declared that he received NO actual earnings, income, sales commissions, or rates of pay of any kind.

Undercover investigation

10. On or about September 10, 2010, and September 29, 2010, Your Affiant conducted consensually monitored telephone calls to USS. Your Affiant had federal agent(s) speak to Rufo on both occasions. Each time, he stated that he conducted his business from his residence in Mount Laurel, New Jersey and added that he has been so busy that "United Parcel Service trucks have routinely been at his house twice a day for deliveries". Rufo boasted that USS had a long list of federal clients, including the U.S. Marshals Service, U.S. Secret Service and US Department of Education.

11. On or about October 5, 2010, the Your Affiant interviewed Nathan Marceca, Assistant Special Agent in Charge, US Department of Education (DoEd), OIG. He stated Rufo has sold police memorabilia (badges, patches, challenge coins) for at least the past 10 years. Marceca personally went to the SUBJECT PREMISES in New Jersey on one occasion to collect items. Marceca also saw Rufo in May 2010, when Rufo and his wife Michelle were selling memorabilia from a booth for USS at Police week in Washington, DC. In approximately July 2010, Marceca contacted Rufo regarding DoEd OIG purchasing more challenge coins from USS.

12. On or about October 6, 2010, Your Affiant interviewed Lieutenant Aldustus Dailey, of the US Government Printing Office (GPO). He also stated that GPO had purchased badges from Rufo in 2008 and 2009, and that GPO officers also saw Rufo engaging the sale of law enforcement memorabilia at Police Week in May 2010.

13. Your Affiant has also determined that from in or around September 11, 2008, through on or about November 9, 2010, approximately 245 checks payable to USS were deposited into a corporate account under the name USS. The payors on these checks included individuals, federal, state and local law enforcement organizations. These checks were made payable to USS or Rufo directly, and then deposited into the USS account. They appear to be endorsed either by Richard Rufo or Michelle Rufo. The "for" or "memo" portions on many of these checks show the reference "badges" or "patches."

14. On March 13, 2011, after discussions with your Affiant, and acting in an undercover capacity (hereinafter "UC"), an Agent from Department of Labor (OIG) contacted Rufo at his residence via telephone. The UC agent, posing as a potential customer, inquired of Rufo regarding the purchase of badges, "challenge coins," badges, golf balls with emblems, etc. Rufo responded that his company could provide these items. The UC agent provided Rufo with a money order for \$180.00, and was advised that the items would be available in three to four weeks.

15. On or about May 13, 2011, Your Affiant attended the annual Police Week in Washington, DC. Rufo and his wife were observed at a large display for USS selling pins, badges, patches challenge coins, and apparel. At this location, Rufo set up two 8ft tables, length wise, and proceeded to display his merchandise, complete with badges, patches, coins, etc. Rufo did a cash business, as well as taking orders for future completion. It was apparent to your Affiant that the physical disabilities Rufo claims on his Forms 1032 did not inhibit his ability to conduct the business of USS.

16. On or about June 14, 2011, the UC agent went to Rufo's residence and spoke with Rufo. The UC presented him with another money order for \$220.00, and received his order. Rufo informed the UC agent that he had been conducting business under USS for a number of years and that the company has been very profitable.

17. Bank records obtained during the course of this investigation reveal that from the time period of September 2008 (the time of the injury) until November 2010, a little over 2 years, USS grossed a total of \$1.1 million dollars; that USS had paid its vendors and service providers approximately \$690,000; this has netted USS\Rufo approximately \$318,000 in revenue. Despite very clear directives from OWCP that he is to report all work activities thoroughly and completely, including "rate of pay" and/or "actual" earnings, Rufo reported neither the total amount USS grossed nor the sum netted, or any portions thereof, on his Forms 1032.

18. Based upon the above representations, your Affiant believes sufficient facts have been presented to establish that Richard Rufo has provided false and fraudulent information on his OWCP forms 1032.